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## University of Kent MA in Management

**Thesis** 

# HOTEL RECRUITMENT AND SELECTION PRACTICES: THE CASE OF GREEK HOTEL UNITS/CHAINS VS FOREIGN HOTEL UNITS/CHAINS IN GREECE

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#### **Abstract**

The present study aims to capture and describe current and future trends in the implementation of recruitment and selection practices in Greek hotel industry, as well as to attempt a comparison of this implementation between Greek hotel units and foreign hotel units (MNEs) operating in Greece. The study's objective is to capture differences on the variety of methods and tools used, the way they are implemented and the level of effectiveness in this implementation. It also attempts to identify the impact of organizational factors on the choice of the mix of recruitment and selection methods and tools used. The hereby research also aims to examine the level of transfer of HRM practices from the parent company/hotel headquarters, to the subsidiary as well as the factors (in organizational level) influencing the transfer. The final objective is not only to depict these differences and transfer trends but also to explain them based on the relevant literature and set the basis for future research in the field.

## 1. Introduction

## 1.1 Introduction and importance of the topic – Literature review background

In an era characterized by continuous changes in the economic, political and social environment, in the era of globalization, technological advances and easy mobility of resources, firms have to compete and remain successful in this extended global arena. Therefore, there is a need for differentiation leading to a sustainable competitive advantage (Katou, 2008). In response to this need the focus has moved away from the traditionally sources (capital, land, technology) strengthening an organization towards its competitors, as these sources in a global boundary-less arena, are not any more unique (Torrington et al., 2005). Thus, the focus has moved to business systems and processes and in particular to human capital, that has emerged as the new source for competitive advantage. According to Barney et al. (2011), human resources (with their skills, knowledge, attitudes and competencies) and the way they are managed are most possibly to produce a sustainable competitive advantage, as they are hard to be imitated.

This is particular true for services industries, which are heavily based on human capital for their successful operation and delivery of products-services (Hoque, 2000). 'Travel and tourism' form one of the services' sector industries, which compared to other services industries, is characterized by continuous growth the last 70 years, even during unstable situations and crisis periods (when the growth was in a slower pace) (Hazra and Nemes, 2013). In addition, according to the International Labour Organization, tourism contributes significantly to unemployment, by providing directly 3% of employment positions globally (every one in twelve job positions) (Davidson and Wang, 2011; Ladkin, 2011). Hence, human resources and their management are at the heart of the business (Suh et al., 2012). However, human resources management (HRM), specifically for tourism sector, tends to be a quite neglected issue in the literature (Hoque, 2000; Philippakos, 2009).

In the tourism sector, hospitality industry is one of the oldest ones and examination of HRM practices in it would be more meaningful as there might be officially present for

more years, in the organisations. Hotel industry now, which forms an integral part of hospitality industry, has several distinct characteristics. Its dual nature (having large MNEs and local hotels operating in the same region), its high sensitivity in changes (innovation, technological advances, economic, social and mobility issues), as well as the low presence of trade unions and the high level of employee turnover, imply that distinctive and diverse HRM practices will need to be implemented for a firm to remain successful and achieve its goals. Yet, success means, high quality services, which in turn means skilled, well trained and significantly qualified employees. Thus, a hotel's recruitment and selection process should be carefully designed and executed so as to provide a hotel with the most competent personnel (Popesku and Avran, 2012). In this way extra time and costs for future training will be diminished as well (Chang et al., 2011; Davidson et al., 2010). A successful recruitment and selection process, which will achieve person-job and organization fit, as well as skills-job fit, it will also help in the decrease of the high turnover scores in the industry. Though the type of contracts (part-time, hourly paid, non-permanent employment) usually met in the industry favour turnover, it should be avoided so as to help develop loyal, committed and thus successful employees (Ross and Pryce, 2010).

In addition, hospitality industry is characterized by a quite unique personnel structure, as people from all ages groups (generations) are spread around its operations. Consequently, recruitment and selection process should reassure the hiring of the best fitted in a team employees, so as to maintain its operations (Popesku and Avram, 2012).

Moreover, taking into consideration the increasingly high foreign direct investment (FDI), managers should balance between the implementation of local and foreign HRM policies and practices, taking also into account all the factors affecting them. Special focus should be also placed though on these HRM practices appeared to be more sensitive to changes, such as recruitment and selection; which is also the process determining several other important organizational features (such as performance and image) (Bratton and Gold, 2007). This states also as one of the reasons why the present thesis examines the recruitment and selection process rather than any of the rest HRM practices. It would be also rather interesting to see the level of transfer of HRM practices from parent companies to MNEs, in an industry (such as hospitality industry) characterized by the presence of several MNEs and local firms at the same place.

At the same time, considering the country of application of the present study, Greece, seems to be ideal for several reasons. First of all, Greece is a country heavily relying on services sector (75.8% of country's gross domestic product) (Philippakos, 2009). More importantly, as a top tourism destination globally and among European countries (usually in the top 15), tourism industry contributes the most in country's economy (15% of its GDP) and employment (by employing 20% of countries employees) (GTO Official Website). Especially now that the country is under severe economic crisis and it faces a deep economic recession, tourism which is still growing seems the only way out of the crisis for the country (Kapiki, 2012). Adding to this the fact that despite the industry's importance, HRM literature in tourism and hospitality has been rather limited, leaving a gap in the literature, it seems rather important to fill this gap (Philippakos, 2009).

## 1.2 Aims of the research

The present study attempts to provide answers on several important issues concerning recruitment and selection practices and transferability of HRM practices. Therefore, the aim of this research is two-fold. On the one hand it intends to examine the current and future trends in recruitment and selection in the services industry, and in particular in tourism and hospitality industry, and even more specifically in the hotel sector, which is characterised by high turnover and in which employees are directly related with the customers and thus the end product offered and the performance results. It is therefore rather important for hotels to manage to have loyal employees across the years, whom customers will know and trust and who will be committed in producing positive results for the company. It also aims to spot the differences in recruitment and selection process among local and foreign subsidiaries in a country. Hereby, the goal is to compare local and foreign hotels on their implementation of recruitment and selection process. On the other hand it aims to examine the level of

transfer of recruitment and selection practices from the parent to the subsidiaries of MNEs operating in another country, as well as the level to which the several organisational factors impact on the extend of the transfer and on how diverse is the mix of recruitment and selection practices implemented.

The focus of the research will be on tourism and in particular on hotel industry, which is one of the most important industries around the world, with numerous MNEs and local firms operating at the same place and under similar conditions; and at the same time an industry with increased contribution to employment and economy (Anastasopoulos et al., 2009; Hoque, 2000).

#### 1.3 Structure of the thesis

The thesis is structured in a way that builds gradually towards the hypotheses development and the data collection and analysis, linking always back to the first section of relevant literature review. More specifically, the first part of the thesis focuses on providing an adequately detailed summary of the relevant literature review, starting with chapter two and the introduction to Human Resources Management (HRM) and practices and building towards the choice of recruitment and selection procedure (one of the HRM practices), as the focus of this research. Following to that International HRM (IHRM) is discussed in chapter 3, depicting differences across HRM practices implementation as well as, the reasons for it. In this chapter the issue of transfer of HRM practices is discussed (from MNEs to subsidiaries), along with the factors influencing the extent of the transfer. Towards the end of the chapter a special focused is provided on Greek HRM and its distinctive characteristics.

Afterwards, chapter four focuses on the industry selected for the present study, which is hospitality and in particular hotel industry. It elaborates on the general tourism sector, so as to place hospitality industry in it. It also goes in greater detail in Greek tourism and hotel industry, so as to set context upon which recruitment and selection practices are discussed.

All the above literature review chapters, help in reaching the hypotheses development in chapter five, followed by the methodology chapter six, which analyses the present research design, the research instrument and the methods used for data collection and analysis. Furthermore, chapter six elaborates on the choice of the sample of the study so as to be able to further understand the following chapter (chapter seven), which is the results chapter. This chapter puts the literature into practice, and tests the verification of previous studies in the Greek context.

Finally, chapter eight, which is the final chapter of this thesis is, the conclusions chapter, in which a brief summary of the main results is provided, along with implications of the study in both managerial and academic level, the limitations of it and the possible grounds for future research.

## 2. Introduction to Human Resources Practices – Focusing on **Recruitment and selection**

This chapter aims to describe the place that the recruitment and selection process has in HRM management. It also aims provide a comprehensive review of the literature on recruitment and selection so as to describe in detail the process and clarify the expectations of the study in regards to tourism and in particular to hospitality industry. Hospitality industry is crucial for Greece as it is one of the major contributors to country's economy and despite this the literature in the HRM and hospitality industry area in Greece is very limited (Kapiki, 2012; Philippakos, 2009). Thus, this chapter goes through the relevant international literature including the limited research in this area about Greece, so as to help later on to make logical connotations of the Greek empirical data with the literature. Namely, it aims to describe all the sources, criteria and methods used for recruiting and selecting personnel, as well as the most frequently used ones based on their advantages and disadvantages. The chapter describes the ethical issues and the issues of equality being present in the process, especially in the second part, that of selection. Towards the end of the chapter the barriers to recruitment and selection are presented, along with the recent and future trends in the area. The chapter's goal is to provide a thorough insight in recruitment and selection so as to facilitate later on the research hypotheses formation, but mostly to facilitate the understanding and the discussion of the results of the study.

## 2.1 Introduction to Human Resources Practices

As it was argued in the introduction (first chapter), in a constantly and rapidly changing business, economic, social and technological environment, it is necessary and businesswise to ensure that the efforts of the employees contribute the most to the attainment of business objectives. This requires the effective management of the workforce and even more an effective recruitment and selection process, so as to obtain (and later on maintain) the most competent employees matching the job requirements and the organisation. Training, rewarding, evaluating employees and creating a good labour relations' climate, are also crucial functions to be performed by

the HR department, to ensure enhanced organizational performance (Dimitriades, 2007).

Therefore, HRM is a crucial part of a firm's management. HRM is a set of strategic and functional actions which should be applied if an organization wishes to attract, maintain and be profited by a qualified workforce, who will perform their job effectively and efficiently (Stewart and Brown, 2009; Mathis and Jackson, 2010; Thompson, 2011, Guest, 2011; Kane et al., 1999).

In brief the HRM consists of the following practices:

Human Resource Planning which is part of the strategic planning of a firm (setting of long term objectives and ways of accomplishing them), is the process of specifying, recruiting and utilization of needed employees, quantitatively and qualitatively, in order to attain the business objectives. According to Armstrong (2006) human resource planning should involve the vision and mission statement of the firm, its stage in business life cycle, be in line with the organizational culture and the external environment (job market, legislation, government policies and incentives, competition and economy), the current forecast for demand and supply of human resources and finally the ways of implementing these action plans and confronting any potential problems.

Job analysis is the task of collecting data and information with regard to (1) what are the duties of an employee who is commissioned to do each job (job description) (2) which are the working environment conditions and (3) which are the qualifications one should have to assume a job position and perform efficiently, in order to attain the predefined business objectives (job specification) (Siddique, 2004; Skinner et al., 2004).

Recruiting and Selecting is the process to secure an adequate number of the most suitable applicants for a firm's job openings. It is the process of spotting and inviting the right people timely and with the minimum possible cost (Boon et al., 2011). The right fit is determined by the job specification. The HR department is mostly

responsible for selecting the applicants, but their responsibility varies regarding the job position (job level). For mid and entry level positions the decision for making the offer is made by the HR specialists, but for high level positions the executives are the ones who usually decide. In any case these two parties should work closely so as to select the most qualified applicants (Slaughter et al., 2006; Lievens et al., 2002).

Training and Development is an educational process in which every employee should acquire technical skills, expertise and adopt behaviors and attitudes that will enable him/her to perform efficiently in his/her job. Training is mostly work oriented (emphasis on the technical aspects of job, employee necessary knowledge, existing shortcomings and current and future needs) (Bratton and Gold, 2007). Whereas, development is people oriented (as it aims to enable employees to develop necessary skills and personality characteristics so as to confront difficult situations in the future, take initiatives and make decisions) (Boon et al., 2011; Hansson, 2007; Newton, 2006; Papalexandris and Chalikias, 2002; Tao et al., 2006).

Rewarding employees (Compensation and Benefits) is about rewarding employees for the rendered service, job outcomes and behavioural outcomes. Employee compensation schemes and fringe benefit systems provided, are the most essential and crucial factors for attracting the most qualified and suitable applicants and also for maintaining them in the organization. Rewarding is always aligned with the organisation's HR strategy, while issues of motivation and external (market) and internal equality are faced. Fringe benefits are payments that are not related to job outcome (such as life insurance, time off, parental leave, summer holidays) but aim at maintaining loyal employees (Noe, 2011).

Performance Appraisal is a process aiming to gather information and data about employees' performance according to specific criteria, in order to evaluate their effectiveness and compensate them accordingly, as well as to decide on actions that need be taken for the improvement of their performance and about employees' development or replacement in the company (Cook, 2004; Javitch, 2006; Wilson and Western, 2000).

Labour Relations are the type of relations developed among employees in an organization and are subject to the official labour contract signed, to the unofficial psychological contract (expectations of both management and employees), and to the rules set by collective bargaining foundations (policies in order to develop and maintain good employee relations on a fair basis). It is the job of HR department to establish effective communication channels so as to assist the official and unofficial policies decided (Van de Brink et al., 2006; Harleyet al., 2011; Gibb, 2001).

It should be mentioned though that all the above HR practices are intertwined in a way that the successful or unsuccessful execution of the one has an immediate effect on the efficiency and effectiveness of the other. For instance, if during the selection process the most qualified applicants for specific job positions are selected there will be low need for initial training. Contrariwise, if a business systematically trains and provides high development programs for its employees then the poor selection and recruitment process is compensated.

Therefore, recruitment and selection process appear as one of the most important and critical areas of HRM an organization should be concerned with (Lievens and Chapman, 2002). That is one of the reasons why recruitment and selection procedure has been chosen as the focus of this research.

#### 2.2 Recruitment and Selection

In our era, when the focus of the firms is on achieving high performance results and sustainable competitive advantage through their human resources (which are the only ones difficult to be imitated as discussed above), recruitment and selection practices along with training methods, seem to be the means for firms to reach their aims and remain competitive in global arena (Andersen, 2011; Barney et al., 2011; Kersley et al., 2006). Therefore, the human factor and more precisely the efficient, loyal and motivated employees are linked with firm's success (Sekigushi, 2007). Thus, by applying the most suitable recruitment and selection procedures, organisations increase the possibility of finding and hiring the "right" people (efficient and possibly loyal in the future employees) (Russo et al., 1995). Besides, in turbulent times and during economic crises, recruitment and selection practices importance is greater as they can lead to lower costs for the organisation, but also contribute in reducing unemployment problems in a country/region (Russo et al., 1995) (Kapiki, 2012).

## 2.3 Recruitment

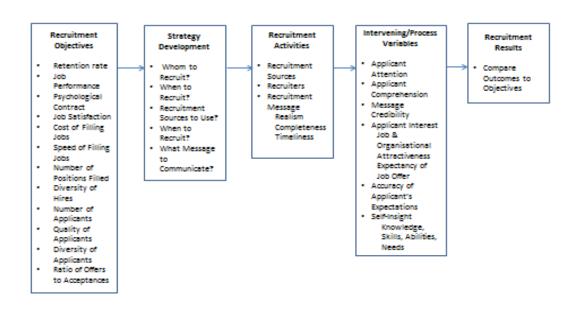
The recruitment process is the first experience an employee has with the potential organisation-employer. Therefore, it is very important that through this process the organisation is to be presented with a positive image, so as the potential employee be willing to work there, and to contribute to organisational growth and success (CIPD, 1996; Katou, 2008). It is also rather important as the recruitment process is the one to ensure the fit between the potential employee (and his perspectives) with the organisational culture.

In an attempt to define recruitment, it could be said that recruitment is the process of announcing the available working positions in an organisation, to the job/labour market, and seeking to create a pool of qualified applicants, from both the internal and external organisational environment, so as to satisfy the organisational needs (Gomez-Mejia, 2001; Armstrong, 2006). The main concern of managers in this process is to attract the "right" applicants quickly, less costly and to achieve a satisfying number of job offers to position acceptances (Breaugh and Starke, 2000). Therefore, a pool with applicants in sufficient numbers and quality up to the job's and organisation's level and needs should be generated (Beardwell et al., 2004). Under this scope, according to Whitehill (1991) recruitment is considered to be a 'positive process', while selection (discussed later on, in this chapter) is considered to be a 'negative process' (reducing the number of qualified applicants in the pool).

#### 2.3.1 Recruitment Process

Recruitment as discussed above should be carefully designed. This implies that above all the process should be formed by a number of steps, which could be easily followed by most of the firms after several adjustments to comply with their needs. According to Breaugh and Starke (2000) the recruitment process could be represented in the following figure:

Figure 2.1: A model of the Organisational Recruitment Process

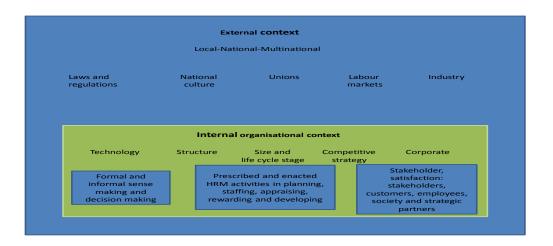


Source: Breaugh and Starke (2000, p. 408)

The first step in the process and a very important one for the determination of the rest of the process is 'why' an organisation runs the recruitment process; namely which are the recruitment objectives. These appear to be several ones. However, they can be summarised in two categories; a) the pre-hire ones and the post-hires ones. The prehire ones are those that are related with issues before the hiring, such as the cost, the speed of hiring process, the number of vacancies to be filled and the number and quality of applicants to be attracted. Whereas, the post-hire ones are closely related with the recruitment and selection outcomes, such as applicants performance, retention and satisfaction (Breaugh, 2008). In an era of fast changes these objectives are influenced by time and cost limits (Beardwell et al., 2004). For instance, there are industries such as hospitality industry, which need to run the recruitment process maybe several times during a year of operations due to the high level of turnover in the industry and due to the nature of the industry. An industry high subject to seasonality needs to rearrange quite often its needs in labour. Thus, the aim of recruitment strategy should be to generate a pool of qualified applicants at the lowest possible cost and in the shorter time spectrum, especially for industries like hospitality the recruitment process should run at the lowest possible cost.

However, time and cost are not the only factors affecting the recruitment process. Recruitment, as well as selection, occur within the organisational framework and are affected by both internal and external influences (analysed in detail later on). Cultural, ethnic, legal, social, industrial and labour market factors influence these processes externally, whereas organisational characteristics, such as company structure, size, life cycle and its technological advancement level affect recruitment and selection decisions internally. Schuler and Jackson (1996) attempted to summarise these factors in the framework presented below, which is still widely used.

Figure 2.2: The contexts of managing human resources



Source: Adapted by Beardwell et al., 2004, p.191

As it becomes apparent, both recruitment and selection process should be reviewed on a regular basis so as to remain up-to-date with changes in both external and internal context and to ensure that any potential bias are removed from the processes, allowing for a diversified pool of applicants, hindering any discrimination possibility and allowing for the best qualified applicants to be selected, especially nowadays that globalization and economic crisis in many countries, such as Greece, favour employee mobility across countries (CIPD, 2012).

After having set the recruitment objectives and having ensured the quality of the process, the first decision to be made, as part of the recruitment strategy, is who to recruit for the position in need. (It should be mentioned at this point, that the recruitment strategy ought to be always aligned with the general organisational strategy). The traditional way to decide so, involves a detailed job analysis, followed by a similarly detailed job description and a person specification (described earlier in section 2.1). The person specification, in particular, is rather important as it sets the basis for the position advertisement, the selection methods used, the selection criteria applied in a later stage and if set correctly it guarantees a good employee performance on the job (Wilkinson and Zwanenberg, 1994 and Beardwell et al., 2004). Other issues addressed with the recruitment strategy are, from where to recruit, when, what message to communicate to potential applicants and which sources to use (Breaugh, 2008). It should also been stated at this point that it is not always the case that organisations have a formal/written recruitment strategy. However, as the organisational size increases the possibility of having a written strategy increases as well, with organisations having more than 250 employees having more than 50% chances to have a formal strategy in place (CIPD, 2011). For example, 4\* and 5\* hotels in Greece, which are usually bigger in size than any other in lower star category (usually family owned), have more formal and established HRM practices, and consequently and recruitment practices (SETE, 2005).

#### 2.3.2 Recruitment sources

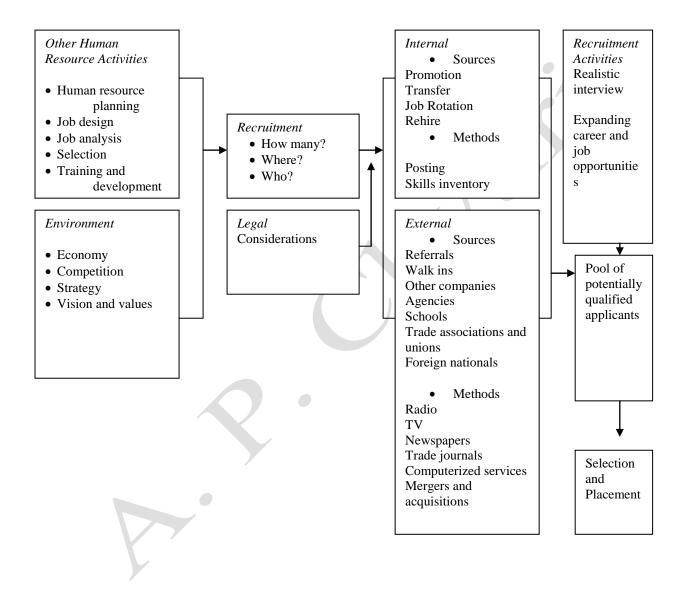
Attracting the 'right candidate' is mainly an issue about creating the adequate recruitment channel and applying the relevant communication procedures both internally and externally (Russo et al., 1995). That is, information should flow bilaterally in the labour market, between employers and job seekers (external communication) and in the organisation, between the HR department and the rest of the organisation (internal communication) (Russo et al., 1995). Having created the right channels, a decision of where to recruit have to be made; namely internally (from the company's former employees, who can be rehired) or externally (from a wider pool with new potential employees outside the firm). According to Boxall and Purcell (2003), used to ensure job security, career development, tacit/existing knowledge (acquired on the previous job) and it was less costly and time consuming. Nowadays, internal recruitment remains the preferable way of attracting applicants, particularly by large firms or organisations operating in the private sector, and it is related with career progression plans, employee development, employee succession and promotion, and long-term employment (CIPD, 2012; Kersley et al., 2006)).

However, attracting applicants only from the inside of the organisation may prove to be rather inflexible and discriminatory. It may also end up to be an obstacle to attracting and acquiring highly qualified applicants who might prove to be a more valuable asset for the company compared to existing employees (Kersley et al., 2006). Thus, nowadays, external recruitment is increasingly combined with or preferred to internal recruitment as more promising.

A second classification of recruitment sources is possible based on institutional dimensions. Sources are characterised as informal when the personal social network is used, whereas they are thought to be formal when the institutional network is used for recruitment (Russo et al., 1995; CIPD, 2012) Informal recruitment sources are considered to be those providing in higher proportion qualified and quality applicants but they raise questions of discrimination (Russo et al., 1995). As a result, a mix of both internal and external and formal and informal methods is usually used.

All the above discussed have been summarised by Schuler and Jackson (1996) in the following framework (Figure 2.3).

Figure 2.3:Relationships and aspects of recruitment



Source: Schuler and Jackson (1996, p:217)

The first part of the framework, depicts nothing more than the recruitment objectives and the influences on them from both the external (economy, competition and legal factors) and the internal (company's strategy, values and vision) environment of the firm stated and examined above, based on Beardwell et al. (2004) and Breaugh (2008) frameworks for the recruitment process. What is added here is the influence in designing the recruitment process from previous experiences with the past HR practices employed by the company each time. The second part of the framework, which will be analysed in detail in the following subchapters, describes recruitment sources and practices leading to selection among applicants.

#### 2.3.2.1 Internal recruitment

As stated above internal recruitment uses the internal labour market of a company to fill in occasional vacancies. This rehiring takes place within the spectrum of career development (promotions) and succession planning or the general training/use of employees in several departments of a company, so as to take fully advantage of their skills and abilities. Employees are considered a flexible "organisational asset". However, if internal recruitment always substitutes the external recruitment it might limit the formation of a diverse workforce, and results in demotivated and dissatisfied employees (Marchington and Wilkinson, 2009; Kersley et al., 2006). That is why it seems more secure to be used together with external recruitment.

On the one side, considering current employees as potential applicants and rehires the employee retention index is significantly increased. Moreover, as employees feel more valued by the company their engagement and loyalty degree can be increased as well, resulting in more efficient employees (CIPD, 2012). In addition, internal recruitment seems to be considerably less expensive compared to external recruitment (no need for advertising media or outsourcing). The vacancy is advertised through the company intranet, on the staff noticeboards or in the firm's newsletter (Torrington et al., 2005). In this way, potential candidates (current employees) are informed faster about the vacancy. Moreover, already employed applicants not only have probably the necessary skills to perform the job, but they are also already familiar with the company's culture, norms, rules, vision, mission and location (Torrington et al., 2005). Internal recruitment appears to be preferred a lot by small firms (mainly for cost reasons), and family owned business (as it happens with the great majority of business operating in Greece) (Marchington and Wilkinson, 2009; Stavroulakis, 2009).

Internal recruitment sources available could be summarised in a) promotion, b) transfer, c) job rotation and d) rehire (employee alumni network) and more recently e) employee referrals scheme (for current employees), f) walk-ins/unsolicited resumes, g) job posting and h) skills inventory (Bernthal, 2002; Schuler and Jackson, 1996).

*Promotion* of employees in a firm is one of the most common sources of applicants in internal recruiting. The applicants (existing employees) have already been assessed and evaluated, for their skills, knowledge and abilities; but more importantly for their job performance, in their previous or current job positions in the organisation. Thus, the employer has only to examine their potential suitability for the position in question, before or after receiving adequate and relevant training (Schuler and Jackson, 1996). Even though, this method might be less time consuming, costeffective (depending on the training costs), it might lead to disappointed employees with less enthusiasm, if they have not been chosen for the position.

Transfer now, refers to transferring an employee from one post (but usually in similar position or with the same salary) to another position within the firm, either in a different department or in another city or unit of the company (quite common method in the global market). Whereas, job rotation refers to transferring employees from one department to another, usually as part of a training skills' program (Jackson and Schuler, 2000). Rehire is literally the alumni network of previous workers in the firm, who have already been tested and evaluated.

The employee referral scheme arises as another source of potential applicants. Supervisors, managers and co-workers suggest a subordinate or another co-workerwho usually happens to be a friend or a family member- as the appropriate candidate for the job. This is a rather effective method for large organisations, but it is also applied in smaller ones. It is of a minimum cost method, but at the expense of having a diverse and mixed workforce (CIPD, 2012). It might enhance or favour the development of glass ceiling (putting boundaries to qualified employees to advance/move upwards in the organisation). Employee referrals are much preferred

by firms in countries where family bonds and friendships are highly valued, such as Greece.

Walk-ins or else called unsolicited resumes are another method especially common in countries with high unemployment rate. Applicant walk in a company asking for job or they hand in / send their resumes for potential future job openings. In this way, the organisation has an already established base for candidate screening and hiring which can be reached in a short period of time (Bernthal, 2002).

Bringing up the discussion now to the methods employed to attract internal candidates, job posting (of a job vacancy) in company's intranet, newspaper or staff boards, appears as an excellent method to be used. It is of a low cost, it offers promotion and career development opportunities and it can eliminate potential employee dissatisfaction as with the appropriate communication the job vacancy can be "advertised" to all employees, and as it is officially posted unlawful discrimination accusations can be avoided (Bernthal, 2002). However, if a company keeps a regular database about employees' skills, abilities, competencies, previous jobs type and performance, experiences, working preferences, career goals vacancies can be filled in without job posting (Jackson and Schuler, 2000).

In total, internal recruitment has been proved to provide better qualified employees, with increased morale and willingness to work harder and better, even if they are not considered the ones to be selected; just because they want to become an employee of choice. This method becomes even more effective in large organisations as the possibility to have a wide range of talented employees in-house, increases (CIPD, 2011). However, it is suggested internal recruitment to be used together with the external one not only to offer equal opportunities of hiring, but also to offer the organisation a more diversified pool of applicants (Kirnan et al. 2008). Organisation might lose its "best" applicants, facing at the same time the danger of inbreeding (having employees with no creative or innovative ideas as they have totally aligned with the firm's existing norms and way of working) (Jackson and Schuler, 2000).

#### 2.3.2.2 External Recruitment

When a growing organisation is the one in question external recruitment seems necessary as the internal applicants' pool usually does not provide such large numbers of candidates. Thus, the employer aims to hire outside the firm (Breaugh (2008) Moreover, if additional training is needed for the internal employees to be considered as qualified for the job position, a cost-benefit analysis should take place so as to compare the cost of training with the cost of external recruiting. It should also be taken under consideration the fact that new hires from the outside bring in the organisation new innovative ideas (Jackson and Schuler, 2000).

External recruitment has, similarly, to internal recruitment its sources for attracting applicants as well as methods for this, which can be summarised in the following table.

Table 2.4: External recruitment sources and methods

<b>External Recruitment Sources</b>	<b>External Recruitment Methods</b>
Referrals	Print advertisement (national or local
	newspapers, magazines, specialist/trade
	journals, posters, billboards)
Recruitment agencies	Media advertisement (radio, TV)
Education liaison (schools, colleges,	Corporate Website posting
universities)	
Other companies	Professional networking posting
Trade associations and unions	Executive recruitment consultants (Head-
	hunters)
Foreign nationals	Promotional events/Job fairs
Professional networking (eg. LinkedIn)	Internships/apprentices
Social networking (eg. Facebook, My	Rehires/recalls
space)	
Alumni network (previous employees	Word of mouth
network)	

Electronic methods
Job boards
Job centres
Mergers and acquisitions

Source: Booz et al. (2006), CIPD (2009), CIPD (2011), Crispin and Mehler (2006) and Beardwell et al. (2004)

Referrals as in internal recruitment occur when current employees, suppliers, vendors, previous employees and friends of the company inform their family members or friends, who they perceive to be qualified enough, for the position (Crispin and Mehler, 2006). This is a rather low-cost source even though (with the exception of a small reward sometimes). It should also be mentioned that usually this method results in the highest survival rates (retention) of new hires, as current employees, who have already adapted the firm's values and culture, tend to refer applicants with a similar viewpoint and attitude as theirs (Jackson and Schuler, 2000).

Recruitment agencies are private or public employment agencies which offer advisory services, run and monitor the recruitment process (partly or as a whole). They help to fill in professional, managerial/administrative or even unskilled vacancies either by hiring the right applicant or by eliminating the applicants' pool for the company to complete quicker and easier the hiring. The method is rather effortless for the employer and significantly less time consuming, but with a high monetary cost and with the risk to hire employees who might only stay for a short term with the organisation (Torrigton et al., 2005).

Education liaison is nothing more than the links of an organisation with schools, colleges and universities, so as to have immediate access to their graduates' pool with specific on the job knowledge but with no previous experience; graduates who might form a low cost workforce for line based positions. Students easily accept to have an internship with the company so as to acquire previous experience for future job applications. Similar to this are trade associations attract them through their newsletters, websites and annual meetings.

Employees of other companies might form a source of qualified applicants with an evident work performance and work achievements.

