

Career progression of graduates in the hospitality industry: the leisure sector

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COUNCIL FOR HOSPITALITY
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Executive summary

This research continues to explore the impact qualifications have on careers. This report deals with management careers in the leisure sector.

Background

The leisure sector is worth £60.3 billion at the moment and is forecast to grow by a further 10 billion by 2003. It has been described as the biggest, fastest growing industry in the UK. Within the leisure sector, some areas have slowed down, some are consolidating and concentrating on core businesses. Other companies in the sector have room for investment. According to industry commentators, the sense of frenzy experienced over the past decade is calming down.

One significant consequence of rising levels of work and prosperity is the pressure on time available for relaxation and leisure. Specific patterns of leisure time availability and leisure time behaviour differ amongst consumers. However, all recent research indicates that competition between companies is fierce in the fight for people's 'leisure pound'.

It is virtually impossible to find a 'pure' leisure company, and definitions of leisure companies are fraught with difficulties. One of the most useful ways of categorising the leisure sector is to separate it into 'popular leisure activities'. As far as this particular research is concerned, the most appropriate way of dealing with the leisure sector is to divide the leisure sector into further sectors defined by leisure activities.

The popular leisure activities dealt with in this report are:

- theatre
- ten pin bowling and cue sports
- casinos
- bingo
- health and fitness.

The leisure sector has skill problems, and many of these stem from it being perceived as a poor employer. Employment in the sector is characterised by low pay, long hours, high levels of labour turnover and inadequate training. As a result of the sector being so diverse it is neither appropriate nor possible to give an overview of typical products or services offered by the sector. Neither is it possible to discuss typical managerial roles nor career paths.

Research approach

Semi-structured interviews were conducted in organisations that represent the leisure sector. For the purposes of this sector report, the leisure sector has been divided into five popular leisure activities. Companies have been selected to represent these activities, and the five chosen form a cross-section of size and ownership patterns. International and national companies are found in the sample, and both large and small companies are represented. This is a reflection of an extremely dynamic and diverse sector.

- the theatre company is part of a major international leisure conglomerate, however, the theatre division is relatively small
- the ten-pin bowling company is part of a major national leisure company

- the casino company is part of an international hotel group
- the bingo company is also part of a leading international leisure company
- the health and fitness company is a small independently owned company that operates nationally.

Senior personnel were interviewed in each of the five companies, and other roles were identified in each company depending on the size, nature and structure of the company. In most cases, the human resource director and operations and/or marketing director were interviewed at head office. Out in the field, managers and unit level managers were interviewed. The study has been concerned with:

- unit management and development
- multi-unit management and development
- senior management recruitment and development
- the organisation's policies towards graduate recruitment
- general structures for employee development.

Questionnaires have been administered to target managers. This report features data gathered from the case studies and semi-structured interviews.

Main findings

This sector is diverse and dynamic, but, unlike other sectors in the hospitality industry, it is in a period of consolidation.

The detailed case studies illustrate interesting similarities and differences between the companies in the leisure sector. Obviously, the nature, size and structure of the companies will determine different patterns of employment, as will types of ownership. It is predictable that large internationally owned companies offer different types of careers to small independently owned companies. It is also clear that the range of skills required to manage these businesses differs depending on the product or service on offer.

The main findings from this sector are as follows:

- **Unit management.** Unit managers in every case study were responsible for the day to day operation of the unit. In every case they were responsible for operational aspects and the management of the people working in the unit. The majority of unit managers interviewed said that they made recruitment and selection decisions for staff below unit manager level. Most were also responsible for training members of staff in the unit. In every case, unit managers had to work within a budget that was decided and determined higher up the organisation. Without exception, they stated that although more senior managers consulted them on the budget, they actually felt that their input was minimal. The size of the budget varied between company depending on the size and nature of the unit, but one of the most interesting findings was in BingoCo where the size of the budget could determine the unit manager's (potentially substantial) bonus.

The pattern of work of unit managers varied between company. At one extreme managers were working in seven days a week, 24 hours a day businesses, and were often called in to deal with emergencies during the night. In fact one of these managers who worked for BowlingCueCo said that the worst part of his job was having to deal with middle of the night emergencies when the assistant manager on duty did not feel capable of dealing with violent or drunk customers. At the other

extreme was FitnessCo where all the units in the sample only opened on a five-day week basis. None were open at the weekend and this was due to the location of the gyms (in the square mile) where there was no demand at weekends.

All unit managers (apart from the small independent company) reported to regional/area managers and in most cases the meetings with these more senior managers was frequent (normally fortnightly).

All unit managers interviewed were involved in making short to medium term decisions and all felt that any major decisions had to be discussed and approved by more senior management.

- Recruitment of unit managers. All of the companies in this sector use a mix of internal and external recruitment to fill management posts. Unit managers in every company were recruited centrally, apart from one company where the responsibility was shared with the regions. The usual procedure was to use assessment centres (the exceptions were the small independent company and the bowling company), and to attempt to match potential managers with competency frameworks. None of the companies in the sample deliberately exclude non-graduates from their recruitment and selection procedures.
- Management development. All of the firms in the sample were engaged in training and management development. Several were proud of their commitment to training. Management development appeared to be relatively sophisticated in most of the companies in the sample. Almost all of them used competency frameworks, succession planning and systematic management development programmes. One company had strong links with a university and had encouraged many of its managers to enrol on undergraduate and postgraduate courses that were specifically devoted to gaming.
- Area management. As mentioned above, apart from the small independent company, every firm had a layer of area managers. Two findings are important as far as area management is concerned. The first issue is one of the movements between unit and area management. The second issue is the importance attached to qualifications for this level of management in one particular company. Three of the four companies in the sample who had this level of managers were committed to promoting unit managers to area management.

Bowling Cue Co had a stated policy of recruiting from within and aimed to promote people from unit to region. The evidence for its success was seven out of eight regional managers had been internal promotions. In CasinoCo, again it was 'seen as normal' to move from unit to area. Proof of the pudding for this company was that 'there has only ever been one area manager who came from outside the business, and he actually left the company'. In BingoCo, again, two out of three regional directors moved up through the company from unit level. In TheatreCo it was almost impossible to move between unit and area because of the stability of the area managers in post and the size of this layer, (there were only three area managers in the company).

Three of the four companies who had area managers stated that qualifications were not an important factor in the move between unit and area management. However one company, (BingoCo) had encouraged its two internal promotions to embark on MBAs whilst working for the company. When one of its unit managers

was discussing career progression within the company he felt strongly that he 'could only go so far in this company without a Masters level qualification'.

- Graduate recruitment. The extent to which graduate recruitment was specifically emphasised in a company depended on the individual company. This ranged from one company that specifically recruited graduates on their second job (BingoCo) who ideally had experience from another leisure sector, and TheatreCo who preferred graduates and then specified the discipline (Leisure or Business Management). At the other extreme was BowlingCueCo where the personnel director stated that unit management was not a graduate job.
- Graduate entry training schemes. Once again there was no clear pattern across the sector. The decision to have a graduate training scheme depended on the individual company. It is not even the case that the larger companies were more likely to have graduate programmes. Two of the five companies had graduate training schemes; however it is not the case that the other three companies had rejected graduate training schemes. One company had a graduate training scheme 'on hold' due to a rather negative experience in the past and it was planning to reflect on this before introducing another. The small, independent company was hoping to introduce one in the near future. Only one company believed that there was no need for a graduate training scheme 'as unit management is not a management job'.
- Knowledge and skills. When unit and senior managers were questioned on the skills and knowledge needed by managers, they usually included basic numeracy and literacy. Most managers also suggested that financial management skills, computing skills and the ability to collate and analyse information were essential. Most managers suggested that good communication skills, negotiation skills and the ability to motivate people were necessary to be effective managers. More senior managers in the companies felt that skills such as logical thinking, the ability to come up with new ideas and the ability to run a business were important. The most frequently mentioned skills were 'people management' skills. One personnel director said that these skills were more important than qualifications. Not surprisingly, he was also the director that claimed that unit management in the company was not a graduate job.
- Labour shortages. None of the companies in this sector were seriously concerned about the supply of managers in the future. Many managers spoke of the 'booming leisure industry' and spoke of the variety of entry points for managers.
- Salaries. Although pay was not a central issue in this research project it would be negligent not to mention the impact of pay on careers in the leisure sector. As mentioned earlier the leisure industry has a poor reputation regarding pay. It would be naïve to suggest that pay is not low in this sector, especially as far as operative staff are concerned; however this particular research has discovered that in some cases unit managers command high salaries and high bonuses. The two sectors where pay appeared to be particularly low were the theatre sector and the fitness sector. Managers were aware that their salaries were low compared with other sectors but seemed to be committed to the industry despite low pay.
- Labour stability. Although labour turnover was not systematically and rigorously measured in this research project, labour stability was frequently mentioned. It appears to be the case that even where pay is low (theatre and fitness) there is a high level of loyalty towards the company. This research found cases where theatre

managers stay despite low salaries, 'because they love the job' and in the fitness sector managers were aware that it was a low paid industry but still wanted to pursue careers in it. Labour stability in the theatre company had severely reduced the likelihood of unit managers moving up to area management, and the extremely low labour turnover in the bingo company had held up development and promotion in the company.

