

HEFCE 01/30

May

Report

Getting ahead: graduate careers in hospitality management



COUNCIL FOR HOSPITALITY
MANAGEMENT EDUCATION

Contents

Acknowledgements	3
Introduction	4
Key findings	5
Concerns	5
Industry	5
Education	6
Commendations	6
Industry	6
Education	7
Building on best practice	7
Industry	8
Education	8
Key actions	8
Background	10
Research approach	12
Aims	12
Research methods	12
Research issues	13
Research sample	13
Management careers in the hospitality industry	15
Management structures	15
Management competencies and roles	15
Management progression	17
Equal opportunities	18
Graduate recruitment and progression in the hospitality industry	20
Recruitment	20
Graduate progression	21
Perceptions of graduates	22

Appendix one: Sector Reports – executive summariesERROR!
BOOKMARK NOT DEFINED.

Contract catering sector	Error! Bookmark not defined.
Hotel sector	Error! Bookmark not defined.
Leisure sector	Error! Bookmark not defined.
Licensed retail sector	Error! Bookmark not defined.
Restaurant sector	Error! Bookmark not defined.
Welfare sector	Error! Bookmark not defined.

Appendix two: Small firms sector ERROR! BOOKMARK NOT DEFINED.

Appendix three: Outcomes of focus group meetingsERROR! BOOKMARK
NOT DEFINED.

Appendix four: Membership of steering groupERROR! BOOKMARK NOT
DEFINED.

Acknowledgements

This ambitious project has attempted to build a picture of practices across all sectors of what is one of the UK's largest and most dynamic industries. It would not have been possible to achieve the results reported here without the willing help of a wide range of people.

First, we must thank the sponsors who provided the funding to support this research without whom nothing could have been achieved. Our heartfelt thanks go to the Higher Education Funding Council for England, who instigated the research, the Savoy Educational Trust, the British Hospitality Association, the Hotel and Catering International Management Association, Granada plc, Gardner Merchant, and Stakis. Finding funding for research in the hospitality industry is always difficult but these organisations have given a commitment to the future of the industry that should be enthusiastically applauded.

We would like to thank all the members of the research steering group over the total period of the research who have given up their time and energies to keep the research on the right track and to share their knowledge and experience to ensure that the results reported here have the highest value.

This research could not have been completed without the assistance of all the companies who allowed the research team access to their organisations and to ask sometimes difficult and challenging questions. The warmth and openness with which we were received by these companies was a clear reflection of the ethos of hospitality. We cannot name these companies here in order to maintain confidentiality but they all deserve our sincere thanks.

Once the companies had agreed to participate in the research it was then down to many hundreds of individuals who gave their time to answer our questions and provided revealing insights into how policy was translated into action.

We would particularly like to thank the HEFCE for providing the impetus for this research and ensuring that we have stayed on track as the research has progressed.

This has been a team effort between five individuals from four different universities and has drawn widely on colleagues and resources at these universities to complete what has been a demanding project. Our sincere thanks go to these colleagues for their help and support. We must also go on record to thank each other for the spirit of collaboration and mutual support that has typified this project. We could not have had a better team to work with.

Introduction

This research emerged from a previous review of hospitality management higher education (HEFCE 98/15), which identified a need for a deeper exploration of the relevance of educational provision to careers in hospitality management. The research was commissioned to provide insight on a diverse industry and its response to the development of a higher education sector that provides vocational courses which produce graduates looking for management careers. It was in response to concern that there was a mismatch between the industry, higher education and student expectations. A significant finding of the research was that those concerns were largely unfounded.

The research represents one of the most comprehensive studies completed on the UK hospitality industry, covering both commercial and non-commercial sectors of the industry and considering all levels of management in both operational and functional roles. The research was conducted on behalf of the Council for Hospitality Management Education (CHME) by a team of five key researchers from four different universities.

There are strong reasons why the hospitality industry and its management should be considered a special domain. These include the scale of the industry, the diversity of its provision across a range of sectors each with its own particular characteristics, the speed of change within the industry, and the closeness to the customer. This closeness emphasises the need for the industry to keep ahead of changing customer requirements, and necessitates a unit-based structure that places special demands on management structures, roles and development.

HEFCE 98/15 reported strong evidence of good practice among the companies involved in the research, showing a high level of sophistication in human resources (HR) practices, management recruitment and management development. These companies welcomed the involvement of graduates in their organisations and indicated a clear preference for graduates of hospitality management courses.

The special nature of the hospitality industry has led to the development of higher education provision for students wishing to pursue careers in hospitality management that is distinct in its content and delivery from generic business studies programmes.

The research found that hospitality education was providing graduates with the range of knowledge and skills that the industry required and that they were preferred to graduates of more general disciplines. There was evidence that hospitality graduates also possessed the broader range of skills and knowledge that enabled them to take management positions in functional areas as well as those directly related to operations.

Even though the overall picture is a positive one there are still ways both industry and education can improve by learning from the examples of best practice that are detailed in the body of this report.

Key findings

The main findings are:

- a. Qualifications have a strong impact on the career development of managers in the corporate hospitality industry. There are a number of points in the management hierarchy that are difficult to pass without a degree level qualification. At the moment this tends to be at the area or senior management level.
- b. As the industry continues to develop and managerial roles and companies become more complex, the nature of the unit management role will increasingly require the skills and knowledge that graduates bring.
- c. While in-house programmes will continue to offer internal development, qualifications will be increasingly important in career progression, especially in larger companies.
- d. Evidence suggests that the industry favours hospitality graduates over graduates from other disciplines. Hospitality graduates were preferred for a number of reasons including their understanding of the way the industry works, the fact that they are more likely to '*stay the course*' and in general for their passion for and commitment to the industry. It was these qualities that were seen to give hospitality graduates '*the edge*'.

Concerns

It would be untrue to report that the picture was wholly positive. There were a number of areas that were identified as raising concerns from both industry and education perspectives.