Foreign nationals seem to be a potential source for candidates when the in-country labour market shows shortages. They might be already working in another company in the parent's company country (and they called host-nationals), in their own country or in a third country (and they are called third-country nationals). This method requires, of course, a level of familiarisation with the national culture and recruitment and selection process of other countries (Jackson and Schuler, 2000).

Finally, networking appears to be rather important as a source of finding qualified employees. In an era when technological advancements allow for the development of online employee profiles companies have easy access to numerous resumes without running the recruitment process. Alumni networks, professional networks (such as LinkedIn) and social networks (such as Facebook) reveal different qualities and qualifications of a person allowing for the firm to find the best match for the position. Especially, *alumni networks* sometimes prove to be really useful for the organisations as they allow employers to also have a first evaluation of their performance on the job or in similar positions in the organisation.

All these methods can be used one by one each time or as a combination-which has been proven to have better and faster results as a greater spectrum/pool of applicants is reached. Usually, organisations follow specific patterns of recruitment methods (namely, each organisation uses almost always certain recruitment methods), even though efforts have been made for this to change over the years (CIPD, 2011).

One of the most obvious and commonly used recruitment methods, not only nowadays, but also in the past, is advertising of a vacancy (via the organisation or a recruitment agency) (Torrington et al., 2005). The advertisement can be put in one of the media (press, radio, TV, internet) relatively to the share acquired by each media in the advertising market, as well as the equivalent cost.

Press advertising is almost always used (alone or in combination with other methods). That is advertisement of the position a) in newspapers (local or national ones), b) in trade or specialised journals (services, manufacturing journals, journal related to the industry where the position appears, eg. tourism industry), so as to attract applicants with specific job related skills, c) in a poster form, and d) billboards (Jackson and Schuler, 2000). The selection of the mean of advertising depends on the type of vacancy, managerial or not (Armstrong, 2006). However, the equivalent cost and the target pool of applicants should be considered.

Media advertising (radio or TV), is more up-to-date, however not that preferred by the companies, maybe because of the difficulty to regenerate the advertisement by the applicant when he wants it or need it (for example later on in the day).

One of the newest ways of advertising is the *electronic media or internet advertising*. Internet advertising, as it really significant nowadays with the quick technological developments, will be discussed in detail later on in a separate subchapter along with internet selection. However, at this point it should be mentioned the *corporate website* is one the mostly used electronic media advertising methods (which includes the vacancy, job analysis and specification). It is a quiet effective method as it usually attracts applicants who want to work in the company and hold the same values with it. Its effectiveness usually increases with the increase of company's size, maybe because the brand awareness increases as well (CIPD, 2011). However, it might raise confidentiality and convenience issues for the job searcher/applicant (Hellriegel et al., 2005, Torrington et al., 2005, Lievens et al., 2002).

Several firms prefer to organise *promotional events*, usually in the form of *job fairs* in order to attract applicants. They either do so in cooperation with a job search organisation or institute, or most frequently in cooperation with schools, colleges and universities. They name these efforts career days or open days during which they meet with potential future candidates. Usually, there is no specific vacancy at that time, but they create an archive of potential employees' skills and qualifications and keep track of them until a job vacancy appears to recruit them. This method comes with a high cost and with greater time consumption. In addition, results are not always reliable as graduates or peoples values and wants might change at the time the vacancy appears. Having a liaison with schools, colleges and universities might prove beneficial in another way as well. Organisations might 'use' or 'take advantage' of students or graduates skills under an internship or an apprentice and fill in quickly occasional vacancies.

Another really quick method of external recruitment is merger and acquisition; as when it occurs, in order to fulfil a company's strategic plan, a larger number of candidates is available (current qualified employees of both companies in similar positions) at no time or cost expense, to select form them (Jackson and Schuler, 2000).

## 2.3.2.3 Choosing the appropriate recruitment method

An organisation after having in hand all the available methods (internal and external recruitment methods) to use should decide on the most appropriate one taking into consideration several factors (internal and external ones). These factors could be summarised briefly in the following ones a) the level and the type of the vacancy, b) the location of the vacancy, c) the skills, abilities and generally the qualifications required, d) the function/department in question, e) the importance of the vacancy/position in the firm, f) the resources available in the organisation (financial resources, possible recruiters), g) recruitment goals, h) target audiences, j) organisations stance over internal or external recruitment, i) the time spectrum provided for the recruitment process, as well as k) diversity and discrimination issues associated with each method (Beardwell et al, 2004; Crispin and Mehler, 2006). Yet, as it is rather unlikely for a job searcher to use only one way/source to find a job, it is should also be similarly unlikely for a firm to use only one source and apply only one method to attract qualified and appropriate applicants. On the contrary, a mix of sources and methods should be used to increase the pool of applicants and accordingly the possibility to find and hire the 'right' ones.

Studies have shown that employers tend to prefer job boards (at a national level) posting (48%), employee referrals (43%), their organisational website (35%) and internal job posting (16%) (SHRM, 2008). Yet, when there is a need for quality applicants, referrals are the most accurate method used following by internal transfers (as employees are already familiar with the organisational culture and values) (Jobvite, 2011). The least used methods are the radio (0%) and TV (0%) advertising, the use of research firms (1%), the open house events (1%) and the advertisement in trade journals (1%). Social media are used rarely as a recruitment tool (3%, considerably more compared to 2006); though there is a trend for great increase in their use in the near future (SHRM, 2008). What is interesting though is that when there is need for talent, social media are the 4th in row recruiting method used (Jobvite, 2011).

Firms, regarding the recruitment purposes choose the recruitment tools accordingly, considering always the popularity of each method, the familiarity of recruiters with it, as well as all the above mentioned factors. The main goal is always to produce the best possible results.

## 2.3.3 Job-Organisation and Person-Job fit

Effective recruitment and selection is based to a great extent on the fit of the overall organisational philosophy to HRM practices and policies in general and in particular to recruitment and selection processes and the philosophy lying under them. This is also a precondition and a need when searching for the appropriate candidate; the potential applicant's philosophy should match the organisational philosophy, which becomes apparent through the recruitment and selection process. This match can be act usually translated into an applicant's fit with the organisation as a whole (mostly in philosophical terms) and named as person-organisation fit (P-O) (Kristof-Brown, 2000). The P-O fit enhances the organisational commitment/loyalty and the person's/future employee's performance (Kristof, 1996). As a person's values' system alignment with the firm's culture and values contributes in achieving higher performance results; employees see organisational goals as their own goals and strive

to achieve them. It has been found in previous studies that people with the similar personality, values and interests with the organisation are more attracted to it. In contrast, applicants with different views avoid to apply to that specific organisation or when the do so they end up performing lower to their abilities or they leave the organisation (Schneider, 1987).

P-O fit forms only one side if the *person* – *environment fit (P-E)* necessary to achieve the best possible results. The P-E fit is something that recruiters search for during a selection interview and based on their perceptions at the time of the interview decide accordingly (Cable and Judge, 1997). The other side is the so called person -iob fit (P-J). Both of these types are based on three management theories; a) the psychological contract theory, b) the human capital theory and the c) cosmopolitanlocal perspective as described in the table below (Table 2.

*Table 2: Person – Job fit and Peron – Organisation fit management theories* 

	P-J fit	P-O fit
Psychological Contract	Transactional Contracts	Relational Contracts
Theory		
Human Capital Theory	General Human Capital	Firm-Specific Human
		Capital
Cosmopolitan-Local	Cosmopolitans	Locals
Perspective		

Source: Chytiri (2007), mimeo, MSc essay, CB935.

The P-J fit actually refers to the match of individual candidates' knowledge, skills and abilities (KSA) to those required for the job position (Carless, 2005; Edwards, 1991). When using transactional contracts with detailed sections of job requirements, companies can hire the most suitable candidate for the vacancy. Still, that candidate might have the KSA needed, but would probably have low loyalty to the firm. That is why these applicants are called cosmopolitans. On the other side, a candidate with a P-O fit is more likely to be provided a relational contract, securing a long term

relationship with the organisation, with general and flexible job prerequisites. Their KSA fit the organisation and probably not the job as it whole, and thus are specific to organisation; and that is why when achieving this fit a firm adds to its competitive advantage with its new human capital, that is unique and imitable. This forms the reason why these applicants are called local ones (Sekiguchi, 2007).

Consequently, firms should decide for which fit to aim for, every time they run the recruitment and selection process, based on their needs; long term workers or temporary ones. Maybe a combination of both fits would be a better choice so as to have covered all case scenarios and give the organisation the flexibility of future choice or change of the choice taken at this time.

## 2.4 Selection

Selection forms the last part of the recruitment process. It aims at selecting the right candidate for the job vacancy in question, so as to best fit the job and the organisation and enhance firm's productivity, performance and competitiveness. Personnel selection can be defined as "identifying personal characteristics of applicants that relate to performance on jobs, measuring applicants on these characteristics and hiring those who have the required characteristics" (Ones and Viswesvaran, 2004, p. 35). It is rather important nowadays, as in a globalisation era the employee mobility is high and the competition for talent increased. Therefore, selection decisions should be made quickly and any errors should be avoided. An error in the selection decision will create long lasting problems for the organisation, as the 'wrongly' chosen employee will perform worse and will not probably fit the organisation culture; namely, a wrong decision will create problems in the internal corporate environment, but also will impact negatively on the performance of the firm (Russo et al., 1995).

However, a selection decision could not be attributed only to the organisation. The selection process is a two-way process and applicants have an influence on it as well. Their evaluation of the firm (brand, image etc.) influences their decision regarding the acceptance of an offer and the search of a job at a specific firm (Russo et al., 1995; Billsberry, 2007). Thus, firms should be very careful at this last stage.

As it has been mentioned in the beginning, the recruitment process might have differential aims. So, does the selection process in particular. According to these aims, four selection paradigms have been developed. The social exchange one (the most common one), refers to simply selecting the individual who will perform better, based on his evaluation against specific criteria. The scientific rationality one, which is actually running the selection process with more scientific tools (based on mathematical models and advanced technologies). The socialisation one, which includes the P-J and P-O together. And the social constructed reality one, which places selection in the wider social community, and differentiates decisions among countries, industries and organisations (Marchington and Wilkinson, 2008).

Based on these paradigms (which can be combined), the recruitment process goals, and the job position specific characteristics, employers develop the selection criteria, on which the process should be based.

## 2.4.1 Selection Criteria

Selection criteria should always be set explicit before the beginning of the selection process and the decision of which selection methods to be used. Selection criteria refer to the skills, abilities, interests, education level, previous experience and qualification in general, that a person should have in order to be considered as adequate for the job. The *individual job criteria* as they are defined usually are result of the job analysis and are found in job description and job specification. Two approaches are commonly adapted. The job first, in which the specific candidate's characteristics required for the job are put first. And the other one is the person first, in which organisations pay attention to the overall person's qualifications and attributes so as to hire someone who can potentially perform well in a broader list of tasks and job, and only in the specific one in question (Torrington et al., 2005).

Apart from job specification, there are two more perspectives on which selection criteria should be based. The first one is the organisational fit. That is the values, attitudes personality traits, goals, commitment level and flexibility level of the potential employee; Attributes which should fit with equivalent ones from the organisation's viewpoint. The second one is the functional or else named team fit. Namely, the fit with the existing working teams (current employees), and the generally required skills and qualifications for every employee (working or intent to work) in the company (Torrington et al., 2005).

#### 2.4.2 Selection sources and methods

After having clearly set the selection criteria, organisations have in hand a great number of selection sources and methods to choose from, so as to proceed with the last part of the recruitment process. With these methods, recruiters aim to evaluate and rate accordingly the education - knowledge - skills - abilities (the so called 'can do' predictors), the personality traits, the behaviour and motivation of the candidate. These predictors can be categorised into three categories: a) predictors referring to individual candidates' differences (physical, cognitive, behavioural and personal ones), b) predictors assessing a combination of the individual candidates' differences at once (method-based predictors) and c) predictors evaluating the non-desirable potential work behaviour (Ones and Viswersvaran, 2004).

The selection methods associated with these predictors are various and can be summarised in the following table (Table 3).

Table 2.5: Selection Methods

Selection Methods		
Application forms		
References checks		
Resume (CV) screening		

Training/Experience evaluation	
Biodata	
Job/work/performance sampling	
Interviews (individual or panel	Competency based interviews
interviews/selection boards):	
	Structured/semi-structured interviews
	Telephone interviews
	Virtual/online interviews
	Behavioural interviews
	Situational interviews
Assessment centres:	Role play
	Simulation exercises
Tests:	Cognitive tests (mental ability tests,
	general intelligence tests,
	attainment/achievement tests
	ability/aptitude tests)
	Trainability tests
	Personality tests
	Integrity tests
	Motivational tests
	Medical and dugs tests
Group selection methods	
Online testing/E-assessment	
Social media	
Graphology	
Other methods (astrology, physiognomy,	
body language, palmistry, phrenology)	

Source: Adapted by Paul and Bernthal 2002 p. 5) and Torrignton et al. (2005)

Application forms stand as one of the most commonly used methods for the initial shortlisting of the applicants. They can also be used as a preliminary tool to interviews. A weight can be put to them, so as to be included in the final evaluation of the applicant. Application forms may ask for a short resume of the applicant or other biographical data (biodata) and previous related work experience data. Therefore, they can combine more than one selection methods in one, or at least help to draw give an applicant's profile at a very early stage. Great attention should be paid in the format and design of the application, so as not to create and fairness and legality bias. However, the design is not standard. It differentiates according to job level vacancy (Torrington et al., 2005; IPD, 1996).

The references checks (written or telephone ones) form a selection method, the use of which is increasing nowadays, as firms try to protect themselves from unqualified applicants. References checks include the managers'/supervisors' judgement in previous working places of the candidate or academic tutors or colleagues' judgment. The might be asked before the interview stage so as to establish an opinion for the applicant in advance (character reference) or after the interview so as to confirm what the applicant has presented them in the interview (factual check). What is important here, is that the reference check should always be conducted after the applicant's permission (Torrington et al., 2005).

Resume (CV) screening provides recruiters with a great number of information about the applicant, such as education, specific knowledge, previous work experience, interests, career aims. Thus, recruiters can do a first match of applicant's qualification to the job specifications. Though, employers should only find and assess in a candidate's CV information relevant to the job. All other information found in a resume should not be evaluated (Hinds, 1993).

Job/work/performance sampling is simply assessing the applicant in the real work environment. The applicant is either placed in a temporary job position in the same organisation (for which he has applied) or is asked to present in an interview or in a written form his reaction to a real work situation example (Ones and Viswesvaran,

2004). The use of this method has significantly increased during the last years as it is an easy way to predict future employee performance.

Interviews are the most widely used personnel selection method. Along with application forms and reference letters (form of reference checks) form according to Cook (1994, p.15) "the classic trio" of selection tools. Interviews can be defined as a "controlled conversation with a purpose" (Torrington et al., 2002, p. 242). Interviews can be categorised based on several criteria. Based on the number of people present in them, there are three types: a) individual (one by one discussion with the candidate), which offers close contact, but at the same time can be biased in many ways by the interviewer, b) panel interviews (two or more interviewers-one candidate), which allow for joint judgement and thus less bias effects, and c) selection boards (more than one candidates, more than two interviewers from different departments), which allow for different opinions based on different criteria, but with the risk of losing essential information as this type of interviews are usually unplanned (Armstrong, 2006). Interviews can be face-to-face, telephone or virtual/online ones which allow interviewing all around the globe to be conducted. Behavioural interviews assess candidate's possible behaviour in several scenarios whereas situational interviews evaluate a respondent's past or future behaviour/reaction in previous or future (hypothetical) situations. The problem with this type of interviews is that they are very difficult scored (Marchington and Wilkinson, 2008; Barclay, 1999). All interviews, no matter in which of the above categories they fall in, might be totally structured (with all questions prepared in advanced), totally unstructured (with all questions coming up spontaneously) or semi-structured (in which questions are based on a general plan). The more structured they are the more control the interviewer has over the process, the more related the interview is to the job specification and the more data/information are collected (Bratton and Gold, 2007). Structured interviews are supposed to have increased validity and that is a reason why they are preferred. In total, even though interviews might allow for several biases to occur, are still highly conducted because they allow for the applicant's sociability and verbal fluency and oral skills testing. They also provide a chance for employee contract terms' negotiation and opportunity for the applicant to 'meet' with the company and its employees before accepting the offer. For this reason they are associated with high

offer acceptance rates (Barclay, 1999). The frequency and the kind of interview used are determined by the organisational size and the level of the vacancy. It has been proved, for instance, that structured interviews are used more for managerial and administrative positions (Barclay, 1999). In total, interviews can serve as decisive tool when results from the others previously used selection methods are not clear enough so as to hire someone. However, they are time consuming, possibly costly (if an interview expert outside the company is needed) and flawed in many ways as they are mostly based on perceptive judgements.

Assessment centres are standardised employee selection tool, which combines several other selection methods (which are applied systematically and precisely), and usually involve multiple raters (Thornton III and Gibbons, 2009). The potential candidate is rated based on several tests (personality, situational, numerical, way of thinking, ability and projective ones), interviews, work sampling exercises and questionnaires (Bratton and Gold, 2007). Assessment centres help not only to the prediction of future job performance with the greatest accuracy (as they resemble the job position conditions up to a high level), but also to the creation of a list with employee's training and development needs. They are characterised by high descriptive and predictive validity and accuracy (Franks et al., 1999). On the other side though, they are rather expensive, time consuming, usually they are located outside the company (maybe far) and if poorly designed or implemented might produce 'wrong' outcomes (Appelbaum et al., 2007). Even though today are used only by 25% of the companies, they are expected to be used more in the future due to their numerous advantages (Torrington et al., 2004).

Tests form a selection method designed to increase objectivity in employee selection, to avoid the bias and unreliable results of interviews and to better and more accurately predict candidate's future job performance. A high score in tests is associated with better job performance, whereas a low score with the opposite. Tests according to what they are testing for are classified under different categories. The two main categories are the cognitive aptitude/ability tests and the personality tests. The cognitive tests which measure a person's mental ability are subdivided into a) attainment/achievement tests measure the skills and knowledge already acquired by a person, b) general intelligence/mental ability tests measure a candidate's general metal capacity (logical reasoning and general way of thinking) – they also measure a candidate's potential to develop specific skills and abilities to perform a task, c) special aptitude/ability tests which measure numerical, verbal abilities, motor, and perceptual ability, manual dexterity and spatial ability – or else named they measure physical, clerical, mechanical and technical ability (Marchington and Wilkinson, 2008). Close or under this category might fall the trainability tests which measure the ability of an applicant to be trained or get improved referring to his task performance (Torrington et al., 2005).

Personality tests evaluate several personality traits based on the logic that these are related to an employee's performance more closely compared to cognitive ability tests. It is suggested that personality traits stand as a predictor of job performance and person's P-O fit. This might be the reason why their popularity increases, even though there are several issues against them (eg. overestimation of their results). They are usually empirically derived rather than theoretically. And it has been shown that they are mostly preferred by large organisations (Dakin and Jensen, 1994). They most frequently measure what is called by many the "Big Five Personality Factors, a) emotional stability, b) extroversion, c) openness to experience, d) agreeableness and e) conscientiousness" (Bratton and Gold, 2007, p. 263). They are rather famous because they show a person's potential to 'enter' a situation or avoid it, namely 'enter' an organisation or perform a task. It is also more possibly for an individual to have an accurate perception of his personality compared to his abilities (Jr et al., 2001). Under this category fall some more specific tests, a) the motivational tests, which measure a person's motivation for the job, the organisation, the location (of the job), and the b) integrity tests, which evaluate the possibility an applicant to be involved in theft or other counterproductive behaviours (Ones and Viswesvaran, 2004). Medical and drugs tests are also used sometimes when necessary and when their relation to the job is justified. It is though essential that all tests are be conducted with an applicant's prior approval. Tests results are usually listed top to down and the candidate with the highest score is selected. However, no matter how accurate or valid a test is recruiters should always have in mind that candidates might provide false data in an effort of impression and social desirability. So, tests are based on an applicant's

willingness to be honest, that is why the questionable, for their legality lie detectors are sometimes used. It should also be taken into account that tests might provide an accurate description of a person's characteristics, but this does not always stand as a prediction (Jr et al., 2001; Torrington et al., 2005). Moreover, recruiters so as to eliminate any bias or false results (caused by them), should always though ask for help when they are not sure about a test's use, (Marchington and Wilkinson, 2008).

All the above mentioned methods aim to help in the selection procedure. However, they are not unbiased. Several issues might rise as these are described below.

#### 2.4.3 Selection bias

There are several bias related to the different methods of selection discussed above. For instance, interviewers might come up with six issues: a) the self-fulfilling prophecy effect – asking questions to confirm a previous impression created by an applicant's resume, references, tests etc., b) the halo and horns effect/first impression effect - categorising the employees as good/qualified or bad/not qualified, c) the stereotyping effect - when people from specific groups (race, sex, religion) are expected to have the same characteristics, d) the similar to me effect - when interviewers select candidates with similar to them characteristics, e) the contrast effect – when interviewers are affected by previously conducted interviewers and their results and f) the personal liking effect – when interviewers select an applicant based on whether they like him or not (Proenca and Dias de Oliveira, 2009 and CIPD F2011). Related to tests other bias might occur, as for example the questioned validity of the tests, the job relatedness of the criteria used, the legality and fairness of the tests and the validation possibility of the tests (Torrington et al., 2005). In total, similar bias might arise in every test with the most common ones to be validity, job relatedness and fairness. Therefore, particular attention should be paid when choosing a selection method to be used. A way to eliminate these biases might be to review and evaluate selection tools on a regular basis (CIPD, 2012).

#### 2.4.4 Choosing the best selection method

It is true that it is rather unusual for a selection method to be used alone. Usually, a combination of more than one selection methods is involved in the selection process. The recruiter put different weightings in each one of the various selection methods used by the organisation, and hires the candidate with the highest score (the result when these weighting add up) (IPD, 1996). But even with this in mind, organisations should still choose which ones to use, so as to hire the best qualified applicants in the more fair and legal way (Ripley and Ripley, 1994). The selection criteria should be taken into account for this. Yet, other perspectives should be considered as well. These are described as following.

The *cost* of the methods to be used. The financial resources of the firm determine the choice of the selection method. There are resources that are not that expensive, such as interviews (which are usually performed by already existing employees in the company, responsible for the recruitment process); and others which are rather costly, such as the assessment centres.

The time is another factor considered in the choice. Online interviews might be conducted, for instance, when hiring decisions should be taken fast. The administrative ease comes next. To be exact, this is how easily a selection method can be performed / used by a company (depending mainly on its resources-human, capital ones). The abilities of those undertaking the process are also important. (How qualified the recruiters and decision managers are). The easy access to and appropriateness of the selection methods, from the applicant's point of view. That is to say how fair and non-discriminatory these methods are considered to be (Torrington et al., 2005).

The level of accuracy (in selection decision) differentiates from one method to another, with intelligence and integrity tests having the highest level of accuracy (0.65) and with years of education and graphology providing the lower level of accuracy (0.10 and 0.02 accordingly). Organisations aim to have the highest accuracy

level as possible with the resources available. In order to achieve this, they use a selection methods' mix (Robertson and Smith, 2001).

Other factors influencing the selection decision are *reliability and validity* of methods used. "Reliability refers to the consistency of the method used to select candidates" (Newell, 2005, p. 126). Whereas validity refers to the consistency of the criteria used with the aimed outcomes of the selection method (Marchington and Wilkinson, 2008).

However, it should be highlighted that no selection technique, no matter how well it is designed and how well it address the issues state just above, can result in the 'perfect selection'. There is no flawless selection method.

On the other hand, great attention should be paid on deciding on the method, as perceived fairness, privacy keeping and perceived validity of the methods and tools used during the selection process can significantly affect the job searching and job acceptance intentions of a candidate (Ryan and Ployhart, 2000).

Based on all these, most organisations use very often the classic trio (application forms, references check and interviews) (Cook, 1993). They tend to use more, when high accuracy is needed, the assessment centres, tests, biodata and structured interviews as selection tools. Furthermore, organisations with highly effective selection process choose the following four methods to use: a) behaviour based interviews/situational (assessing candidates past and future behaviour to situations), b) motivational tests, c) resume screening, but in a computerised format and d) trainability tests along with past experience evaluations (Paul, unknown).

To sum up, selection as a process is quite significant for an organisation as it determines its future performance and existence in the labour market. Thus, selection of employees should be conducted rather carefully and by paying attention to every criteria and factor mentioned above so as not to have a considerably biased process. However, selection itself presents a paradox. That is employers are asked to discriminate between candidates (using the best available tools), but at the same time do so in a fair way (Bilsberry, 2008).

#### 2.5 E-Recruitment, E-Selection and Social Media

#### **2.5.1** E-Recruitment Process (recruitment and selection)

In an era when technological advances come up one after another quickly, the recruitment process could not be left untouched by this. One of the most significant developments in the field is the use of Internet to facilitate the process. The so called e-recruitment or online recruitment or cyber-recruiting is actually the use of webbased tools to attract and hire new employees (such as online job posting, web based selection tests, online held interviews) (Othman and Musa, 2007; Armstrong, 2006). Hoffman (2001; p.23) defines e-recruitment as "the utilisation of the internet for candidate sourcing, selection, communication and management through the recruitment process". Online recruitment can be the use of the employer's website to advertise the vacancy, the use of online job boards or job sites to post the vacancy, the use if cyber-agencies to hold the whole process, or simply the use of online tools (such as online application forms, online selection tests or online held interviews, emails to communicate with the candidates) (Armstrong, 2006; Torrington et al., 2005).

Even though the first reference to e-recruitment appeared in the mid-eighties (1980s), it took several years for its effectiveness to be recognised and for its use to be well established (Casper, 1985). The implementation of e-recruitment (and in particular the use of the company's website for recruiting purposes) increased tremendously after 1998; from 29% it rose up to 79% - 100%, depending on the industry sector in reference (iLogos Research, 2001). This might be because of the increased internet usage and its more mature presence nowadays. It might also be due to the recognition of the numerous advantages of online recruitment-selection over the use of traditional methods (as described in previous sections). It should be mentioned at this point that several industries tend to be more e-recruitment friendly (such as services firms), as they invest more on highly skilled employees in all levels of the hierarchy maybe because of the face to face interaction with the client in most job positions (Moon, 2007).

#### 2.5.1.1 Advantages and disadvantages of e-recruitment

The most important advantage of online recruitment for employers is the fact that it is considered to be a cost benefit approach to recruitment. With the use of technology costs are reduced (less paper work, fewer salaries paid as fewer intermediates to handle the process are used). A good and a well-designed recruitment process can save up to 90% of the traditionally run process (Othman and Musa, 2007). It has been estimated that hiring an employee online costs 1/20 as it does to hire the same employee with the use of traditional methods (Cappelli, 2001). The time requested to complete the whole process is significantly reduced. More specifically, it has been shown that only by posting vacancies online firm saves up to 6 days of the process (applicants reply rather quickly, even within seconds), by receiving applications online it saves four more and by only screening applications online one week more. Therefore, by using three types of e-tools a firm can shorten its recruitment cycle to 17days (Cappelli, 2001). The work required by recruiting responsible employees is less as many systems become automated and standardised (such as scoring job applications when screening them online). As a consequence of this, the total administration work is reduced as well. Another advantage with many significant connotations for the organisation is that, with the e-recruitment a wider pool of candidates/applicants is reached, as the geographic scope of the labour market is considerably broadened (Marchington and Wilkinson, 2008; Moon, 2007). In an era when that globalisation governs the ability to reach and hire applicants from all over the world is rather important for firm's performance. The internet has no boundaries and therefore the e-recruitment process (Galanaki, 2002). As the target market becomes bigger, the possibility of having more qualified and talented applicants increases as well. Applicants attracted through the e-process are usually younger, better educated and with a specific interest in working in the specific company (Galanaki, 2002). Furthermore, when an organisation has an e-recruitment process established, its corporate image gets improved, as it is considered to be innovative and flexible and always up-to-date (Othman and Musa, 2007). Yet, from the applicant's point of view, this e-process provides him with the opportunity to have in hand more information about the job and the company before applying, and so he can check if this job/firm matches his ideas, skills and needs.

On the other hand, e-recruitment process should not be seen as flawless. There are still several organisations which do not have the necessary recourses and expertise to use e-recruitment (*equality of access issue*). Bigger organisations more are frequently those using more the online services. What is more is that internet is not always the first choice of job seekers when looking for a job (CIPD, 2002). Sometimes, because the applicants themselves do not have the necessary resources to use the internet to apply (income discrimination). By broadening the geographic scope more applications are sent to firms. Thus, there is always the risk of applications overload which will slow again the screening and selection process (if it is not automated as well up to a level). In addition, there is always a consideration regarding spamming. When using online selection tools, most of the times organisations cannot guarantee who has taken the tests, as usually they do not have a face-to-face interaction (not even through a camera, apart from online held interviews) (authentication issue) (Torrington et al., 2005). Another problem is that until recently most of the applicants recruited online were for junior positions and for the executive positions. Attempts are made for this to change by alternating the way/means a job vacancy is advertised online (Othman and Musa, 2007). Adding to that, as e-recruitment do not allow for much interaction with applicants, good quality and possible loyal to the company candidates might be missed or rejected (as no online criterion can screen this quality) (Cappelli, 2001). However, the most serious issue faced with e-recruitment is discrimination. It might be true that the geographic scope of recruitment has been significantly increased, but at the same time the *demographic scope* has *not* gone in the same way. Technology advances every day and the number of internet users increases rapidly, but there are still people who do not have internet access (third world countries or regions in developing and sometimes developed countries) or who are not familiar with the use of technology appliances and tools (elder people or previous generations' people). This fact poses a legal and ethical issue, as the use of e-recruitment and especially the use of only online methods might lead to adverse discrimination over these and over other minority groups (age, education, ethnicity discrimination) (Othman and Musa, 2007). Moreover, the use of specific recruitment or selection online tools might break several antidiscrimination laws. For example, the use of personality or ability tests online might have some set by default criteria which reject women or candidates with disabilities. Apart from the discrimination issue, this might cause a diversity problem as well. In these cases, maybe the use of few traditional methods as well might be proved beneficial (Cappelli, 2001). Finally, particular attention should be paid on the use of data collected through the online recruitment process, as there are several laws which govern this. In European Union, there are strict rules regarding the moving of data gather from job applications in one country to another (this usually applies for vacancies in multinationals). The data can only be used for the exact reason the candidate provided them (Cappelli, 2001). Thus, the screening should be done very carefully and always under the criterion of truly job performance prediction so as not to break any transparency, confidentiality or credibility rules (Piotrowski and Armstrong, 2006).

Yet organisations can reverse these disadvantages by design the e-process meticulously and cautiously, by paying attention to every detail and every criterion set for the online screening/selection. The best solution thought is to combine the use of e-recruitment with the traditional recruitment. Neither approach should be seen as exclusive or as a replacement of the other. The use of both tools (traditional and online ones) should allow for less legal and ethical problems and lead the way to more successful recruitment process. Though, this should be applied again carefully as traditional methods provide results slower than internet based ones. Maybe applying online techniques to the first stages of the recruitment process (attraction, recruitment) and leaving the final selection to be done with the traditional methods (Bartram, 2000). Or firms might use online recruitment only for specific job vacancies (mainly the entry level ones), so as not to reject qualified applicants on higher positions due to the criteria used for selection or due to the absence of interactive communication. In either way, e-recruitment should not be disregarded, as in the era of globalisation companies which stay up-to-date with internet advances will have the opportunity to hire the 'cream' of the candidates. Taking advantage of any new technological development might enhance the e-recruitment process effectiveness and lead to better hiring results (eg. better quality employees). Managers should simply use it by being fully aware of all potential benefits and problems as well.