- Attitudes towards qualifications. None of the companies required managers to have degrees or HNDs; however attitudes towards qualifications differed between the companies. In TheatreCo all the divisional directors and the HR director wanted to recruit graduates because of 'the need to have better calibre people for the future'. BingoCo's reason for recruiting graduates was the belief that there was a need to improve the calibre of unit managers and thus future marketplace managers. The HR director of BowlingCueCo was adamant that unit management was not a graduate job in this company, and one of the unit managers in this company felt that it did not make any difference in the company if one had a degree or not.

It is clear that whether or not a person is a graduate affects their views on qualifications. Graduates in the leisure sector had different views on the value of a degree. One graduate felt that being a graduate generally improved the speed of progress and ability to do the job effectively, but did not think that a degree could help one how to deal with people and believed that that had to be learned by experience. Another graduate felt that her degree had helped her become a better-organised manager, but the actual degree discipline was secondary. One graduate suggested that 'unless a degree was a very specialised science subject that it teaches you as much about how to organise yourself and run your life as it does about the subject you are studying'. Graduates spoke of improved communication skills that they had acquired during their degrees. One graduate felt that her degree had not made any difference. She suggested that a degree 'looked good on a C.V. but did not feel that having a degree made one a good manager'. She added that one's attitude when dealing with people is more important than qualifications and did not think that this could be taught in college.

There was a view from a few unit managers that increasing numbers of managers were entering at graduate level and working their way quickly to general management. A few unit managers also said that their companies were changing and qualifications were becoming more important in management positions within the group. This was tempered with the view that there would always be a route into management for the non-graduate with 'the right' skills and experience. One unit manager said that qualifications were more likely to open the door for interviews. Another unit manager who was interviewed declined the opportunity to go to university and decided instead to work her way up through the company. She now believes that she would have advanced more quickly if she had joined the company as a graduate.

- Perceptions of hospitality degrees. Hospitality degrees were not specifically relevant for this sector; however when managers were questioned on the relevance of degrees, it depended on the specific sector and company. The fitness company was planning to recruit graduates in the future, but was only interested in Sports Science degrees. The theatre company was specifically interested in Leisure Management and Business Management courses, but had no preference for any particular university and did not seem particularly interested in the specific content of courses. The Casino company was interesting in that it had built up a strong relationship with a university (that was not local) and was encouraging and

supporting its managers through both undergraduate and postgraduate qualification specifically in gaming. This is encouraging and obviously benefits the university and the company. However, at the moment it appears that only one university is offering this specialism.

- Gap in the curriculum. The gap in the curriculum identified by this sector is gaming. It is clear that graduates should be encouraged to develop knowledge and understanding of the legislative framework within which this industry is forced to operate.

Conclusions

The leisure sector is a dynamic and diverse sector and offers a range of careers for graduates and non-graduates. The large companies considered here have clear and appropriate HR policies and procedures. Several of them have sophisticated management development schemes, and take training and development seriously.

The majority of companies in the sample recruited graduates. Several of them specifically targeted graduates and had well developed graduate recruitment schemes.

The reputation of the leisure sector as being a poor employer has not been supported by these case studies. High levels of labour turnover, low pay, unsociable hours and poor or non-existent career structures have not been evident. It is also not the case that the companies in this sector lacked formal systems of human resource management or had a poor record on training. Although the number of cases was small and only management careers were investigated, there is room for further research in these areas.

The leisure sector

Background

The leisure industry is said to be the biggest, fastest-growing industry in the UK (Nutley, 1998). The leisure industry is worth £60.3 billion and by 2003 is forecast to be worth £70.3 billion (C.Taylor, 1999). Mintel (2000) estimates that the value of the leisure industry has increased by 23% between 1994 and 1999, equating to a growth of 7% in real terms. Strong economic growth and higher levels of personal disposable income are encouraging higher spending on leisure.

Expenditure on leisure goods and services has risen faster than for any other sector – from 9% of total spending in 1968 to 17% in 1999, and spending on leisure now takes priority in the British budget (Mintel 2000). According to the Office for National Statistics (ONS), expenditure on leisure goods and services now exceeds spending on any other single element of the weekly family budget, including food and housing. The most recent Family Expenditure Survey showed that the average household now spends £60 a week on leisure, £3 a week more than in 1998.

A long period of low inflation and high employment is giving more families the means to spend more on leisure goods, even if they have less time to spend it among a growing number of competing commitments. Mintel divides the commercial leisure industry into three sectors;

- leisure accommodation
- leisure catering, and
- leisure activities.

This report will concentrate on leisure activities.

In the last decade, more people have entered the workforce and more employees are either working longer hours, or have taken up work on a part-time basis (Mintel, 2000). The latest Mintel report on leisure suggests that one consequence of rising levels of work and prosperity is the pressure on time available for relaxation and leisure. Mintel's research has identified that the pressure is particularly acute for those in the 'family lifestage', who must also accommodate the responsibilities of household management and childcare. Specific patterns of availability of leisure time exist and there are also patterns of leisure time behaviour among consumers.

Academics have held lively debates for decades on definitions of leisure time. The discussions have entered diverse disciplines such as sociology, economics, sport and leisure studies. For the purposes of this report, the standard Mintel definition of leisure will be used. This is:

'all time spent by an individual during a specified period, in which the individual can do as they wish'.

It is accepted that this definition is less clear nowadays because although Mintel has attempted to define the variation between work and leisure, this distinction is less clear for many people who now work at home.

Mintel argues that those in the family lifestage are most likely to have the lowest level of leisure participation (less than three hours per week). This has been attributed to the overriding need to accommodate the demands of children into already busy lifestyles. Mintel suggests that those consumers with families experience a frenetic pace of leisure as it is squeezed between existing commitments of work and childcare.

One of the main drivers in the restructuring of patterns of leisure activity is the rise in employment activity, especially among women. This growth is forecast to continue. In the young family age group of 25-44, where some women in the past have left the workforce, the proportion of women working is expected to increase from 73.6% to 77.2% in the next five years. The percentage of men in the workforce is expected to decline from 94.5% to 92.1% in the same period (Mintel, 2000). Mintel's survey data shows that across all activities, patterns of participation in many leisure pursuits are dictated to a greater extent by necessity rather than choice among adults in the family lifestage. Time can now be considered to be as important a factor in determining the pattern of leisure pursuits as money. Exclusive consumer research undertaken for the latest Mintel report on leisure suggests that manufacturers and service providers are failing to take into account the profound lifestyle change that occurs when young adults enter fixed relationships and become parents. Higher levels of work activity, especially amongst women, have resulted in reduced leisure time for many people and this reflects a new prioritisation of leisure activities.

Research indicates that family adults are prepared to drastically reduce participation in pursuits that are more important in the pre-family lifestage, but they will not give up these former leisure pursuits entirely. Consumers in this category are now seeking products and services that can be adapted to this time-poor lifestage.