Industry

- There was evidence that graduates, and managers in general, were given duties that did not make the most appropriate use of their skills and aptitudes. This was a key concern that led directly to graduates in first positions leaving the industry.
- While there was evidence of good pay and reward packages for managers in some sectors, this was not the case across all sectors and companies. Salaries in some organisations did not match the level of responsibility for sales turnover and staff management that might be expected. Recognition of the key role played by managers in making a success of the business was not always obvious.
- As reported earlier, the research found little evidence of direct discrimination in management careers on the grounds of gender or ethnic background. There were, however, examples of work practices adversely affecting the career development of some female managers. The industry has not yet reached a stage of maturity in or awareness of equal opportunities practices and it is likely that the career progression of some graduates is likely to be impeded.
- While the human resources professionals in all the firms in this research were fully aware of the contributions that graduates could make to their organisations, there were a number of individuals in operational roles who did not have the same awareness. It is possible that this will lead to less than perfect implementation of HR policies.

Education

- There is evidence that higher education does not consistently exploit the full range of industry contexts and still relies on the upmarket hotel sector as the prime exemplar. It is evident that other sectors, such as contract catering, restaurants and licensed retail, have a great deal to offer in the way of learning opportunities and examples.
- The industry continues to change rapidly, and the role of managers along with it. Part of this change signals a move from convergent to divergent forms of thinking. Some companies strongly favour graduates from the more controlled regime of the *'hotel school'* while others are looking for people who can think *'outside the box'*.
- A small number of areas do not seem to be fully covered by the higher education sector. These include
 - conflict resolution
 - gaming
 - languages.
- There was an expectation that the needs of the different industry sectors would be so strongly differentiated as to warrant sector-specific degree programmes. The research evidence does not support this view, as the sectors were found to consider essentially the same generic competencies as fundamental to the manager's role. It is possible, however, that sector-focused modules would be of benefit.

Commendations

The research has also discovered many areas of activity that are worthy of commendation and could be seen as representing *'best in class'* approaches.

To some extent, this might have been expected as the research approach adopted has concentrated on large employers as the main route for graduate progression and has used firms that were seen as exemplars of their sector. Set against this, the findings have also been informed by responses from 1,400 small firms through the Leeds Metropolitan University small firms survey.

Industry

- Contrary to expectations, all sectors of the industry and the vast majority of the companies within these sectors have displayed a high level of sophistication in and considerable commitment to their human resources policies and procedures. Most companies had developed clear competency profiles for their managers against which performance was assessed. Management development programmes were in place and in operation. Career structures were defined and established. Paths of development could lead (after appropriate training activities) from front-line operative to senior management in many organisations. The industry does suffer from a poor image for employment practices but it should be applauded for the efforts it is making to reap the rewards of developing its own internal labour market. This must be of benefit to all staff, including graduates.
- Again contrary to expectations, there was generally a strong awareness of the nature of degree programmes, including those in hospitality management. There was an expressed desire to employ graduates, even in those operations

that did not have the resources or were not able for other reasons to provide a dedicated graduate management programme.

Education

Hospitality higher education has long prided itself in not only providing vocationally relevant knowledge, understanding and analysis but also developing the individual's skills and abilities. The particular areas highlighted by this research were:

- There is no evidence to suggest that graduates from hospitality management programmes are demonstrably deficient in any of the skill areas identified by industry as important in first-line managers.
- People skills. Without exception the ability to handle, lead and manage people as customers, superiors, colleagues or subordinates was seen as the key skill that hospitality managers require most and use most often.
- Commercial skills. Higher education has often been criticised for spending too much time on the '*academic*' and less '*practical*' business subjects and not enough on cooking. The clear message from all industry sectors, both public and private, was that business acumen and commercial awareness is fundamental to the future success of managers at all levels and to the success of the industry as a whole.
- Transferable skills. Accepted as a core part of the higher education curriculum and now appearing at all levels of education, a whole range of transferable or common skills of both a numerical and verbal nature is needed by graduates. Whether preparing a formal report to the board of directors or presenting to service staff just before opening the restaurant doors, graduates stand out as offering a range of skills that others may not have developed.
- Problem solving. As industry moves to a more devolved pattern of management, all managers need to be able to tackle and resolve day to day operational problems as well as those of a more tactical and strategic nature. Again graduates are seen as offering competence in this area.
- Food and beverage management. For many years, education has been attacked as not providing the food and beverage skills that the industry requires. It would appear from this research that these accusations are groundless and that current higher education practice of moving away from developing technical skills to a detailed appreciation of operating systems and concepts is actually what the vast majority of the industry now requires of its managers. Managers are much more likely to need to consider the changes in customer eating out behaviours and their impact on roadside restaurants than how to fillet six different types of fish. There is no doubt that graduates, particularly in first level managerial positions, need to be able to cope with the technical operational complexity of hospitality operations, but it is only at the extremes of the industry that high level technical knowledge and skills are really required.

Building on best practice

The research has found clear evidence of good practice both in the industry and in higher education. This good practice needs to be disseminated widely across the industry and higher education to ensure that all organisations gain the maximum benefit. In addition, this message needs to be spread to a wider audience to enhance the reputation of the industry as a good employer offering excellent career opportunities for bright young people and to emphasise the high status of hospitality management education.

In particular, organisations should consider the following examples of good practice for further development and adaptation.

Industry

- This research has highlighted a number of organisations that have in place exemplary approaches to the career development of their employees and who offer excellent opportunities to graduates from hospitality degrees and other disciplines. Companies should be encouraged to recognise their leadership role and help to spread good practice to others in the industry.
- There is only limited evidence of companies proactively seeing students on placement from university as a pool of future potential managers and providing direct routes to facilitate this. It would be straightforward for companies to maintain records of when the students that they have valued on placement are reaching graduation. They could then be offered interviews or places directly on graduate programmes or in first positions. Some companies may wish to consider sponsorship of particularly good students during their final year with a guaranteed contract of employment.
- The evidence collected supports the view that experiences in the first post on graduation can be 'make or break' as far as long term employment in the industry is concerned. Companies should give careful consideration to graduates' first jobs and ensure that pay rates, conditions of employment and levels of responsibility and challenge reflect those offered in competing sectors and industries.
- There is a clear need for companies to develop their equal opportunity/diversity management policies and put in place programmes of action.