#### 2.5.2 Social Media and recruitment process

In an era, highly dominated by the use of technology and the internet, 75% of people around the world (with 2008 data) report they use social media. A figure which used to be 20% lower in 2007. The increased use of social media is not only observed in young people (Generation Y), but also in previous generations, especially in Generation X (35-45 years old) (Kaplan and Haenlein, 2010). But what it is meant with the term social media? According to Kaplan and Haenlein (2010, p. 61) "Social media is a group of internet-based application that build on the ideological and technological foundations of Web and that allow the creation and exchange of User Generated Content". Even though, there are several kinds of social media, they cannot be classified clearly and systematically, as new kinds arise every day. The existing ones today are search engines, social networking websites (SNWs), personal blogs, groups, news sharing sites, online podcasting, personal websites, professional and business websites, forums and communities etc. (Figure 6). What it can be said for social media, is that the higher their presence, the greater the influence they have on community.

Social media and especially SNWs - as part of them- have gradually increased their popularity over the last few years. Many people have admitted to have a SNWs account, especially young people between 18-25 years old and people from forming Generation Y (graduates of 2002), who use the internet and technology advances as part of their daily routine (Joos, 2008). Organisations which want to be up-to-date and competitive couldn't ignore this trend. Thus, employers have started to use social media and SNWs to advertise a job vacancy, to recruit the right employee and in several cases to screen and contact candidates for a job position. Depending on the way a company prefers to advertise a vacancy (video, simple posting) and to which target group of applicants, the company can choose among the several SNWs available. The figure6 below presents a categorisation of SNWs based on their main characteristics and functions.

Figure 2.6: SNWs kinds (characteristics)



The majority of the firms use SNWs features to search for applicants, following by the creation of a page or group, in which they can also advertise career opportunities and post information about their organisation. A great number of companies have even created their own SNW site so as to attract potential applicants. In hospitality sector in particular, this trend is rather popular, and employers (mainly large ones) invite applicants to join their SNW site as part of the recruitment process (Dolasinki et al., 2010).

Now, when checking the current trends is social recruiting in numbers, the following picture is drawn. Recruiting through SNWs, has significantly increased, especially the last years, ranging from 68% in 2009 to 89% in 2011 (Jobvite Survey, 2011). Employers admit that they spend several hours per week in recruiting and screening applicants through SNWs. Namely, 51% of employers report up to two hours use of SNWs for this purpose, with a 6% reporting use of 31-41 and over hours (SHRM,

2008). The investment in social recruiting has increased as well. In particular, the use of online search engines, to approach applicants, reached 84% in 2008 compared to 77% in 2006, which shows that within two years a significant increase was recorded (SHRM, 2008). As far as the SNWs are concerned, the most frequently used are LinkedIn (as a more professional option), Facebook, Twitter, YouTube and several blogs. From those, around 87% of the employers prefer LinkedIn. 2/3 of the employers prefer to make use of two or even more SNWs for recruiting purposes (Jobvite, 2011). As stated before, the use of SNWs in general has been increased. But with a more close look, it can be seen that the greatest increase has been occurred to LinkedIn use (9%), following by Twitter and Facebook the use of which has faced a small increased or have remained steady (accordingly) (Jobvite S, 2011). It has also been noticed that SNWs are mostly used to middle (54%) and non-managerial staff (58%) and less for executives (27%) and consultants (15%) (SHRM, 2008). A reason that might stand as a justification for this increasing trend in the implementation of social recruiting methods, is the fact 2/3 of organisations report that hiring in this way was successful, particularly when it comes to LinkedIn (which has 95% successful results compared to other SNWs which range from 25% downwards) (Jobvite, 2011).

### 2.5.2.1 Reasons for using Social Media in the recruitment process

But apart from the technology rise and the possible successful results, there seem to be many other reasons which have paved the way for the social media recruiting and selection appearance. The old recruiting paradigm (namely the use of traditional methods) has started to fade away. Mainly because, it focuses in recruiting active candidates - active job seekers, unemployed who search for a job at the current time. And they usually represent only 10% (and in crisis period, as it is the case the few last years in several countries, up to 26%) of the total workforce of a country. Therefore, companies should find a way to contact also those currently employed, but who would consider changing their current job under specific circumstances (passive candidates) (Joos, 2008). Social media form the mean that firms could use for this aim. In addition, in a climate where some countries are under an economic crisis and other are still trying to recover from it, organisations should be rather careful when it comes to

hiring and selection decisions. They have to hire the right candidate in the quickest and most cost-effective way.

Social media could help them in this, as they are using the quiet cheap internet technology. In order to search for the right one they can use search engines, blogs and SNWs (professional ones and more informal ones) at no or very low cost. Even small companies can use at this low cost. Moreover, with social media, organisations can reach a wider and more targeted applicants pool around the world, within seconds (time-effective), and with better possibilities of successful matching with the organisation and the job vacancy in question, as they have access to more information about the candidate (Madia, 2011). Employers can target candidates with increased precision (skills, job level, and geographical area). A more comprehensive profile of the potential employees can be built by having access even to personal information about them (publicly available in the web) and make a selection decision accordingly (Kluemper and Rosen, 2009). A quite important element in a globalisation era; when the search for talent is highly competitive. With SNWs for example, organisations can increase their head-hunter's activity, by searching and approaching the 'right' for them employees working in another company at the moment. The tendency to do so has reached almost 50% with additional 14% approximately of the companies, planning to go this way in the near future (Jobvite, 2011).

With the incorporation of social media in the HR recruitment strategy, firms have also the opportunity to showcase themselves and their brand, as they position themselves in the web more and advertise the use of cutting edge technology in their recruitment process). They can show their corporate culture and their work climate and ethic and thus attract applicants with a similar mentality to them (P-O fit), who will remain loyal to them in the future (Madia, 2011.

However, apart from the use of social media in the recruiting part of the process, the last year the use of them to screen applicants has been increased. As the separation line between private and public is not clearly set, employers take advantage of that and use social media to verify information provided be the applicant and have access to more detailed information not included to an applicant's resume, and thus make inferences about him (intelligence, his personality, character, job success, turnover possibility) and decide on whether to hire him or not (Brown and Vaughn, 2011; Slovensky and Ross, 2012). Depending on what kind of information about the applicant the employer would like to verify or find out, he chooses in which SNW to search for them. The following figure (Figure 7) categorises the SNWs based on the main function/reason to be they serve. For example, Facebook, LinkedIn and Twitter are classified in relationship building category. This means that if the employer, would like to access the social profile of a candidate, his personality (extrovertiness for instance), his ability to build group relations and other similar characteristics, then he should search in this type of SNWs.

Figure 2.7: SNWs types



It seems that employers have several reasons for using social media and especially SNWs in the selections process. Positive information, undisclosed to candidates CVs might be revealed. Such as: a) additional job-related skills, b) communication and writing skills, c) personality traits (like extroversion), d) creativeness, e) interests, f) important life events, g) personal values, h) culture and ethic as well as the good match with the company (P-O fit), even at the initial stages of the selection process (Smith and Kidder, 2010; Kluemper and Rosen, 2009). Employers can have an insight into their future employees' life and behaviour outside their working environment and draw conclusions about their character. Furthermore, with the use of SNWs several issues with the previously used selection methods can be addressed. For instance, the issue of the presentation of 'maximal' instead of typical candidate's work performance in his CV and the issue of impression during interviews by providing again desirable, exaggerated and incorrect information. A problem that usually is solved when using SNWs, as there people tend to be more honest, as they do not expect their profiles to be checked. Even when they provide 'a hoped for self' in one or more informal SNWs such as Facebook) to create a more desirable identity for their current and potential friends, this cannot be the case in every account they have in SNWs. The consistency of information across sites can be examined. Therefore, any discrepancies can be revealed (Slovensky and Ross, 2012; Smith and Kidder, 2010).

Yet, the use of social media should not be considered as a replacement recruitment and selection method to the traditional ones, as apart from the numerous advantages they provide in the hiring process, they have several drawbacks (discussed in the next section). Thus, they should be used as a supplement to the already existing methods and as a mean to establish a long-term presence in the online community for applicants search (Madia, 2011).

#### 2.6 Discrimination and ethical issues in recruitment and selection

As discussed in a previous chapter the external the organisation environment influences the decisions taken regarding the recruitment and selection process. It exists a great number of guidelines, acts, orders, standards and agencies affecting the recruitment and selection decisions. At the same time the legal environment in each country in accordance with several governmental decisions impacts heavily on the process (Jackson and Schuler, 2000). Even though organisations are free to choose the

most appropriate people to take on board, the above mentioned legal mostly barriers play a role in what to be considered a legal and not discriminatory selection decision.

Discrimination might occur on several grounds, such as age, race, ethnicity and many other. In order to avoid this, many organisations (in particular in U.S.A.) comply with specific standards and, acts and guidelines, or as altogether called federal guidelines, while developing the recruitment and selection process (Jackson and Schuler, 2000). The main aim for this is to ensure that the information collected during the process respect the individual's (applicant's) right to privacy and that the data retained as well as the decision made is totally justified by the job relatedness and job performance criterion.

Any recruitment and selection decision which differentiates applicants on the basis of sex, race, age, physical and mental handicaps or any other disability, religion, ethnicity, criminal records and many other, without being justified totally by the criterion mention above could be considered as unfair discrimination and thus raise concerns for illegal decisions.

In particular, sex discrimination or else known as gender differences, is one of the mostly discussed cases of discrimination. The Sex Discrimination Act 1975 and the Sex Discrimination Order 1976, prohibits "to discriminate against a person directly or indirectly in the field of employment on the grounds of sex or marital status" (Beardwell et al., 2004, p.194). Putting barriers to organisational entry, to employee upward mobility (glass ceiling) or to employment outcomes (performance evaluation results) on the grounds of gender is considered unlawful (McKinney and Miles, 2009). For instance, the use of certain selection methods (when is not absolutely justified by the job relatedness criterion) such as cognitive ability tests might have an adverse impact for women and ethnic minorities/subgroups, who tend to score lower in them (Gibson and Harvey, 2003; Hough et al., 2001). The content and the way the test is structured can cause this discrimination (Ackerman, 2006). This is something that stands for every selection test/tool used. For example, when the academic qualifications are assessed, and especially the GPA (college grade point average) women are favoured (McKinney and Miles, 2009). When personality testing takes

place, depending on which personality criterion is examined adverse impact might occur, as gender differences exist for many aspects of personality traits. When an international, cross-national/cross-cultural assignment is the case it has been proven that women are better and quicker adjusted to the new situation (due to their relationship-building skills) and thus personality tests are many times designed so as to favour such a result/selection outcome (Westwood and Leung, 1994). The same holds for expatriate assignments, as women are most of the times more successful in them compared to men. But yet women are still underrepresented in global/international assignments, maybe due to old stereotypes favouring men in leading positions (Ash and Stevens, 2003).

Discrimination grounded on race, ethnicity, colour and nationality, is considered unfair and unlawful under the Race Relations Act 1976 and the Race Relations (Amendment) Act 2001 (Beardwell et al., 2004).

Another common discrimination case is that of avoiding hiring applicants with known or apparent disabilities. The Disabled Persons Acts 1944 and 1958 and the Disability Discrimination Act 1995, define as "a disability any physical or mental impairment that has a substantial and long term adverse impact on someone's ability to carry out day-to-day duties" (Beardwell et al., 2004, p. 196). Some kinds of disabilities which have an adverse impact in the recruitment and selection process are: a) mental retardation, b) cancer, heart conditions, HIV, diabetes, c) multiple sclerosis, brain injuries, d) mobility issues, e) psychiatric issues, f) deafness and blindness and g) mental or emotional illness (Gilbride et al., 2000). Any attitudinal or procedural barriers posed by the employers, should be removed by adjusting the recruitment and selection process and tools used (eg. by having audio tests, large print applications and many other).

Age discrimination mainly has an adverse impact towards old people or applicants close to get retired (sabbatical leave). The Employment Equality (Age) Regulations 2006, and the EU Equal treatment Directive make it illegal to discriminate on the grounds of applicant's age. Employers should select candidates based only on their abilities and skills to perform adequately on the job for which they apply (Bratton and Gold, 2007). Selection tests should be designed under this consideration and interviews should be held having this in mind.

Furthermore, there are a few more occasions of discrimination which should not be ignored. These are a) the employment of candidates with criminal records, which is ruled by the Rehabilitation Offenders Act 1974 and Exceptions Order 1975, b) the religious belief discrimination, which is ruled by the Employment Equality (Religion and Belief) Regulations 2003, c) the sexual preferences protected by the Equality (Sexual Orientation) Regulations 2003, d) the part-time workers discrimination, which ends once more in adverse discrimination against women (hiring more women for this positions) ruled by the Part-time Workers Regulation 2000 and e) the salary discrimination, regulated by the Equal Pay Act 1970 (Bratton and Gold, 2007; Beardwell et al., 2004). Other acts regulating discrimination cases are the Data Protection Act 1984, the Fair employment Act 1976 and 1989, the Fair Employment Monitoring Regulations 1989 and the Trade Union and Labour Regulations Act 1992 (IPD, 1996).

The majority of the aforementioned laws and acts exist in the U.S.A. and might be differentiated for countries in other continents and especially within the European Union. The legal context for assessing the equality of group characteristics and outcomes presents significant variability across nations (Guthrie et al., 2003). However, they might stand as a base to form equivalent laws in other countries and on top of that as a basis for employers to understand the grounds on which they should avoid discrimination. Recruiters should comply with any existing law or guideline, but also should be very careful into designing every aspect of the recruitment and selection process under the relatedness and performance criterion so as to avoid it to be characterised as unfair, discriminatory or even unethical. Recruiters should always aim at the highest possibly diversity within the organisation and select accordingly.

A discussion on ethical issues could be really handy at this point as they are often associated with legal standards and directives, as both of them refers to the evaluation of what is acceptable (right) and not acceptable (wrong) behaviour/action in specific cases and under specific conditions. Both laws and ethical codes aim at controlling unacceptable behaviours. Their difference lands on the ground that, laws have more

force and with evident consequences, whereas codes seems to be considered more as guidance and as part of advisory services. Even though both of them are based on values systems, to judge whether behaviour is unlawful there are strict norms and laws; whereas judging unethical behaviour is based on the views of the rest of the group members (in business context the group is members of the organization, the organisation itself or people directly related to it-clients, suppliers) (Voskuijl et al., 2005).

When it comes to ethical standards it is meant "the 1) regulation of inappropriate behaviour and the 2) promotion of optimal behaviour" (Lindsay, 1996, p. 80). Ethical codes are mainly divided into two categories: a) normative ones (what is appropriate and acceptable) and normal ones (what is usually the case). In several cases the two categories are confused. But all in all, there are five general categories of ethics: a) basic values, b) honesty, c) responsibility, d) competence, e) confidentiality (Schuler, 1985). Even though these ethics are more or less universal, the way they are perceived and applied differs from country to country or region to region. The European Federation of Psychologists Associations (EFPA) in an attempt to establish a universal ethical code created the common European ethical code (as they named it), which "regulates" mainly the behaviour of firms or any other associations rather than the behaviour of individuals (Voskuijl et al., 2005). This was an effort to keep in track with the first ethical codes developed by the American Psychological Association (APA) (APA, 2002).

However, ethical dilemmas are not the same in each practice. For instance, when it comes to personnel selection the different shareholders involved in the process hold differentiated views on what is ethical and note, causing occasional conflicts and hindering or putting under bias the whole process. The employers, the applicants, the persons (usually psychologists) conducting the interviews, the selection test developers might have dissimilar ethical values and thus ethical codes. For example, the confidentiality and the honesty in an interview are usually differently perceived by the interviewer and the interviewee. That is why established ethical codes are needed to resolve the issues above. However, established codes of professional conduct (as they are else named) do not necessary guarantee a following ethical behaviour.

At this point it should be interesting to be mentioned that ethical codes are significantly based on organisational values and not in personal values of each member of the organisation. But even like this when it comes to specific situations the appropriate solution is not always evident (Voskuijl et al., 2005).

Ethical codes application do only differ from person to person, but also from organisation to organisation, from industry/sector to industry/sector and from country to country (or region). Similarities exist in general terms, such as in the general understanding of confidentiality regarding the information provided to the company by applicants. However, in sub-sections, it still exists a high variety among countries, as ethics are based on nation and culture bounded factors. The development of a flexible universal ethical code might be a solution for this, in an era when applicants consider jobs in a worldwide spectrum and when recruitment and selection have a global character.

#### 2.7 Recruitment and selection in unstable economic and political environments

As it was stated in the beginning of this chapter, the recruitment and selection process is directly or indirectly influenced by the external to the company environment and the conditions present at that time. Any change in the environment, no matter how radical it is might affect the whole process, as the labour supply and demand, are affected. In particular, nowadays, when many countries face the consequences of the Asian, American or European economic crisis the process is highly affected.

A common reaction to an economic downturn or to an unpredictable economic environment, adapted by most of the companies, is the freeze of the recruitment and selection process (especially in the public sector) or the decrease in its levels and budget (CIPD Annual Survey, 2009). More specifically, organisations prefer to focus on retaining the in-house talent and on the development of this talent, rather than spending on recruiting new talents from outside the company. They emphasise on developing current employees, so as to take more responsibilities and be able to complete more tasks in almost the same amount of time. Under this spectrum companies restructure the employees' roles and adapt, many times, a role change model, so as to satisfy both employees and companies' needs. In the effort to retain the present talent, firms might reduce employee working hours so as to avoid making them redundant. If the organisation now decides that there is a need to recruit and even more to recruit externally, then it makes full use of the current technological advances and the use of e-recruitment and selection methods, in order to reduce the process costs (cut on recruitment and selection budget). Under the same logic, firms avoid the use of professional consulting agencies, which are usually quite expensive, and make full use of the internal recruitment and selection talents. They might even decide to *cut on the new hires*, especially on the graduate hiring; as graduates clearly have no previous experience on the job and might not even have all the necessary skills to perform on the job. However, there is a worry that cutting on new hires, or recruitment and selection methods (cost, time spend, number of them) might lead to significant loss of skills, knowledge and abilities for the firms. In parallel, they concentrate more on talent management strategies and on the quality of the applicants in order to attract candidates who have a greater potential to stay longer with the organisation. A tactic which is quite difficult as the available talent pool has shrunken considerably, as many talented applicants (and specifically young people) turn to foreign labour markets, outside their own country; so as to have better labour conditions and career advancements possibilities. A solution to this for many companies appears to be the recruitment of the talent discarded by their competitors (CIPD, 2009 and 2011).

Yet, apart from the 'negative' consequences of an unstable economic and political situation in a country, there is always a positive aspect for the firms. Several organisations take advantage of the situation and get rid of employees they do not need any more or whom they wish to 'send away' and replace them with more qualified ones for the position. Companies might use a turbulent situation as an opportunity to initiate a cultural change in them or as an opportunity to hire more temporary employees who will bring in more talent, innovative ideas, and better performance results with less cost (reduced salary, less bonuses and almost no 'firing'/end of contract rewards/compensation).

As far as political instability is concerned, there is usually a tendency to allow inefficiencies and underwriting the level of work stability in the firm. Regarding the recruitment criteria, skills, knowledge and experience are still important; though the emphasis is given in *trust*. Employers should feel they can trust potential employees so as to hire them (Mellahi et Wood, 2003).

Thus, the recruitment and selection process is certainly affected by turbulent economic and political environments. Though the second case is not very possible, apart from the third world countries or still developing countries; the economic crisis case is a very common scenario, and very up-to-date nowadays.

#### 2.8 Barriers and difficulties in recruitment and selection

Recruitment and selection however do not occur without any difficulties and barriers; especially when they occur in turbulent economic and political times as described in the previous chapter. The most commonly referred difficulty is that of experiencing a lack of applicants with the necessary specialist skills to perform the job. This mostly appears in the private sector, especially in manufacturing and production industries where workers and technical staff (eg. secretaries) with specific skills and abilities is needed. The second most frequent reason which puts a barrier to recruitment process is, having to attract and select among candidates with insufficient previous related work experience. Another reason is to have candidates asking for a higher compensation than the one the company is able to offer. Especially, when the job is an area where they cannot afford the living cost. The living cost of the firm location might form a reason for recruitment difficulty by itself as well. Applicants might not even consider applying for such a position or they might reject a potential offer. The length of the recruitment and selection process can be many times discouraging as if it is too long until the offer is made the potential candidate might have been hired by another company (CIPD, 2011). The image of the sector/industry, in which the organisation hiring, belongs might be an obstacle. Sector with low employee unions presence, increased bureaucracy and authoritative employer role for example are less preferred. Under the same logic the *employer brand image* might discourage future

applicants. Having no applicants at all for the position is another barrier. Even though in crisis or high unemployment areas this is not particularly common (except from the case when applicants consider themselves overqualified for the job vacancy). Last but not least, the tendency to receive applications from applicants who lack some of the advertised/formal qualifications for the job arises as another difficulty in either recruitment or selection (CIPD, 2009).

In order to face these difficulties organisations can undertake a series of actions, such as hiring people who might not have now the necessary qualifications but have potential to acquire them in the future. To secure this, organisations can offer appropriate training to either external or internal candidates. Account for other personal qualities (such behaviour and ethical values) might balance the lack of the necessary qualifications or specialised skills. Redefining job responsibilities and as a consequence job requirements or alternating the job organisation (from merely individual tasks to team working) are other ways to face this difficulty. In addition, providing a more realistic job preview might help in attracting the "right" applicants. If none of these methods proves successful, the company can either search for potential hires its alumni network or in foreign countries or outsource the job/position in question. In the case of having candidates rejecting the job offer for economic or location reasons, the firm can offer a more flexible working scheme or instead of a better salary offer a bonus package.

Thus, it seems that even if recruitment and selection might face serious barriers there are always solution to be employed. It is on the company's side to decide which one of them is the most suitable one in each case.

#### 2.9 Future trends in recruitment and selection

Recruitment and selection appear to be rather important for an employer for several reasons (enhancing firm's performance, bringing in innovative ideas, required skills and abilities, 'new' knowledge). Simply the fact that, recruiting and hiring a new employee costs a firm much more than retaining an already existed employee

highlights the need of a well-designed recruitment process. It has been estimated that replacing a previous employee costs a firm's one-third of a new hire's salary (Hogler and Bemus, 1998). In addition, unsuitable new hired employees cost a firm many resources (time, financial cost, additional training, and more supervision, occasional and potentially crucial mistakes). Therefore, organisation should be rather meticulous in the process and take advantage of all traditional and new technological advanced (online) recruitment and selection methods to hire the 'right' employee.

In a globalisation area, another issue that organisation should consider is the possibility of transferring the recruitment and selection practices used, across cultures. A recent trend in labour market is the boundary-less career/job rolling in many countries (in same or different) positions (Hogler and Bemus, 1998). That is, organisations with subsidiaries in other countries might need to design the recruitment process of the parent company in a way that it will be applicable more or less to their firms in other countries (with different contextual and environmental factors) and still the job relatedness criterion remain valid (Lievens and Chapman, not known. The internet and the new technological advances might help into this a lot as there are fewer boundaries, they are flexible in change and allow for quick access to the parent firm. Moreover, in crisis period (as it is the case currently in many countries) they contribute in diminishing costs. If accuracy of data submitted/transferred online is ensured, and discrimination issues (legal, ethical) addressed, the internet, the online methods and the social media can be seen as the key to continue changing the HR and labour market area. This might be the reason why firms have increased their investment in social media and online methods (computer based tests and CV screening and computer assisted interviews), while investment in traditional recruitment and selection methods has little or no change, or they show a decrease. For instance, asking for employee referrals has increased maybe due to the fact that SNWs make it easy to access an employee's profile and find the information send by referrals quicker (Jobvite, 2011).

Furthermore, in a global working and highly competitive environment, organisations are highly recruiting passive candidates (46,7%) or trying to keep their employees (by

offering better benefits scheme, higher salary and flexible working hours (Jobvite, 2011).

Recruitment and selection are thus changing to satisfy current and future needs. For example, to satisfy the need for a diversified workforce, (always in accordance with different legal/equality issues across countries) (Guthrie et al., 2008). However, in contrast to this attempt, firms are still recruiting mostly internally to ensure compliance with their culture. In large organisation, though there is greater possibility to have a wide pool of talented applicants internally to choose from (CIPD, 2011).

In conclusion, no matter the sectorial, work type or environmental impacts (in general), on the choice of recruitment and selection practices, the more diversified they are, the higher the possibility to produce successful results it is. Big organisations, which provide a range of diversity services (or products) usually have more diversified practices in use, and thus better outcomes (CIPD, 2011).

### 3. International Human Resources Management (IHRM) and HRM practices transfer

As organisations today increase their global presence, in an effort to take advantage of resources or rules/regulations found in regions outside their home country, they have to integrate their activities and HRM practices, and consequently recruitment and selection, at a global level. Therefore the present chapter aims to place recruitment and selection process in the global arena. An overview and study of the literature on IHRM management issues, presented below, would be rather helpful on that, so as to provide a deeper understanding of IHRM issues. In addition, as Greece is a country with an increased presence of multinationals (MNEs) in its grounds during the last decades (and especially after its entry to European Union), it would be helpful to explore the literature and depict any differences in HRM practices implementation by local and foreign firms, as well as to identify existing trends in the level of HRM practices transfer by MNEs, compared with the level of local adaptation. All these points in existing literature will provide the basis for their comparison with this study's findings regarding HRM practices and in particular recruitment and selection process in hospitality industry. And as the area of research has been specified to be the Greek hospitality industry, in this chapter there is a section devoted to HRM practices in Greece.

### 3.1 International Human Resources Management (IHRM)

With the arrival of globalization business have spread around the world and the number of MNEs operating in foreign countries, has been constantly increasing. As a result, organisations need to develop a global mindset (culture and market adaptable behaviours, practices and strategies) and be equipped with capable personnel being able to work in these challenging conditions. Organisations consequently should manage their human resources across countries applying what is called IHRM, so as to develop an effective international workforce (Poole, 1990; Story et al., 2014).

The importance of IHRM is rather increased nowadays, as the global economic landscape changes (with developing countries becoming important labour markets),

the global security becomes uncertain and people are chasing career opportunities world-wide (Scullion et al., 2007).

As a consequence, international assignments change in nature; foreign direct investment (FDI) increases and multinational companies (MNEs) abound in. Under these circumstances if IHRM is conducted effectively could not only help firm survive the competition, but also help them to be successful leaders in their field in a world-wide arena. This implies, an MNE efficient, flexible in changes, able to adjust to the local environment but at the same time able to transfer parent's company's policies across its global units (Schuler et al., 2002). And here by the term MNE is meant "any enterprise that carries out transaction in or between two sovereign entities, operating under a system of decision making that permits influence over resources and capabilities, where the transactions are subject to influence by factors exogenous to the home country environment of the enterprise" (Sundaram and Black, 1992, p: 733).

An MNE should first of all decide what kind of strategy will follow when operating abroad: a) the localisation approach, which means adapting to local context, b) the international business approach, which implies transferring headquarters strategies across borders, c) the global firm strategy, by "realising experience curve and location economies", and d) the transnational approach, which combines all the other three (Hill, 2007, p: 619). An MNE should establish a balance between its identities: being global, remain adhered to parent company policies and being multidomestic (adapting to local context) (Brewster, 2002). Namely, apply what is called 'hybrid' strategy (in its subsidiaries) concerning its parts and mainly HRM practices and policies. Up to percentage transferring parent company's HRM practices (and be universal) and up to another percentage adapt to local HRM practices (and be context specific) (Tayeb, 1998). According to Brewster et al. (2007, p:5) "IHRM is comprised by a) crosscultural management, b) comparative HRM and c) IHRM". Where IHRM is simply the implementation of the usual HRM of a firm but in an international context, so as to be able for a firm to operate internationally. Therefore, all the issues considered in comparative and cross-cultural HRM should be taken into account so as to develop an IHRM strategy. This most frequently, implies the use of standardised processes applicable and effective in every country (Brewster et al., 2007). For the aims of this research, since a comparison between HRM practices in foreign subsidiaries and local firms will be attempted, the emphasis will be placed on understanding the different cultures (parent and host country) and their influences on HRM. For this reason, only comparative and cross-cultural HRM will be discussed in more detail. Examining these three components one by one, comparative HRM comes first.

#### 3.2 Comparative HRM

Comparative HRM refers to different HRM applications across different countries or different regions within a country or across the globe (Boxall, 1995). In different countries the labour markets and the laws regulating them might be different, the trade unions presence might be different as well as the level of education of people; which has a direct impact on business development in the country/region (Brewster et al., 2011).

During the years several frameworks have been developed in HRM literature so as to study and interpret country differences in HRM application. The main ones can be summarised in four approaches, which examine each time different characteristics or from a diverse angle. The first one is the economic development approach, which considers managerial input as the determinant of industrial and economic development. The next one is the so called *environmental approach*, which has organisational effectiveness as a result of external factors (economic, social, cultural, legal/political and educational ones). The behavioural approach makes the assumption that managerial practices and effectiveness are culture-bounded (values, behaviours, beliefs, philosophy). Finally, the open systems approach, views everything as a result of the interaction between the organisation and its environment (societal, organisational and task environment) (Budhwar and Sparrow, 2002). All these frameworks indicate different factors affecting HRM in different countries/regions, which should be carefully examined when a decision for establishing a subsidiary in a foreign country is to be taken.

#### 3.3 Cross-Cultural Management

Cross-cultural management refers to national cultural differences (values and attitudes) and how they affect HRM application. Murray et al. (1976) proposed a framework for cross-cultural differences which puts together all the external factors associated with culture, which affect HRM. These are: social, economic, legal, political, and educational factors specific to its nation. Later on Schuler et al., (1993) added to these external factors several internal ones and they name them exogenous and endogenous factors accordingly. That is: exogenous factors (industry and country specific characteristics) and endogenous factors (headquarters and subsidiary specific characteristics regarding personnel management). Welch (1994), finally, attempted a different categorisation of cultural factors. He separated them in contextual factors (legal system and national culture), firm specific factors (industry type, organisational culture and strategy, stage in internationalisation cycle), and situational factors (location, time, extend of control, personnel availability). These frameworks imply that the formation of HRM in subsidiaries is influenced by several (mainly macroenvironmental) factors, nation or region specific.

However, what it really matters when considering establishing a subsidiary in a foreign country is not the factors influencing HRM, but the cultural distance (CD) and physic distance (PD) between the parent and host country, which might make difficult any transfer or local adaptation. A number of frameworks can be found in the literature, once more, which depict cultural factors quite distinct in its nation/region, that might be the reason for certain behaviours in international assignments (Avloniti and Filippaios (2012). One of the most frequently referred in the literature frameworks of CD is that of Hofstede (1980), which identifies five cultural dimensions which might differ across nations. These are: a) power distance – level of equality among society members/hierarchy, b) individualism/collectivism, uncertainty avoidance fear for unknown/unexpected situations. masculinity/feminism and e) long-term orientation/short-term orientation. Each country scores differently in each of these dimensions. These scores can be used as an indication of how HRM is conducted in each country. For example, Greece scores significantly high in uncertainty avoidance (112) and in power distance (60), which

implies accordingly that Greeks avoid ambiguous and uncertain situations and that hierarchy in Greece is expected and thus inequalities among people are promoted (Geert Hofstede Official Website). This might mean that subsidiaries entering the new market might find difficulties in applying management practices unknown to the Greek people. Thus, the level of transfer of HRM practices should not be high. The score in power distance explains as well the great number of family owned enterprises in Greece.