Over the past 10 years, the pattern has been one where some sectors are booming and others are shrinking. The 'sense of frenzy' over the last few years is finally slowing down (The Leisure Industry Report, 1998).

Large multi-disciplinary leisure operators who were part of an acquisitions mania in the 1990s dominate the industry. Consolidation and concentration on core businesses have replaced this. The market still continues to attract new entrants at all levels.

One brake on expansion in the leisure industry is the virtual halt in deregulation since the general election of 1997. The only deregulation in the gaming industry has been a relaxation in the rules governing casinos. The full-scale review of the Gaming Act 1968 is still under way. The nightclub industry is continuing to lobby for dancing on Sundays.

Human resource issues in leisure

The leisure sector is extremely heterogeneous, and in some ways it is better thought of as an area of economic activity than a discrete set of occupations (Keep and Mayhew 1999). Many large leisure employers require a large range of skills. The most recent government report on skills in leisure suggests that employment in leisure has a number of characteristics including highly fragmented business representation that is relatively weak and extremely complex. The leisure workforce is predominately young, part-time, female and low qualified.

One of the industry's perennial problems has been recruitment and training. Nutley (1998) has described the leisure industry's staffing difficulties as 'chronic'. It has been suggested that the sector has increasingly to compete for a shrinking number of good quality people, against industries that appear far more attractive. An illustration of this has been given by a Granada Group chief executive who quoted the example of two similar jobs advertised by his firm, one in media, the other in leisure. The former attracted 14,000 applicants, the latter less than 200. The industry still suffers from being seen to offer jobs with low pay, poor conditions and few career prospects. As Nutley argues, until this perception changes, recruitment difficulties will continue to put a brake on expansion. Keep and Mayhew (1999) argue that many of these perceptions arise because employment in the leisure sector is characterised by:

- relatively low wages
- unsociable working hours and patterns of work
- weak equal opportunities policies
- poor or non-existent career structures
- informal recruitment systems
- a lack of formalised, sophisticated systems of human resource management
- lack of any significant trade union presence
- high levels of labour turnover, and
- a poor record on training.

Sample

Attempts to identify leisure companies are fraught with difficulties owing to three factors:

- The fragmented nature of the industry, which has been dominated historically by a few global companies such as Granada and Rank, with the vast majority of the providers being small independent companies.
- Classification of leisure companies. For example, to seek clarification from the FT Top 100 would probably result in more confusion. The FT classification places some companies under leisure, but others are classed under hospitality because of their ownership of hotel companies.

- The actual concept of leisure is complex and wide-ranging. Categories can include home leisure involving television, and the take-away market.

For the purposes of this sector report, a 'pure' leisure company would be ideal. However, this is virtually impossible to achieve as most companies have a very diverse portfolio and many include hotels, restaurants and pubs or other activities. In order to gain a sample that fairly represents the leisure industry, a sector analysis is required.

The Leisure Industry Report, 1998, identifies the following sectors as being parts of the leisure industry:

- amusements
- museums
- bingo
- casinos
- cinema
- health and fitness
- holiday centres
- hotels
- nightclubs
- pub chains
- restaurants.

There is obvious overlap between some of these sectors and sectors already dealt with elsewhere in this report. The leisure section of this report draws on a sample of firms with the intention of focusing specifically on the following five leisure sectors:

- theatre
- bowling and cue sports
- casinos
- bingo
- health and fitness.

In addition to representing the broad spectrum of companies within the diverse leisure industry, the intention was also to include internationally and nationally owned firms, as well as large and small firms. This was achieved.

The sample of organisations chosen to be investigated was as follows:

TheatreCo: a theatre company owned by a large American entertainment company.

BowlingCueCo: the bowling and cue sports division of a large national leisure company.

CasinoCo: a casino company that is a division of a major international hospitality group.

BingoCo: the bingo division of a large international leisure and entertainment company.

FitnessCo: a small independent fitness company.

In each case, the research approach involved interviews with head office personnel followed by interviews with significant key post holders. This process varied with the size and structure of the organisations. In most of the organisations, interviews were conducted with unit managers and multi-unit managers. In the largest organisations, interviews were held with human resource directors, operations directors or marketing directors.

The research team have administered questionnaires to some target managers, and these are currently undergoing analysis. This report focuses on the information gathered from the case studies and semi-structured interviews.

The case study organisations

The following organisations were selected by the researchers as typical of provision in the sector. As the leisure sector is so complicated, and ownership of companies overlaps many of the sectors within leisure, it was neither possible nor desirable to access leisure companies through bodies or institutions. Rather, it was decided to segment the leisure industry by activity, and assistance was sought from the Hotel and Catering Research Centre at the University of Huddersfield.

TheatreCo

TheatreCo was a family owned business that grew to employ over 2,500 staff. They have operations in theatres, cinemas, licensed retail and bingo. In September 1999, the company was sold to an American entertainment company. This company has a diverse portfolio of activities that includes managing sport and pop stars, running venues, managing contracts and promoting events. This American company now has 5,000 staff. It has four divisions and is moving into Europe. Although the company is only three years old, its entrepreneurial former owner has recently sold it for six billion dollars. In the UK this company now includes three concert promoters and a talent representation company, as well as theatre and venue businesses. TheatreCo has 23 theatres and three arenas. The company has ambitions to expand in Europe and has a global outlook. It aims to grow by acquisition rather than organically.

Interviews were conducted with the human resource director, one divisional director, and five theatre general managers. Of the five managers interviewed, three had (non-hospitality) degrees. The other two had no formal qualifications.

HR issues

The HR function has grown rapidly to support the growth of the company. The head of human resources started with a blank sheet and has practically developed the HR function from scratch. She was specifically recruited (from a licensed retailing company) to develop and deliver an HR strategy for the company. Each company within the parent company's portfolio has a personnel manager; they also have a personnel officer, an HR administrator and a training manager. Currently HR is centralised, but the intention is to decentralise with a personnel manager reporting to the managing director in each of the companies.

As far as management structure is concerned, there is a managing director for the entertainment division and three divisional directors. Each unit has a general manager, a deputy general manager and an administrator. Below this level there are usually three heads of department that normally include technical services, box office and marketing. All general managers had full responsibility for the unit: as one manager said, 'I can be on the phone to a promoter one minute, and the next emptying a bin – or fixing a toilet door'. Each general manager had responsibility for cash, stock levels and rotas. All

bookings for shows are arranged by head office and the general managers are not actually responsible for this aspect. However, once the booking has been passed on, it is the unit manager's responsibility to have direct contact with the promoter.

Unit managers were responsible for producing draft budgets based on historical data and advanced bookings from promoters. At unit level, there was very little evidence of autonomy over budgets, resource allocation or indeed some operational aspects of the theatre. General managers in the theatres were responsible for everything that happened in the unit. Although they were responsible for a wide range of activities, there was a feeling that they were not 'hands-on', and there was a heavy reliance on technical experts in the units. They were responsible for the day-to-day management of the operation, but felt that their key skills were to collate and analyse information and make decisions about how the operation was managed. Another manager said that power should be delegated to those managers responsible for specific functions and that his role was to oversee, not interfere. This manager saw his primary role as one of developing the business, making contacts, promoting the venue and having innovative ideas to grow the revenues.

The manager's job at unit level also involved dealing with event promoters, advertising and news media and the cast of shows. The company policy states that a manager must always be present when a performance is on. Managers had to maintain high visibility for both patrons and production/promotion teams during duty management shifts. Managers always had to welcome event production teams on their arrival. One of their management tasks was also to monitor patron and promoter feedback and respond to their needs. Although HR policies were centralised, the general managers in the theatres were responsible for recruiting, selecting and disciplining staff. Managers were also charged with 'talent spotting' existing employees with potential and directing them towards the central HR department.