Education

- The education sector should be encouraged to work more closely with all sectors across the breadth of the industry and not to concentrate unnecessarily on specific sectors to the detriment of others.
- At the local level, individual universities and companies should continue to work together to understand each other's operating environment, needs and stakeholder demands and to ensure that students develop realistic expectations of and recognise the opportunities for employment in the industry.
- At a national level, CHME, industry bodies and companies should work together in sharing their ideas and concerns in a spirit of co-operation in order to continue to develop the curriculum and influence government policy and opinions.
- Following dissemination through CHME, educational members should be encouraged to use the findings from this research in teaching (as case study examples) and in careers advice.
- By encouraging contact between educational providers and industry, it should be possible to build placements in a broad range of sectors and organisations offering appropriate pedagogic and industrial outcomes.

Key actions

- **Dissemination**

The research team, collectively and individually, will disseminate the research findings through papers and articles, which present an up-to-date picture of current human resource practice in the hospitality industry.

Industry bodies should be encouraged to use their trade media to disseminate the findings from this research and in particular to give publicity to good practice stories.

- **Broaden the curriculum base**

The research has highlighted a need for higher education to consider a further broadening of the curriculum to develop expertise covering all sectors of the industry, where currently some institutions have expertise in only some areas. The HEFCE restructuring and collaboration fund may provide an appropriate stimulus for work to be undertaken to enable some repositioning to be done.

- **Further develop career progression routes**

The research has highlighted good human resource practices across the industry. However, further work is needed to make the best use of students' industrial work placements, to examine the management of graduates at the early stages of their careers, and to further develop equal opportunities policies and procedures.

- **Further research**

It is recommended that this research be repeated every three years in order to 'take the temperature' of careers and industry needs. The study should seek the views of key organisational representatives across a sample of businesses using a simplified methodology, similar to that used in this study. Funding for this ongoing research will need to be sought.

Background

Representatives of the Council for Hospitality Management Education (CHME) undertook this research for the HEFCE for hospitality management education. The research follows from an earlier report (HEFCE 98/15, 1998) exploring the provision of hospitality management education within the HEFCE funding area, and was charged with exploring the relevance of current educational provision to careers in hospitality management.

HEFCE 98/15 defined hospitality management as *'having a core which addresses the management of food, beverages, and/or accommodation in a service context'* (page 2). Although there are important generic features to the industry, it is best analysed as a series of sectors spanning commercial organisations that provide hotel, restaurant, pub and bar, and contracted catering services as a source of profit. In addition these services are delivered in non-commercial settings in schools, hospitals, welfare and university settings, and in commercial organisations where hospitality services are provided as an added aspect of a core economic activity of other leisure activities – say, in cinemas, theatres, sports, and gaming venues. When all these activities are taken into account, hospitality activities employ approximately 2 million people, and the Henley Centre (1996:15) suggested that for each hospitality job a further 1.3 jobs are created in support services in the wider economy.

Small firms dominate commercial sectors of the industry. Some 99 per cent of hospitality firms in these sectors employ fewer than 50 people, yet these firms account for only 45 per cent of total sales and 50 per cent of employment (Thomas et al, 2000). At the other end of the scale, in each of these commercial sectors a small number of branded businesses own and manage hundreds or thousands of hotels, restaurants, pubs and bars, or catering service contracts. These businesses offer management careers in multi-layered organisations at individual unit, multi-unit, middle and senior management positions.

The need for market proximity in the location of hospitality provision creates operational dynamics that limit the economies of scale when compared with the manufacturing sector. Although there have been moves to centralise and simplify operational activities, the nature of the services provided requires that food, drink and accommodation services have to be produced in the unit for customers who mostly consume them on-site. As a result hospitality management is distinguished from generic management by the need to engage specific operational management competencies in addition to the generic management skills that could be found in business studies programmes. Certainly unit and multi-unit managers need to understand operational dynamics, and are increasingly required to deploy entrepreneurial skills even in the large, branded businesses.

Courses leading to qualifications in hospitality management are relatively new in the United Kingdom. The first graduates entered the labour market in the early 1970s and by the late 1990s there were more than 8,000 students enrolled on 79 courses in 27 institutions (Airey & Tribe, 2000). The total number of graduates and diplomates in the subject was estimated to be 2,000-3,000 per year (Cooper, 1998). Given an estimated 250,000 managers employed in accommodation, bars and restaurants services alone (Hospitality Training Foundation, 2000), *'there is no question of higher education providers "flooding the market" with graduates'* (HEFCE 98/15, page 8). Commenting on graduate entry into the industry, the same report stated that, *'initially, 80 per cent went into work connected with the industry'* (page 7).

Given the need for managers to practice generic management and operational management skills, undergraduate and higher national programmes incorporate both operational management and competencies developed via laboratory situations in training kitchens and restaurants, and through periods of industrial placement. Litteljohn and Morrison (1997) estimated that, on average, 23 per cent of students' contact hours at university or college were spent in laboratory situations and 64 per cent of this in food and beverage activities. In addition, most courses incorporated a one-year work placement as part of the programme. Given the focused nature of these programmes the subject has been described as having, '*widespread and mature links with its industry*' (HEFCE 98/15, page 15). However, there has been an acknowledged failure in communication with industry at large that has sometimes resulted in comments from practitioners that educators produce too many graduates, and not enough graduates go into the industry. The somewhat contradictory nature of these comments is in part a reflection of these communications failures, but also reflects the relatively low level of graduates working in the industry. This stands at just 5.5 per cent of all employees and employers, compared with 17.9 per cent across all industries (HtF, 2000).

Airey & Tribe (2000) describe hospitality courses as being prominently influenced by industry. '*The emphasis on practical and industry-oriented content is clear from module titles, such as food preparation techniques*'. The Council for National Academic Awards suggested that these programmes '*combined a range of business studies components*' as well as more generic management studies, and '*these are combined with specific hotel and catering studies which invariably include a science element*' (CNAAC, 1992:7). Airey and Tribe note that over recent years course titles have shifted from hotel and catering management to include *hospitality*, and whilst they recognise the change in title opens up a wider conceptual framework, '*at the same time it is clear that the vocational orientation remains at the core of the curriculum*' (2000:282). In fact they go on to establish these programmes as located in the vocational action quadrant when higher education provision in general is mapped against two continua – stance as reflection/action, and ends as liberal/vocational. This is shown in Figure 1.