Another, greatly discussed in the literature, project measuring CD is the GLOBE (Leadership and Organisational Behaviour Effectiveness) project, which uses nine dimensions to do so. These are: a) performance orientation, b) future orientation, c) Assertiveness, d) in-group collectivism, e) institutional collectivism, f) uncertainty avoidance, g) gender egalitarianism, j) humane orientation and) power distance (House et al., 2004). GLOBE project uses all these dimensions to depict differences in practices among countries, and therefore propose management/leadership models for each country with apparent practical application.

Other perspectives less used in the literature are these of Kogut and Singh (1988) and that of Schwartz (1994), which measure accordingly differences in cultural norms among parent and subsidiaries (based on Hofstede's dimensions), and differences in cultural values (that result in a categorisation of countries in cultural clusters).

In addition, differences among countries/regions can be found in their education levels, in their religion or in their political systems (apart from the main difference in the language used by their people). All these differences can have a direct impact in HRM practices applied in local firms, or introduced to the labour market by the foreign subsidiaries. The two most frequently discussed works in this domain are that of Dow and Karunaratna (2006) and that of Hakanson and Ambos (2010). Dow and Karunaratna (2006) suggest five factors so as to measure differences in PD. These are: a) language, b) religion, c) education, d) political systems and e) level of industrial development, all of which might facilitate or hinder transfer of HRM practices in subsidiaries or even the establishment of MNEs in foreign countries. Hakanson and Ambos (2010), apart from the language and political differences, consider economic development and geographical area as factors influencing managerial decisions.

All the above mentioned works on CD and PD can be used to evaluate a decision of entering a new foreign labour market, based on how different this country/region is from the home country and thus how much home country's management practices should be alter so as to operate successfully in the new environment.

### 3.4 Transferring Human Resources Management Practices (HRM practices)

Nowadays, in the era of globalisation firms in order to remain competitive in their sector have to enter foreign markets and develop global strategies for this. However, as discussed above, there are cultural and physic differences among countries, even between two countries which belong in the same cultural cluster. Thus, organisations should decide the extent to which their foreign subsidiaries should get embedded to local culture and act in similarly with local firms (local isomorphism), and the extent to which these subsidiaries will remain loyal to parent companies practices and values and thus apply the parent's standardised, global strategies (internal consistency) (Brewster and Suutari, 2005). HRM strategies are usually the most sensitive ones to these two opposing pressures. HRM practices in a subsidiary are the result of "the interplay of the opposing pressures for internal consistency and for isomorphism with the local institutional environment" (Rosenweig and Nohria, 1994, p. 230). Between the two pressures HRM practices appear to be more sensitive to pressures for local adaptability (local responsiveness). Yet, MNE subsidiaries might be dispersed across nations, however they are still under the same mother company, and thus should find a balance among the opposing pressures of global strategies/internal integrity and local integration, so as to get benefited the most from each one of them. They should balance the needs of a global firm for diversity, parental control and co-ordination and knowledge transfer (namely global integration), with the needs of a local firm (culture, traditions, legislation/regulations) (Schuler et al., 2002; Sparrow et al., 2004). Taylor et al. (1996), adapt a similar categorisation adding one more dimension. According to them local responsiveness stands as an adaptive IHRM orientation, while global integration as an integrative orientation. Adding to these there is the

rather unused (as it is considered aggressive and usually very difficult to be implemented), the exportive IHRM orientation, whereby firms transfer the whole HRM system from the mother company to the subsidiary. Yet, a mixed approach is as well possible, called hybrid strategy or transnational solution, whereby both local adaptation and global integration are adapted simultaneously, providing a firm with the best HRM practices (Chung, 2015). But which are the factors influencing the internal consistency/local responsiveness decision? A detailed analysis of these factors is conducted in the next section.

### 3.4.1 Factors influencing HRM practices transfer

IHRM literature has shown that in general factors playing an important role in what to do locally and what globally can be classified in two broad categories: a) country specific and sector specific. Country specific factors can be subdivided into host country specific factors and into home country (country of origin) specific factors; whereas sector specific factors include organisation and sector/industry specific factors.

### a) Home country (country of origin) specific factors

The country where the parent company is established determines the extent to which HRM practices are transferred. The values, attitudes, culture and laws of the home country play an important role on this. According to Ngo et al. (1998) organisations from certain countries are more likely to adjust their HRM practices to local context in contrast to organisations from other countries. For example, MNEs having their headquarters in Europe are more prone to local adaptation of their HRM practices, as they consider it as a way to remain competitive even in the new country context (in which the subsidiary is established). But even among European countries there are differences in how much of the HRM practices they transfer. For instance, French companies transfer their practices in a greater extent compared to British companies, which prefer the local isomorphism strategy (Myloni, 2002).

Furthermore, there are some HRM strategies and practices which are more easily transferred compared to other ones. Namely, some are more culture-free (and thus easily transferred), while others are more culture-bound (with institutional context) (Rosenzweig and Nohria, 1994). Usually, these are the hard/core HRM characteristics and practices as performance appraisal and training and development. On the contrary, compensation practices are not transferred and usually comply with the local regulations and norms of the host country. As far as recruitment and selection is concerned, the level of transfer depends on local needs for personnel (skills, knowledge, abilities) and on local legal environment (Myloni, 2002).

### b) Host country specific factors

Host country factors refer to national and cultural factors different for and specific to each country/region, which might put obstacles in successful HRM practices transfer. Even though until 1980, there was a belief that HRM practices are universal, and can be applied successfully anywhere (convergence), Hofstede's research proved it to be wrong (Hofstede, 1980). Firms are not independent of their environment. The institutional and the cultural context of a country have a significant impact on HRM application, usually through a first impact on organisational culture (divergence). Research suggests that there are diverse 'national business systems' for each nation/country (Whitley, 1992).

The *cultural context* includes the cultural values and norms of a country which shape the legal and political (institutional), educational and religious systems in a country (Olie, 1995). The influence of the cultural context and the differences on base of culture among countries, have been discussed above, in the cross-cultural management section. The more the CD between countries, the less HRM practices are transferred. On the contrary when the match between HRM practices of parent company and local firms is high, the more HRM practices are transferred. What becomes apparent from the literature is that the majority of the differences in HRM are in the soft HRM and not in the hard HRM, which usually easily transferred as more technical. Yet, what should be highlighted at this point is that MNEs which adapt to local cultural context are usually more effective in their operations. The

reason for this seems to be that HRM practices and policies, no matter how successful they might be in one country, they might yield ineffective in another one (Myloni, 2002; Aycan et al., 2000).

However, culture accounts only for 6% of the differences among countries and thus other country specific factors might play a more important role (Gerhart, 2008a; Gerhart, 2008b). The institutional context of a country includes: a) its legal framework, b) trade unions presence/influence, c) institutions, d) government policies, e) labour market conditions, f) pressure groups on general, g) regional and global agreements and h) industrial regulations (Tayeb, 1998). Host countries with strong institutional context tend to hinder HRM practices transfer and face the risk of 'loosing' innovative ideas and practices, which will help subsidiaries to perform better and be more competitive in the local market. Strong trade unions, government and pressure group presence make it difficult for MNEs to transfer their practices, unless they are independent to institutional context (in their home country and in their host country). The differences between the institutional context of the parent and host country will finally determine the level of transferability of HRM practices (Ferner and Varul, 2000).

### c) Organisation specific factors

Organisational and industry specific characteristics may play a major role in HRM practices transfer; and in many cases even a greater one compared to cultural and institutional factors. These factors can actually be summarised in the followings: a) age, b) size, c) ownership of the subsidiary, d) industry and subsidiary characteristics, e) parent company's characteristics, f) MNE's competitive strategy, g) stage of internationalisation (domestic, international, multinational, global), h) parental control, j) extent of international exposure and experience, k) stage product life cycle, 1) subsidiary and parent company's structure and m) stage in MNE's life cycle (Myloni, 2002 and Budhwar and Sparrow, 2002).

The *industrial sector*, its norms and pressures on its firms, is considered to be rather important, especially in European countries, as they allow for the formation of different, each time, HRM practices (Sparrow and Hiltrop, 1997).

Regarding the age of the subsidiary, there is a dispute among scholars suggesting that the younger the subsidiary the more localised are its HRM practices, in contrast to the other perspective assuming that the older the subsidiary, the more it becomes embedded to local environment (Rosenzweig and Hohria, 1994).

As far as the *size of the subsidiary* (number of employees) is concerned, the bigger the subsidiary the more likely it is to have its HRM practices localised, as the large subsidiary acts independently of the parent company. Yet, small subsidiaries might not even have a HR department, and thus formal HRM practices (Rosenzweig and Hohria, 1994).

The type of ownership of the subsidiary determines, first of all, how well a subsidiary is managed. For example, government owned firms and family owned companies (when managed by a family member) are usually poorly managed compared to MNEs, privately owned firms, externally managed family owned firms and dispersed shareholders organisations (Bloom et al., 2012). A reason for this might be the strong presence of trade unions and pressure groups in public owns firms. However, the country culture and traditions and the favourable regulatory and economic environment for family owned firms, (less taxes, less competition, increased cash flow), make them a common choice in several countries, such as Greece (Bloom et al., 2011). It should be mentioned that in the cases of well managed firms the transfer of practices is easier. In addition, when the subsidiary is formed after an acquisition of an already existing local firm the HRM practices used are most frequently the local ones (Myloni, 2002, Tayeb, 1998).

The *importance of the subsidiary*, that is its contribution to parent company's goals, determine the level of influence by the parent and thus the extent of HRM practices transferred for this reason. Thus, when a subsidiary plays an important role for the MNE, and not just only serves local needs, the extent or practices transferred is greater (Beechler and Yand, 1994). Moreover, the higher the importance of a subsidiary for the headquarters, the greater the possibility to have many expatriates

working in it and therefore transferring their knowledge and expertise from the parent company. Yet, having a significant number of expatriates in a subsidiary is particularly common in its first years of operation. As the years pass by, and the subsidiary becomes established to the local environment, expatriates are substituted by local employees, and thus the transfer of HRM practices is diminished (Schuler et al., 1993).

The stage of internationalisation a firm is in, plays a major role in transfer of practices. The closer a company is to be a global firm the less possible is to transfer practices. The opposite is the case for mulitidomestic firms. Following from this, the international competitive strategy an MNE follows is related to the level of practices transferability across firms. Companies with a global competitive strategy are transferring more of the parent company's practices (Barlett and Ghoshal, 1991).

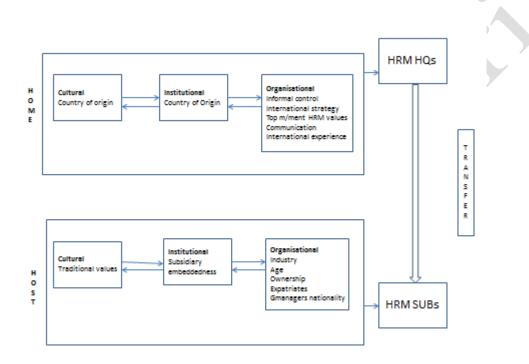
Additionally, the international exposure and experience of an MNE (stage in MNEs life cycle), controls for the amount of HRM practices. The more experienced and MNE is global operations and the more subsidiaries a company has in foreign countries, the more open-minded the firm is (to new ideas) and thus the less likely it is to transfer HRM practices from home country. It prefers to use diverse practices, adapted to local environment (Myloni, 2002).

The organisational philosophy on 'how to do things' and the top management's beliefs and decisions, allow for different level of transferability of HRM practices. If the top managers believe that HRM is highly important for a firm's effectiveness and successful performance, and therefore a source of competitive advantage across borders, there is a higher possibility of HRM transfer (Taylor et al., 1996).

The level of parental control is of course another determinant of HRM transferability. If the control is high and subsidiaries do not operate with great autonomy, then the parent company will transfer its HRM practices to its subsidiaries, so as to maintain the established control levels. In many cases the frequent communication between the parent and the subsidiary is a form of control as well (Rosenzweig and Nohria, 1994).

As it becomes apparent there are numerous factors which influence the transfer of HRM practices across borders. Myloni (2002) made an attempt to gather all these factors in a framework by categorising them in cultural, institutional and organisational ones (Figure 8). However, as not all of them are in the scope of this thesis, only some of them are further analysed.

Figure 3.1: Factors affecting HRM practices transfer



Source: Myloni (2002), p: 176

In conclusion, from a more general perspective, MNEs in order to have an effective IHRM policy, should encompass the following philosophy; a) have an efficient HR planning system by having the most appropriate/qualified people where and when there is a need (no matter their country of origin), b) choose always the most expert people for a job from the global village (locals, expatriates, third-nationals), c) evaluate a subsidiary's employees based on local criteria and on headquarters guidelines, d) adapt the reward policy on local cultural context, e) train all employees (in headquarters and subsidiaries) so as to perform well no matter their working environment/base (Schuler et al., 2002).

Regarding the global integration versus local adaptation and responsiveness issue, HRM practices applied by MNEs subsidiaries in foreign countries are usually lying in-between the two. Certain practices have a global character and transferable, whereas other ones are more flexible in local adaptation and more effectively used when they are localised. Therefore, the actual case scenario is the use of hybrid HRM practices in subsidiaries after a decision is made on 'how much' to transfer (Bae et al., 1998; Myloni et al., 2004).

The present research, as it was highlighted before, aims to examine the extent to which MNEs (and specifically hotels) transfer their HRM practices (and especially the most sensitive one, recruitment and selection). And to examine as well, the differences in general in the choice, implementation and effectiveness of recruitment and selection practices between Greek and foreign organisations (hotels). Based on the literature above, our questionnaire was built so as to examine the factors influencing this transfer. The study focuses only on the examination of host country influences – cultural, institutional and organisational (Myloni, 2002). The specific cultural and institutional impacts (level of education, religion, legal and political systems, values, norms, group pressures) were not included in the questionnaire; these were implied from the literature in the analysis of the results. What was asked was the extent of transfer as well as the way this transfer was implemented (staffing policies). The nationality of the foreign subsidiaries was questioned as well in an effort to interpret results so as to see trends of HRM practices in European host countries from countries around the world. Organisational factors were used as control/contextual factors in the survey. However, for time reasons mostly, this survey questioned only a few of them, those which probably would yield replies. These were, the years of operation, the size of establishments and number of units and the type of ownership. Variation in these factors has been found to have diverse effects on the extent of local adaptation and choices of specific recruitment and selection methods and tools (Rosenzweig and Hohria, 1994) and hence included in the questionnaire.

#### 3.5 Recruitment and Selection across nations (transferability)

Concerning HRM practices, those which are based on employee interpersonal relationships are usually not transferred. Those HRM practices based on technical characteristics are more easily transferred among nations; such as recruitment practices (Brian, 2014; Evans and Lorange, 1998). Nowadays, recruitment and selection patterns in organisation have changed, since the recruitment process "has experienced a rapid global exposure" (CIPD, 2006, p. 3). Recruitment and selection practices vary considerably among countries, as they are influenced by both contextual factors and the beliefs and educational level of the recruitment managers each time. Cultural differences among countries might be outweighed up to a level, but not completely though. Therefore, firms should adjust (at least up to a point) their recruitment process to each country's environment so as to remain successful and competitive (Papalexandris and Panayotopoulou, 2004).

In general firms operating in an international level can choose among the following recruitment policies (as it is the case also for local recruitment process): a) active recruitment strategy, b) passive recruitment strategy and c) long-term aimed recruitment strategy (CIPD, 2006). But these strategies indicate only the recruitment and selection methods used by a company. They do not serve, neither as an indication of the people staffing the organisation, nor as an indication of the level of transferability of the recruitment and selection procedures carried out in the parent company. Foreign subsidiaries should decide on the proportion of expatriates (home country employees), locals (host country employees) and third-nationals (best employees around the world no matter their nationality) to be used in their establishments. Many times, from all the above mentioned factors influencing transferability of HRM practices, the size of the subsidiary, the availability of local talent and the subsidiary's needs might be the most important ones in deciding the composition of the subsidiary's workforce (Graham, 2001).

Overall, there are four approaches a MNE could follow when staffing its subsidiaries; a) the ethnocentric approach, b) the polycentric approach, c) the regiocentric approach and d) the geocentric approach (Beardwell et al., 2004; Brian, 2014).

With the *ethnocentric approach* (a rather international approach), all the key position in the subsidiary are filled in by expatriates. The reason for this might be the lack of talented applicants in the host country or the need for knowledge and expertise transfer in the subsidiary. With this approach the control remains in the hands of the headquarters and corporate culture remains untouched / unchanged. However, nowadays, this approach is less used compared to the past as it has been shown that it might lead to 'cultural myopia' – no understanding of host country's cultural contextwhich in turn might lead to lower firm performance, competitiveness and in some cases lower survival expectancy (Hill, 2007).

In the *polycentric approach* (a localisation approach), all positions in the subsidiary are occupied by locals, however, the decisions on key issues are taken by the parent company. In this way local talent can be effectively used and 'culture myopia' can be diminished. But still this approach isolates the headquarters from the subsidiary (as there is no much communication between the two), and limits the career development potentials of the local employees as they are not responsible for crucial decision making (Hill, 2007 and Bearwell et al., 2004).

The regiocentric approach, implies that decisions will be taken at a local level and the positions will be staffed (from parent or host country) according to the need each time, and according to where the most qualified applicant can be found (Bearwell et al., 2004).

Finally, the *geocentric approach* (a global approach) is the one where the best people around the world are hired no matter their nationality. The aim is for the firm (parent and subsidiary) to have the most qualified applicants in its workforce and use them efficiently. This approach serves at the same time standardisation of practices (with practices transfer via expatriates) and local adaptation (via locals), as well as innovation initiatives (through third-locals) (Hill, 2007). Nevertheless, this approach is quite expensive and thus not frequently used.

Before deciding on which of these approaches to use, the MNE has to take into account any obstacles put by the parent or the host country legislative system or any cultural issues not permitting the implementation of specific recruitment and selection practices (Ryan et al., 1999). What it is sure, is that the selection criteria, in particular, should be localised to host country requirements, but at the same time fulfilling the requirements for successful international assignments (Graham, 2001). The selection criterion validity is not always transferred along with the selection practice transfer. What might be valid in one country might not be in another, especially with the criteria in methods such as cognitive and personality tests or interviews. In interviews what is consider ethical and fair, for instance, in one nation might not be in another (Lievens and Chapman, not known.). That is why a close monitoring and evaluation of recruitment and selection methods and criteria should take place on a constant basis.

As a final point, it should be stated that the most commonly used approach by MNEs is the polycentric one, mainly because multinationals have realised that this probably the best way to remain competitive in both the global and the local scene (Schuler et al., 2002).

### 3.6 Changes-trends in IHRM

In our era MNEs do not have only to face global competition and contextual issues when trying to expand their operations in other countries, but also issues such as a) the continuously changing economic landscape, with the increased FDI and the several cases of economic crisis in countries around the globe, and the presence of unstable political environments in several countries, b) the increased global terrorism, which hinders for example the implementation of a company's decisions – transferring of HRM practices through expatriates is usually difficult in these cases and thus more locals are employed in crucial positions to avoid terrorism attacks or consequences, and c) the increased career mobility, which makes difficult for the companies to implement successful their recruitment and selection practices for instance – talent shortage might be the case in several local or home markets, forcing companies to follow the more expensive choice of the geocentric approach (Scullion et al., 2007; Mellahi and Wood, 2003). The case of Greece for example, where the present research focuses, is a case of country with a currently unstable economic and

potentially political environment; which prevents MNEs expansion in it. Therefore, organisations, should be very careful when deciding on which IHRM mix to apply and where. However, an examination of all the above impact factors, would be beyond the limits of the present research.

#### 3.7 The case of Greece - Human Resources Management (HRM) in Greece

Regarding HRM practices in Greece, limited research has been conducted on the area (Bourantas and Papadakis, 1996; Katou, 2008). Maybe this is because, the HRM function has been developed rather late. Up until 1986 only 6% of the medium and large Greek companies had an HR department and only 11% of them had detailed HRM practices (Kritsantonis, 1998). Even during the last two decades, HRM practices in Greek firms are quiet limited, compared always to their foreign counter companies operating in Greece or other European countries (Ball, 1992). A reason for this might be the fact that Greece was for many years a rural country with no or little business systems (Stavroulakis, 2009).

The last decades though, Greece attempts to develop new business systems and modernise the already existing ones. This is mainly the case after the induction of Greece in European Union and European Single market, in 1981 (Eleutheriou and Robertson, 1999). Greece faces since then greater competition, and in its effort to create unique competitive advantage and expand globally, Greece needs formal and flexible HRM systems. Another reason for this might be the fact that several MNEs are now entering the Greek market, transferring their HRM practices.

The implementation of HRM practices in Greece is highly influenced by the cultural and institutional environment. Greece, which used to favour tribal society types, is characterised by strong family bonds; something that is apparent also in management style in Greek companies (Stavroulakis, 2009). Firms in Greece are in their great majority family owned, with power and control concentrated on the hands of top management (CEOs), who are usually family members. Thus, each company is considered to be an extended family, with few employees outside the 'family' (or

friends) (Myloni et al., 2004). That is why Greece scores low in individualism index of Hofstede (only 35), which ranks Greece among the collectivist countries (Hofstede Official Website). In this type of companies hierarchy is rather important, and loyalty and trust to the supervisors is expected. Relocation of existing employees, is not common, and therefore new (especially foreigners) employees face obstacles in entering a business operating in Greece.

Relatively, to the family importance in Greece, is the favouring of centralisation of decision making in the hands of CEOs, as the elder and most trusted/respected person of the family business. This probably why Greece scores quite high in power distance index (=60) (Stavroulakis, 2009).

The legislative environment in Greece is also quite restrictive, with many laws and regulations, collective agreements, high governmental intervention in business issues, increased trade unions and pressure groups presence, complicated bureaucracy and managerial inelasticity (Psychogios and Szamosi, 2007). This explains the significantly high score of Greece in uncertainty avoidance (=112). With such an environment Greece, hinders great HRM practices transfer from the parent company and favours localisation of practices instead. The strict regulatory environment and the increased control from state and unions, in combination with the extended family philosophy explains of the high level assertiveness and social/organisational/employee reactions (such as strikes) to anything not compatible with their family/business values and norm (Stavroulakis, 2009). Though, the last years Greece has started changing its legislation and bureaucracy systems, so as to loosen institutional influence and so as to resemble other developed European mostly countries and become an attractive country for FDI and even more allow the transfer of more of the parent company's HMR practices, and welcome innovation (Myloni et al., 2004).

In general, studies have shown that local Greek firms and MNEs operating in Greece apply similar HRM practices (Papalexandris, 1991). However, there are some HRM practices which are implemented in a different way by local and foreign firms. For instance, MNE subsidiaries operating in Greece are using mostly long-term and systematic HR planning, whereas local firms have a rather short-term orientation (with HR strategies many times not even written or formalised) (Myloni, 2002). Maybe because Greece according to Koopman et al. (1999), belongs in the South/East cluster in Europe, in which countries do not have a future orientation in their business practices. In Greece, particularly, this short-term orientation might be the result of continuous changes in its economic and political landscape (Makridakis et al., 1997; Myloni et al., 2003).

As far as recruitment and selection practices are concerned, MNEs operating in Greece and local firms tend to use similar practices and criteria. The only difference that appears between the two is that MNEs tend to have written and formalised recruitment and selection practices compared to local firms. For both though, the internal recruitment is usually preferred and when external recruitment is used, references and recommendations play a major role – a fact absolutely justifiable by the family tradition in Greece (Myloni et al., 2004). From all the available methods, press advertisement and personal contacts are mostly used as recruitment methods in Greece (Eleutheriou and Robertson, 1999).

The selection decision, which is usually subjective and not standardised, is usually based on personal relations and if not on applicant's typical qualification rather his personality. That is why references checks and word of mouth (recommendations), individual interviews, resumes check and recently work samples are preferred as a valid method for predicting employee performance (Nikolaou and Judge, 2007). Group selection methods and especially group interviews, psychometric/personality tests and assessment centres are rarely used, along with personality tests (Eleutheriou and Robertson, 1999; Myloni et al., 2003). The nationality, now, of the general manager in subsidiaries in Greece, seems to play an important role in selection practices transfer from the parent company. It has been proved that when the CEO has a Greek nationality, the transfer of practices is hindered (Myloni, 2002).

Considering now the more recent developments in recruitment and selection, the emethods (recruitment and selection through internet and social media), Greek firm lag behind MNEs, because the level of technological development in Greece is comparable low and the HRM development is still in its infancy (Panayotopoulou et al., 2007).

Performance appraisal in Greek firms, compared to foreign subsidiaries is quite subjective, is usually based on personal relations and preferences and promotes favouritism – once again justifiable by the family Greek culture (Myloni et al., 2003).

Overall, HRM practices in Greece are greatly influenced by the family Greek tradition, the strict regulatory environment and the unstable economic and political environment. Efforts for change have been made though the last few years, so as to make the Greek labour market competitive in the global landscape and friendlier for FDI. However, changes are still in an early stage and many obstacles exist for MNEs entering Greece or transferring their innovative HRM policies and practices. Hopefully, in the future this situation will change a lot.

### 3.8 Summary

The present has attempted a thorough literature review on issues regarding international human resources management (IHRM), stating the need for its development and its role in a globalisation era characterised by continuous changes, FDI and mobility of resources across borders. The chapter has discussed the different available IHRM approaches (local responsiveness and global integration), especially when referring to the transfer of mother company's practices to the foreign country. The factors (home country, host country or organisation specific) affecting the level of transfer and especially the level of transfer of HRM practices have been analysed. A focus has been placed on the most sensitive to transfer HRM practices, and namely on recruitment and selection, analysing the several approaches possible (ethnocentric, polycentric, geocentric). A second focus has been placed upon the case of Greece in HRM practices transfer as Greece is the area analysed in this study. Following these, the next chapter presents the global and the Greek hospitality industry, so as to make the link with HRM practices in Greek hospitality industry.

### 4. Global and Greek Hotel Industry – HRM in Hospitality and Hotel **Industry**

The majority of past studies in HRM and in particular in HRM practices focus on manufacturing industry or are conducted in a cross-industry way. However, with the rapid development of technology, many of the manufacturing sector positions have become fully or partly automated, and therefore there is no need for human presence, and following that, less HRM is needed. On the contrary, services industry is based mainly on people for conducting the relevant operations. Most of the times a face-toface interaction is needed, so as for the best possible product to be delivered to the customer. Thus, services industry is heavily based on human capital for the successful completion of its operations and customer satisfaction. And as human capital aptitudes, knowledge and skills is difficult to imitate, human resources and good HRM are the source for the industry's competitive advantage (Hoque, 2000; Kapiki, 2011).

Travel and tourism, which forms one of the services sectors, is one of the fastest growing economic sectors internationally nowadays. It is continuously expanding and diversifying since 1950, despite some periods, such as economic crises, with slower growth (Cooper et al, 2005; Hazra and Nemes, 2013). It is an enormous industry and incorporates several diverse products and services. Travel and tourism industry is formed by the following parts, or else sectors/sub-industries which are complementary. These are a) tourism lodging (hotels, motels, camps, ships serving cruise purposes), b) transportation services (by air, sea or ground), c) food and beverages, d) retail stores associated to tourism (souvenir shops) and e) activities related to tourism and aiming to facilitate or amuse them (sports, educational trips, festivals) (Kapiki, 2012, p.1).

Tourism, given its nature, is also one of the sectors highly affected by the globalisation and the continuously changing environment (socio-economic changes and technological advances). Economic integration through private capitalinvestment, forms one of the major characteristics of international tourism and hospitality industry nowadays. Firms in the industry should facilitate, sustain and even extend globalisation (Litteljohn, 2006). In this global scenery, firms in the tourism sector in general, take their competitive advantage from their human resources and from the specific to destination area characteristics from the several industries comprising tourism sector. In this industry, human interaction is at its very heart and therefore the role of human resources is of strategic importance, as they are responsible for the delivery of the services and for maintaining the success and the existence of the firms operating in it. However, many times tourism tends to be overlooked in the literature for its HRM application, especially in the past (Hoque, 2000).

Hospitality industry, which is only a part of travel and tourism industry and encompasses by the three sub-industries of tourism (lodgings, catering, food and beverage), is quite an interesting sector, as it quite old and it changes continuously so as to respond to current customer demands. It is also one of the fastest growing industries and it holds unique position in the economy as it attempts to bridge two worlds (commercial and domestic), namely to have satisfied employees, but also to have them deliver the service product efficiently (Walker, 2010; Crick and Spencer, 2011). From the hospitality industry, quite important seems to be the hotel sector as it has a 'dual nature'; large MNEs (in the form of hotel subsidiaries-individual units or chains) and other smaller usually local hotels operating in the same region/country and therefore being liable to the same type of cultural and contextual influences (Anastasopoulos et al., 2009). Therefore, hotel industry offers a ground for meaningful comparison between local and MNEs on the way they operate and the business strategies they adapt, as well as on the way they implement their HRM practices. In addition, the unique hotel industry characteristics, such as low trade union presence and especially high turnover, add more to the interest of examining HRM practices in this industry and in particular recruitment and selection in the industry (Hoque, 2000; Chan and Kuok, 2011). The low union presence lowers the pressure in choosing recruitment and selection tools and on hiring decisions accordingly. And at the same time, high turnover creates a need for running the recruitment and selection process on a more frequent/regular basis compared to other industries. The great contribution (direct and especially indirect) of tourism and hotel industry to employment, with the generation of several diverse types of job positions,

gives space for the use of numerous different recruitment and selection methods to fill in these posts.

Therefore, examining the recruitment and selecting practices and how they differentiate across local and foreign firms in hotel industry seems rather important, especially in countries in which their economy is heavily based on tourism, such as Greece (Kapiki, 2012).

### 4.1 Global Tourism and Hotel Industry and HRM

Tourism is one of the most dynamic and fastest growing sectors of the global economic landscape and at the same time an industry with a great impact on other industrial sectors in each country, contributing in this way to the economic growth (and not only) of countries. Studies have shown that tourism is the main source of income for many countries, especially countries surrounded by sea, as they favour summer holidays. Tourism operations, overall, seem to be greater compared to food, car or oil industry. A fact which implies the significant role of tourism in global economy once more (SETE, 2012).

The last few years, with the aid of technology – which facilitated the advertisement of tourism destinations around the globe, as well as the easier performance of services tourism industry has considerably developed.

According to SETE (2012), earnings from tourism have been steadily increasing since 1952 and up until 2008, with global tourists' arrivals reaching 880 million at that time. In 2008, economic and political crises affected tourism industry as any other sector as well. After that and since 2009, tourism industry got re-established and continue to grow until it reached 1 billion global tourists arrivals in 2012 and 1.365 million in 2014, most of which are attributed to European destinations (approximately 460 million), with Asian and American destinations to follow (UNWTO, 2014). This implies that despite the financial and economic crises people still want to travel, maybe as a result of globalisation which has provided a greater pool of customers and

new travel destinations, of technology advancement, which has made the experience easier, and the development of low cost tourism organisations. In addition, according to ITB (2012), tourists travels are expected to increase even more in the future, for domestic travels and almost double for international travels.