Unit manager recruitment

Recruitment is done centrally for trainee theatre management. There is a preference for graduates, more specifically leisure or business management graduates. The company was adamant that they were not interested in arts or drama students. They had experienced problems in the past when they had appointed graduates who aspired to be 'luvvies', who wanted to be on the stage but lacked business skills. The company uses assessment centres and an important part of the assessment day is to elicit a candidate's perception of the role, as some may be motivated for the wrong reasons and may be attracted to what they perceive to be a glamorous job. The HR director was clear that at the end of the day they needed to recruit people 'who could manage a building', had operational skills and were not performers. At the assessment centres, the three divisional directors act as interviewers and observers of the group exercises, and psychometric tests are used. A competency profile is used against which candidates are selected, trained and appraised. There are no fixed recruitment numbers annually and it always depends on the level of business, levels of staff turnover and the quality of

people available. One problem in recruitment is fitting round pegs into round holes as each theatre has a different culture. The company holds three to four recruitment days per year.

There are alternative routes into theatre management and the company does not exclude non-graduate entry. Recruitment advertising does not stipulate that applicants need to be graduates, and the chief executive is emphatic that they do not advertise only for graduates. The chief executive, half the board and all of the divisional directors are non-graduates. However, the divisional director claimed that the company did 'seek graduates out' and in fact, 70% of people joining the company were graduates. All of the divisional directors and the HR director wanted to recruit graduates because 'they all recognised the need to have better calibre people for the future'. The HR director commented that 'having a degree opened one door to the assessment centre ... but did not necessarily get you through it'.

The non-graduate entry point was put in place to ensure that people already working in the company, who did not have a degree, were not denied the opportunity to advance into general management. However, the starting salary is not high (£12,000) and although the company likes to encourage staff to join the trainee scheme, if someone is already a head of department in a theatre, they would have to take a salary cut to join the scheme. The HR director is trying to raise this to £14,000 at the moment.

The rapid expansion of the company in the past has stretched management resources, although it has presented good opportunities for people to become general managers at a young age. One example given was that of a female trainee who had moved from assistant manager to deputy manager in seven months.

Area management recruitment

There are only three area managers (divisional directors) within the company and their responsibilities are based on type of theatre rather than brand or geographical location. There is one divisional director for local authorities, one for provincial company-owned theatres, and one for London theatres and venues. The divisional directors were very stable in post. Two of the three directors have been in the company for 15 years (both moved up from theatres) and one for five years. The size of the company and small number of divisional directors makes it difficult for people to move into area management. Another hurdle is the view that the job of area manager is very different from theatre manager. As a result of these issues, it is very difficult for theatre managers to advance to area management.

People progression and development

The company has a structured training scheme that leads to assistant/deputy management positions in units. This is designed to equip trainees with the skills and knowledge to become a theatre manager. Trainees do not move around different departments in the theatre, rather they work as a trainee. The types of

training covered are people management, recruitment, selection, grievance, discipline and performance management. The scheme also covers finance and marketing. The scheme has no pre-set time limit and is dependent on the individual's progress and vacancies at the venues. Trainees are expected to keep a portfolio and are encouraged to provide evidence of competence. Trainees decide themselves when they are ready to move on. This is obviously dependent on the person being ready and a vacancy existing. A trainee trains in one theatre, then moves into another theatre as an assistant, then move into another theatre as a deputy. The trainee is expected to move to fresh venues as they progress to give them a rounded experience. Then when a vacancy comes up they are ready to move into a management position.

Willingness to relocate is becoming an issue for the company as even younger managers are becoming reluctant to move. There is also some evidence in the company of increased reluctance to work the long and unsociable hours required. The company lost two managers this year because of the working time directive as they refused to sign waivers.

The company has a competence-based appraisal scheme that is carried out every six months. There is also a development centre for the top deputies. General managers and divisional directors nominate eight deputies to attend. A personal development plan is then prepared for these people and they are fast-tracked for general management so that there is always a pool of people ready if the company acquires a new venue. Some people have progressed very quickly due to the rapid expansion of the company, but currently this has slowed slightly. Indeed, some managers have resigned from the company due to frustration because movement is slower than in the past. This view was supported by one of the managers interviewed. However, general management turnover is normally very low (two managers left last year and one the year before) and deputy management turnover is low (around 30% each year). The four general managers interviewed had all been with the company for at least six years. The HR director believed that this was simply because they loved their jobs and loved being part of the business.

BowlingCueCo

BowlingCueCo operates nationally in four business sectors; bowling-based family entertainment centres, cue sports, branded food and bars, and discotheques. This research, specifically concentrating on the leisure sector, focuses on bowling and cue sports. BowlingCueCo is the market leader in bowling-based family entertainment centres and cue sports in the UK. BowlingCueCo has 4,000 employees. The bowling division currently operates 60 bowling family entertainment centres throughout the UK. Each unit offers a range of entertainment formats including tenpin bowling, branded amusement machines, virtual reality rides, fast food outlets and licensed bars. The CueSports division operates 162 American pool and snooker clubs in Great Britain. The clubs provide American pool tables and themed sports bars together with a separate snooker area.

They are members-only clubs and many operate on a 24-hour basis. In 1999 this company merged with another major leisure company and this doubled the size of the group. Also in 1999, the company participated in a joint venture with another company and purchased the family entertainment division of a major leisure corporation. This transaction created the largest tenpin bowling operation in the UK. The strategy for the future is to focus on consolidating their market leading position, but also to expand these businesses organically.

The latest set of accounts for BowlingCueCo indicates that turnover was £61.2 million (an increase of 25% from the previous year) and operating profit increased by 5% to £6.1 million. The CueSports division has a managing director, an operations director and eight regional managers who are responsible for around 20-25 clubs each. The bowling division is currently being restructured.

Each club has a manager and an assistant manager and the idea is to keep the management structure 'lean and mean'. Some of the clubs are open 24 hours a day, seven days a week. Unit managers are responsible for the day-to-day running of the unit, which normally incorporates food, drink, bowling and games areas. Unit managers are also responsible for monitoring recruitment and training, health and safety, staff development and appraisals, and achieving profits and managing budgets. Budgets were set by head office with little involvement from unit managers. As one unit manager said, 'You get your budget for 52 weeks in your hand, and they say they need it back in half an hour, so you don't get a lot of input really'. Unit managers were paid around £17,500.

Interviews were conducted with the personnel director, marketing director, estates director and five unit general managers. Only one of the unit general managers had a degree, which was in leisure management.

HR issues

The HR strategy is decided at group level and is mapped across the division. The company believes that there is a heavy emphasis on training in the HR function, and the company annual report states that the group is 'firmly committed to effective training and human resource management'. The company is a fully accredited Investors in People company. Currently there are three training managers based in the field who split responsibility for training between the North and the South. Although head office suggested that training was taken very seriously, one of the unit managers felt that he had been dropped in at the deep end. This unit manager had been promised three months' training, but felt 'abandoned' after two weeks when he was struggling with some new areas of responsibility. The manager was a leisure graduate and had no knowledge or experience of liquor operations or licensing laws, and felt that he had had to learn these very quickly. This graduate also found it difficult to adjust to the speed at which things were happening in the company. He admits that he struggled to find his feet initially with the company.

The HR function was partly centralised and partly decentralised. The administration of all managerial staff was centralised, and any issue concerned with compliance with the law was centralised. The administration of all staff that were paid at an hourly rate was decentralised, and contracts of employment and handbooks were all processed at unit level.

Unit manager recruitment

Unit management recruitment was shared between head office level and the regions. The responsibility for unit management development is also shared, but the emphasis is on self-development and the company likes managers to be proactive and constantly appraise themselves. The company does conduct annual appraisals to identify training needs, but it encourages managers to be self-reflective and to try to identify their own development plans.

The company had no graduate recruitment policy and no graduate training scheme. The personnel director felt that a unit manager position was not a graduate job. The methods used to recruit unit managers included word of mouth, the use of specialised recruitment agencies and the press. Psychological tests were used but assessment centres were not. The types of skills that the company were looking for included 'the ability to run a business', people management skills, financial management skills and basic numeracy and literacy. The personnel director believed that industrial experience specifically in cue sports was not necessary, but retailing experience could be seen as an advantage. The ability to promote a business was seen as a key skill. The personnel director felt that these skills were more important than qualifications.