They suggest that whilst this meets the needs of industry and employers, these programmes can be criticised as being '*dominated by the tyranny of relevance*' (2000:290). The study of hospitality in its broadest sense provides opportunities to locate the subject in the wider social sciences, and provides a more reflective agenda for educators. Certainly the link with industry and the vocational aims of these programmes locates them within one of several potential positions in higher education provision.

Figure 1 The use of curriculum space

Stance \ Ends	Reflection	Action
Liberal	Reflective liberal	Liberal action
Vocational	Reflective vocational	Vocational action

Research approach

The review of hospitality management (HEFCE 98/15) investigated the provision of hospitality management education in the HEFCE funding area. The report concluded inter alia that (page 2) *'there is a need for future research into the career routes of managers. We propose the sponsorship of a prototype for tracking the careers of managers in the industry, to identify the influence of qualifications on their progression'*. This report investigates these issues with the following specific aims.

Aims

- To explore management careers in the hospitality industry, with specific reference to the impact that higher education qualifications have on management careers.
- To explore the nature of work and skills required of managers in the industry, with a view to exploring the relevance of the current curriculum and educational practice in higher education to the needs of managers, and the value of a higher education to stakeholders.
- To explore current recruitment patterns as well as trends and developments in hospitality management careers, with a view to establishing future needs.
- To recommend a simplified process by which developments in management careers can be monitored in future.

Research methods

The research team adopted a sector-based approach to the analysis of management career paths and the contribution that qualifications make to careers. This involved the production of six detailed sector reports and this final report that combines the analysis from all the sectors studied and reaches overall conclusions. Outputs were as follows:

- a pilot study report on the Licensed Retail Sector – November 1999
- sector reports on Hotel, Restaurants, Contract Catering, Welfare catering, and Leisure & Entertainment – November, 2000
- the final report across all sectors – January 2001.

Using a case study methodology, each sector report was based on the detailed study of key hospitality organisations identified as representing different operations typical of that sector. The individual organisation studies included in-depth interviews with key senior personnel, life histories from managers in representative positions, and questionnaire results from a range of managers. Reports from each sector study include data from all of these sources. The executive summaries of each of these sector reports are included as Appendix One. In addition, the research has been informed by data from managers of small firms (see Appendix Two) and two graduate focus groups, one consisting of those following careers in the industry and one those who have withdrawn from it (see Appendix Three).

The research design and pilot study phase of the project involved all members of the project team (Doherty, Guerrier, Jameson, Lashley, Lockwood) under the leadership of Lashley and guided by the advice of the HEFCE project panel. This panel met on five occasions prior to the presentation of this report.

Research issues

- **The sectors included in the study.** The sectoral approach is important for two reasons. First, students frequently enrol on these courses with a narrow picture of the array of career opportunities available to them, and this study will establish career models from which to better inform their career choice. The second reason for adopting a sectoral approach is that educators need a detailed picture of both the diversity and commonality of management competencies for the industry.

a) Direct Services

Hotels
Restaurants
Licensed retailing
Contract catering

b) Indirect Services

Welfare services
Leisure and entertainment

- **Management career structures.** Whilst the sectors vary in structure, the following are key roles which are useful career stages and points of comparison: Unit management progression – Multi-unit management progression – Senior management progression.
- **Small firms.** Jameson's work (1996) shows that 21 per cent of graduates enter small hospitality firms, and the study establishes a picture of the types of small firm that they join.
- **Gender and ethnicity variations.** The study notes any variations in management development trajectories – levels and departmental variations on the grounds of gender or ethnicity.
- **Management skills and development.** There were some variations of emphasis amongst those programmes that were generic to the hospitality industry as a whole and those which specifically focused on a sector, say hotel or licensed retailing. At another level, the Graduate Standards Project (Harris et al, 1997) highlighted a number of generic and transferable skills which were to become a benchmark for all providers of hospitality management education.

Research sample

The sample drew on firms that represent types of organisation operating in each of the sectors identified earlier. The individual sector reports describe each in detail and provides case study information about the major organisations involved. In all cases the names of the firms have been changed for reasons of confidentiality.

Table 1 lists the participating case study organisations.

In practice, the research team met some barriers when conducting the research. The different sectors are in varying degrees undergoing rapid restructuring and change. The licensed retail sector, in particular, has experienced rapid change over the last decade as a result of the Monopolies and Mergers Commission report. Often this made access difficult as organisations merged or were acquired. In one company, researchers dealt with three different individuals in the post of Head of Personnel and Training within 18 months.

Access was sometimes a difficult and time consuming process as commercial organisations, though willing to participate, found it difficult to make time for interviews with researchers. Frequently, interviews were cancelled or postponed due to immediate commercial pressures.

The research also drew on a questionnaire survey gathered as part of the Leeds Metropolitan University's annual survey of small hospitality and tourism firms. The survey, based on a database of 4,000 firms, had usable results from almost 1,400 firms. For this purpose the study gathered information about the educational background of the owner managers themselves, and their employment of graduates, together with observations about the strengths and weaknesses of graduates.

Table 1: Organisations participating in the research

Sector	Firm	Descriptor
Contract catering	LargeCo1 LargeCo2 MediumCo EventCo CaterCo	Large international Large UK Middle sized overseas owned Small UK event catering Small regional UK
Hotels	Globalhotel Cityhotel Nationalhotel Regiohotel Budgethotel	Five star worldwide Four star national Three to four star out of town Private small to medium hotels Budget chain UK
Leisure	TheatreCo BowlingCueCo CasinoCo BingoCo FitnessCo	Multi-national conglomerate Major national International hotel group Leading international leisure Small independent national
Licensed Retail	NatbrewCo RetailCo RegioCo EastpubCo	National multi-brand with brewing National retailer no brewing Regional multi-brand with brewing Local retailer no brewing
Restaurants	FastfoodCo Roadside Hospitality Highstyle CoffeeCo Exoticrest	World leader in quick service National multi-brand chain International high profile individual operations National independent single brand chain Small independent ethnic
Welfare	CountyCouncil Social Services University National Health Trust	School meals and civic catering Residential homes Residential, conference and catering Hotel services in hospital

Table 2: Responses to the LMU's small firms survey

Principal activity of the business	No. of units	Principal activity of the business	No. of units
Visitor attraction	135	Fast food/takeaway	76
Hotel	186	Restaurant/café	126
Travel agent	179	Self catering accommodation	132
Public house or bar	92	Tour operator	122
B&B/guest house	221	Other	119
Total responding			1,388

Management careers in the hospitality industry

Management structures

The following categories of management role can be found in all sectors of the hospitality industry. The unit manager – that is, the manager with overall responsibility for a restaurant, pub, hotel, club or catering outlet – holds a role that is viewed as crucial throughout the industry. Because medium and large companies in the hospitality industries operate multiple units, in all sectors there is also a need for an area or regional management role; that is, a manager with multi-unit responsibility. Finally, there are functional managers with specialisms in, for example, human resource management, marketing or finance.