It is true though that the world hospitality industry was not considerably affected by the economic recession in 2009, as hotels number around the world increased by 2.7%, reaching 20million rooms, from which ¼ (5.2 million rooms) are in hotels within the greater European Union zone; a figure which explains the great importance of hospitality industry in Europe. From these rooms, most of them belong to small or family owned hotels and not in big chain hotels; a trend explained by the existing cultural context in many European countries like Greece (ETC, 2013; ICAP, 2011).

Regarding now the supply side of tourism, the presence of tour operators, as well as the development of hotel chains or groups offering diverse tourism products, are estimated to keep increasing in the forthcoming years following the needs for expansion and innovation imposed by the globalization (ICAP, 2011).

In this continuously changing business environment, there is a consensus that human resources are of high importance in hospitality industry (Suh et al., 2012). Human capital in generally is seen as an investment for the future firm's development. But for the hospitality industry in particular, human resources are the distinctive difference between each firm and the competitors. With the great expansion of the industry, customers nowadays have many choices and high expectations, and therefore the quality of service delivery is what influences their choice. But the quality is in its turn influenced by employees' skills, aptitudes and knowledge (Popesku and Avram, 2012). Thus, for a firm in a hospitality industry to ensure success and achieve its goals, it must find, hire, manage and train the most competent personnel, from the rather diversified pool of labour force worldwide. HRM strategies as well as the managers implementing them are directly related with the creation of service quality culture and the success of the firm.

Yet, in a global environment, HRM in hospitality industry has to face the global changes, such as employee mobility, demographic issues, economic booms and economic crises, increasing workforce diversity, social and cultural issues, technology advancements and innovation, as well as the induction of social media in the industry (Ross and Pryce, 2010; Waligo, 2010). Even though it might be assumed that with the technology advancements and with the innovation increase, fewer employees will be needed, in services industry, this holds no truth, as new positions are created and old ones require from now on more skilled workforce with increased knowledge of IT systems, so as to avoid any problems in the message conveyed. The focus in hospitality industry has now moved on aptitudes and skills of the employees and the recruitment and selection process is run under two moto: "Hire the multi-skilled and knowledgeable ones" and when it is not possible "Hire for attitude and train for skill" (Chang et al., 2011; Hazra and Nemes, 2013). Skilled employees already hold the expertise for innovative working practices and processes across several functions, while knowledgeable ones have the basis for undergoing a successful training on technology and innovation issues, and thus become creative and effective in their tasks and as a result pave the way for a future successful innovative performance (Mumford, 2000; Chang et al., 2011). However, a careful recruitment process will contribute in diminishing future training costs, which is rather an important factor, especially in economic crisis periods.

As far as the recent induction of social media in hospitality industry is concerned, it should be mentioned that they are now linked with almost every aspect of the business processes in the industry, as they do not only help to advertise services provided, to attract and engage customers/guests and even to solve any of their problems, but also they facilitate intranet communication among employees. Hence, current employees are required to have knowledge on how to use them effectively (Leung et al., 2013).

In addition, HRM function should overcome specific to the industry challenges such as the high employee turnover, the already existing low skilled employees/workers, the part-time, non-permanent or by hour employment, the low-experienced entry employees, the low levels of remuneration, the poor working conditions in many cases and the higher proportion of young and female employees in the industry (Davidson et al., 2011; Ross and Pryce, 2010; Waligo, 2010). And as in hospitality industry the hard HRM approach is usually adapted (as owners, since they have small business in their majority are profit motivated), employees are the ones to take care of their self-development and skills/qualifications training. Therefore, managers are mainly interested in hiring highly qualified and skilled employees. Thus, the recruitment and selection process emphasis more on skills-fit rather on job-fit, so as to limit any future need for training and also to be able to move employees around jobs easily (Chang et al., 2011). But searching for the talented and willing to remain in the firm employee, in a global pool of workforce is rather demanding and competitive. Thus the recruitment and selection process in hospitality industry is considered a top priority.

In addition, given the nature of the industry, temporary work (in the form of occasional work or in the form of using external human resources when needed) has become a predominant trend. It allows managers to quickly fill current staffing needs with low budget and low law protection. Though, managers should be careful to choose these employees wisely so as to fit the corporate and the country (in which it operates) culture. Selection of these resources should be also made quickly and carefully so as to avoid extra costs and delays for the firm (Davidson et al., 2010; Popesku and Avram, 2012).

Moreover, another issue that the industry has to deal with, concerning its HRM function, is the personnel structure. Hospitality is an industry where people employed are coming from different generations, but still have to work mostly together to achieve firm's goals. Therefore, during the recruitment process employers should be very careful so as to select those employees from different age groups, whose attitudes and expectations will match the rest of their future team members (Popesku and Avram, 2012).

In total, in hospitality industry HRM should always adjust to environmental, socioeconomic and cultural changes. Employees in the industry should be selected in a way that they form a rather valuable asset for the firms with the potential to increase their value in the future, through their knowledge, skills, innovative ideas and attitudes, team work and adaptivity to change (Crick and Spencer, 2011; Shu et al., 2012). Human resources are those who provide the service experience for the customers and as being difficultly imitated they are every firm's competitive advantage in the industry, and thus they should be managed properly to maintain firm's advantage (Philippakos, 2009).

### 4.2 Greek Tourism and Hotel Industry \*\*\*

Greece is a country which is highly relied on services sector. For instance in 2009, services sector accounted for 75.8% of Greece GDP. Tourism in its turn is considered to be the most important "product" that Greece is exporting. In 2009, it made up 15% of GDP and was the largest industry in the country (Philippakos, 2009). It is considered along with shipping the most important areas in which Greece should focus for future economic development (GTO Official Website). This in combination with the fact that Greece presents a similar interest to other Meditteranean countries as a travel destination; it makes Greece a good case for conducting this research so as to have results probably applicable to its 'similar' countries. According to SETE (2013), Greek tourism is ranked 17<sup>th</sup> in world ranking tourism competiveness index and 10<sup>th</sup> in the equivalent ranking for European countries<sup>1</sup>. Even though in the past Greek tourism used to be placed in a higher position (12<sup>th</sup> and 8<sup>th</sup> in rankings in 2000 accordingly), taking into account the economic crisis in Greece, its tourism still remains highly competitive. Regarding the total competiveness ranking (based on international arrivals, tourism investment and tourism earnings), Greece is placed in the 32<sup>nd</sup> place<sup>2</sup> globally after the majority of European countries and its main competitors in the Mediterranean (SETE, 2013). This might be because Greece is placed away from the main sources of tourists (USA and Central Europe), which limits the number of days of their holidays they can spend in Greece (SETE, 2003). In

<sup>&</sup>lt;sup>1</sup> Based on data for 2011 and on international tourists arrivals.

<sup>&</sup>lt;sup>2</sup> It used to be in the 29<sup>th</sup> place in 2011 and in the 24<sup>th</sup> place in 2009. Maybe the reason for this drop is the economic recession and thus the less domestic tourism (SETE, 2011; 2009).

<sup>\*\*\*\*</sup>ALL TABLES IN THIS SECTION ABOUT GREECE HAVE NOT BEEN UPDATED OR CHANGED SO AS TO BE RELEVANT WITH THE DATA COLLECTED AND THE TIME THE WERE COLLECTED, SO AS FOR ANY COMMENTS AND CONCLUSIONS IN THE THESIS BASED ON THE DATA TO BE MEANINGFUL

addition, Greece global ranking implies that tourism in Greece can still be developed more, probably through FDI of foreign MNEs in tourism industry; as the current recession in Greece does not allow for many new Greek firms to be established.

According to World Trade Organisation (WTO) and World Economic Forum (WEF) statistics, Greece was placed in the 16<sup>th</sup> position regarding the level of foreigners visiting Greece and in the 15<sup>th</sup> position concerning the revenue from tourism, in 2009, (WTO and WEF Official Websites). The importance of Greek tourism industry, in general, can be assumed by the figures in table below. Greek tourism shows in total an increasing contribution to Gross Domestic Product (GDP) and to employment across the years. It is quite interesting though, that even GDP contribution has been decreased over the last years, Greece's contribution to it remains always higher compared to world average; which supports even more the case of the important contribution of tourism to Greek economy (WTTC, 2012). According to Kapiki (2011 and 2012), tourism and its contribution in Greece, especially now with the crisis, seems to be the only way out of it. The increasing contribution to employment along with slightly increased capital investment, implies probably an increase in hotel units operating in Greece and consequently a greater need for more employees, semi or highly skilled so as to serve the variable needs of international customers. Moreover, this increase might be due to the good management taking place in Greek tourism industry. However, taking into consideration the fact that in Greek firms, and thus hotels and tourism related companies, the existence of formalised HR policy and practices is not that frequent, this increase in figures might indicate the turn of Greek tourism towards more standardised practices as well as the need for more specifically detailed HRM practices in the future.

It should be highlighted at this point, that Greek tourism industry employs almost 20% of the total employees of the country (WTTC Official Website). Despite the economic crisis in Greece tourism seems to maintain its important position. Capital investment and spending (11.349) on domestic tourism has been increased over the last three years, reaching almost have of the internal tourism consumption levels (23.275). These statistics imply that Greek tourism industry is expected to grow even more in the future, creating more employment positions and increased revenues.

However, though tourism seems to be rather important for Greece's GDP and employment, research on tourism and especially in hospitality industry in Greece is rather limited, in particular in the area of HRM (Philippakos, 2009).

Table 4.1.: Basic Measurements of Tourism in Greece (LCU= Euros)

GREECE	2009	2010	2011		
Travel & Tourism l	Direct Contribution	to GDP			
LCU (local	11.526	11.909	12.622		
currency units) bn					
% share	5.3	5.4	5.6		
Travel & Tourism	Fotal Contribution to	o GDP			
LCU (local	32.850	33.611	35.345		
currency units) bn					
% share	15.2	15.3	15.7		
Travel & Tourism l	Direct Contribution	to Employment			
% share	7.6	7.7	7.9		
Travel & Tourism	Total Contribution to	Employment			
% share	17.7	17.9	18.4		
Domestic Travel &	Tourism Spending				
LCU (local	10.629	11.062	11.349		
currency units) bn					
% share	4.9	5.0	5.0		
Internal Travel & T	Tourism Consumption	n			
LCU (local	20.889	21.782	23.275		
currency units) bn					
% share	7.6	7.7	8.0		
<b>Capital Investment</b>	Capital Investment				
LCU (local	5.614	5.636	5.965		
currency units) bn					
% share	14.2	14.2	14.2		

Source: World Travel and Tourism Council Official Website

It is important to be mentioned here that according to Hellenic Chamber of Hotels (GTO) and SETE (2013), Greece had in 2012 9,670 hotels, form which the great majority is small 3\* and 2\* hotels (6,562 hotel units); a number justifiable by the family owned business tradition in Greece, which usually the case in small hotels. Regarding the hotel capacity figures, in 2012 Greek hotels had in total 771,271 beds, from which 307,308 (40%) belong to 4\* and 5\* hotels, even those account only of the 16.6% (1,604 units) of the hotels in Greece (Table 5) (SETE, 2013). These numbers imply that even though 4\* and 5\* hotels are not that many in Greece, they contribute rather significantly in tourism, and are responsible for the bigger part of tourism employment positions. Therefore, considering the focus of the present research, formalised and diverse HRM policies and practices are more likely to be found in 4\* and 5\* hotels.

Another important trend, obvious in the table 5, is that 2\* and 1\* hotels face a decrease in their hotel units, opposing to 5\*, 4\* and 3\* hotels. This might be a result of the recession in Greece, as most of these hotels are Greek owned and thus fewer capitals are available for funding their operations, in contrast to bigger hotels, which might be result of FDI or absorbed by a global group of tourism companies. In addition to that it could be highlighted the fact that until 2000, 1\*, 2\* and 3\* hotels increased their capacity by 115.96%, 148.88% and 118.67% accordingly (since 1990), whereas from 2000 until 2012 their capacity was either decreased or increased slightly up to 26.35% (in 3\* hotels) (SETE, 2013). This phenomenon can be justified by the need for Greece to remain competitive in the global landscape and thus offer more diverse activities and services to tourists with bigger hotel units and also welcome MNEs FDI, which is usually made in the form of big hotels. Therefore, 5\* hotels have increased their capacity up to 214.75% between 2000-2012 following an increase of 178.52% between 1990 and 2000 (SETE, 2013).

Greece compared to its main competitors has been found to have the smallest hotel units size (number of beds), with the exception of hotels in ranked as 5\* (SETE, 2003). A fact which shows that Greek hotel industry needs still to be developed so as to become more competitive.

*Table 4.2: Greek Hotel Industry Breakdown (by star category)* 

		5*	4*	3*	2*	1*	Total
Number	2009	230	1,132	2,097	4,629	1,617	9,705
of hotels	2012	352	1,252	2,328	4,234	1,504	9,670
Total	2009	39,614	101,101	93,400	138,103	30,749	402,967
Number	2012	55,985	100,159	95,451	119,985	55,127	400,433
of							
Rooms							
Total	2009	78,464	191,966	176,395	253,386	58,152	758,363
Number	2012	113,679	193,629	183,328	225,508	55,127	771,271
of Beds							

Source: SETE (2013) and Koutoulas (2009) adapted by Hellenic Chamber of Hotels

Central Greece, Crete and Dodecanese account for the greatest part of hotel capacity in Greece (almost 60%) as it can be seen in the following table 6 (GTO 2011; SETE, 2011 and 2013), with the last two having a significant increase between 2000 and 2012 (41,94% and 35,42% accordingly), whereas Central Greece remained almost steady, which shows that probably it has enter a maturity face in terms of new hotels entering the market. What is interesting though is that Crete and Dodecanese, such as every island prefecture in Greece are characterised by seasonality impact. This means that even though with this number of beds they should provide many working positions, this is only the case during few months of the year and especially during July, August and September when the tourists' arrivals reach their pick (SETE, 2012).

Table 4.3: *Hotel Beds by prefecture 1990-2012* 

Pre	fectur	·e										
	Ce	Pelop	Ion	Epi	Ae	Cre	Dode	Cycl	The	Mace	Thr	Tot
	ntr	onnes	ian	rus	gea	te	canes	ades	ssal	donia	ace	al
	al	e	Isla		n		e		у			
	Gre		nds		Isla							
	ece				nds					•		
19	95.	36.33	40.	6.8	12.	76.	69.82	21.8	17.7	42.59	3.8	423
90	509	5	40	18	679	095	9	45	00	6	51	.66
			3									0
20	92.	52.39	89.	15.	22.	165	142.2	48.5	28.5	107.9	7.0	771
12	651	1	01	16	252	.37	42	74	89	55	67	.27
			2	3		5						1

Source: SETE (2013)

Based on the data from the 9,705 hotels in Greece only 4% of them are well known brands around the world, which represents only the 19% of total rooms in Greek hotels (Koutoulas, 2009). This implies that contrary to the rest European countries, where the brand named hotels are 25-40% of the total hotel number in the country, Greece maintains a low number of well-known globally operating hotels (Koutoulas, 2009). This might be explained from the strong family bonds in Greece, which might hinder the "unknown" international hotel brands to enter the Greek hotel market. This might also be due to the reason that large international hotel chains need probably a different and more standardised management style compared to the local management style in family owned hotels in Greece. Transfer of parent hotel HRM practices is many times difficult due to increased legislation and pressure groups intervention in Greece, which forces MNEs to adapt to local standards, while these might not be enough to manage big hotel chains units. In support of this statement comes Table 4.4, in which a comparison among the total number of brand named hotels in Greece is attempted.

Table 4.4: Number of rooms in Brand Named Hotels in Greece in 2005 and 2009

	International	National	Local	Cypriot	Total
	Brands	Brands	Brands	Brands	Brands
2005	19,116	23,201	12,946	5,474	57,321
2009	21,667	31,639	23,267	6,723	77,464

Source: Koutoulas, (2009, p.3)

From the table it is obvious that the increase of number of rooms in international brands was quite low compared to the increase in the number of rooms in national and local brands. From the total increase (20,143) in number of rooms in branded hotels between 2005 and 2009, 18,759 of the new rooms were rooms in national and local hotels. This figure supports more the fact that FDI in Greek tourism market is still in its infancy (with many legislative and cultural barriers), even though Greece serves as an attractive tourism destination.

Greek hotel brands in the form of chain, as well as international chains are presented in table 4.5 below. Only the 20 largest hotel chain in Greece are referred in the table, having as a measure the total number of hotel rooms. The largest Greek chains are in descending row (of room numbers): Mitsis Hotels, Grecotel (which owned by 50% by the German travel operator TUI), Classical Hotels, Aldemar, Helios Hotels & Resorts, Divani Collection, Aquis Hotels & Resorts and Mareblue Hotels and Resorts. It should be highlighted though that Grecotel and Classical Hotels are under the same group (N. Daskalantonakis) (Koutoulas, 2009). International hotel chains have limited presence in the Greek market. They are represented only by Best Western, Iberostar, Sol Melia (Spanish), Hilton (only 1 hotel in Athens), Accor (with the brands: Club Med, Sofitel and Novotel), Marriott (only one hotel in Athens), IHG (with Intercontinental, Crowne Plaza, Holiday Inn), Hyatt and Starwood (American one, with the brands Luxury Collection and Westin) (Greek Tourism Organisation Official Website). However, the total number of rooms of brand hotels stand only as the 10% of the total number of rooms of hotels in Greece.

Table 4.5: The 20 largest hotel brands of Greece (based on the total hotel rooms) 2009

Brand	Number of	Total Number	Average	Type of Brand
	hotels	of rooms	Number of	
			Rooms/Hotel	
Mitsis Hotels	16	4,787	299	National
Grecotel (TUI,	19	4,473	235	National
N.				
Daskalantonakis				
Group)				
Iberostar	12	3,377	281	International
Club Alltoura	10	3,206	321	International
(Alltours)				
Louis Hotels	10	2,831	283	Cypriot
Atlantica Hotels	11	2,634	239	International
(TUI)				
Aldemar Hotels	8	2,450	306	National
& Spa				
Aquis Hotels &	8	2,235	279	National
Resorts				
Kipriotis Hotels	5	1,706	341	Local
Classical Hotels	11	1,569	143	National
(N.				
Daskalantonakis				
Group)				
Helios Hotels	7	1,566	224	National
and Resorts				
Esperia Hotel	6	1,583	261	Local
Group				
G-Hotels	5	1,521	304	Local
Divani	7	1,464	209	National
Collection				

Best Western	22	1,367	62	International
Mareblue	5	1,300	260	National
Hotels &				
Resorts				
Chandris Hotels	5	1,253	251	National
& Resorts				
Aegean Star	5	1,237	247	National
Hotels				
Capsis Hotels &	2	1,156	578	National
Resorts				
Star Hotels	5	1,122	224	National
Total	169*3	40,002*	237	7

Source: Koutoulas, 2009:2

The types of hotels in the Greek hospitality industry market are mainly of two types: a) international ones and b) national/local ones.

#### a) International hotel chains

International hotel chains are represented in the Greek market by 104 hotels with 21,667 rooms in total (Greek Tourism Organisation Official Website). In total there are 33 different brand names in Greece, from which 15 are operating under the umbrella of a tour operator. Table below included all the international hotel chains operating subsidiaries in Greece as well as several important characteristics of the chains regarding their presence. In the table it is mentioned the group under which the hotel chains operate as well as the tour operator from which they are partly or fully owned (if this is the case). It is also important to be mentioned that from the 33

<sup>&</sup>lt;sup>3</sup> \*without double-counting the hotels featuring two brands (10hotels with 2,815 rooms)

international brands operating in Greece, 14 of them operate in Athens, with 15 hotel units (Koutoulas, 2009).

Table 4.6: International Hotel Chains in Greece

International Hotel	Number of Hotels	Number of Rooms	Average Number
Chains			of Rooms
Acti Sun Hotels	1	342	342
(Alltours)			
Best Western	22	1,367	62
Blue & White	3	260	87
Hotels (Group			
Hliades)			
Calimera	3	765	255
Aktivhotels			
(REWE)			
Club Mediterranee	2	801	401
(Accor)			
Club Alltoura	10	3,206	321
(Alltours)			
Crowne Plaza	1	192	192
(Intercontinental			
Hotels Group)			
Golden Tulip	2	293	147
Hotels			
Hapimag	3	298	99
Hilton (Hilton	1	542	542
Hotels plc.)			
Holiday Club	3	868	289
(Alltours)			
Holiday Inn	2	371	186
(Intercontinental			
Hotels Group)			

Hyatt International	1	152	152
Iberostar	12	3,377	281
Intercontinental	1	543	543
(Intercontinental			
Hotels Group)			
LTI International	2	728	364
Hotels (REWE)			
Magic Life (TUI)	1	320	320
Mark Warner	2	439	220
Marriott	1	314	314
International			
Malia (SOL Melia)	1	136	136
Movenpick Hotels	1	285	285
& Resorts			
Neilson (Thomas	6	574	96
Cook)			
Novotel (Accor)	1	196	196
Robinson Club	2	614	307
(TUI)			
Sensatori	1	410	410
(TUI/Thomson)			
Sensimar (TUI)	2	418	209
Sentido Hotels &	3	775	258
Resorts (Thomas			
Cook)			
Sofitel (Accor)	1	345	345
Sol (Sol Melia)	1	651	651
Sunwig Resorts	2	452	226
(Thomas Cook)			
The Luxury	6	930	155
Collection			
(Starwood Hotels			

& Resorts			
Worldwide)			
Ventaglio	3	541	180
Westin Hotels &	1	162	162
Resorts (Starwood			
Hotels & Resorts			
Worldwide)			
Total	104	21,667	208

Source: Data retrieved and combined from the Greek Tourism Organisation Official Website

From the table above it seems that Iberostar has the largest number of rooms among the international hotel chains. Iberostar has hotels only in 5 Greek islands (Corfu, Crete, Kos, Rodos and Zakynthos) and none in mainland. Club Alltoura hotel chain, with 3,377 rooms, has the second largest amount of rooms with presence again mainly in the islands (Corfu, Crete, Kos, Rodos) and with only one hotel in mainland (Macedonia). In turn, Best Western who has the greatest number of hotels in Greece has 1,367 rooms, a fact which places the chain in the third place in the row after Iberostar and Alltoura. However, Best Western has a number of hotels around the Greek mainland and islands (Athens, Archaia Olympia, Piraeus, Chalkida, Crete, Macedonia, Poros, Porto Heli, Santorini, Zakynthos and Kithira). This means that Best Western chain is more wide spread and offers quite distinctive types of hotels (business, leisure, family vacation). Starwood Hotels & Resorts even though it appears to have only 7 hotels with 1,092 rooms, until May 2013 it will have 9 hotels with approximately 2,000 rooms in total (Starwood Hotels & Resorts Official Website). Its hotels are quite distinctive in terms of the services package they offer. Moreover, it should be mentioned that Starwood has hotels both in the mainland and the islands (Athens, Santorini, Nauphlio, Mykonos, Messinia and Peloponnesus).

As a final comment from the table 5 above, it should be underlined once more the fact that hotels owned by international brands are only 104 from the 9,705 hotels in Greece in total.

### b) Greek Hotel Chains

Based on the statistics from ICAP Greek hotel chains have only 120 hotels from the total of 9,705 hotels in Greece, from which 21 national brand hotel units and 12 local brand hotel units are operating in the greater area of Attica. This means that hotels in Greece are mostly individually owned and operated. In table 4.7 below all the Greek hotel chains operating in Greece in 2010-2011 are presented and the number of hotels and rooms they had in October 2007, when the survey of ICAP took place.

Table 4.7: Greek Hotel Chains (2007)

Hotel Chain	Number of Hotels	Number of Rooms
Acrotel Hotels & Resorts	3	584
Aegeaon Hotels	4	163
Airotel Group	6	548
AKS Hotels	4	50
Aldemar Hotels	5	2106
AM Hoteliers Club	1	112
AM Hotels	2	281
Amalia Hotels	6	888
Aquila Hotels & Resorts	4	1032
Asderakis Group	2	68
Blue & White Hotels	1	174
Blue Bay Group of Hotels	2	757
Bluegr Mamidakis Hotels	3	381
Bluehotel	1	56
Cambourakis Hotels	2	1026
Capsis Hotel Chain	3	558
Capsis Resort Hotels	2	1162
Castello Hotels	2	163
Cavo Greco Holidays Hellas	2	321

Chandris Hotels	4	1032
Classical Hotels	10	1438
Country Resort Hotels	2	49
Delphi Hotels	1	24
Delphi Leading Hotels	3	132
Diana Group Hotels	4	209
Dimitrokalis Group	4	322
Divani Collection	7	1530
Domotel S. A.	3	184
Douros Hotels	4	275
Drosseros Hotels	2	49
Economou Group of	2	180
Hotels		
Eden Hotels & Resorts	2	426
Electra Hotels & Resorts	4	697
Elounda Hotels & Resorts	2	223
Esperia Hotel Group	7	1885
Euroxenia-Hotel	5	414
Management		
Exclusive Hotels	2	146
Fegoudakis Hotels	4	240
G Hotels	5	1725
Georgidakis Family	5	189
Georgoulis Group Hotels	2	998
Giannikakis Hotels	2	493
Giannoulis Hotels &	3	309
Resorts		
Golden Hotels Group	2	239
Grecotel	17	4081
Haritou Travel Group	1	104
Hotel Enterprises		
Harmony Resorts	2	682

Hersonissons   Group   3	Helios Hotels & Resorts	7	1584
Hotels Aegeou   2	Hersonissons Group	3	446
Hotels Aegeou   5	Hotels		
John & George Group 2 95  Kladis Bros. Hotels 2 128  Kapanitsa S. A. 2 91  Karamolegos E. & G. 4 225  Hotels  Kipriotis Hotels 2 884  Kotretsos 3 153  Louis Hotels 9 2594  M Hotels 1 148  Experience 1 1 148  Manidakis Hotel 1 148  Experience 1 1 3769  Maris Hotels 1 3 96  Maris Hotels 1 4 3769  Mousamas Bros 3 416  Pap Hotels 4 462  Pearl Hotels 1 154  Petassos Hotels 4 229  Philian Art & Design Hotels 1 40  Rea Hotels 2 468  Resorts of Mykonos 5 260  Rizos Hotels Group 4 711  RP Hotels 3 154  Samaina Hotels 3 154  Samaina Hotels 3 158	Hotels Aegeou	2	645
Kladis Bros. Hotels       2       128         Kapanitsa S. A.       2       91         Karamolegos E. & G. 4       225         Hotels       884         Kipriotis Hotels       2       884         Kotretsos       3       153         Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       4       148       488         Maris Hotels       3       96       96         Mitsis Hotels       14       3769       146         Mousamas Bros       3       416       462         Pearl Hotels       4       462       462         Pearl Hotels       1       154       154         Petassos Hotels       4       229       116         Hotels       4       40       468         Rea Hotels       2       468       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Hotels Aegeou	5	1707
Kapanitsa S. A.       2       91         Karamolegos E. & G. Hotels       4       225         Kipriotis Hotels       2       884         Kotretsos       3       153         Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1         Experience       4       148         Manessis Hotels       3       96         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design       4       116         Hotels       2       468         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	John & George Group	2	95
Karamolegos E. & G.       4       225         Hotels       2       884         Kotretsos       3       153         Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       3       96         Manessis Hotels       2       693         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design       4       116         Hotels       2       468         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Kladis Bros. Hotels	2	128
Hotels   Kipriotis Hotels   2   884	Kapanitsa S. A.	2	91
Kipriotis Hotels       2       884         Kotretsos       3       153         Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       14       148       148         Manessis Hotels       3       96       96         Maris Hotels       2       693       96         Mousamas Bros       3       416       99         Mousamas Bros       3       416       99         Pap Hotels       4       462       90         Pearl Hotels       1       154       154         Petassos Hotels       4       229       116         Hotels       4       116       16         Rammos Group Hotels       1       40       468         Rea Hotels       2       468       68         Resorts of Mykonos       5       260       260         Rizos Hotels Group       4       711       711         RP Hotels       3       154       3         Samaina Hotels       3       180	Karamolegos E. & G.	4	225
Kotretsos       3       153         Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       148       148       148         Manessis Hotels       3       96       96         Maris Hotels       1       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design       4       116         Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Hotels		
Louis Hotels       9       2594         M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       148       148       148         Manessis Hotels       3       96       96         Maris Hotels       2       693       693         Mitsis Hotels       14       3769       146         Mousamas Bros       3       416       462         Pearl Hotels       1       154       154         Petassos Hotels       4       229       29         Philian Art & Design       4       116       116         Hotels       1       40       468         Rea Hotels       2       468       468         Resorts of Mykonos       5       260       260         Rizos Hotels Group       4       711       711       RP Hotels       3       154         Samaina Hotels       3       180       180	Kipriotis Hotels	2	884
M Hotels       2       388         Mamidakis       Hotel       1       148         Experience       14       148       148         Manessis Hotels       3       96       96         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design       4       116         Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Kotretsos	3	153
Mamidakis       Hotel       1       148         Experience       96         Manessis Hotels       3       96         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design       4       116         Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Louis Hotels	9	2594
Experience       96         Manessis Hotels       3       96         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Rammos Group Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	M Hotels	2	388
Manessis Hotels       3       96         Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Rammos Group Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Mamidakis Hotel	1	148
Maris Hotels       2       693         Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Rammos Group Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Experience		
Mitsis Hotels       14       3769         Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Rammos Group Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Manessis Hotels	3	96
Mousamas Bros       3       416         Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Maris Hotels	2	693
Pap Hotels       4       462         Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Rammos Group Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Mitsis Hotels	14	3769
Pearl Hotels       1       154         Petassos Hotels       4       229         Philian Art & Design Hotels       4       116         Hotels       1       40         Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Mousamas Bros	3	416
Petassos Hotels 4 229  Philian Art & Design 4 116  Hotels  Rammos Group Hotels 1 40  Rea Hotels 2 468  Resorts of Mykonos 5 260  Rizos Hotels Group 4 711  RP Hotels 3 154  Samaina Hotels 3 180	Pap Hotels	4	462
Philian Art & Design 4 Hotels  Rammos Group Hotels 1 Rea Hotels 2 Resorts of Mykonos 5 Rizos Hotels Group 4 RP Hotels 3 Samaina Hotels 3 116 40 40 40 711 711 711 711 711 711 711 711 711 71	Pearl Hotels	1	154
Hotels  Rammos Group Hotels  1 40  Rea Hotels  Resorts of Mykonos  5 260  Rizos Hotels Group  4 711  RP Hotels  3 154  Samaina Hotels  3 180	Petassos Hotels	4	229
Rammos Group Hotels140Rea Hotels2468Resorts of Mykonos5260Rizos Hotels Group4711RP Hotels3154Samaina Hotels3180	Philian Art & Design	4	116
Rea Hotels       2       468         Resorts of Mykonos       5       260         Rizos Hotels Group       4       711         RP Hotels       3       154         Samaina Hotels       3       180	Hotels		
Resorts of Mykonos 5 260 Rizos Hotels Group 4 711 RP Hotels 3 154 Samaina Hotels 3 180	Rammos Group Hotels	1	40
Rizos Hotels Group 4 711  RP Hotels 3 154  Samaina Hotels 3 180	Rea Hotels	2	468
RP Hotels 3 154 Samaina Hotels 3 180	Resorts of Mykonos	5	260
Samaina Hotels 3 180	Rizos Hotels Group	4	711
	RP Hotels	3	154
Sani Resort 4 833	Samaina Hotels	3	180
	Sani Resort	4	833

Santa Marina Hotels	2	133
Santikos Hotels & Resorts	3	132
Sbokos Hotels	4	814
Smile Hotels	2	239
Sun Resorts	3	160
Sunmarotel	1	149
Sunshine Vacation Clubs	3	1006
T.O.X.E. Hotels	2	268
The Delian Collection	7	450
Tolo Hotels	3	109
Tourhotel	4	204
Tsimaras Art Hotels	3	88
Xenos Hotels	7	843
Xenotel Hotels	4	707
Yes Hotels & Restaurants	4	106
Total	120	57,300

Source: ICAP Greek Official Website

From the table above it can be observed that even though Greek hotel chains are only 16 more compared to the international ones, they have more than double rooms (57,300 compared to 21,667); which shows once more the difficulty to enter the Greek market for international brands as well as the fact that Greeks trust more Greek hotels which are part of their extended family group (Greece as a country). From the Greek hotel chains Mitsis Hotels is quite big with 3,769 rooms in 2007 and with 5,121 rooms today. Mitsis hotels operate mainly in Greek islands (Corfu, Crete, Kos, and Rhodes) and less in the mainland (Ioannina, Kammena Vourla). Grecotel appears to be larger with 4,081 rooms in 2007 and 4,504 rooms today as two hotels have been added to the chain (having now in total 19 hotels). Grecotel operates hotel in many Greek islands (Corfu, Rhodes, Crete, Mykonos and Kos) and in the mainland (Chalkidiki, Castro-Kyllini, Patras, and Sounio). Grecotel along with Classical hotel chain (1,758 rooms and 12 rooms, today) form the N. Daskalantonakis Group, which appears to be the largest hotel chain owner in Greece. Classical hotels are considered more as city hotel, thus they operate mainly in Athens, Thessaloniki, Larisa, Kalamata and Alexandroupolis, some of the biggest cities in Greece. It should be mentioned that Classical Hotels are a pure Greek chain, whereas Grecotel is 50% owned by TUI, a German tour operator. Other chains such as Aquila Resorts and Hotels and the Group Aldemar have a quite big number of hotels with more than 6,000 rooms together. From the table above in combination with table 4.5, it can be concluded that Greek hotel chains have more hotels and more rooms in total compared to the subsidiaries of international hotel chains operating in Greece. So, it seems that Greek hotel chains have a larger market share the reasons for which should be examined.