A unit manager reflected this attitude, in saying that 'qualifications did not make a difference in the company as they were prepared to train and promote from within'. She believed that personality and commitment were more important. This attitude was mirrored by one of the other unit managers who said she

believed that 'some graduates are a waste of space' and that 'it is what sort of person you are that is important'. This unit manager then went on to say that she personally would be more likely to choose a person with industry experience than a graduate, because she felt that it would be easier to train and develop them as they come 'with knowledge'. However, she then appeared to contradict herself when she said that 'graduates tend to learn faster'. She also suggested that her own career progress had been slightly slower because she had no formal qualifications. Another unit general manager felt that people from college courses lacked the skills to deal with the 'real industry' and that they were 'operationally weak'. This manager believed that managers needed to be technically competent in manual tasks to earn respect from staff. However, this manager also said that a lack of formal management qualifications had, to an extent, hindered his progress. When questioned on graduates in general, he also said that graduates would probably progress through the ranks faster than non-graduates.

Area management recruitment

The company had a stated policy that they wished to recruit from within and aimed to promote people from unit to region. Of the eight regional managers in the CueSports division, seven had been internal promotions. The company personnel director was just about to launch a new layer of assistant regional managers, and again they were to be promoted from within.

People progression and development

As mentioned above, the personnel director interviewed did not believe that a unit manager's job was a graduate job. The company has an in-house management development programme that lasts for nine months and includes training and experiential learning. This scheme focuses on the core skills required to manage one of the units. The training scheme was built around the company objective of increasing sales. Managers were rewarded with a bonus scheme, and many company initiatives revolved around customer care and customer service. Much of the management training was designed to support the company's customer service initiative. The culture of the company was that managers were encouraged to be self-reliant. When the personnel director was questioned on progression of managers, he said that 'progression was down to the individual' and that managers had to take ownership of their own career development. As far as a 'glass ceiling' was concerned, the personnel director said that there was nothing in the company policies or procedures to stop people progressing. However, he also admitted that at unit general manager level the company had many females in post, but all the regional managers and members of the board were men.

Management turnover in the company was 30% and assistant manager turnover was 40% each year.

CasinoCo

This casino company is a division of a major international hospitality group. The group's turnover was £4 billion in 1999 and the total operating profit of the group was £381 million in the same period. The casino division contributed £12.5 million to this profit. Due to a recent takeover by the parent company of another hotel group there are now 32 casinos in total. There are four offshore operations. The casino division is organised through a casino executive, made up of operations directors and functional specialists. Every casino has a general manager and a deputy general manager, and there are normally three duty/assistant managers. Each area of the casino has a head of department (for example for gaming, food and beverage, cash desk, administration and maintenance). The core business is gaming and there is a strict hierarchy of positions.

The smallest casino in the group has 60 employees and the largest has 200. The average size is 100.

The sector is relatively small with only 120 casinos in the whole of the UK. This is largely due to the 1968 Gaming Act that restricts the number of licences granted. The number of casinos has not grown because the number of licences has been restricted. This is the key historical milestone in the industry and governs the management of casinos. The industry is highly regulated and restricted. The feeling in the industry is that the 1968 Act is very much out of date and in fact the home secretary is reviewing it this year. The industry is hoping for radical changes.

The company strategy is to be the biggest and the best. They aim to be the market leader and have the largest number of outlets as well as having the highest 'cash drop' in the UK. This is the way performance is measured against competitors, as the profit results are not as reliable as in other industries. The overriding aim is to take casinos into the leisure market and make gaming a more socially acceptable leisure outlet. Due to the tight regulation, it is difficult to expand the business.

Interviews were conducted with the director of human resources, the head of training and development, and five casino managers. None of the casino managers had degrees, however, three of them had post-graduate certificates in casino management.

HR issues

HR features strongly in the company strategy. There is an HR director with a team of three at the centre of the organisation. There are four regional training managers who have some aspects of personnel in their jobs. Each manager has eight or nine casinos and is responsible for the HR development of those branches.

Unit manager recruitment

The head of training and development is responsible for the recruitment and development of managers. Assessment centres are used in the selection of casino managers. The casino executive is involved in the assessment centres and a member of the head office team and an executive team member make selection decisions. All other levels of recruitment are decided at branch level.

Due to the nature of the industry and the restrictive regulatory framework, it is not possible to gain direct entry into a management position externally. The gaming body requires people to be licensed. There is a series of different levels of license that have different colour codes. Graduates can be selected, but they still have to work their way through the licensing system and there is no way to avoid this. The levels are sequential and one must work through the levels. Even the senior directors of the company have to be licensed. The company offers internal programmes and support materials with internal coaching. There is a verbal test at the end. Some licenses are tested internally (for example, supervisory), however the managers' license has to be tested externally by the gaming board.

All operational people must have licenses, but not head office specialists. The gaming board aim to have as many people as possible licensed as it gives them more control. However, this has a negative impact as far as human resources is concerned as this restrictive practice reduces the likelihood of introducing new blood into the company. Also, the license requirement tends to make the job appear as a specialist job, when in fact it is not technically specialist. The HR specialist in the company felt that a manager that could manage a bingo hall or a restaurant could equally manage a casino, but would be denied access to the recruitment and selection process of the casino because they did not have a license.

There is no specific graduate recruitment policy in this company, but there have been three attempts to recruit graduates. This was a direct result of the parent hotel company's graduate recruitment policy, when graduates were recruited en masse for the entire company portfolio. At the moment, the company has put graduate recruitment on hold and they wish to investigate how a graduate scheme could work in the company. In the past, some graduates had leisure degrees and some had business studies degrees. The graduate programme used to last two years. In retrospect, this was felt to be over-ambitious in timing, and the graduates who are still with the company needed approximately three years to complete the programme and take up their first management positions. One graduate excelled and became one of the marketing managers, but there was a large drop-out rate (four out of six resigned) either because they didn't find the industry suitable, or the company didn't think that the graduate was suitable. The HR specialist who was interviewed believes that the selection procedure and the programme were flawed and did not look closely enough at the skills required to be successful in casinos. Further discussion revealed that there are many broad generic skills required, but specialist skills

include the ability to handle irate customers who are losing thousands of pounds!

The company also used to have a fast-track graduate programme, but it failed to take into account the resentment from streetwise general managers who had taken 25 years to get to their positions. Also, some of the general managers did not know what to expect from graduates who 'had never done a day's work in a casino' but would make it to management in two or three years. The company has now decided to focus on their own internal labour market for promotion rather than invest in graduate recruitment.

Area management recruitment

Within the casino division it is normal to move from operations into area management. There has only ever been one area manager who came from outside the business, and he actually left the company. The HR specialist interviewed believed that it would be rare to appoint an area manager from external sources.

There is no progression between brands or divisions in the company at operational level.

People progression and development

People from outside the gaming industry cannot move into gaming management because of the license requirement. The company is looking at a fast-track programme for non-gaming staff that gives a year's accelerated training in the gaming area where they can obtain their licenses. They can then go into management, as currently there are not enough people to fill the management jobs.

The company has a strict hierarchy and a well-defined promotional ladder. Promotion is based on assessment centres that are used for all management recruitment.

The company works with a university that has a centre for gambling studies and employees have completed the post-graduate degree there. The university also offers undergraduate courses in business studies and economics with a specialism in gambling. To date, the company have had 24 people graduate with this university and feel that this is an important development programme.

There is an annual formal appraisal system in place, as well as informal reviews and job chats. The regional training officers manage this. Succession planning has been developed recently and there appears to be more information available from the assessment centres that supports people's advancement in the company. There is a competency framework in place and they are looking for common management skills, but feel that they need more emphasis on commercial and entrepreneurial skills, as most of the current managers are lacking these.

This lack of commercial and entrepreneurial skills is exacerbated by the fact that most of their managers have come from a specific gaming environment and have no experience of any other business. There is rarely any new blood and they do not experience anyone coming in with different ideas. Staff and managers in this business tend either to leave within two years or stay forever. Five or ten years ago it was the case that once you were in casinos you stayed and never left; now younger dealers are coming in. They tend to stay for a year and then go to work somewhere else (usually cruise liners). This company tends to lose people only in the first couple of years, probably because managers cannot see progression and feel that there is a bit of a blockage. Another reason for this wastage is that people discover that the industry is not for them. Manager turnover is low. However, the company has had to make some 'hard decisions' recently about some of their managers, based on a skills set. This has 'artificially' inflated the labour turnover figures.