The nature of, and the career opportunities available in, each of these categories of management role vary considerably across the industry. The size and complexity of the unit is obviously a factor. Generally, unit management in smaller units – be they restaurants, hotels, contract catering outlets or pubs – tends to be hands-on and focused on operations. By contrast, within larger operations, for example hotels, the general manager is increasingly required to focus on longer-term strategy, product and market development, and it is his or her deputy who focuses on the day-to-day operation. The trend towards the branding of units that can be seen across most of the industry also impacts on the unit manager's role. Branding necessarily limits the extent to which the unit manager can alter the product, and thus constrains strategic decision-making to some extent. However, this leaves the unit manager free to focus on commercial decisions, or as one interviewee described it, '*where the business is coming from today, next week and next year. What markets are we going to try and develop? Which areas are we losing money in?*'. One general trend is for the industry to be more commercially focused, so unit managers in all sectors are increasingly assessed on their ability to maximise profits; in many companies, the most successful managers are rewarded with substantial bonuses.

Where there are large numbers of relatively small units – for example in the licensed retail sector, the restaurant sector and contract catering – there is also a requirement for relatively large numbers of multi-unit or area managers. In these types of operation, specialist managers, such as HR, marketing or finance, are commonly employed at the area or head office level rather than working within the units themselves. By contrast, in three- to five-star hotels, the larger size and complexity of each unit means there are career opportunities for specialist managers within units.

Management competencies and roles

There is general agreement across all sectors of the industry that the unit management role requires a mix of people skills, commercial skills and technical skills. The most frequently mentioned skills across all sectors of the industry were people-management skills: leadership and team working. Some respondents commented that the style of management used in the industry is changing, especially in those sectors that had traditionally used a more formal, controlling style. According to one hotel manager, '*Gone are the days when there was a hush when a manager came into the room, and that's allowed us to get closer to our teams*'. Managers need to be able to appraise, develop and motivate their staff. However, people skills are required for dealing with customers, suppliers and other stakeholders as well as staff. At one extreme, in international five-star hotels, a general manager might interact with a head

of state. At the other, a unit manager in Social Services catering was managing a 'caring service...providing care and social contact for the elderly, which is probably as important as the food'.

Food and beverage is agreed to be the most technically complex operation within the hospitality industry. Responses varied as to how much a manager needs to know about the practical food and beverage operation. The variation seems to depend on the size of the unit and the nature of the food and beverage provided – whether it is a simple, standardised product or a complex niche product. For example, in the Contract Catering sector, small companies tend to look for unit managers with 'hands on' cooking and operational skills, and thus with City and Guilds level qualifications (or equivalent). By contrast, the larger companies tend to play down the importance of food skills (although many of their current managers actually have craft level cooking qualifications). Within the restaurant sector, managers are generally expected to have the same level of operational expertise as the staff they manage; but within the simpler, more standardised operations they develop this through working their way through operational roles. Within the hotel sector, technical rooms division expertise is now generally regarded as more important than food and beverage expertise for those aspiring to become general managers. With more branded food and beverage outlets being provided in hotels, some respondents took the view that managers now need to know more about food concepts and trends, and are less likely to require a detailed knowledge of, for example, wines and menu design.

Within some sectors, other types of technical knowledge are more important: for example a knowledge of gaming in the club and casino sector, or licensing regulations within licensed retail. Where there is a requirement for managers to be licensed, this can limit the sources from which managers can be recruited. For example, an experienced bingo hall manager might be capable of managing a casino but would not be able to without gaining a gaming licence first.

Commercial skills are increasingly emphasised for unit managers of larger units: for example, within the larger Contract Catering companies, within the Hotel sector and in Licensed Retailing. Managers need an understanding of the market in which they operate. They need to be able to operate budgets. They need to understand where their revenue comes from and how to maximise revenue: they need, as one hotel manager described it, to '*think about the return on the painting behind the front desk*'. Some respondents commented that existing managers sometimes fell down on their commercial skills as traditional career paths emphasised the development of operational and people skills rather than business skills.

Although many respondents emphasised the need for managers to learn to work '*smarter not harder*' and many companies encouraged unit managers to take days off and holidays, unit managers often work long and unsociable hours, especially when managing small units and units which are busiest at weekends and evenings. Many respondents commented on the difficulty of balancing work and leisure/family life in this role. Although most managers now do not live in the unit they manage, the most satisfied managers saw their role as a life-style and not just a job. This was reinforced by the finding from the focus group discussions that those graduates who remained in the industry had often done so for life-style reasons. The rewards were the sense of personal ownership and pride managers felt about *their* hotel, restaurant, pub or club. The downside was that one never totally got away from one's work.

While, in many respects, the multi-unit manager requires similar skills to the unit manager, many managers find the transition difficult, as it requires distancing oneself

from day-to-day operational problems and taking a broader view. A multi-unit manager in a fast food company explained *'When I was a restaurant manager I had direct control over my unit, I could intervene directly to solve problems and my actions could directly build the business. Now I have to negotiate and work with managers. My job has changed to being more distant and I am on my own more. I found it very hard to cope at first'*. The multi-unit manager's role often involves substantial travelling.