#### 4.3 Summary

As it becomes apparent in this chapter travel and tourism industry, and thus hospitality, is one of the fastest growing industries around the world which is highly affected by environmental changes, such as globalization, economic crises, sociopolitical changes, technological advancements, increased employee mobility, and increased environmental awareness. At the same time, the industry is so broad that there is little opportunity of differentiation, and thus service quality is the only way for remaining profitable in the local and global arena. Service quality though is increasingly related to human capital of the firm and the way it is managed. Remaining competitive in hospitality industry is associated with an effective recruitment and selection process, so as to hire the most skilled, knowledgeable and with the best attitudes employees, being able to adapt to changes quickly.

### 5. Research Question and Research Hypotheses

This chapter aims to summarise the important points in international and Greek HRM and hospitality industry literature review and link them the purpose and goals of the present study by providing the research hypotheses of the thesis. The chapter differentiates between two general categories of hypotheses, referring firstly to recruitment and selection process implementation in hotels operating in Greece and the several factors influencing it, and secondly to the level of transfer of HRM practices from the mother company to the MNE subsidiary (hotel unit) operating in Greece.

#### **5.1 Hypotheses Development**

Taking into consideration the quite distinct Greek cultural context (ICAP, 2011), the efforts of Greece to establish a more competitive presence in the global landscape through increased FDI and the creation of favourable conditions -so as to pave the way for more MNEs to operate in Greece-, as well as the fact that HRM function has recently started developing in Greece (ICAP, 2011; Katou, 2008), it will be rather interesting to examine HRM practices in Greece; and in particular those HRM practices which are more sensitive to external and internal (in the organisation) influences (Philippakos, 2009). Namely, recruitment and selection practices as suggested above.

As it was presented in the introduction chapter, the aim of this research is two-fold. On the one hand it intends to examine the current trends in recruitment and selection in Greek and foreign companies operating in Greece. And in particular, to examine the current styles in recruitment and selection practices in hotel industry, which is one of the most important industries in Greek economy, regarding its contribution to employment and country's GDP. On the other hand it aims to examine the level of transferability of recruitment and selection practices from the parent to the subsidiaries of MNEs operating in Greece, as well as the level to which the several organisational factors impact on the extend of the transfer and on how diverse is the

mix of recruitment and selection practices implemented by them. A brief presentation of the main findings of the literature review would be helpful at this point so as to build towards the hypotheses of the present study.

As it was discussed in the previous chapters there are several studies indicating significant differences among countries on cultural level (CD), that includes cultural and institutional factors (Hoftsede, 1980; Kogut and Singh, 1988; Schwartz, 1994; House et al., 2004; Gerhart, 2008a) and physical (PD) level (Dow and Karunaratna, 2006; Hakanson and Ambos, 2010). There also studies which reflect different management styles in organisations regarding their age, size, ownership, nationality, type of ownership, phase of life cycle, competitive strategy and for subsidiaries of foreign companies differences regarding their stage of internationalisation, parent company's control, international exposure, organisational and company's structure (Myloni, 2002; Budhwar and Sparrow, 2002). Therefore it would be logical to imply that organisations operating in different countries will have diverse management styles embedded in their culture. The same should apply for MNEs subsidiaries operating in foreign countries; namely subsidiaries following the management style which applies in their parent company's country culture. Yet, studies have shown that usually subsidiaries adapt to local conditions so as to survive, and remain effective and successful also at local level (Gerhart, 2008a). Therefore, it would be interesting to examine the extent of differences in managerial styles and in particular in HRM practices and mainly, as mentioned above, those which have been proven to be more sensitive to cultural differences; namely recruitment and selection (Myloni, 2004). Under the same prism it would be also interesting to examine the level up to which subsidiaries transfer their HRM practices and how effectively they implement them, based always on managers' experience.

In particular, as presented in the previous chapter, IHRM literature states three possible ways regarding HRM practices transferability. These are local responsiveness (adaptation), global integration and a transnational solution (a merge of the previous two) (Chung, 2015). In this decision there are a number of factors influencing it. Namely, home country specific factors (values, attitudes, laws, culture of country of origin of the subsidiary), host country specific factors

(national/institutional and cultural factors) and organisation specific factors (age, size, type of ownership and importance of the subsidiary, stage of internationalisation and parental control) (Rosenzweig and Hohria, 1994; Myloni, 2002). Having chosen Greece as a host country, it remains to see how this last category of organisational factors affects HRM transfer in hospitality industry, in which HRM issues and even more HRM practices transfer are rather unexamined (Philippakos, 2009).

In addition as from HRM practices recruitment and selection process has been considered the most easily transferred, but also the most sensitive one to changes, this study focuses on it and its different implementations by hotel units (Evans and Lorange, 1998). Thus, based on the above H1 is formed.

H1: Hotels characteristics, such as star (\*) category, size, number of units, age and ownership have an impact on the level of transfer of HRM practices and on the mix of recruitment and selection practices implemented by the hotel units.

In more detail, hotels classified as 5\* or lux hotels, appear to have more diverse offer of services compared to other hotels (under lower star categories) (ETC, 2005). Especially in Greece, where personalised service is highly important, 5\* hotels tend to offer more services and much more targeted and specific to each customer (Philippakos, 2009). This results in a need of employing more people with much more diverse skills, abilities and knowledge level, so as to cover hotel's need for high quality services. Consequently, it targets several differential groups of possible applicants as most possibly the hotel needs to implement a greater spectrum of recruitment and selection practices. A survey by Chartered Institute of Personnel Development (CIPD, 2011), comes to verify this claim by stating that a wider perspective of recruitment and selection practices is usually considered by bigger firms and those offering more luxury services. Thus, this claim remains to be tested for the hospitality industry as well.

H1a) Recruitment and selection methods used by 5\* hotels appear to be more diverse than those used in 4\* hotels.

In addition, literature has shown that larger organisations, as they probably offer more services and need more different types of employees, with quite diverse skills and abilities, use a more wide mix of recruitment and selection tools to hire their employees (SETE, 2005). The same stands for hotel industry as well, with larger hotels implementing a greater mix of recruitment and selection practices (ETC, 2005). Furthermore, it has been stated that larger organisations, prefer to recruit internally, as they have more chances to find the talented candidates they need in their wide internal pool of candidates (current employees) (CIPD, 2011). As far as Greece is concerned, a great number of organisations are family owned, and their employees are either family members or close friends, avoiding hiring people outside their extended family. Consequently and by scoring low in individualism index (=35) by Hofstede, Greek organisations are more favourable towards internal recruitment (Hofstede Official Website; Myloni et al., 2004). Thus, it would be interested to test the replication of this case in hotel industry.

H1b) Larger hotels in size implement a more diverse mix of recruitment and selection practices and they usually use this mix for internal recruitment.

Following the logic that bigger hotels apply a more diverse mix of recruitment and selection practices, the same might hold truth for the number of hotel units. It is logical thus to imply that hotels with more units (especially when they are located in different geographical areas with diversified cultural context and demand for services) need more employees for more diverse job positions. Therefore, different recruitment and selection methods and tools should be used to approach and hire them. (Myloni, 2002)

H1c) Hotels with more units use more recruitment and selection methods and tools

According to Rosenzweig and Hohria (1994), two of the organisation specific factors having an impact on HRM practices transfer are the age of a subsidiary (years of operation) and the type of ownership (eg. family or government owned). They found that the longer a subsidiary operates in a foreign country the greater the local adaptation of HRM practices, as the organisation acts more independently to the

mother company, after several years have passed. As a consequence, it should be expected that recruitment and selection methods used by foreign subsidiaries in Greece, should be similar to the ones used by local firms. Yet, studies have shown that the majority of firms operating in Greece adapt their HRM practices to local culture so as to be more effective (Hill, 2007).

H1d) The longer the subsidiary operates in Greece, the greater the local adaptation of its recruitment and selection process

Similarly, referring to the ownership type (owner, manager and franchise), it has been found that it has an impact on the way the firm is managed. Owners for example, are much more independent in the choice and implementation of HRM, and thus they are the ones to decide on which HRM practices to transfer and which not. On the other hand, government owned firms are less flexible in the choice of HRM practices to be transferred and implemented, as they are strongly tied with the country's cultural and legal context (Bloom et al., 2012). The examination of the level of application of this pattern in specific industries, and for the purposes of this study, in hospitality industry, would be rather interesting. Thus, it can be hypothesised and test the following:

H1e) The type of ownership has an impact on the level of transfer of HRM practices, by the hotel unit, from the parent hotel.

Apart from the different managerial styles and the different implementation of recruitment and selection procedures, literature suggests in Greece MNEs have more formal, more written and standardised HRM practices, compared to their local counterparts (Myloni et al., 2004). One of the reasons for this might be the fact that MNEs operating in Greece have a rather long-term perspective, whereas Greek firms a short-term one (Myloni, 2002). Furthermore, MNEs have more chances to be more up-to-date with technology and recent trends, in comparison with local organisations (Panayotopoulou et al., 2007). The same could apply for hospitality industry and foreign hotels operating in Greece. Therefore, the following hypothesis could be developed so as to test the assumption above and its truth:

H2: Hotels (units/chains) which stand as an MNE subsidiary in Greece are more likely to have a wider perspective (implementing more or more effectively) of recruitment and selection practices.

## **5.2 Summary**

The present chapter has summarised the interesting points of literature review in IHRM and hospitality area and has developed two main categories of hypotheses, in total 7 hypotheses. The hypotheses in the first set, cover the differences in implementation of recruitment and selection process in hotel units depending on the impact of specific factors, such as star category, number of units and hotel size. The second set covers the differences in the level of HRM practices and in particular in recruitment and selection, regarding the years of operation and type of ownership of the subsidiary in Greece. Finally, it examines differences in the effective implementation of the recruitment and selection process between Greek and foreign hotels operating in Greece. This chapter stands along with the next chapter (methodology chapter) by paving the way for the results analysis to follow.



## 6. Methodology

In the previous chapters a discussion of the most relevant literature and studies up-todate was attempted, in order to identify these elements that will help us conduct a valid research regarding the current recruitment and selection practices implemented in Greek hotel industry by either Greek or foreign hotel units and their transferability for the case of MNEs subsidiaries. Thus, study calls for an analysis at a unit level (hotel unit), as well as the inclusion of control/impact factors having an influence on either the range of recruitment and selection methods (in either Greek or foreign subsidiaries) or on the extent to which these methods, as well as the HRM practices in general are transferred by the parent firm-hotel to their subsidiaries in Greece. So, the aim of the present chapter is to present and justify the chosen research design, as well as the research instrument and afterwards to describe the methods used to conduct this research, as well as the methods used to analyse findings.

### **6.1 Research Design**

With the term research design it is simply meant the creation of the basis on which be based so as to operationalise the research questions and hypotheses of a study. It is merely a plan for conducting research which involves the philosophical assumptions which underline it, the strategies of inquiry and the set of methods and procedures used to put research to practice (Creswell, 2009). It actually presents the activity (mainly tools for data collection and analysis) that should be undertaken so as to achieve the research objectives-aims (Easterby-Smith et al., 2008).

In reference to the philosophical assumptions, there are three main epistemologies as they are called, positivism, relativism and social constructionism. The first two assume that a reality exists/pre-exists independently of the researcher. Whereas social constructionism assumes no pre-existing reality, but rather aims to understand behaviours and reactions of issues/items of interest (Easterby-Smith et al., 2008). Positivism can a wide coverage even for large samples, most commonly fast and economically, but it is rather inflexible and artificial and does not allow for theory generation, nor for understanding the meaning of processes or for analysis of actions and changes that should be made in existing processes in the future. (Positivism is assumed to be the research design of the present study as well, as it served these purposes- examining existing reality- trends). Relativism in its turn allows for the use of multiple data resources and the use of large samples. It also allows for generalisations of any study results. However, depending on study and sample nature, it might imply additional costs and more time. It might also be difficult to be used as a underlying international comparative studies. philosophy Finally, social constructionism, is preferable when processes understanding and meaning is the aim. It is flexible and less artificial and it might lead to theory generation. Though, it is rather time consuming and any attempt of interpretations is quite difficult. It is also heavily based on the researcher for his credibility (Easterby-Smith et al., 2008). From these three philosophies the equivalent research designs evolve, namely positivist, relativist and constructionist. The first assumes the existence of reality as mentioned above, and poses hypotheses for testing. The second assumes regular patterns and aims to identify them, as well as any existing underlying relationship. And the third assumes no truth and that reality is constructed daily based on different contexts.

Interconnected to philosophical assumptions and having an impact on the choice of research design as well, are the inquiry strategies, which can be differentiated in qualitative, quantitative and mixed ones. Quantitative research is defined as an empirical research into a phenomenon or problem, which tests an objective theory or measures behaviours in a static reality, using variables, measurement methods and statistical analysis, in order to predict or explain/describe the phenomenon. It also measures and analyses causal relationships among the variables/items of interest (Creswell, 2009; Yilmaz, 2013). On the other hand, qualitative research is an inductive approach, aiming to understand and explore the meaning people associate to phenomenon, issues or problems (Creswell, 2009). Namely it explores in detail and in-depth a constructive reality (socially and psychologically constructed) which is context sensitive. It is based on the assumption that any social phenomenon is so complex and interconnected with many variables, that it is difficult to study it in isolation (Yilmaz, 2013). Based on their natures, quantitative research is usually used in positivist and relativist designs, whilst qualitative in constructivist designs; without

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though that being a norm (Creswell, 2009; Easterby-Smith et al., 2008). In the present study, since the aim is simply to identify and measure which and to what extend HRM practices are implemented by 4\* and 5\* hotels, in the area of Attica as it has been discussed in the previous chapters (city centre, no seasonality impact are some of the reasons why Attica), a quantitative research approach is preferred.

For the choice of research design there are also many factors which should be considered, such as the existing literature and knowledge on the topic (what kind of research designs were used mostly in past studies), the resources (financial, human capital, technology) available to conduct the data collection and finally the time limitations for the study (data collection and analysis) (Myloni, 2002).

Based on the review of the relative literature (presented previously in the thesis), it appears that the vast majority of comparative studies in the IHRM area and hospitality area as well, were conducted using quantitative research designs (mostly questionnaires and surveys) rather than qualitative ones (case studies and detailed interviews) (Aycan et al., 2000). Maybe the reason for this is that usually the samples are quiet dispersed (many times in different and distant regions) and because the data collected should be free of researcher's bias in order for meaningful results to be able to be concluded and presented. For this reason, the present study follows the same pattern by applying a quantitative research approach; as this research is simply the observation of differences in recruitment and selection practices implementation in hotel industry from local and foreign hotels and the reference to the extent of HRM practices transfer in the industry, and not the deeper understanding of these observations or a focus on the respondents' point of view (HR managers).

#### 6.2 Survey methods selection

Following the research type there are equivalent research methods used for data collection, data analysis and interpretation of the data, which namely are quantitative and qualitative methods. Both are associated with several advantages and disadvantages and assumptions as well as limitations. Quantitative methods assume a single objective reality, a researcher being neutral and independent of the participants and variables of the study which are easily identified and measured, and the same for the relationships among them. Whereas, qualitative methods assume the existence of multiple realities which are subject to context, a researcher being an interactive part of the study and complex, difficult to measure variables (Yilmaz, 2013). The purpose of quantitative inquiry is generalisability, prediction and causality identification through measurement, while the purpose of qualitative inquiry is to gain an in depth understanding of contextualised reality and interpret it, or to explore how and why a phenomenon occurs. Consequently, qualitative strategies are proved to be quite useful when the topic of the study is new and never or little searched, as well as when the variables involved are unknown. From the above, it is apparent that the qualitative methods lack generalisability, and quantitative methods lack the provision of an insight of participants' feelings, experiences, and thoughts. Qualitative studies results might easily be influenced by the researcher (VanderStroep et al., 2010; Yilmaz, 2013). Quantitative methods are usually used for large samples and are based on specific questions/hypotheses and theories. They use structured and well defined research instruments. They search for norms and consensus and they are rather deductive in their logic. Moreover, they are based on numerical data and they use manipulation and control to extract results. On the other side of the continuum, qualitative methods end up with a hypothesis or a theory about a specific context reality. They search for existing patterns of behaviour, and seek complexity and pluralism. Thus, they are ideal for studying complex phenomena. In addition, they are mainly based on non-numerical data (Creswell, 2009; Yilmaz, 2013). From the above it can be concluded that quantitative studies are preferable for large and quite spread samples and are most cost-effective, especially with the use of technological advancements. Also depending on the instruments used, many times they are less time consuming compared to qualitative studies. Consequently, since the purpose of the present study is more towards generalizability of the results for the HRM practices in hotel chains and units in Greece, from the 118 4\* and 5\* hotel units in Attica, (and not their in-depth understanding), and the extent of their implementation, quantitative methods are preferred.

As far as qualitative methods are concerned, the methods used for data collection are observations (with our without the participant participating in it), interviews (face-toface, telephone, internet interviews and focus groups), documents review and observation and use of audio-visual techniques (films, art objects, photographs). As far as quantitative methods are concerned, these are surveys (questionnaires, interviews based on a structured/well defined instrument), experiments, observation and recording of well-defined events/cases (in numerical data), secondary data analysis (eg. financial data for a number of firms) (Creswell, 2009). Focusing on quantitative data collection methods, which are used in the present study (following the choice of a quantitative research design), they have some main advantages and disadvantages, which indicate when it is preferable and advisable to use each method. Surveys are preferred for collecting data from a large number of participants, when there is a wide range of issues for which data need to be collected. Surveys are also less expensive and many times less time consuming compared to any other method and especially compared to qualitative methods. However, it lacks an in depth picture of the problem, it might be biased as answers are self-reported and thus highly subject to participants. Experiments are usually preferred when there is a specific context and when the impact of additional factors on variables needs to be examined. They are quite successful in the examination of cause and effect relationships. But they are quite an expensive method as a specific context needs to be set. They are heavily subject to human factor and error, and they have difficulty to be replicated in other environments and to be generalised in other contexts apart for the artificial one of the study (Cooper and Schindler, 2013). Collection of secondary data is usually fast data collection method and it is highly preferred in longitudinal studies spreading across years, and when data needed cannot be collected in another way but only through published reports. However, the nature of the data as well as the validity of them cannot be controlled as they are defined by the primary researcher and the methods used at the time of data collection in the past (Creswell, 2009). Finally observational methods (audio or video recording, researcher presence on the site of survey) are used when there is need to code and analyse behaviours. They are quite simple in preparation as there is no need of preparing a specific instrument for the data collection. Yet they are highly impacted by the time of the observation, the complexity of participants' behaviour (as it is not always the same aspect of

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behaviour that comes up) and by the presence or feeling of the presence of the researcher (participants might react differently knowing that they are being observed) (Easterby-Smith et al., 2008).

Since the aim of the study is to identify and depict which and to what extent HRM practices are used by Greek 4\* and 5\* hotels and not to observe or analyse (explore) any existing behaviour in the HR departments of these hotels a survey rather an observational design is preferred. In addition, since the study aims towards generalisation of the results of the hotels in Attica to 4\* and 5\* hotels in Greece in general, a survey design is once more preferable compared to an experimental design. Therefore, survey is the method plan chosen for the data collection in this study.

Since now the research design has been decided to be survey research, the only decision which needs to be taken is which particular style of survey will be used: a) postal questionnaire survey (mailing questionnaires via normal post), b) structured interviews (conducted face to face and based on a predetermined questionnaire), c) telephone interviews (which are actually the equivalent to face to face structured interviews, but are easier and quicker) and finally d) web-based surveys (which is actually the collection of responses online in a survey database, through the use of a link to the survey provided to respondents) (Easterby-Smith et al., 2008). Postal questionnaires are definite and structured instruments, used to obtain data from a large and/or geographically spread sample. In addition, they are more cost effective compared to any face-to-face data collection methods. They have though low response rate (especially if the sample is small) as many do not return by post the paper-and-pencil questionnaires. Moreover, the researcher has little control over who answers the survey (Sekaran and Bougie, 2010). Structured interviews are more expensive and more time consuming, especially when the sample is quite dispersed and data collection involves a great number of travels. Moreover, responses might be influenced by the researcher/interviewer (though this possibility is higher when the interviews are semi-structured or unstructured) (Lee and Lings, 2008). However, it is really effective when instructions are complicated and they need further explanation, and when extra questions need to be asked depending on each individual case (Easterby-Smith et al., 2008). Telephone interviews meet the same advantages and disadvantages as structured interviews, and they are less expensive and less time consuming in cases, as travel to widely dispersed participants can be avoided.

Finally, there are the web-based surveys which have been a commonplace the last few years (Couper, 2008). This last method uses again a questionnaire but instead of posting it individual can go online and answer it. It is again quite useful for large and geographically spread samples. It provides also more advantages, such as more regular control over the survey as well as, more editing choices through the online programs used, pop-up instructions, interactive technology, personalised survey and quicker results, which are more easily used by the researcher as they can be exported to excel/spss or other statistical programs for analysis. Several elementary types of analysis can be conducted via the survey database as well (Diaz de Rada and Dominguez-Alvarez, 2014; Gravlee et al., 2012; Sax et al., 2003). In the era of globalisation and technological advances, survey instruments should follow these trends and get adapted to them. Especially when the target is technologically savvy and familiar with internet access. (When the sampling target does not have access to the internet though, or it belongs to an age group unfamiliar with the internet, the data collected might be highly disadvantaged) (Gravlee et al., 2012; Hayslett and Wildemuth, 2004; Wright, 2005). For instance, hospitality industry which is the case in this study, involves the use of technology in every aspect of it. Therefore, use of the internet and other technology facilities are common place for employees in the industry, especially those working in big cities and in countries in which tourism contributes greatly to their economy, as in the case of Greece (Kapiki, 2011). Thus, web-based surveys would be more familiar for them. Furthermore, web-surveys allow respondents to complete the survey at their convenience and consequently they have lower non-response rate (Denscombe, 2006). It has also been shown that they receive more detailed answers to open-ended questions. However, there are some disadvantages, such as the possible arise of technical problems, the great distraction when completing the survey and difficulty in understanding complex questions. Though, some of them can be overcome with pop-up instructions (Diaz de Rada and Dominguez-Alvarez, 2014).

For the purpose of this study a web-based survey seems more suitable. This is mainly because of the nature and volume of the data (issues which will be discuss in detail later on in this chapter) collected, as well as the identity of the respondents (HR managers), who are particular busy and need to have the possibility to complete the survey at their disposal and not at once (entering the survey link again and again and completing the survey partially until it is finalised, is an option provided with webbased surveys). A questionnaire was administered through the web, consequently. The other methods were not considered mainly because of lower response rates, higher cost (telephone, post) and time limitations; survey needed to be completed in a three months period, right after the busy Christmas time and before the beginning of summer season when hotels are particularly busy. In addition, hotels are quite dispersed in the area chosen to be the sample; some are even based on islands and thus time for traveling there as well as costs would have been more, if chosen. At this point it should be also mentioned that the use of the online program for running the survey is provided for free from the university, and consequently the cost is further diminished even more. Concerning the validity of answers, on who actually responds to the survey, the questionnaire and the questions included in it where questions that only the targeted employees would know the answers. Furthermore, in order to avoid missing cases, all the tools of the online program are used (such as require an answer to continue).

As a final point, from the survey designs available this study uses again on of the most used in business literature, types of survey design. That is inferential survey, which includes the building of hypotheses in the beginning and the data collection through the survey to accept or reject them. There are also the factual and exploratory surveys. Factual surveys are associated with collecting factual data and can be influenced by social desirability factors and people's ability to recall the past data. Exploratory surveys on the other hand are focusing on patterns of behaviour and aiming to predict future behaviours. Both are away from the scope of the present study (Easterby-Smith et al., 2008).

#### **6.3 Questionnaire Development**

The questionnaire administered was designed in a way so as to provide answers for acceptance or rejection of the research hypotheses, presented in the previous chapter. At the same time the questionnaire was designed in a way so as to pave the way for a descriptive analysis of the data, with a following explanation based on the past literature, and in a way so as to imply causal inferences and associations among variables.

The questionnaire (which is presented in Appendix 1) is combination of the questionnaires used in the studies of a) Lockyer and Scholarios (2004) on hotel staff selection practices, b) Paraskevas (2000) on management selection practices in Greek hospitality industry, and of c) Lievens et al. (2002) on personnel selection trends. Therefore, any issues of validity and reliability of the present questionnaire items, have already been addressed in these past studies and there was no need for a pilot study.

The questionnaire used in the present study is divided into two main parts, so as to better capture the current and future trends in recruitment and selection (part 2), as well as the impact/control factors having an influence on recruitment and selection practices implementation (part1). Part 1 of the questionnaire also aims at capturing the main sample characteristics, which will be helpful for attempting any comparisons and subsequent explanations of them based on the relevant literature. Part 1 also is the only part where data collected from it could be used to examine the transfer policies of HRM practices in foreign subsidiaries-hotel units.

More specifically, part 1 comprises of 10 items, the 8 of which apply to all hotel units, no matter their nationality; whereas the rest 2 are specific to foreign subsidiaries. The questions in this part are mainly multiple choice questions. Yet, there are two text entry questions and two 7-point Likert scale questions (such as from 'not at all' to 'fully') examining the extent of HRM practices transfer, as well as the factors having an impact to that transfer (and the extent of this impact) (Table 6.1). The data selected from this part (sample characteristics) serve as control factors of the cultural,

institutional and organisational context of a country/firm for recruitment and selection practices implementation (Myloni et al., 2004). These factors are category of the hotel, years of operations, number of units, size of establishments, type of ownership, and nationality; all of which are referred in the literature as having an impact on the mix of recruitment and selection methods and tools used by the firms (locals and international ones) (Budhwar and Sparrow, 2002).

The second part focuses specifically on recruitment and selection practices. It is formed of 13 items/questions asking the respondents' observation (facts) or opinion on recruitment and selection methods and tools regarding a) current implementation and use trends, b) managerial level of implementation, c) effectiveness of them, d) factors having an impact on implementation and initial choice of them, e) most preferred recruitment and selection methods, f) link with candidate's qualifications and finally g) future trends on recruitment and selection methods use. The questions used in this part are mostly 7-point Likert scale questions, as before and ranking items questions; with few multiple choice ones and none open text entry question. The methods discussed in this part cover most of the recruitment methods found in literature for recruitment of all types of applicants with all kinds of skills and qualifications; promotion, transfer, job rotation, referrals, employment recruitment agencies, liaison with universities/colleges, job fairs, internet methods (social media and corporate website) internal job posting, foreign nationals, as well as the traditional print advertising of job vacancies (CIPD, 2011; Storey, 2001; Torrington et al., 2005; Schuler and Jackson 1996). The use of external versus internal recruitment is examined as well. A quite interesting point to see, as past literature suggests that internal recruitment is mostly preferred by foreign and local firms as less expensive and as a method providing more talented, qualified and loyal candidates (Torrington et al, 2005). Thus, it would be interesting to see if this will be confirmed for the hotel industry as well. Finally, the influence of ethics and corporate social responsibility is discussed also, as according to the literature it is rather important in our 'green' and 'ethical' oriented era (Jackson and Schuler, 2000).

Under a similar spectrum the majority and most commonly used of selection practices are included as well in the questionnaire, to be evaluated for the criteria mentioned before (implementation, effectiveness, frequency, level of transfer). The 'classic trio' of selection practices is included (references checks, application forms and interviews) (Cook, 1994), personality and ability tests (testing for mental, technical, clerical skills and potential behaviours and intentions) (Marchington and Wilkinson, 2008), resume screening, assessment centres, social media for verification and cross check of information gathered with the other selection methods and for having access to more information for the applicants (Bratton and Gold, 2007).

It can be suggested that questions regarding recruitment and selection practices were in three major areas: current trends, effective implementation and future trends. In the following tables (table 6.1 and table 6.2) it can be seen the type of question adapted for each item, as well as the link between the variables, the hypotheses and the items on the survey.

Table 6.1: Question Types

<b>Question Type</b>	Item on Survey
Likert Scale – 7 points	B9, B10, A1, A2, A5, A6, A8, A9, A10,
Multiple choice	B1, B4, B5, B6, B7, A7, A11, A12
Text entry	B2, B3
Matrix type	B8, A13
Choice and Ordering of items	A3, A4

<sup>\*</sup>Based on Paraskevas (2000) and Lievens et al. (2012) questionnaires and type of questions and scales

Table 6.2 Variables, Research Hypotheses and Item on Survey

Research Hypothesis	Variable and Item on Survey					
H1: Hotels characteristics, such as star	Questions: from the	Greek	Tourism			
(*) category, size, number of units, age	Industry (GTO) (star *category), B6 (ho					

and ownership have an impact on the	size), B4 (number of hotel units), B1
level of transfer of HRM practices and	(ownership), A1 & A2 & A3 & A4 (mix of
on the mix of recruitment and selection	recruitment and selection practices), B9
practices implemented by the hotel	(level of transfer of HRM practices)
units	
H1a) Recruitment and selection	Questions: from the GTO (Greek Tourism
methods used by 5* hotels appear to be	industry) database (star *category), A1 &
more diverse than those used in 4*	A2 (mix of recruitment and selection
hotels.	practices)
H1b) Larger hotels in size implement a	Questions: B6 (hotel size), A1 & A2 & A3
more diverse mix of recruitment and	& A4 (mix of recruitment and selection
selection practices and they usually use	practices and frequency of their
this mix for internal recruitment.	implementation/use)
H1c) Hotels with more units use more	Questions: B4 (number of hotel units), A1
recruitment and selection methods and	& A2 (mix of recruitment and selection
tools.	practices)
H1d) The longer the subsidiary	Questions: B5 (years of hotel operation in
operates in Greece, the greater the	Greece), B9 (local adaptation of foreign
local adaptation of its recruitment and	HRM practices)
selection process.	
H1e) The type of ownership has an	Questions: B7 (hotel ownership), B9 (level
impact on the level of transfer of HRM	of transfer of HRM practices)
practices, by the hotel unit, from the	
parent hotel.	
H2: Hotels (units/chains) which stand	Questions: B1 (hotel ownership-
as an MNE subsidiary in Greece are	nationality), A1 & A2 (mix of recruitment
more likely to have a wider perspective	and selection practices), A10 (effectiveness
(implementing more or more	of recruitment and selection practices)
effectively) of recruitment and selection	
practices.	