BingoCo

This bingo division is part of a leading international leisure and entertainment company. The parent company has a turnover of £2.04 billion and an operating profit of £307 million. The bingo division has 124 clubs spread across three regions. These regions are broken down into 'marketplaces' and there are a total of 16 of these.

The company strategy is to convert its estate from 'cinema conversion' clubs without parking to edge-of-town, new, high-visibility sites with parking. In the past few years the company has consolidated rather than expanded, and the focus has been on cost control and maximising profitability, although the company will still buy new businesses if they fit the long-term aim of the company.

Bingo attendance has been declining over the past ten years, but the business has grown due to product innovation and the creation of higher customer spend from essentially the same people. Unit managers ensure company standards are maintained across all activities. This includes main and ancillary bingo games, food and drink sales, amusement machines, and ensuring compliance with gaming legislation.

The average budget for the units in the sample was £1.5 million profit contribution on turnover of £2.5 million. There is some opportunity for the unit managers to influence their budgets, and this is important. There is a company bonus scheme related to the budget that can amount to 10% of annual salary if the unit achieves its targets. If the marketplace achieves its targets, then unit managers can be awarded a bonus of 50% of their salary. The marketplace budget is set at head office and the marketplace manager negotiates the 'ask' which each club must achieve to contribute to the marketplace. One unit manager spoke of the culture of setting the 'ask'. He said, 'If he (the marketplace manager) is going to reduce my ask, then he is going to have to increase someone else's ... If we all say we can't manage it, he'll say "that's tough"'.

One of the unit managers said that there were great opportunities in bingo and that the salaries were excellent. He also said, 'I think bingo is one of the best kept secrets ... it's not the most taxing job'. Another unit manager said that bingo 'is a hidden industry that no one knows about'. He believed that there are excellent opportunities for careers in this sector and added, 'I think that we are the best-paid people in the industry'.

Most of the food/drink product prices were set centrally so there was little autonomy apart from promotional activities to encourage more business. Even the promotional activities had to be agreed with the marketplace manager. In contrast to this, there is a great deal of autonomy in pricing the bingo games and admission charges.

Unit managers had no direct involvement in the preparation and service of food and drink. Managers did, however, have direct involvement with the front office and greeted customers when they entered and left the building. Managers were also responsible for monitoring and reacting to customer comments, both informally through observation, and formally through the 'mystery visitor' reports. Unit managers had some responsibility for organising the staffing structure and were involved in some recruiting and selection at supervisory level. Unit managers also had to deal with serious disciplinary incidents and grievances. All unit managers spoke of a responsibility to ensure that the building was maintained to a good standard, and one suggested that unit managers had a strong influence on new build projects and refurbishments.

The marketplace managers are responsible for around eight bingo clubs and for making sure that they are run within the strict legal framework. The marketplace managers' jobs revolve round three areas: finance (targets, admissions and profits), developing staff, and service levels. Marketplace managers deal with gaming board executives on a regular basis.

Interviews were conducted with the director of human resources, the finance director, one regional manager and four unit general managers. Two of the unit general managers had physical education degrees and one had professional accounting qualifications.

HR issues

The head office HR team comprises 12 people. There are three HR advisors, each with a recruitment and training advisor. These advisors deal with operational issues, but also play a role in development. The HR director designs the HR strategy and she aims to put as much information and responsibility out into the field. This is done through a database that is accessible from the units. Apart from the more senior training levels that are dealt with by head office, all training is done in the field.

The marketplace managers and general managers, who are extremely streetwise, drive the business and most of them have been around for a long time. The HR director described these people as 'a bit like second-hand car salesmen'. Sometimes this streetwise culture rejected the need for implementation of some policies.

Unit manager recruitment

The director of HR is responsible for the recruitment and development of managers down to unit level. Below this the responsibility is at unit level. The HR team has only been in place for 13 months and has inherited some policies and practices from their predecessors.

Their graduate recruitment policy is to recruit graduates who are on their second job (ideally from another leisure sector). The company wanted 'second jobbers' so that they would have developed some of the people-management skills that are seen as a key part of the job. The rationale for recruiting

graduates was a perception that there was a need to improve the calibre of unit managers, and thus future marketplace managers. These graduates were taken on as 'general manager designates' (GMDs). The company is presently recruiting 12 GMDs for the next financial year and the feeling is that this will be the norm for the future.

GMDs followed a structured training programme, incorporating a modular management certificate (through the Chartered Institute of Marketing) that was provided off-site. The scheme lasted 20 to 24 months, with the graduate progressing through four pay or job grades, up to a fourth grade that indicated that they were ready for general management. (GMDs earn £15,000 to £19,000, while GMs earn £24,000 plus car and incentives). The requirement for the CIM still applied to graduates who had studied management (for example, hospitality or business studies graduates), but they could apply for accreditation of prior experiential learning (APEL).

The number of entrants via this route was found to be falling and it was discovered that there was a significant number of graduates working in units who were not in customer-service management jobs at the grade required to be considered for the GMD scheme. Action was taken and the scheme has now been opened up to a wider audience internally.

The company uses a competency framework against which applicants are assessed through interview, and then there is an assessment centre that includes psychometric measurement.

Area management recruitment

There are three regional directors in the company. One of these is a graduate and the other two have MBAs that they achieved whilst working for the company. The two MBAs moved up within the company from unit level. Managers are encouraged to move up from unit, to marketplace, to region. The HR director suggested that she would like to see more generic training so that there would be more flexibility to move across brands within the company. The unit managers' views on moving up to area management were mixed. Some wished to move in the future and one said, 'I don't want to be a marketplace manager as the shelf-life of these guys isn't very long.' Another unit manager spoke of the importance of qualifications to help the move into area management. This manager believed that the company valued qualifications, and he had asked the company to support him in doing a management diploma with a view to eventually doing a master's qualification. He believed that in the future, managers would need to become more strategically aware and he associated a master's qualification with more strategic levels of thinking. He believed that he needed to do an MBA to help his progression in the company, as the company was committed to people with management qualifications.

People progression and development

Management turnover is extremely low (3% each year) so this stifles movement and holds up development and promotion. A performance management

scheme is carried out annually and this is linked to the capability profile. Succession planning only exists at senior levels, but the HR team hopes to develop succession planning for lower levels in the organisation. Management jobs tend to be male dominated and of the 16 marketplace managers, only one was a woman. There are 124 unit managers and at least 110 are men. One of the unit managers who was interviewed said that she felt that she could make it as a marketplace manager but was putting this 'on hold' as she was about to take maternity leave.

The human resource director who was interviewed believed that people skills were the most important skills and knowledge of the business was also important. She also felt that a background in the business could help, as would any leisure experience. The HR director thought that degrees probably did help, but she could not support this with any evidence.

FitnessCo

This company is a small independent fitness firm that is solely owned. The sole owner started the company 25 years ago. This owner had been an Olympic competitor and continues to hold the record as the most capped British sportsman in history. He owned the first fitness club to have squash courts in central London and it was known as 'the best squash club in England'. It is still the largest squash club in the city. At present, there are 11 fitness clubs in the company and they are all within walking distance of each other in the City of London.

The three oldest clubs operate under one brand name and the other clubs operate under another separate brand. The company has plans for expansion and is currently developing four new clubs. One of these new clubs is located outside London and this is a 'first' for the company.

The turnover for the group was £10 million last financial year and the total number of employees in the group is 270.