Specialist managers clearly need an expertise in their specialism, and this sometimes requires extra qualifications. For example, most HR managers have IPD qualifications. Operational experience in the hospitality industry is sometimes, but not always, an additional advantage. One attraction of specialist roles is that managers often have more normal, even if long, working hours.

Management progression

There are three broad paths to becoming a manager. People may be developed into these roles *'through the ranks'* having entered the organisation in operative or supervisory roles, as bar staff, waiters, receptionists etc. They may come up through a management trainee programme, for example a graduate trainee programme. They may transfer into the company from management roles in competing companies. Across all sectors of the industry, many companies studied in this research have developed competency profiles for unit managers and use assessment centres to identify those with the appropriate skills.

In most parts of the industry, there remain good opportunities to work up through the ranks, and companies are rightly proud of the success of managers who have started at the bottom sometimes with no qualifications. Most companies have good internal management training and development programmes to support those who want to progress, and take the view that if someone had the right attitude other skills are *'trainable'*. However, several interviewees expressed the view that the increased sophistication of the skills required by unit managers would mean that formal qualifications would increasingly be necessary in order to progress.

Graduate trainee programmes can also be found across the industry, but particularly within the hotel sector and in contract catering. The operation of these is discussed in more detail below. Apart from these schemes, across all sectors, companies prefer *'growing their own'* managers rather than recruiting from outside. Where managers are recruited from outside, it is more commonly from a competitor within the same sector or a closely matched sector of the industry (for example, moving from a themed restaurant to a budget hotel). Some respondents from the hotel sector commented that, whilst it might be assumed that managers could transfer from similar industries such as retailing, their attempts to try this had not been successful. By comparison respondents in contract catering and licensed retailing were more positive about this type of transfer.

The length of time it takes to develop a unit manager varies considerably. At one extreme in a five-star international hotel company, it would be unusual to progress to the position of general manager under the age of 40 as it was felt to take that long to develop the confidence and people skills required to manage such prestigious hotels. By contrast, within a budget hotel chain, most general managers are in their mid- to late 20s. The rate of growth of the company is one factor affecting speed of progression. Within the leisure and the licensed retail sectors, some respondents commented that the fast growth of chains meant that some managers were thrust into

unit management roles before they were ready. In other companies, with lower rates of growth, well-prepared managers have to wait for a unit management opportunity.

The reward package available at the unit management level also varies enormously. For example, some focus group respondents working within the welfare sector were very satisfied with their rewards package. On the other hand, the company interviews uncovered examples of very poor pay in the same sector. The focus group discussions also revealed rather lower salaries for those who had stayed within the hospitality industry by comparison with those who had moved into other industries. Nevertheless, in some hospitality companies, the manager of bigger units can earn £40,000 to £50,000 a year, although often this includes a substantial bonus payment. In fast growing sectors, managers in their 20s and early 30s can achieve these rewards.

In some sectors of the industry, the area management role is a natural progression from the unit management role. For example, in contract catering a successful manager would progress from unit management in a small unit, to a larger unit, then to either an assistant area management or a group management role, responsible for a small number of units. The next step would be progression to a full area management role with responsibility for 10-20 units. However, within other sectors, for example, licensed retailing, moving from unit manager to area business manager is the exception rather than the rule. One barrier is that a successful unit manager may, with bonuses, be earning considerably more than an area manager. Area Business Managers within licensed retailing often move from specialist head office roles and seem more likely to be graduates than unit managers.

Graduates are also frequently found in functional roles, as HR, sales, marketing or finance specialists. Within the larger mid-market and deluxe hotel companies, there are good opportunities to develop specialist careers, starting in a unit functional role and progressing to area or head office roles. Some specialist managers also have operational management experience. Within other sectors, these specialist roles exist primarily at the area and head office levels.

Equal opportunities

Most of the organisations included in this research had well-informed human resource professionals who had developed fairly sophisticated approaches to selection. These were often based on competency frameworks, involved the use of assessment centres and were intended to operate objectively. Little evidence of overt discrimination was forthcoming, yet few had gone so far as to develop equal opportunity policies backed up with programmes of action. The only areas where proactive equal opportunity policies were found were in one contract catering company and in the welfare sector. It is noteworthy that women were uncharacteristically well represented at all levels in these organisations, and that ethnic minorities were relatively well represented in the welfare sector.

Most of the women interviewed were enthusiastic about the industry and there were examples of women who had worked their way up to very senior levels indeed. Up to unit manager level the spread of men and women appeared to be quite equal, but the main problem occurred at higher levels, either in multi-unit management or general management in hotels. At this level we encountered widespread indirect discrimination in the form of the long hours required which made it impossible for women with children to balance their work and family lives. We came across several examples of women who had to step down from more senior positions to jobs that required fewer hours once they had children. Others simply did not apply for the higher level posts.

Some of the women were bitter about this. Mobility requirements at senior levels were also a barrier for women in national and international hotel companies and parts of the leisure sector. The company representatives seemed unaware that long hours and mobility requirements were examples of potentially unfair indirect discrimination, nor were these requirements being challenged within the companies. The result of this is that women are under-represented in the most senior posts; for example, even the hotel companies who expressed concern about providing equality of opportunity had only been able to fill 20 per cent of general manager posts with women. Women were overtly discriminated against in one or two specific situations.

Hardly any UK ethnic minorities were interviewed in the course of this research which is surprising since Labour Force Survey statistics (1998) show that ethnic minorities make up 11 per cent of all the employees across the industry. The only exception to this was in the ethnic restaurant chain that was entirely managed and staffed by employees from Asian backgrounds. In addition, a couple of ethnic minority managers were interviewed in London hotels as well as one finance director in a leisure company. We formed the strong impression that ethnic minorities were hugely under-represented in management posts across the whole industry. There was little engagement with this as an important human resource issue anywhere other than the welfare sector, where public sector equal opportunity policies had had an impact on the management of catering services.

There was evidence of ageism in several companies. In the hotel sector a couple of respondents commented that the sector tended to be ageist, favouring the young and discriminating against older people. Also, in branded units from both licensed retail and the restaurant sector, where the target customers were young, there was a preference for employing young people in the pub or restaurant. One of the best examples of this was in CoffeeCo where managers needed to be '*young and trendy and look good in a tee shirt and pair of jeans*'.