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In total it was tried to keep the questionnaire at a manageable level regarding the time and effort needed so as to be completed, but at the same time to cover the majority of the issues in recruitment and selection in Greek hospitality industry.

#### **6.4 Sample selection**

The industry area was decided to be the hotel industry for all the reasons mention in the global and Greek hotel and tourism industry chapter; such as the great extent to which MNEs and local firms are present in the same industry, the labour intension of the industry, the unique characteristics of the industry: a) quiet diverse product offered, and thus numerous and employees with different qualifications are needed, for whom to be recruited diverse recruitment and selection practices are needed, b) high turnover rate (Anastasopoulos et al., 2009; Hoque, 2000). The great possibility of generalising the findings to other similar industries or countries is another reason for selection of tourism industry.

Aiming to study recruitment and selection practices in Greek hotel industry (as Greece is a country heavily based on tourism), it is meaningful to focus on hotels for which it is more possible to have established, formal and written HRM practices and thus recruitment practices and these are large hotels with high star (\*) rating (Lockyer and Scholarios, 2004). Thus, this study focuses on 5\* and 4\* hotels. From all the hotel units in Greece in the several prefectures, hotel units in Attica were selected for the following reasons: a) avoid the great impact of seasonality effect in the industry, as Attica with Athens serves as the capital of Greece and therefore has not only summer holiday tourism, but also other types of tourism, such as cultural tourism, history tourism, conferences or special events tourism, shopping tourism (mainly by internal tourists) and of course holiday tourism all year round. Hotels which are not affected by seasonality have no impact of it on the implementation of recruitment and selection practices, as when seasonality exists, it leads to decrease of employment (which is mainly part time and temporary) and according to SETE report (2005), big city centres are the ones not affected by seasonality issues, and especially Athens and Thessaloniki (as a second choice) in the Greek case. In addition, city tourism has been an increasing trend the last few years in Europe. Only for the period 2000-2004 it has been increased by 108% compared to an 8-19% increase of trips (depending on the type of trip – leisure or business). Thus, the present study could not ignore this trend and the impact it has on employment (SETE, 2005).

Attica now is formed by several subparts (Athens, Piraeus, Greater area of Athens and several islands close to Athens: Salamina, Aegina, Kithira, Spetses, Hydra, Poros). In Attica there are numerous hotels but for the aims of the present study we focus only on 5\* and 4\* hotels, as they are the most possible ones to have standardised HRM practices or at least some form of HRM policy and HR function (CIPD, 2011). This provided us with a sample comprised of 126 hotels 5\* and 4\* operating in the greater area of Attica. From those 34 were 5\* hotels and 92 were 4\* hotels. From those 126 hotels 8 have not been operating all year round (and at the time of the survey data collection) and thus they were excluded from the data collection, leaving 118 hotels in total for the research purposes. Regarding their nationality, 15 were international brands (MNEs) and the rest local/national brands. From all of those conducted to participate in the survey 33 responded (from all the sections of Attica), which gives an almost 28% (27.9%) response rate. This response is representative and high for the Greek hotel industry according to Paraskevas (2000) as well as for organisational surveys. In similar surveys in hospitality industry in Greece, the response rate reached 18.3% (Paraskevas, 2000). Therefore, 28% response rate is sufficient, especially regarding the population of the study, so as to conduct valid results, presented in the next section. It should also been mentioned that after the survey questionnaire has been administered quite many follow-ups (e-mails and phone calls), follow; one email every 4 days after the first two weeks and 2 phone calls every week. Consequently, even if more time has been provided for the survey the response rate could not have been higher.

#### **6.5 Procedure**

The survey questionnaire was developed in English and was administered in its original language, assuming that the respondents (HR managers - as the most appropriate ones to have knowledge on recruitment and selection issues) were competent in English, because of their organisational position; especially in the foreign subsidiaries in which most of the commutation with other subsidiaries in other countries is performed in English. As it was mentioned before the questionnaire was web-based so as to facilitate respondents to complete it at their convenience and thus gather more replies. The official list of the 5\* and 4\* star hotels in Attica was provided by the Greek Tourism Organisation (GTO) at the time of the survey. Respondents were conducted either in their personal job e-mail or in the hotel e-mail (and the hotel forward the survey to them). Several follow-up e-mails and telephone calls were used so as to better introduce them to the survey climate and strengthen the survey importance as well. For the same reason a cover letter was used as well, emailed together with the survey. The link was also administered in the national hotel and tourism association's in Greece (SETE) official website to be completed only by the 5\* and 4\* star hotel HR managers in Attica (the verification that the aforementioned hotels were the only ones to complete the survey came from the fact that at the very last part of the survey they were asked to provide contact details for any necessary follow-up). Help was provided as well, in data collection by the general manager of the Institute of Tourism Studies in Greece (not through the institute though). All the above means of gathering data were used so a sufficient number of data.

The survey database used for constructing and survey distribution was Qualtrics. The survey left to run from 21/2 until 12/4, which is quite a sufficient amount of time data collection from this length of sample.

### **6.6 Data analysis methods**

The methods used to analyse data were mainly descriptive along with several crosstabulations and other meaningful comparisons among the variables, so as to test the study's hypotheses. Tests for the significance (T-test, Levene's test /f-test) of the results were conducted as well (that is always checking the p-value). T-test was used to examine differences in means between the equivalent groups each time, while

Levene's test to check the homogeneity of variances across our sample (groups in the sample) (Levene, 1960; Easterby-Smith, 2008). The descriptive analysis was conducted in excel based on the initial report results produced by and exported from Qualtrics program. All the cross-tabulations were conducted with the help of Qualtrics using 2x2 cross-tabulations for the sample characteristics in the first section. SPSS was used for testing hypotheses H1e and H2, whereas STATA was used for testing the rest of the hypotheses, so as to evaluate differences on the mix of recruitment and selection methods implemented and on the effectiveness of them, as well as on the level of HRM practices transfer, by controlling each time for the different characteristics/factors implied by the hypotheses of the study. The results which yield from the survey are described in the next section following by relevant explanation based on the relevant literature, summarised in the first chapters.

#### **6.7 Summary**

The present chapter served as to present the several research designs available in the literature, as well as their underlying philosophies. This helped in the choice of the research design for the present study. Following that all the methods available were presented (qualitative and quantitative ones) that were associated with the chosen research design. Their advantages and limitations as well as their scope of purpose were presented, so as to lead to the most suitable methods for the data collection and data analysis of this research. The instrument used for the data collection, as well as the process followed were thoroughly described. Finally, the sample selection was completely justified based on the existing literature review for this study. The following chapter moves even further and presents and analyses the results of the present study, linking them to the relevant literature review issues.

#### 7. Results and Discussion

In this chapter a descriptive and statistical analysis of the data collected with the survey is conducted, in an effort to empirically test what it has been stated in the literature, and consequently verify or reject the thesis hypotheses (developed in chapter six).

The aim is to describe and analyse the current and future trends in recruitment and selection practices in Greek hotel industry, as well as to examine the level of transfer of HRM practices from MNEs to their local subsidiaries (Greek hotels). More specifically, the chapter evolves following the structure of the literature review of the thesis. Therefore, after a brief analysis of the sample statistics, a general discussion on the recruitment and selection methods applied by Greek and foreign hotels takes place, so as for current and future trends to be depicted. Afterwards, a number of comparisons are performed so as to test each one of the hypotheses. Namely, the hotel star category, its size, its number of units, its age and its type of ownership are used as impact factors on the diversity of the mix of recruitment and selection methods (H1, H1a-H1e) (Table 6.2). With a similar analysis it is also attempted to depict the extent of HRM practices transfer, and as a consequence the level of local adaptation of the foreign subsidiaries to local conditions and culture. The age of the subsidiary as well as, the type of ownership and the impact they have on the level of HRM practices transfer are examined in more depth (H1d and H1e accordingly). Finally, the mix of recruitment and selection practices applied by the MNEs subsidiaries in Greek hotel industry is compared with the local units so as to test if MNEs subsidiaries implement a more diversified mix of recruitment and selection methods and in a more effective way (H2).

## 7.1 Sample statistics and general results

Our sample responses (significant elements of which are provided in the methodology chapter above) showed that from the 33 hotels participating in the survey the majority of them 64% (21 hotels) were 5\* or Lux hotels compared to 36% (12 hotels) in 4\*

category. Implying from these that the majority of hotels in Attica are 5\* or Lux would be wrong, having in mind the GTO (2011) statistics, which showed that 92, 4\* hotel units operate in Attica compared to 34, 5\* hotel units. What can be implied though is that since HRM and HR function have recently been developed in Greece, 5\* hotel units are even more likely to have an HR function and an HR manager or a formal HR strategy, and thus participating to the survey would be more meaningful for them, compared to 4\* hotels (SETE, 2005). Compared now to the total number of 5\* and 4\* hotels in Attica, our sample shows 61.8% response from 5\* hotels, but only 15.2% response from 4\* hotels.

From the hotels which have responded to this survey, 29 (88%) are Greek owned in contrast to only 4 owned by foreign firms. This as a percentage seems reasonable taking into account the fact that from all the hotels operating in Attica only 15 units are international brands.

*Table 7.1: Ownership (Nationality)* 

Ownership (Nationality of parent company with the highest proportion of ownership)

#	Answer	Bar	Response	è	%
1	Greek		0,878788	29	88%
2	Foreign/Subsidiary		0,121212	4	12%
	Total			33	100%

However, this low response rate (26.7%) from foreign owned hotels in Attica does not allow us to reach many statistical significant comparisons with the foreign hotels. These foreign owned hotels are either American or Spanish or Cypriot and are all of them 100% owned by the foreign hotel group/tour operator. This shows an FDI pattern as a way of entering Greek hotel market and implies probably that the control of the hotel/subsidiary is in the hands of the mother company (Questionnaire, Part 1, Questions: B2, B3 in Appendix 1). Though it would be interesting to see what happen with HRM practices and in particular recruitment and selection – are they still performed under mother-company's strategies or are they localised?

According to our results, the great majority of hotels in Attica operate more than 21 years (57%), which complies with the entrance of Greece in the European Union and the opening to global competition. 27% of them operate between 6 and 10 years, which might be explained by the need for more good quality hotels in 2004, when Athens held the Olympic Games.

*Table 7.2: Years of operation* 

Ye	ears of operation			
#	Answer	Bar	Response	%
1	Less than 5	0,121212	4	12%
2	6-10	0,272727	9	27%
3	11-20	0,030303	1	3%
4	21-30	0,212121	7	21%
5	Over 30	0,363636	12	36%
	Total		33	100%

What is interesting though is that our mix is quite diverse regarding the brands operating in Attica, as most of them have one or less than 5 hotel units in Attica. This shows that the 118 units operating in Attica, have different owners and therefore potentially different management style. The size of establishments though (that is the number of employees) is quite big with 30% of the hotels employing more than 200 employees, and thus contributes significantly to country's employment needs. The great majority of them (70%) employ between 0-200 employees, which can be explained from the family owned tradition, under the prism of which, family firms are preferred by Greeks (which are usually small in size). The low individualism index (=35) for Greece explains the above fact as well (Hofstede Official Website). Though, in some cases, not that often, family owned hotels might be even large hotel units.

Table 7.3: Size and Number of hotel units

#### Number of hotel units

#	Answer	Bar	Response	%	
1	One	0,515152	17		52%
2	Less than 5	0,30303	10		30%
3	6-10	0,090909	3		9%
4	Over 10	0,090909	3		9%
	Total		33	1	L00%

Size of establishments (Number of employees)

#	Answer	Bar	Response	%
1	0-200	0,69697	23	70%
2	201-500	0,121212	4	12%
3	501-1000	0,121212	4	12%
4	Over 1000	0,060606	2	6%
	Total		33	100%

Focusing now on the foreign owned hotels of our sample, some general characteristics can be described, with great attention to generalisation though, since they comprise less than 1/3 (26.7%) of the foreign hotels operating in Attica. All of them have stated that they transfer mother company's HR policy and strategy either fully or by a lot more than 50%.

Table 7.4: Extend of HRM practices transfer

To what extent do you transfer/apply the parent company's HR practices?

									Total		Mea
#	Question	1	2	3	4	5	6	7	Responses		n
1	Not at all:Fully	0	0	0	0	1	1	2		4	6,25

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This is either because parent company would like to have the total control of HR function in its subsidiaries, or just because HRM practices applied in Greek firms are not standardised and not up-to-the latest standards. This might hold some truth, since HRM function in Greece has only recently started to develop. Up until 1986 there were only 6% of firms having an HR function, and a slightly higher percent (11%) having detailed HRM practices (Kritsantonis, 1998; Stavroulakis, 2009). This might also stand as one of the reason why FDI in Greece (in hospitality industry and in general) is so limited. However, this fact (of almost fully transfer of HRM practices in Greek subsidiaries) comes in contradiction to the general norm that Greece's restrictive and complex legislative system, along with the great government intervention and trade union presence, hinders FDI and transfer of HRM practices, avoiding anything outside Greek culture and rules (scoring high in uncertainty avoidance index = 112) (Hofstede Official Website). It should be mentioned though that Greek hospitality industry is characterised by low trade union presence, making the industry a bit friendlier for FDI and practices transfer (Philippakos, 2009). This finding comes also in contradiction with Myloni et al. (2004) and an older study of Papalexandris (1991), in which it is stated that MNEs and local firms tend to implement similar (the local ones) HRM practices. However, as it was mention before, our sample of 4 foreign owned hotels in Attica cannot be representative and thus the results cannot be generalised for all the foreign hotels in Attica and thus in Greece.

Foreign hotels even though, they try at the same time to comply with the local norms and standards, since most of them refer that they are affected in this transfer by the social culture, the Greek legal system and external and internal to the firm factors, such as economic factors and labour market norms, organisational culture and firm specific financial factors accordingly. Namely, foreign hotels operating in Greece trying at the same time to remain global, adapt to local context and adhere to mothercompany's policies, by following an hybrid strategy (Brewster, 2002). This explains why subsidiaries, in an effort to remain competitive and attract tourists not only from the global market but also from the Greek market take, into consideration local factors. Also as part of their effort to become competitive in the local market, is the filling in of staff positions by locals (Greeks), by more than 51% and in many cases more than 71%, followed by a small percentage of expatriates and third nationals.

*Table 7.5: Positions fill in by expatriates* 

What percentage of job openings (at the middle and higher managerial levels)is filled in by external candidates?

		Less than	20-	41-	61-	Over	Total Me
#	Question	20%	40%	60%	80%	80%	Responses an
	Click to write						2,6
1	Statement 1	13	5	2	8	5	33 1

Therefore, subsidiaries tend to use more a polycentric approach (localisation approach) in staffing their establishments (Hill, 2007; Bearwell et al., 2004). This fact shows that even though foreign hotels transfer their HRM practices from the mothercompany almost fully (as seen above in this section), they leave their implementation to locals, assigning to them (in this way) more responsibilities and thus keeping them probably more satisfied. Another reason for this might be that subsidiaries are able to find the talent needed in the Greek market, and thus there is no need for transfering or for searching in the global labour market for it. Or maybe this is because the legal system in Greece is so complex, that locals are needed to implement properly a subsidiary's HR practices in that system, or maybe this is because in Greece the government and pressure groups are strong, so that locals are needed so as to face them (Psychogios and Szamosi, 2007).

As far as the recruitment and selection practices preferred by 4\* and 5\* hotels in Attica, these are promotion (4.18), internal job posting (4.18) and employee referrals (4.24). Namely, either methods of internal recruitment (promotion and internal job posting) or methods of external recruitment (referrals), which are also in accordance with the family tradition in Greece and the fact that they prefer working with known and trusted people (Myloni et al., 2004; Torrington et al., 2005). Furthermore, employee referrals and internal job posting are preferred as recruitment methods by employers worldwide (SHRM, 2008). A reason for the use of employee referrals might be that it is one of the methods with high survival rates of employees in the company, which is rather important for hospitality industry, which in its turn, is characterised by high turnover rates (Daskin and Tezer, 2012; Jackson and Schuler, 2000). Contrary to the past, but justifiable by the progress in technology, is the fact that press advertisement is not preferred that much compared to other methods (3.12 as a mean on a point 7 Likert scale) (Eleutheriou and Robertson, 1999). Another reason for this might be that it has a higher cost compared to preferred ones (Armstrong, 2010).

Table 7.6: Recruitment Practices

Sta tist ic	Pro mot ion	Tr an sfe r	Jo b Ro tati on	Recru itmen t Agen cies	Liai son with univ ersit ies	Job fairs	Wal k ins, Uns olic ited resu mes	Em plo yee Ref erra ls	Co mp any we bsit e	So cia l Me dia	Prin t Adv ertis eme nt	Int er na l Jo b Po sti ng	O th er
Mi n	1	1	1	1	1	1	1	1	1	1	1	1	1
Ma x	7	7	6	7	7	7	7	7	7	7	7	7	7
Me an	4.1 8	3.7	4.0	2.52	3.42	2.48	3.6 1	4.2	3.3 6	2.9 7	3.12	4. 18	1. 7 3
Va ria nce	2.9 0	3.3	2.2	3.51	4.06	2.32	3.3 7	1.8 8	5.3 6	3.3 4	4.55	4. 09	2. 5 2
St. De v.	1.7 0	1.8 4	1.5	1.87	2.02	1.52	1.8 4	1.3 7	2.3	1.8	2.13	2. 02	1. 5 9
Tot al	33	33	33	33	33	33	33	33	33	33	33	33	3

Concerning now the selection methods, the research results have shown that the preference for specific selection methods is much stronger than in the case of recruitment methods. HR managers in Greek city hotels seem to use mostly

interviews (6.48), resumes check (5.85), reference checks (5.70), and application forms (5.70), following the "classic trio" (Cook, 1993). These methods are again of low cost and seem to follow the usual steps – screening with resumes and references and final decision with the interview. The other methods seem to lag a lot behind, and a reason for this might be that either they are costly to run them often for an industry with high turnover rate, or they face ethical or discrimination issues, as it happens in the case of social media (Slovensky and Ross, 2012).

Table 7.7: Selection Methods

Sta tist ic	Ref ere nce Che cks	App licat ion For ms	Res um e Scr een ing	Kno wle dge Test s	Perfor mance/ Work Sample Tests	A bil ity Te sts	Moti vatio nal Fit Inve ntori es	Pers onal ity Inve ntor ies	Int egr ity Te sts	Inte rvie ws	As ses sm ent Ce nte rs	Soc ial Me dia	Ot he r
Mi n	2	1	2	1	1	1	1	1	1	2	1	1	1
Ma x	7	7	7	7	7	7	6	7	7	7	4	6	7
Me an	5.8 2	5.70	5.8 5	3.58	3.76	2. 58	2.76	3.09	2.6 7	6.4 8	1.8 8	2.0	1. 55
Va ria nce	2.3 4	3.28	2.3	5.38	4.50	3. 31	3.50	4.90	3.9 8	1.5 1	1.4 8	1.8 7	1. 63
St. De v	1.5 3	1.81	1.5 4	2.32	2.12	1. 82	1.87	2.21	1.9 9	1.2	1.2	1.3 7	1. 28
Tot al	33	33	33	33	33	33	33	33	33	33	33	33	33

#### 7.2 5\* VS 4\* Hotels

In a comparison of the 5\* and 4\* category hotels units the following were found (based only on the data from the questions in the first part of the questionnaire) and are presented below in cross-tabulation formats which were extracted from the survey tool/program used for the data collection (Qualtrics).

### 7.2.1 Comparison by number of hotel units and by establishments

The figures show that most of either 5\* or 4\* hotels (17 hotels in total) have a single hotel unit, with only some of the 5\* hotels (6 hotels) having more than 6 units. This might be because Greek hotel industry does not favour the group firms operation, as it is rather a collectivist culture with family owned small firms (Satvroulakis, 2009). The more hotel units, the more beds and rooms, the more diverse services offered and thus the more employees are needed. 

Table 7.8: \* hotel category vs number of hotel units and vs size of establishments

		One	Less than 5	6-10	Over 10	Total		
What is the category of your hotel unit?	4*	9	3	0	0	12		
What is the sategory of your noter and.	5* or Lux	8	7	3	3	21		
	Total	17	10	3	3	33		

		Number of hotel units
What is the category of your hotel unit?	Chi Square	5.62*
	Degrees of Freedom	3
	p-value	0.13

\*Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.

<i>&gt;</i>		Size of establishments (Number of employees)				
		0-200	201-500	501-1000	Over 1000	Total
What is the category of your hotel unit?	4*	11	1	0	0	12
Triatio and category of your notes and	5* or Lux	12	3	4	2	21
	Total	23	4	4	2	33

		Size of establishments (Number of employees)
	Chi Square	4.96*
What is the category of your hotel unit?	Degrees of Freedom	3
	p-value	0.17

<sup>\*</sup>Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.

Concerning the size of the establishment, it seems that both 4\* and 5\* hotels have less than 200 employees, with the exception of few, 5\* hotels mainly, which employ quite a significant number of employees; some of them more than 1000 employees. This is an interesting fact, which is justified by the fact that Greek hotel owners mainly, prefer to have small to medium size organisations, so as to maintain bonds with their employees, as well as to maintain the relationships of trust (like an extended family/tribal). Yet, it is known that Greece has a collectivist culture and scores high in uncertainty avoidance and low in individualism index (Myloni et al., 2004).

## 7.2.2 Comparison by years of operation

As it was discussed also briefly above, it is quite interesting the fact that most of the 5\* hotels are operating more than 21 years (14 out of 21 units), in contrast to 4\* hotels for which there is a balance between the old and new units. This might imply that newly build hotels are smaller in size and thus not able to offer many diverse services and up to a high standard so as to be categorised as 5\*. Taking also into account that tourism in Attica is in its maturity stage, big capital investments for 5\* hotels are not preferred (especially now given the unstable economic and political situation in Greece). Maybe the price/quality comparison in an era of economic recession in Greece and other mostly European countries will not make tourists to choose a 5\* hotel instead of a 4\* one.

*Table 7.9:* \* hotel category vs years of operation

		Years of operation				Ì	
		Less than 5	6-10	11-20	21-30	Over 30	Total
What is the category of your hotel unit?	4*	3	4	0	2	3	12
That is and satisfier of your fictor unit.	5* or Lux	1	5	1	5	9	21
	Total	4	9	1	7	12	33

	Years of operation	
What is the category of your hotel unit?	Chi Square	4.26*
	Degrees of Freedom	4
	p-value	0.37

\*Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.

### 7.2.3 Comparison of recruitment and selection practices in 5\* and 4\* (H1a)

Taking into consideration the fact that only limited research in HRM in the Greek hospitality industry exists, results can only be compared with that limited literature, and the wider literature of IHRM (as even HRM literature in Greece is limited) (Kapiki, 2011). Thus, results of this study should form as new additions to the relevant literature.

Therefore, according to the literature, 5\* hotels offer more diverse HRM practices than 4\* hotels in Greece. However, no research exists for recruitment and selection practices in particular.

As it results for the present research, it seems that almost none of the methods is highly often used by hotels, either 4\* or 5\*, as their means (in 7-point Likert scale, never=1 and always=7) range from 2.5 up to 4.5. In addition it can be observed that mean scores for 5\* hotels are in their majority higher, implying that 5\* hotels have more established recruitment and selection practices compared to 4\*. A fact which verifies, a previous study by SETE (2005). However, none of the tests yield statistically significant results regarding the mean and standard deviation differences, (apart from the relationship of employee referrals, as a recruitment method which is significant for the f-test). This means that concerning the t-test, we accept the null hypothesis for non-significant difference of the means of all recruitment practices. Therefore, according to t-test H1a is rejected, meaning that there are no significant differences between 4\* and 5\* star hotels in Attica. While concerning the f-test, H1a is again rejected for all recruitment methods apart from the employee referrals, for which the f-test is statistically significant, meaning that standard deviation differences are significant. However, since for the rest of recruitment practices, the f-test is nonsignificant, our null hypothesis about the equality of recruitment practices mix implementation is accepted, and therefore H1a is rejected. This comes in contrast with SETE (2005) study, and implies that contrary to Greece as a whole, 4\* and 5\* hotels in Athens apply a similar recruitment practices mix.

Table 7.10: \* hotel category vs recruitment methods

Recruitment	Star	Mean	t-test	f-test
Methods	Category			
Promotion	4*	3.666667	-1.3285	1.0752
	5*	4.47619		
Transfer	4*	2.5	-3.3146	0.4895
	5*	4.428571		
Job Rotation	4*	3.5	-1.4738	1.2186
	5*	4.285714		
Agencies	4*	2.5	-0.0346	0.9682
	5*	2.52381		
Liaison with	4*	3.666667	0.5162	1.2552
universities				
	5*	3.285714		
Job fairs*	4*	2.666667	0.5123	1.8041
	5*	2.380952		
Walk ins,	4*	3.166667	-1.0405	0.9457
unsolicited				
resumes				
	5*	3.857143		

Employee referrals	4*	3.916667	-1.0337	4.3396*
	5*	4.428571		
Company website	4*	4.083333	1.3677	1.4904
	5*	2.952381		
Social Media	4*	3.25	0.6598	2.0771
	5*	2.809524		
Print	4*	3.583333	0.9393	1.1534
Advertisement				
	5*	2.857143		
Internal job posting	4*	3.583333	-1.2986	2.1256
poor8	5*	4.52381		
Other	4*	1.666667	-0.1633	1.2423
	5*	1.761905		
-				

The second part of H1a refers to the diversity in implementation of selection practices mix. According to Table 7.9, t-test is significant for applications forms and resume screening, and the f-test again for application forms and other methods applied. This implies that there are differences among 4\* and 5\* hotels concerning these practices (differences in means and standard deviations), and thus for them H1a is accepted. However, concerning the whole mix of selection methods, no statistically significant differences exist and thus our null hypothesis of equality is accepted, rendering H1a to be rejected. This means that 4\* and 5\* hotels behave similarly concerning the selection of applicants.

*Table 7.11: \*hotel category vs selection methods* 

Selection Practices	Star Category	Mean	t-test	f-test
Reference checks	4*	5.333333	-1.3964	1.5709
	5*	6.095238		
Application forms	4*	4.5	-3.2778*	3.0772*
	5*	6.380952		
Resume screening	4*	4.833333	-3.2564*	1.1210

	5*	6.428571		
Knowledge Tests	4*	3.083333	-0.9200	1.0939
	5*	3.857143		
Performance/Work sample tests	4*	4.5	1.5526	1.7211
•	5*	3.333333		
Ability tests	4*	2.333333	-0.5721	1.2455
	5*	2.714286		
Motivational inventories	4*	2.75	-0.0173	1.1004
	5*	2.761905		
Personality inventories	4*	2.666667	-0.8284	0.5714
	5*	3.333333		
Integrity tests	4*	2.666667	0.0000	1.1248
	5*	2.666667		
Interviews	4*	6.333333	-0.5298	1.9379
	5*	6.571429		
Assessment centers	4*	2.166667	1.0268	1.6221
	5*	1.714286		
Social media	4*	2.583333	1.7084	1.3099
	5*	1.761905		
Other	4*	1.75	0.6899	3.6326*
	5*	1.428571		

Thus, in total H1a is rejected. This comes to verify older studies of Papalexandris (1991) and Myloni et al. (2004), claiming the similarity in the application of recruitment and selection practices by locals and MNEs, with the only difference to be the more formalised style of the practices applied by MNEs (and more written practices in number). This might mean that 4\* and 5\* hotels are looking for the same types of employees, with similar skills and abilities, and consequently they apply similar practices to attract and hire them. What is quite interesting though compared to recruitment practices, is that there is a tendency from both 4\* and 5\* hotels to use interviews a lot and for 5\* in particular, to use also reference checks, application forms and resume screening, slightly more that 4\* hotels, but quite often though (being close to always=7). This finding comes to agree with the fact that in Greece interviews and reference checks are preferred as considered to better predict employee performance (Nikolaou and Judge, 2007).

#### 7.3 Greek VS Foreign Hotels (main characteristics)

What it would be interesting (even though there are not that many observations from foreign subsidiaries in our data collected), is a comparison between the two (Greek and foreign hotels) in their main characteristics (part A of the questionnaire) (Appendix 1) initially and regarding recruitment and selection practices afterwards (in a following section).

#### 7.3.1 Comparison by years of operation

As it was expected for Greece, but also for every country, host country hotel units (in this case Greece) are operating considerably more years in the area/region compared to their foreign counterparts/subsidiaries. Especially in the case of Greece, this is even more expected as a fact, as FDI in Greece has started (more intensively) recently, and in particular after the entry of Greece in the European Single Market in 1981 (Eleutheriou and Robertson, 1999). What is interesting though is that despite the economic crisis in Greece foreign companies choose to begin new operations by establishing new hotel units (units operating less than 10 years). Maybe this is because Greece remains an attractive tourism destination, and with the crisis it offers low cost employment as well.

3

1

8

1

6

1

11 29

1 4

Years of operation 11-21-Over 6-10 Total Less than 5 30 20 30

Greek

Foreign/Subsidiary

Total

Table 7.12: Ownership (nationality) vs years of operation (age)

Ownership (Nationality of parent company with the highest proportion of ownership)

		Years of operation
Ownership (Nationality of parent	Chi Square	0.96*
company with the highest proportion	Degrees of Freedom	4
of ownership)	p-value	0.92

\*Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.

## 7.3.2 Comparison by number of units and size of establishments

As it was discussed in the first section, Greek hotels have considerably more units operating in Attica. What is interesting though is that they also have the greater size of establishments compared to foreign ones, as they have 4 and 2 hotel units employing more than 500 and more than 1000 people accordingly. This indicates that Greek firms still want to maintain control of the labour market in hospitality industry. It could also be combined with the fact that Greek hotels are operating in the area more years than foreign ones, and therefore they had much more chances for expansion in the past.

Table 7.13.: Ownership vs size of establishments

Size of establishments (Number of employees)								
0-200	Over 1000	Total						
Ownership (Nationality of parent company with the	Greek	20	3	4	2	29		
highest proportion of ownership)	Foreign/Subsidiary	3	1	0	0	4		
	Total	23	4	4	2	33		

		Size of establishments (Number of				
		employees)				
Ownership (Nationality of parent	Chi Square	1.47*				
company with the highest proportion	Degrees of Freedom	3				
of ownership)	p-value	0.69				

\*Note: The Chi-Square approximation may be inaccurate - expected frequency less than 5.

# 7.4 Recruitment and selection practices in Greek VS foreign subsidiaries (hotels) - Transferability (H2), (H1d), (H1e)

According to the literature, Greek and foreign hotel units are expected to implement similar recruitment and selection practices, mainly because of the high in uncertainty avoidance Greek culture, which implies a strict institutional and in particular legislative environment, and thus local adaptation is preferable for MNEs, so as to start operations in Greece (Psychogios and Szamosi, 2007). Even though, it should be mentioned that the strict and unfavourable existing environment has started changing the last few years (Myloni et al., 2004).