FitnessCo hopes to continue with their strategy of growth and may even acquire other fitness firms in the future. In the longer term they may aim for flotation. The philosophy of the company is based on their strong sporting heritage, and the culture of the company is extremely friendly and welcoming. The company aim is to be a 'proper' fitness company that promotes health and fitness, and the company deliberately sets out to be different from newer 'posey' fitness clubs. Several of the respondents interviewed referred to the 'bright pink leotard brigade' and claimed that that was not what this particular company was about. One club manager stated that the company made a big effort to make clients feel at ease in the clubs and spoke at length about 'the perceived intimidating environment' of many gyms. The club managers did not want the gyms to be seen as being élitist. Members of staff in the company were encouraged to use the gym facilities regularly and were actively encouraged to mix with the club members, both in the gym and whilst using the social facilities. All of the interviewees said the directors were very friendly and liked to be called by their Christian names.

The majority of club members were corporate members. The company has 11 units, no regional layer, and a board of four directors. The clubs normally have a club manager, an assistant manager, a senior instructor, a studio co-ordinator, a head receptionist and a receptionist. The larger clubs also have a gym manager.

Club managers were responsible for managing the day-to-day activities of the club and making sure that the clubs made a profit and stayed within budget. Managers were also responsible for keeping the membership figures on target. Managers had responsibility for food and beverage operations in some clubs and the management of staff and gym equipment. All three managers interviewed still led an exercise class each week and said they wanted to keep their hands in.

In the three clubs in the sample, staff numbers ranged from 10 to 12. The number of members in the clubs ranged from 1,200 to 1,800.

The group personnel director and three club managers were interviewed. This was felt to be an appropriate sample for the size and structure of the company. One of the club managers had no formal qualifications, but had been with the company for 21 years. The other two club managers had YMCA fitness qualifications but no degree level qualifications.

HR issues

Until six months ago, the company had no formal HR function. As the group personnel manager said, 'For twenty-four-and-a-half years there was no personnel person in the company'. The group personnel manager virtually started with a blank sheet, and says that when the managing director introduces her, he says, 'Let me introduce you to X, our personnel manager – don't ask me what she does!' The group personnel manager has a first degree in environmental science and was studying for a master's degree in human resource management. Her previous job was with a major food retailer.

She is the only HR person in the company; there is no HR person in any of the units. She is currently in the process of recruiting a part-time personnel administrator.

Unit manager recruitment

According to the group personnel manager, the directors were actively involved in club manager recruitment. The operations director recruits all club managers. The group personnel manager was not directly involved in these decisions. The company aims to recruit as many club managers as possible from internal sources, and to keep moving people up through the company and train and develop them into the role of club manager. In the entire company there were only five people who had been externally recruited to the position of club manager. Everyone else has been promoted from within. Most managers have been internally promoted from fitness instructor to club manager. The group personnel manager personally felt that this was not always the best way. She thought that some employees had simply done well in the previous year and the view had been 'let's give them a shot at being a manager'. She was hoping to change this, and said that since she had been appointed, three of the five external managers had been appointed.

All managers' posts are advertised internally by e-mail and if it is necessary to advertise externally, then trade magazines such as *Leisure Opportunities* are used. The operations director short lists candidates and an interview panel of at least two people makes the final selection decision. Candidates are required to do an aptitude test, but assessment centres are never used. The types of skills that the company is looking for in club managers are financial skills, people skills, customer skills and good managerial skills. It is important for this company that candidates have a fitness background. One of the unit managers

explained that all fitness instructors have to be qualified in order to teach, and said that professional fitness companies would never risk employing unqualified staff. The risks of injury and consequent litigation were too high.

The new group personnel manager is introducing a new management development package and a training package, and hopes to start an 'academy' to train and develop people. The aim of this is to keep moving people up through the company (rather than losing people) and to encourage instructors to become senior instructors. The company recruited many antipodeans, and apparently they made very good fitness instructors. The problem with these instructors was that they were normally in the process of travelling around the world, and while they would stay and work in England until September, then they would go off travelling again before going home for Christmas. The company realised that they could not do much to control this labour turnover. However, they preferred to keep these instructors for one or two years and then let them go, rather than appoint instructors who were not so good and keep them longer.

The company does recruit graduates, but there is no graduate recruitment policy or graduate training scheme. The new group personnel manager is hoping to start a new graduate programme soon. She indicated that she would be specifically looking for sports science graduates and thought that the graduate programme would last one year. Graduates on the programme would 'do a bit of everything' and would probably spend three months as an instructor, three months on reception and front of house, and three months in sales. At the end of the year, the graduate should be capable of moving into an assistant manager or senior instructor position.

Area management recruitment

There is no area management level in the company. Two of the three club managers interviewed said that this is a major weakness in the company structure, and they felt that they needed someone in-between unit and corporate level to make 'quicker decisions'.

People progression and development

The company did have an appraisal scheme but this was carried out quarterly and the new personnel manager felt that this was too often. She had already decided to change this to six-monthly or annually. She was currently reviewing the entire appraisal process.

People who stayed with the company for the first year or 18 months, then normally stayed for a long time. The group personnel manager said that people tended to leave in the first 18 months or 'stay forever'. Management labour turnover was low, although this was difficult to gauge as it had not been measured before the new group personnel manager was appointed. One of the club managers interviewed had been the manager of that particular club for 21 years, and two of the staff in that club had been there 21 years as well. The

other two club managers who were interviewed had been with the company for five and seven years respectively.

Two of the club managers mentioned low pay as a fact of life in the leisure industry, and one of them said, 'You have to really love the job because the pay is so low'. The group personnel manager believed that there was a skills shortage for 'bottom level' jobs and that this was a problem caused by low pay. She added, 'This is a low-profit industry so you can't pay people huge salaries – if you could, more people would probably come and work in the industry'.

The people who did well in the company were people who 'were good with people', and the view from the company was that fitness instructors have to be good at dealing with members.

When one of the club managers was asked about the value of qualifications, he said, 'Managers need to know what it is like to teach six classes a day. A degree may give you a higher level of knowledge, but I don't regret not doing a degree myself ... I gained a lot from my three years' experience'. Another club manager said, 'It's all very well learning all the theories, but you need to know how to manage people and know how they feel'. This manager also said, 'I have seen "degree holder (sports science) required" on the application form and I don't like this'. However when questioned in more depth about qualifications she added that a degree was not necessary and felt that not having a degree had not hindered her. However, she also felt that if she had studied finance and marketing, and had more business skills, maybe she would have benefited.

The fitness industry is still a male-dominated industry and most of the applications for fitness instructor jobs are from men. This poses a problem as apparently the fitness industry is short of people with exercise to music qualifications. Currently the company receives five male applications for every female application.

Main findings

This sector is diverse and dynamic, but, unlike other sectors in the hospitality industry, it is in a period of consolidation.

The detailed case studies illustrate interesting similarities and differences between the companies in the leisure sector. Obviously, the nature, size and structure of the companies will determine different patterns of employment, as will types of ownership. It is predictable that large internationally owned companies offer different types of careers to small independently owned companies. It is also clear that the range of skills required to manage these businesses differs depending on the product or service on offer.

The main findings from this sector are as follows:

- **Unit management.** Unit managers in every case study were responsible for the day-to-day operation of the unit. In every case, they were responsible for operational aspects and the management of the people working in the unit. The majority of unit managers interviewed said that they made recruitment and selection decisions for staff below unit manager level. Most were also responsible for training members of staff in the unit. In every case, unit managers had to work within a budget that was decided and determined higher up the organisation. Without exception, they stated that although more senior managers consulted them on the budget, they actually felt that their input was minimal. The size of the budget varied between companies depending on the size and nature of the unit, but one of the most interesting findings was in BingoCo, where the size of the budget could determine the unit manager's (potentially substantial) bonus.

The pattern of work of unit managers varied between companies. At one extreme, managers were working in seven-days-a-week, 24-hours-a-day businesses, and were often called in to deal with emergencies during the night. In fact, one of these managers who worked for BowlingCueCo, said that the worst part of his job was having to deal with middle-of-the-night emergencies when the assistant manager on duty did not feel capable of dealing with violent or drunk customers. At the other extreme was FitnessCo where all the units in the sample opened only on a five-day week basis. None were open at the weekend and this was due to the location of the gyms (in the Square Mile) where there was no demand at weekends.

All unit managers (apart from the small independent company) reported to regional/area managers and in most cases the meetings with these more senior managers were frequent (normally fortnightly).