From this we can conclude that the development of equal opportunity policies and practices is at an immature stage within the industry. This impacts on the potential career progression of hospitality graduates, the majority of whom are female. In addition, increasing proportions of graduates are from ethnic minority backgrounds and are mature students. It appears that the career progression of all but young, white, male graduates are likely to be impeded by a combination of direct and indirect discrimination and poor awareness of equality issues on the part of employers.

Graduate recruitment and progression in the hospitality industry

Recruitment

All of the companies in the sample recruited graduates; however, whether or not graduates were specifically targeted depended on the sector, company and level of job. Comments ranged from *'We have no formal graduate recruitment policy, but will take graduates'* to *'We do seek graduates out'*. One manager said that although a degree was not a requirement of a managerial job they thought that a degree *'would be nice to have'*.

There are opportunities for graduates from other disciplines other than hospitality management within the hospitality industry. Some of the companies in the sample felt that *'there was no need for these students to have graduated from hospitality programmes'* (Restaurant Company) and a licensed retailing company did not perceive itself as a hospitality operator and did not specifically seek hospitality graduates. In the contract catering sector, due to the wider range of support services, some companies were looking for managers and graduates from broader pools such as retailing. In many cases in the sample, graduates from business and management degrees were recruited particularly if they had relevant work experience.

Hospitality graduates were frequently favoured over other disciplines, mainly because hospitality graduates *'understood the industry'* and *'were more likely to stay the course'*. A principal officer in social services said *'I recently conducted interviews for a management post and one of the ladies I interviewed had a degree in hospitality management. I noticed that she was much more confident and had more transferable skills than some of the other candidates and this made her the best candidate for the post'*.

One hotel manager spoke of hospitality graduates' *'passion'* about the hotel industry. Commitment from hospitality graduates was seen as very important and one hotel manager who was interviewed said that this gave hospitality graduates *'the edge'*. One source of recruitment for managers to upmarket hotels and restaurants is European hotel schools. Managers spoke highly of these students who had *'an excellent knowledge of the industry, no attitude problems and spoke two or three languages'*. In these sectors, European students should be regarded as being in direct competition with UK hospitality graduates.

The welfare sector seemed the most reluctant to have deliberate policies to recruit graduates, in contrast to the restaurant sector where all the organisations expressed an interest in and a need to recruit graduates for managerial positions. One restaurant company suggested that there was no expressed requirement for managers in the middle management jobs to be graduates although in practice 40 per cent of these people were graduates.

In many cases although a degree was not a requirement for unit management, it was seen as essential for more senior management positions. One licensed retail company stated that graduates were destined for senior management and were never expected to operate at pub management level. In fact, generally in licensed retailing, there has been a strategy to recruit graduates into area management and senior management

positions. However, what is interesting is that most licensed retailers aimed to recruit the best graduates irrespective of subject discipline.

The likelihood of a company having a graduate entry training scheme again depended on the particular sector and individual company. All of the hotel companies had graduate programmes, as had most of the contract catering companies. Typically, these programmes recruit six to 12 graduates each year and, in the main, these are hospitality graduates. Usually no distinction is made between those with degrees and those with HNDs. Luxury and mid-market hotel companies frequently also target diplomates from European hotel schools. Within other sectors, for example, in licensed retailing, graduate recruitment may be focused on head office trainee roles within specialist marketing and accounting departments. In the welfare sector, graduate training schemes had been cut back or were not funded, largely as the impact of Compulsory Competitive Tendering. This was seen as a key issue and had serious implications for graduate progression in this sector. Not surprisingly, smaller companies in each of the sectors were often unable to afford the investment needed for a graduate-training scheme.

The content of programmes varied between companies but usually involved operational experience followed by supervisory experience and then managerial experience. Programmes usually involved moving the graduate between different units (in the case of the International Hotel Company six months in London and 18 months in an international location). In the main, graduate programmes lasted from one to two years. Several companies had fast-track schemes with direct entry into managerial positions. One restaurant company recruited graduates onto its normal management development scheme but expected the graduates to make quicker progress at all stages and to have higher expectations of future career development.

The research on small hospitality firms also shows that 14 per cent of these employ graduates. Of these graduates, a high proportion (41 per cent) are hospitality graduates.

Graduate progression

The relationship between qualifications and progression is a complex one. In almost all companies, progression does not depend on qualifications and in many instances the route to becoming a senior manager is through more junior operational roles. With the increasing sophistication of the hospitality manager's role this is unlikely to be the case in the future. In fact, several hotel managers expressed the view that degrees or diplomas were becoming more necessary to progress. In contract catering, there was an expectation that graduates would progress more quickly than non-graduates. In the restaurant sector, one company suggested that whilst there was no specific requirement for the more senior managers to be graduates, it was expected that graduates would rise through the structure more quickly. In one restaurant company, the number of graduates and managers with postgraduate qualifications rose as the level of seniority rose, so whilst there was no evidence of a glass ceiling that prevented non-graduates from rising, they were less likely to be located in the more senior positions.

In the leisure sector a few unit managers expressed the view that increasing numbers of managers were entering at graduate level and working their way quickly to more senior management. In licensed retailing, one of the companies had made it a specific requirement to have a degree (any discipline) for external applicants to the area management role but this was not necessary for the internal promotions. In licensed

retailing the senior managers interviewed had usually been recruited as graduate trainees or had come into the business from other companies.

It is still possible to progress without any qualifications in the hospitality industry, and one of the small contract catering companies was a testament to this, where people with few qualifications but a passion for food and cooking had progressed within the company. However, with changing managerial roles and companies becoming more complex, qualifications will be an increasingly important factor in career progression especially within the larger companies.

Perceptions of graduates

It did appear to be the case that whether or not a manager was a graduate influenced their perception of graduates. The research team in the contract catering sector discovered a company where the CEO was a graduate and where the company actively sought graduates. The company had a better qualified management structure and made better use of graduate skills. It was felt that in this particular company, graduates were more confident about their value and they had contributed to the sense of dynamism in this company. In another contract catering company it was felt that the managers with MBAs tended to see more scope for graduates in the company. Also of note was that the LMU's small firms survey showed that graduate owner managers were more than twice as likely to employ graduates themselves. Further, owner managers with a degree were more likely to employ graduates in managerial rather than operational roles.