All unit managers interviewed were involved in making short to medium term decisions and all felt that any major decisions had to be discussed and approved by more senior management.

- **Recruitment of unit managers.** All of the companies in this sector use a mix of internal and external recruitment to fill management posts. Unit managers

in every company were recruited centrally, apart from one company where the responsibility was shared with the regions. The usual procedure was to use assessment centres (the exceptions were the small independent company and the bowling company), and to attempt to match potential managers with competency frameworks. None of the companies in the sample deliberately excluded non-graduates from their recruitment and selection procedures.

- Management development. All of the firms in the sample were engaged in training and management development. Several were proud of their commitment to training. Management development appeared to be relatively sophisticated in most of the companies in the sample. Almost all of them used competency frameworks, succession planning and systematic management development programmes. One company had strong links with a university, and had encouraged many of its managers to enrol on undergraduate and postgraduate courses that were specifically devoted to gaming.
- Area management. As mentioned above, apart from the small independent company, every firm had a layer of area managers. Two findings are important as far as area management is concerned. The first issue concerns movement between unit and area management. The second issue is the importance attached to qualifications for this level of management in one particular company. Three of the four companies in the sample who had this level of managers were committed to promoting unit managers to area management.

BowlingCueCo had a stated policy of recruiting from within and aimed to promote people from unit to region. The evidence for its success was that seven out of eight regional managers had been internal promotions. In CasinoCo it was 'seen as normal' to move from unit to area. Proof of the pudding for this company was that 'there has only ever been one area manager who came from outside the business, and he actually left the company'. In BingoCo, again, two out of three regional directors moved up through the company from unit level. In TheatreCo it was almost impossible to move between unit and area because of the stability of the area managers in post, and the size of this layer: there were only three area managers in the company.

Three of the four companies who had area managers stated that qualifications were not an important factor in the move between unit and area management. However one company, BingoCo, had encouraged its two internal promotions to embark on MBAs whilst working for the company. When one of its unit managers was discussing career progression within the company, he felt strongly that he 'could only go so far in this company without a master's level qualification'.

- Graduate recruitment. The extent to which graduate recruitment was specifically emphasised in a company depended on the individual company. This ranged from BingoCo, that specifically recruited graduates on their

second job who ideally had experience from another leisure sector; and TheatreCo, that preferred graduates and then specified the discipline (leisure or business management). At the other extreme was BowlingCueCo where the personnel director stated that unit management was not a graduate job.

- Graduate entry training schemes. Once again there was no clear pattern across the sector. The decision to have a graduate training scheme depended on the individual company. It is not even the case that the larger companies were more likely to have graduate programmes. Two of the five companies had graduate training schemes; however, it is not the case that the other three companies had rejected graduate training schemes. One company had a graduate training scheme 'on hold', due to a rather negative experience in the past, and it was planning to reflect on this before introducing another. The small, independent company was hoping to introduce one in the near future. Only one company believed that there was no need for a graduate training scheme 'as unit management is not a management job'.
- Knowledge and skills. When unit and senior managers were questioned on the skills and knowledge needed by managers, they usually included basic numeracy and literacy. Most managers also suggested that financial management skills, computing skills and the ability to collate and analyse information were essential. Similarly, most managers suggested that good communication skills, negotiation skills and the ability to motivate people were necessary to be effective managers. More senior managers in the companies felt that skills such as logical thinking, the ability to come up with new ideas, and the ability to run a business were important. The most frequently mentioned skills were people management skills. One personnel director said that these skills were more important than qualifications. Not surprisingly, he was also the director that claimed that unit management in the company was not a graduate job.
- Labour shortages. None of the companies in this sector were seriously concerned about the supply of managers in the future. Many managers spoke of the 'booming leisure industry' and spoke of the variety of entry points for managers.
- Salaries. Although pay was not a central issue in this research project, it would be negligent not to mention the impact of pay on careers in the leisure sector. As mentioned earlier the leisure industry has a poor reputation regarding pay. It would be naïve to suggest that pay is not low in this sector, especially as far as operative staff are concerned; however this particular research has discovered that in some cases unit managers command high salaries and high bonuses. The two sectors where pay appeared to be particularly low were the theatre sector and the fitness sector. Managers were aware that their salaries were low compared with other sectors, but seemed to be committed to the industry despite low pay.

- Labour stability. Although labour turnover was not systematically and rigorously measured in this research project, labour stability was frequently mentioned. It appears to be the case that even where pay is low (theatre and fitness) there is a high level of loyalty towards the company. This research found cases where theatre managers stay despite low salaries 'because they love the job', and in the fitness sector managers were aware that it was a low-paid industry but still wanted to pursue careers in it. Labour stability in the theatre company had severely reduced the likelihood of unit managers moving up to area management, and the extremely low labour turnover in the bingo company had held up development and promotion in the company.
- Attitudes towards qualifications. None of the companies required managers to have degrees or HNDs; however attitudes towards qualifications differed between the companies. In TheatreCo all the divisional directors and the human resource director wanted to recruit graduates because of 'the need to have better calibre people for the future'. BingoCo's reason for recruiting graduates was the belief that there was a need to improve the calibre of unit managers, and thus future marketplace managers. The HR director of BowlingCueCo was adamant that unit management was not a graduate job in this company, and one of the unit managers in this company felt that it did not make any difference in the company if one had a degree or not.

It is clear that whether or not a person is a graduate affects their views on qualifications. Graduates in the leisure sector had different views on the value of a degree. One graduate felt that being a graduate generally improved the speed of progress and ability to do the job effectively, but did not think that a degree could help one in how to deal with people, and believed that it had to be learned by experience. Another graduate felt that her degree had helped her become a better-organised manager, but the actual degree discipline was secondary. One graduate suggested that 'unless a degree was in a very specialised science subject, it teaches you as much about how to organise yourself and run your life as it does about the subject you are studying'. Graduates spoke of improved communication skills that they had acquired during their degrees. One graduate felt that her degree had not made any difference. She suggested that a degree 'looked good on a C.V.' but she did not feel that having a degree made one a good manager. She added that one's attitude when dealing with people is more important than qualifications and did not think that this could be taught in college.

There was a view from a few unit managers that increasing numbers of managers were entering at graduate level and working their way quickly to general management. A few unit managers also said that their companies were changing, and qualifications were becoming more important in management positions within the group. This was tempered with the view that there would always be a route into management for the non-graduate with the right skills and experience. One unit manager said that qualifications were more likely to open the door for interviews. Another unit manager who was interviewed declined the opportunity to go to university

and decided instead to work her way up through the company. She now believes that she would have advanced more quickly if she had joined the company as a graduate.

- Perceptions of hospitality degrees. Hospitality degrees were not specifically relevant for this sector; however, when managers were questioned on the relevance of degrees, it depended on the specific sector and company. The fitness company was planning to recruit graduates in the future, but was only interested in sports science degrees. The theatre company was specifically interested in leisure management and business management courses, but had no preference for any particular university and did not seem particularly interested in the specific content of courses. The casino company was interesting in that it had built up a strong relationship with a university that was not local, and was encouraging and supporting its managers through both undergraduate and postgraduate qualifications, specifically in gaming. This is encouraging, and obviously benefits the university and the company. However, at the moment it appears that only one university is offering this specialism.
- Gap in the curriculum. The gap in the curriculum identified by this sector is gaming. It is clear that graduates should be encouraged to develop knowledge and understanding of the legislative framework within which this industry is forced to operate.

Conclusions

The leisure sector is a dynamic and diverse sector and offers a range of careers for graduates and non-graduates. The large companies considered here have clear and appropriate HR policies and procedures. Several of them have sophisticated management development schemes, and take training and development seriously.

The majority of companies in the sample recruited graduates. Several of them specifically targeted graduates and had well developed graduate recruitment schemes.

The reputation of the leisure sector as being a poor employer has not been supported by these case studies. High levels of labour turnover, low pay, unsociable hours and poor or non-existent career structures have not been evident. It is also not the case that the companies in this sector lacked formal systems of human resource management or had a poor record on training. Although the number of cases was small and only management careers were investigated, there is room for further research in these areas.

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