In contrast, instances were found where managers had worked their way up and did not really value graduates, for example, in the social services sector where many managers were not graduates. Indeed, one official in this sector said that graduates were often treated with suspicion. In this sector, there was evidence of interviewees tending to be more dismissive of graduates when they themselves were not a graduate.

The background of individual managers was very important in shaping their views of graduates and the value of qualifications. The CEO of one of the contract catering companies (who was a graduate) and actively sought graduates said, *'changes in the last few years require us to be more qualified. In the business world a degree is recognition that someone can think outside of a square and can write and add up with dexterity'*.

Non-graduates knew almost nothing about hospitality degrees and tended to overplay the aspirations of graduates, believing they would only want high level jobs and would not want to get their hands dirty. Several managers in the sample believed that graduates expected too much too early. In licensed retailing, graduates were often damned with faint praise as being too intellectual or as not being prepared to *'roll their sleeves up'*. They were also accused of not wanting to learn the business but wanted promotion too quickly. One manager in this sector said that *'experienced managers love to expose inexperienced graduates!'* When graduates were interviewed, most of them were perfectly realistic about what was required of them. They realised that their degrees were not a passport to anything and that once in their first job they would be judged on their performance.

When managers were questioned on the advantages of employing a graduate they focused on features such as intellectual ability, powers of analysis, speed of thinking and the *'fresh eye'* that graduates could bring. One manager in the restaurant sector

believed that graduates brought a '*wider vision*' to the company. The hospitality graduates themselves had different views of the usefulness of their degrees. They valued the general transferable skills which doing a degree had provided, and specifically mentioned the work placement experience. Graduates believed that they were more '*prone to think before acting*' compared to their non-graduate colleagues. Some of them also believed that having a degree improved their speed of progress and ability to do a job effectively. Some graduates commented that a degree could not help someone know how to deal with people and believed that had to be learnt by experience. Specific skills that graduates believed they had acquired on their degrees included writing skills, presentation skills and time management skills. In general, graduates thought that having a degree had taught them to be more self-disciplined and had increased their self-confidence and motivation. Most graduates felt that their degree had helped with career progression and had acted as a stepping stone into their first managerial job.

The placement period is a very important part of most hospitality management degrees in the UK. Whilst many graduates in the research project valued their placement experience, the way placements were managed varied between companies. In the hotel sector several respondents specifically mentioned the value of international experience during placement for those wishing to pursue an international career. One of the head office HR specialists admitted that, they were '*probably guilty of not taking placement students seriously – we don't know they're there*'. In the welfare sector, some managers felt that placement had been a valuable source of management trainees in the past. The importance of the placement was emphasised in the focus group discussions, and a good placement experience was one of the main contributory factors to graduates continuing to work in the industry.

It is difficult to generalise about patterns of graduate recruitment and progression across sectors. However, it is clear that the sector currently experiencing most problems with graduate recruitment and retention is the welfare sector. In this sector, there is a reduced level of graduate recruitment and a diluted traditional graduate career structure. The research team discovered a lack of graduate training plans and a lack of graduate progression in most of this sector. This is likely to discourage ambitious young graduates to enter and develop careers in welfare. In the other sectors under investigation graduates are launching and developing careers. The speed at which they are progressing depends on the specific sector and individual company. Even within sectors there are different patterns of graduate recruitment and progression. For example, in licensed retailing it was assumed that very few graduates work in community pubs, although lots of students and graduates work in City Centre and Concept pubs. Within the hotel sector, graduates could become general managers of budget hotels at 24 (two years after graduation), yet in the International Hotels segment one would be unlikely to become a general manager before 40.

Traditionally the hospitality industry has not emphasised formal qualifications; it has been possible to progress within the industry with few or no qualifications. This situation is likely to change due to the increasing complexity and sophistication of the industry and managerial jobs within it. This research has discovered that at the level of area management and above a degree is increasingly perceived as desirable. At unit management, the role will become increasingly professionalised, and even though most firms currently do not recruit graduates into these roles they will need to do so in the future. Given these developments, hospitality management degrees can be a valuable source of recruits to take hospitality companies into the future.

References

- Airey D & Tribe J, 2000, 'Education for hospitality', in Lashley C and Morrison A, eds *In Search of Hospitality: theoretical perspectives and debates*, Oxford: Butterworth-Heinemann
- Cooper D, Njau M and Rowley G, 1998, *Analysis of HESA counts and first employment destinations for hospitality management students*, Working Paper, Higher Education Funding Council for England
- Council for National Academic Awards, 1992, *Review of Hotel and Catering Degree Courses*, London: CNAA
- Harris V et al, 1997, *Report to the Quality Assurance Agency of a pilot GSP project in hospitality management*, Council for Hospitality Management Education
- Henley Centre, 1996, *Hospitality into the 21st century: a vision for the future*, Joint Hospitality Industry Congress
- Higher Education Funding Council for England, 1998, *Review of hospitality management (HEFCE 98/15)*, HEFCE: Bristol
- Holden R and Jameson S, 1999a, Employing graduates in hospitality small and medium-sized enterprises: contexts and issues, in Lee-Ross D, ed., *HRM in Tourism and Hospitality*, Cassell: London
- Holden R and Jameson S, 1999b, 'A preliminary investigation into the transition and utilisation of hospitality graduates in SMEs, *Tourism and Hospitality Research: The Surrey Quarterly Review*, Vol 1, No. 3, p231-242
- Hospitality Training Foundation, 2000, *Skills and Employment Forecasts 2000*, London: Hospitality Training Foundation
- Jameson S, 1996, 'Small firms and the graduate labour market', *International Journal of Hospitality Management*, Vol 8, No 5, p37-38
- Litteljohn D and Morrison J, 1997, *Hospitality Management Education Report*, Council for Hospitality Management Education
- Thomas R, Lashley C, Rowson B, Guozhong X, Jameson S, Eaglen A, Lincoln G, Parsons D, 2000, *The National Survey of Small Tourism and Hospitality Firms: 2000 – Skills Demand and Training Practices*, Leeds: Leeds Metropolitan University