Table 7.14: Recruitment methods vs Ownership (nationality)

Recruitment	Ownership	Mean	t-test	f-test
methods	(Nationality)			
Promotion	Greek	4.034483	-1.3548	3.3103
	Foreign/Subsidiary	5.25		
Transfer	Greek	3.62069	-0.8923	2.1606
	Foreign/Subsidiary	4.5		
Job Rotation	Greek	4.068966	0.7056	2.4236
	Foreign/Subsidiary	3.5		
Agencies	Greek	2.482759	-0.2636	0.7064
	Foreign/Subsidiary	2.75		
Liaison with	Greek	3.310345	-0.8705	0.8151
universities				
	Foreign/Subsidiary	4.25		
Job fairs	Greek	2.310345	-1.8366*	0.3212*
	Foreign/Subsidiary	3.75		
Walk ins,	Greek	3.482759	-1.0401	0.7520
unsolicited				
resumes				
	Foreign/Subsidiary	4.5		
Employee referrals	Greek	4.206897	-0.3958	0.4749
	Foreign/Subsidiary	4.5		
Company website	Greek	3.103448	-1.7973*	0.8871
	Foreign/Subsidiary	5.25		
Social Media	Greek	2.655172	-2.9678*	0.4257
	Foreign/Subsidiary	5.25		
Print	Greek	2.931034	-1.4000	0.4360
Advertisement				
	Foreign/Subsidiary	4.5		
Internal job	Greek	3.896552	-2.3272*	4.2347
posting				
	Foreign/Subsidiary	6.25		
Other	Greek	1.586207	-1.3955	0.2209
	Foreign/Subsidiary	2.75		

Regarding the recruitment practices used by both Greek and foreign firms, these rarely or never include the use of recruitment agencies, as it can be seen from the mean scores above. Maybe this happens because they are quite expensive methods and away from creating personal liaisons with potential employees, which is one of the characteristics of Greek culture (family/tribal culture), scoring high in power distance (preferring trusted persons) (Stavroulakis, 2009). In addition, as an expensive method, it is not preferable for an industry with high turnover rates, which needs to repeat the process often (Davidson and Wang, 2011; Hoque, 2000). Regarding internal recruitment methods such as promotion and transfer of employees, the level of use in Greek hotels varies from never to always, while foreign subsidiaries tend to use them slightly more frequently; probably because they want to maintain already existing talent, or because they value more loyalty compared to expertise, or maybe because they prefer to train their already existing employees who are already familiar with their firm's culture (Aycan, 2000). Another, reason for this might be that Greek hotels try to modernise and be more competitive and thus need to employee new people with innovative ideas. In contrast to these comes the use of job rotation, as a recruitment tool, which appears to be used more by Greek hotels compared to foreign ones which seem to use this method rarely.

Another interesting point is the use of recruitment methods linked with technological advances, such as social media and company website. Foreign hotels seem to use them much more, leaving Greece behind. This is mainly because technological development in Greece has started recently (Panayotopoulou et al., 2007).

Regarding now table 7.14, some statistical significant relationships appear. Namely, concerning the t-test, it is significant for job fairs, social media, internal job posting and other not mentioned implicitly in the questionnaire methods of recruitment. F-test appears to be significant for job fairs and other methods as well. Namely this means that concerning these tools, the means and standard deviations (in the case of the ftest), are significantly different, with the foreign firms using technological advances more. A fact, which verifies H2 stating that foreign firms have a wider implementation of these specifically recruitment methods. In total, there are 5 cases, out of 13 which verify H2 (but not for both tests each time). Thus, since the majority of results are non-significant this implies that there are no significant differences between Greek and foreign hotels in the mix of recruitment, and consequently in this part H2 is rejected. However, it should be once more stated that our sample of foreign hotels are quite small and could not yield very significant comparisons.

As far as the selection tools mix is concerned it can be seen from table 7.12, that only the f-test for references checks and the t-test for knowledge tests appear to be significant. Consequently all the other relations appear to be non-significant, leaving little space for differences in selections methods used either by Greek or foreign hotels, and rendering H2 for this part as non-true/verified. Again as in the previous section where, selection methods were compared with hotel star category, the same selection tools are preferred by both Greek and foreign hotels highly – these being reference checks, resume screening and interviews. All of them are slightly more used by foreign companies. It should also be mentioned that interviews are always used by MNEs and that they used quite a lot integrity test as a tool.

Table 7.15: Selection methods vs Ownership (nationality)

<b>Selection Practices</b>	Ownership	Mean	t-test	f-test
	(Nationality)			
Reference checks	Greek	5.689655	-1.3140	10.0296*
	Foreign/Subsidiary	6.75		
Application forms	Greek	5.517241	-1.5696	
	Foreign/Subsidiary	4		
Resume screening	Greek	5.793103	-0.5489	1.0914
	Foreign/Subsidiary	6.25		
Knowledge Tests	Greek	3.310345	-1.8347*	3.2187
	Foreign/Subsidiary	5.5		
Performance/Work sample tests	Greek	3.965517	1.5487	2.9090
	Foreign/Subsidiary	2.25		
Ability tests	Greek	2.655172	0.6689	5.4938
	Foreign/Subsidiary	2		
Motivational inventories	Greek	2.793103	0.2894	2.2877
	Foreign/Subsidiary	2.5		
Personality inventories	Greek	3.206897	0.8062	5.8737
	Foreign/Subsidiary	2.25		
Integrity tests	Greek	2.655172	-0.0877	1.4517
	Foreign/Subsidiary	2.75		
Interviews	Greek	6.413793	-0.8923	
	Foreign/Subsidiary	7		
Assessment	Greek	1.862069	-0.2090	0.7401

centers				
	Foreign/Subsidiary	2		
Social media	Greek	2.103448	0.4786	2.2087
	Foreign/Subsidiary	1.75		
	For eight Substitution y	1.73		
Other	Greek	1.344828	-2.6487	0.0828
	Foreign/Subsidiary	3		

This similarity of use of recruitment and selection practices by Greek and foreign hotels, is an indication (and this is because the number of MNEs is low=4) that foreign hotels are having an adaptive (adaptable) IHRM orientation and are moving towards local isomorphism (Chung, 2015; Brewster and Suutari, 2005). The reason for this is probably the cultural and institutional context in Greece (host-country specific factors) (Myloni, 2002). With the second being too restrictive and the first too distinctive, MNEs want to avoid cultural myopia and becoming ineffective and thus, tend to use similar to local hotels practices (Aycan et al., 2000).

Referring now to how effectively recruitment and selection methods are used by Greek and foreign hotels, it appears that the level of effectiveness is quite similar. HR managers in both cases have reported that the effectiveness of recruitment and selection methods has been high no matter the job category it refers to. This shows that the recruitment methods used are valid and predict accurately job performance. From the t and f-tests, once more the vast majority of them are insignificant, with the exception of the f-test in the technical level, where foreign subsidiaries seem to be more effective in the recruitment methods they use for hiring technical staff. Therefore, recruitment and selection methods are considered to be equally effective (rejecting our null hypothesis for differentiation in means and standard deviations) and thus H2 is rejected for effectiveness differences as well. Maybe this is because, in many cases, the managers implementing them are Greeks in both types of hotels. Either because in the first years subsidiaries prefer to hire Greeks to cover their management positions (including the position of the HR manager who alone or with the top management, is responsible for the recruitment process), to help them familiarise with the Greek system and legislative environment or because after a few years of operations in the area they have started the localisation process, following as discussed before a polycentric approach (Taylor et al., 1996; Chung, 2015).

Table 7.16: Effectiveness of recruitment and selection methods vs ownership (nationality)

Effectiveness of	Ownership	Mean	t-test	f-test
recruitment	(Nationality)			
methods				
Management	Greek	5.931034	-0.4590	7.4089
	Foreign/Subsidiary	6.25		
Administrative	Greek	5.517241	-0.7040	
	Foreign/Subsidiary	6		
Supervisory	Greek	5.655172	-0.8203	8.0788
	Foreign/Subsidiary	6.25		
Technical	Greek	5.517241	-0.2717	11.3202*
	Foreign/Subsidiary	5.75		
Other	Greek	3.344828	0.2679	0.9676
	Foreign/Subsidiary	3	/	

Therefore in total, H2 is rejected for both the effectiveness of recruitment and selection practices implementation, as well as the diversity of the mix.

As far as their effectiveness is concerned, the recruitment methods considered to be more effective are (in a row of effectiveness), promotion, transfer, job rotation, employee referrals and job posting, without though any of them to be considered as extremely effective (given that their scores are around 4.2 in a 7 point Likert scale in which 7 is absolutely effective). A reason again for the low ratings could be the high turnover rate in the industry, due to the nature of the industry (even though our sample is not affected by seasonality as it is comprised by city hotels). However, a low score of effectiveness might reflect more on not-efficient employees hired rather than on employees leaving their job (voluntarily) early. Thus, hotels should reconsider their recruitment methods and maybe even use new ones or a combination of more than one.

*Table 7.17: Effectiveness of recruitment methods (rating)* 

Sta tist ic	Pro mot ion	Tr an sfe r	Jo b Ro tati on	Recruit ment Agenci es	Liai son with univ ersit ies	Jo b fai rs	Wal k ins, Uns olic ited resu mes	Em plo yee Ref err als	Internet (Company we bsit e)	Int er ne t (S oc ial M ed ia)	Prin t Adv ertis eme nt	Int ern al Job Po sti ng	Ot he r
Mi n	1	1	2	1	1	1	1	1	1	1	1	1	1
Ma x	7	7	6	7	7	5	6	7	7	7	7	7	7
Me an	4.9 1	<b>4.3 6</b>	4.4	3.73	3.58	2. 88	3.4	4.4	3.8	3. 15	3.82	<b>4.2</b> 1	3. 00
Va ria nc e	2.9 6	2.2	1.4 4	3.83	3.13	2. 17	2.0	2.6	4.0	3. 76	3.78	2.7	5. 63
St De vo n	1.7	1.5	1.2	1.96	1.77	1. 47	1.4 4	1.6 2	2.0	1. 94	1.94	1.6 5	2. 37
To tal	33	33	33	33	33	33	33	33	33	33	33	33	33

Selection methods now seem to score higher in their effectiveness, as the scores reach even 6.21. Again the methods considered to be more effective are those more often used by employers (interviews, referrals, application forms) and as an additional one, work sample, which seems to be used more by foreign hotels. Thus, it can be assumed that even recruitment methods score lower in effectiveness, selection methods work effectively. Therefore, for the pool of applicants employers are able to choose the best ones (even if those in the pool are not the most suitable ones or are not employees with long-term employment prospect).

*Table 7.18: Effectiveness of selection methods (rating)* 

Sta tist ic	Ref ere nce Che cks	App licat ion For ms	Res um e Scr eeni ng	Kno wle dge Test s	Perfor mance/ Work Sample Tests	A bil ity Te sts	Moti vatio nal Fit Inve ntori es	Pers onal ity Inve ntor ies	Int egr ity Te sts	Inte rvie ws	As ses sm ent Ce nte rs	Soc ial Me dia	Ot he r
Mi n	2	1	3	1	1	1	1	1	1	3	1	1	1
Ma x	7	7	7	7	7	7	6	6	7	7	6	6	7
Me an	5.5 8	4.79	5.2 7	3.85	4.45	3. 67	3.48	3.48	3.4 5	6.21	3.3	2.7	2. 21
Va ri	2.0	3.17	1.3 9	3.13	4.19	3. 60	3.01	2.95	2.6 9	1.30	2.2	2.2 7	2. 61
St. De v.	1.4 4	1.78	1.1 8	1.77	2.05	1. 90	1.73	1.72	1.6 4	1.14	1.5	1.5 1	1. 62
To tal	33	33	33	33	33	33	33	33	33	33	33	33	33

Referring now to the extent of local adaptation and therefore to the extent of parent hotel's HRM practices transfer, no significant results can be yield, as the foreign units are only four and they cover all the prism of years of operation (by having one unit operating less than 5 years, one between 6-10, one between 21-30 and one over 30). Therefore, a comparison between this data and the data for the transfer of parent company's policies will not yield generalizable results, and even more it does not provide us with an insight on the argument set by Rosenweig and Hohria (1994), supporting that the younger the subsidiary the greatly localised its practices are compared to the opposite, which states that the longer a subsidiary operates in a country, the more localised it is. However, the analysis even with this number of MNEs is provided below. As it can be seen below in the table, the p-value is highly insignificant and therefore, each category of years of operations for MNEs in Attica reflects same level of transfer (local adaptation) of recruitment and selections practices. This might be explained by the fact that the Greek environment and especially the environment in the region of Attica has been the same (or not a lot changed) during all these past years. Still, to sum up this point, it seems again that H1d hypothesis cannot be accepted.

Table 7.19: Years of operations vs Local adaptation

#### Correlations

		Years of operation	To what extent do you transfer/apply the parent company's HR practices?-Not at all:Fully
Years of operation	Pearson Correlation	1	,191
	Sig. (2-tailed)		,809
	Sum of Squares and Cross-products	74,061	1,000
	Covariance	2,314	,333
	N	33	4
To what extent do you transfer/apply the	Pearson Correlation	,191	1
parent company's HR practices?-Not at all:Fully	Sig. (2-tailed)	,809	
	Sum of Squares and Cross-products	1,000	2,750
	Covariance	,333	,917
	N	4	4

To what extent do you transfer/apply the parent company's HR practices?-Not at all:Fully

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	1	3,0	25,0	25,0
	6	1	3,0	25,0	50,0
	7	2	6,1	50,0	100,0
	Total	4	12,1	100,0	
Missing	System	29	87,9		
Total		33	100,0		

Bringing now the conversation to our hypothesis H1e, the discussion unfolds regarding again the organisation specific factors having an impact on the level of transfer of HRM practices of MNEs to local subsidiaries (Budhwar and Sparrow, 2002; Myloni, 2002). As it can be seen in the sample statistics earlier on, in this chapter, all the foreign hotels are 100% owned by the parent company, which implies that they are adequately managed with more chances to transfer easier their parent company's strategies (Bloom et al., 2012; Tayeb, 1998). In the present analysis a comparison concerning the type of ownership is not possible, and as it is seen in the results (which is expected since all hotels have the same type of ownership), there are no statistical significant results, regarding having an equal level of transfer, H1e is once more rejected.

*Table 7.20: Type of ownership vs level of transfer* 

#### Correlations

		To what extent do you transfer/apply the	
		parent company's HR practices?-Not at	Type of
		all:Fully	operation
To what extent do you transfer/apply the	Pearson Correlation	1	,870
parent company's HR practices?-Not at	Sig. (2-tailed)		,130
all:Fully			,
	Sum of Squares and	2,750	1,250
	Cross-products	2,700	1,200
	Covariance	,917	,417
	N	4	4
Type of operation	Pearson Correlation	,870	1
	Sig. (2-tailed)	,130	
	Sum of Squares and Cross-products	1,250	7,515
	Covariance	,417	,235
	N	4	33

In addition, another point of discussion could be the personnel structure of foreign hotels and local ones. As it can be seen in the table below, they both use mostly locals when staffing their hotel units. From this it can be assumed that the implementation of HRM practices is similar among Greek and foreign hotels in Attica. Though this test needs to be repeated with more foreign firms, it can be assumed that the preference to local employees is due to legal guidelines and cultural knowledge of locals (Kapiki, 2011).

Table 7.21: Personnel structure in foreign hotels

9. Staff st	9. Staff structure (Please specify the proportion of staff that comes from the following three categories)										
#	Question	0-5%	6-20%	21-50%	51-70%	71-100%	Total Resp	onses			
1	Expatriate	25	6	2	0	0	33				
2	Locals	0	0	0	11	22	33				
3	Third Nati	17	10	5	2	0	34				
Statistic	Expatriate	Locals	Third Nati	onals							
Min Value	1	4	1								
Max Value	3	5	4								
Total Resp	33	33	33								

## 7.5 Recruitment and Selection practices and impact factors (H1b and H1c)

Concerning the size of an establishment (hotel), namely the number of employees working in it, literature claims that the bigger the establishment, the more likely is to offer diversified services and therefore to implement a wider range of recruitment and selection practices so as to spot, attract and hire, these employees having the necessary skills and attitudes to perform well and offer a high level of these services (SETE, 2005). However, in Greece and consequently in hospitality industry as well, the majority of firms are small or medium in size, employing less than 250 employees. This is mainly, because as stated previously in chapter 2 and 3, the majority of Greek firms are family owned, employing family members and highly trusted friends only (Katou, 2008; Stavroulakis, 2009). Thus, since our sample was quite skewed towards hotels employing less than 200 employees, two categories where created for the purposes of H1b testing (less than 200, and greater than 200). From the analysis below (table 7.18 & 7.19), means and standard deviations of practices are non-significant, apart from the case of job rotation (both tests) and the cases of application forms and interviews. This means once more that our null hypothesis of equality is accepted and thus H1b is rejected, suggesting no significant difference between small and large hotels.

Table 7.22: Recruitment practices vs size of establishments

Recruitment	Size	Mean	t-test	f-test
Practices	(number of			
	employees)			
Promotion	<200	4.043478	-0.7017	0.6160
	>200	4.5		
Transfer	<200	3.478261	-1.1853	0.7676
	>200	4.3		
Job Rotation	<200	3.608696	-2.4427*	4.6318*
	>200	4.9		
Agencies	<200	2.478261	-0.1690	0.5796
	>200	2.6		
Liaison with universities	<200	3.304348	-0.5121	0.8441
	>200	3.7		
Job fairs*	<200	2.521739	0.2078	1.2393
	>200	2.4		
Walk ins, unsolicited resumes	<200	3.695652	0.4196	1.9759
resumes	>200	3.4		
Employee referrals	<200	4.173913	-0.4301	1.9394
	>200	4.4		
Company website	<200	3.217391	-0.5441	0.5048
	>200	3.7		
Social Media	<200	2.782609	-0.8885	0.8314
	>200	3.4		
Print Advertisement	<200	3.478261	1.4860	1.1303
	>200	2.3		
Internal job posting	<200	3.782609	-1.7765	1.3978
	>200	5.1		
Other	<200	1.826087	0.5365	3.4318
	>200	1.5		

The same stands also for selection methods, in which the only significant result is for application forms, which are more often used (as it can be seen from the mean as well, almost 7=always). Though, in total the results remain the same as for the recruitment methods, by stating that it does not matter the size of the establishment for the diversity of selection methods mix and that even if the hotel employs more or less of 200 employees, the selection methods mix will remain the same. Again in this table it can be seen the preference that hotels operating in Attica, Greece have concerning the references check, the application forms, the resume screening and the interviews as the methods of selection most commonly used.

Table 7.23: Selection Practices vs Size of establishments

Calastian Duastians	C:	Nacon		fact
<b>Selection Practices</b>	Size (number of	Mean	t-test	f-test
	employees)			
Reference checks	<200	5.782609	-0.1995	2.3987
Reference checks			-0.1995	2.3967
A	>200	5.9	2.7640*	27.0056*
Application forms	<200	5.173913	-2.7649*	37.8656*
	>200	6.9		
Resume screening	<200	5.521739	-1.9201	2.9094
	>200	6.6		
Knowledge Tests	<200	3.434783	-0.5236	0.8171
	>200	3.9		
Performance/Work	<200	3.826087	0.2772	0.9774
sample tests				
	>200	3.6		
Ability tests	<200	2.565217	-0.0496	1.3690
	>200	2.6		
Motivational	<200	2.521739	-1.1016	0.8846
inventories				
	>200	3.3		
Personality	<200	2.782609	-1.2230	0.8241
inventories				
	>200	3.8		
Integrity tests	<200	2.478261	-0.8186	0.9727
· ·	>200	3.1		
Interviews	<200	6.304348	-1.2942	20.3953*
	>200	6.9		
Assessment	<200	1.826087	-0.3717	0.9732
centers				
	>200	2		
Social media	<200	2.086957	0.1653	0.6107

	>200	2		
Other	<200	1.478261	-0.4527	1.6906
	>200	1.7		

Finally, regarding our hypothesis H1c again in most of the cases, t and f tests provide non-statistically significant results, apart from employee referrals, internal job posting and other not covered in the study questionnaire methods. Similar is the case about selection methods, where statistically significant results (namely the existence of an underlying statistical significant relationship among selection methods and the number of hotel units) exist only for application forms and other methods not included in the questionnaire as not that commonly referred in the literature. The fact that application forms rendered again significant is justified as they stands as a preliminary selection tool for most of the job vacancies and because it includes profile information necessary for the screening process for the job. In addition when the positions are many in number and they are quite spread across organizational units, application forms speed up the procedure of selection (Torrington et al., 2005).

Table 7.24: Recruitment mix vs number of hotel units

Recruitment	Number of hotel	Mean	t-test	f-test
practices	units			
Promotion	One	3.941176	-0.8322	1.4332
	More than one	4.4375		
Transfer	One	3.470588	-0.8210	1.2276
	More than one	4		
Job Rotation	One	3.588235	-1.6703	1.6495
	More than one	4.4375		
Agencies	One	2.352941	-0.5069	0.8795
	More than one	2.6875		
Liaison with universities	One	3.529412	0.3045	0.7642
	More than one	3.3125		
Job fairs	One	2.764706	1.0912	2.0498
	More than one	2.1875		

Walk ins, unsolicited resumes	One	3.705882	0.3174	1.3536
	More than one	3.5		
Employee referrals	One	3.941176	-1.3169	3.5294*
	More than one	4.5625		
Company website	One	3.176471	-0.4727	0.8792
	More than one	3.5625		
Social Media	One	2.882353	-0.2788	1.6316
	More than one	3.0625		
Print Advertisement	One	3.117647	-0.0097	1.0183
	More than one	3.125		
Internal job	One	3.588235	-	2.4889*
posting			1.79738*	
	More than one	4.8125	4	V/
Other	One	1.882353	0.5727	5.3218*
	More than one	1.5625		

Table 7.25: Selection mix vs number of hotel units

Selection Practices	Number of hotel units	Mean	t-test	f-test
Reference checks	One	5.588235	-0.8870	1.8089
	More than one	6.0625		
Application forms	One	5.117647	-1.9784	3.1384*
	More than one	6.3125		
Resume screening	One	5.352941	-1.9866	1.7322
	More than one	6.375		
Knowledge Tests	One	3.647059	0.1793	1.6615
	More than one	3.5		
Performance/Work sample tests	One	4.058824	0.8368	0.8368
	More than one	3.4375		
Ability tests	One	2.764706	0.6085	1.4160
	More than one	2.375		
Motivational inventories	One	2.470588	-0.9055	0.5472
	More than one	3.0625		
Personality inventories	One	3.117647	0.0704	1.0229

	More than one	3.0625		
Integrity tests	One	2.647059	-0.0573	1.0707
	More than one	2.6875		
Interviews	One	6.235294	-1.2123	3.8603
	More than one	6.75		
Assessment centers	One	1.882353	0.0171	0.7924
	More than one	1.875		
Social media	One	2.352941	1.2779	1.8692
	More than one	1.75		
Other	One	1.588235	0.1954	3.1342*
	More than one	1.5		
_				

Based on the above it can be concluded that since all sub-hypotheses of H1, (namely H1a-H1e), have been rejected, H1 as a total (sum of the previous ones) is rejected as well. Therefore, it seems that \*category of a hotel, the size of it, the number of units and the type of ownership, have no significant impact on the level of transfer of recruitment and selection methods, as well as on the mix of these methods. Thus, in hospitality industry in Greece and more precisely in hotel industry in the wider area of Attica, there are specific recruitment and selection practices, accustomed for big cities with no seasonality, which differ slightly in the frequency/level of preference (of their application by the firms).

## 7.6 Summarising the Hypotheses

Having discussed above and in detailed all the thesis research hypotheses, a table summarising them should be useful, so as to help having a general overview of the present research. Therefore, from the table below (Table 7.22) it can be seen that all research hypotheses have been rejected, from H1 through H2.

Table 7.26: Summary of Research Hypotheses

Research Hypothesis	
H1: Hotels characteristics, such as star	Rejected
(*) category, size, number of units, age	
and ownership have an impact on the	
level of transfer of HRM practices and on	
the mix of recruitment and selection	
practices implemented by the hotel units	
H1a) Recruitment and selection methods	Rejected
used by 5* hotels appear to be more	
diverse than those used in 4* hotels.	
H1b) Larger hotels in size implement a	Rejected
more diverse mix of recruitment and	
selection practices and they usually use	
this mix for internal recruitment.	
H1c) Hotels with more units use more	Rejected
recruitment and selection methods and	
tools.	
H1d) The longer the subsidiary operates	Rejected
in Greece, the greater the local	
adaptation of its recruitment and	
selection process.	
H1e) The type of ownership has an	Rejected
impact on the level of transfer of HRM	
practices, by the hotel unit, from the	
parent hotel.	
H2: Hotels (units/chains) which stand as	Rejected
an MNE subsidiary in Greece are more	
likely to have a wider perspective	
(implementing more or more effectively)	
of recruitment and selection practices.	
L	

For H1d, H1e and H2, the low number of foreign hotels operating in Attica might have contributed to this, since they rendered any comparisons non generalisable. However, even in cases where the ownership (nationality) has not been the factor for comparisons, hypotheses were again rejected, implying a similar way of running the recruitment and selection process across 4\* and 5\* hotel units Greece. Thus, it could be that local culture in Greece, as well as the restrictive legislative system and the government's/trade unions' intervention, the reasons that do not allow for neither Greek, nor foreign hotels, to be initiative and apply practices away from trusted up to new ones (high uncertainty avoidance=112 based on Hofstede's Official Website). In addition, as it was stated previously, the strict legal and institutional environment might hinder implementation of new or quite diverse practices (Gerhart, 2008a; Gerhart, 2008b).

It should be mentioned though that there were several differences in terms of frequency of application, not always significant though. under the prism of both t and f-test. Application forms, reference checks and interviews appear as the most frequently used selection practices, while employee referrals, promotion and internal job posting, appear as the most frequently used recruitment strategies (remaining once more in line with the strong family bonds and tribal society types of Greece affecting every industry and sector). Finally, these types of recruitment strategies, are mostly part of internal recruitment, which is quite common in hotel industry since the recruitment process has to run several times per year, due to the high turnover rate and hourly-paid work contracts for temporary employment (Bratton and Gold, 2007; Davidson and Wang, 2011). Finally, it should be mentioned that most of the recruitment and selection practices used by hotels in the sample are low cost ones. A fact that could be easily justifiable as Greece is a country under heavy recession the past six years (limiting its resources for recruitment and training) (Kapiki, 2012; Kapiki, 2011). Concerning their effectiveness, it seems that the methods mostly used are also those considered to be the most effective ones, by managers in both Greek and foreign owned hotels.

Recruitment and selection practices of all types, are perceived by hotel managers to be used more in the future with the exception of print advertisement, walks-in and job fairs. Maybe this is because the last ones are considered, either more costly and obsolete methods or methods of low validity (Torringhton et al., 2005). Internet methods are the ones perceived to be used more in the future (scoring more than 2.5 in a 3-point scale). A global and boundary-less labour market might be the reason for this, as well as the less time required for the implementation of these methods. Managers seem to believe that ethical and discrimination issues regarding these methods, will be overcome in the future (Jobvite, 2011).

#### 7.7 Summary

The present chapter aimed to summarise the key finding of our data analysis and test for the acceptance or rejection of our hypotheses. From the above analysis, it became apparent that Greece is a country with strong culture and norms, that even during recession periods and technological advances, hotels remain loyal to them and apply their most common and trusted practices of recruitment and selection more frequently than any other type of practice. In the same pattern, they implement also their practices foreign hotels coming with an FDI in Greece. Therefore, most of them in order to respect Greek (host country) norms, but also to be able to become competitive and successful, they tend to use mostly locals for their managerial posts. Concerning, in total the implementation, as well as the transfer of recruitment and selection practices in Greek hotels, our results showed that no impact factor was significant enough to cause differentiation in the mix of practices or in the transfer of them. Stemming also from the strong Greek culture, it seems that internal recruitment methods are preferred, as well as selection methods closely related with the Greek family tradition. Hotel, managers seem to believe that the chosen methods in each category are the most effective ones, but in the future they believe, that the use of social media and internet recruitment methods will increase. Thus, having these results in mind we move on to the last chapter of the thesis, the conclusions chapter which aims to further reflect on the thesis by providing several implications and ideas for future research.

## 8. Conclusions

The present research serves as a sample study in hotel industry area, investigating HRM practices transfer from foreign hotels to their local subsidiaries and at the same time depicting differences among them and their local equivalents. The study evolves in Greece, a country in economic crisis and under deep recession the past six years. Therefore, a study in one of its main GDP contributors' industry (tourism), is rather important, not only because tourism is believed to be the only way out of crisis for Greece (tourism is the only sector still growing), but also even though its importance HRM in tourism is a rather limited researched area in literature (Kapiki, 2012).

The study focuses on recruitment and selection, rather important procedures in the hospitality industry; an industry characterised by a high turnover rate (Davidson and Wang, 2011). In a globalised era that everything changes quickly, the present study controls for the majority of organisational factors and uses cultural differences in order to explain different patterns and trends.

It is also an important study for the Greek hotel industry area, and specifically for Greek hotels, as it depicts differences based on hotel units size, \* category and number of units, which might serve as a starting point for less successful firms to become more competitive by trying to be similar to successful 5\* hotel units (local or foreign). The study apart from its contribution to the IHRM and tourism literature (on the area of HRM practices transferability and specifically on recruitment and selection process implementation and transfer, by big hotel units), has several implications, as well as some limitations, which should form the starting point for future research and further development of the industry.

## 8.1 Implications

The study has both managerial and academic implications. From an academic point of view the study contributes in filling a gap in the literature of IHRM and hospitality. It adds to the existing literature about HRM practices in Greece and especially recruitment and selection practices, but more importantly, it adds to the very limited research in the area of Greek hospitality industry and HRM (Kapiki, 2012). Especially now, that Greece in under economic crisis, a study like this underlines the importance of human capital in hospitality industry performance, and more specifically it underlines the fact that a rather efficient recruitment and selection process will bring in hotels, the needed human capital for their survival, their further development and future success.

From a managerial point of view it enhances industry understanding, as it provides knowledge to both Greek and foreign managers/hotel owners who already have or they aim to have a hotel operating in Greece. It serves as a guide, indicating the most effective recruitment and selection methods in Greek hotel industry. It also stands as a guide to foreign hotels transferring their HRM management practices in Greece and especially their recruitment and selection process, which is the most sensitive one to cultural adaptation (Brewster et al, 2000). The study is also useful for hotels operating in countries with similar to Greece characteristics, as it can stand as a baseline guide (though a specific to their country and culture study is needed). It also provides a practical guide for the most frequently used recruitment and selection practices as well as the role of several impact factors on them (star category, size, number of units, ownership) – which in our study seem to bring no differences in implementation and choice of practices.

The study could also serve as an initial source for education purposes, as educators (and managers when the training process is concerned) will have an insight on what practices are considered more effective in Greek hospitality industry.

#### 8.2 Limitations

However, the present study is not without limitations. Several of them exist, which could be taken as a basis for future research on the area. First of all, the limited number of answers which was provided by foreign subsidiaries does not allow for too many (and meaningful) comparisons between Greek and foreign subsidiaries and thus statistical significant results (referring to the differences between them) cannot be yield. Maybe expanding the sample in other prefectures outside Athens would be more helpful in having more valid and significant results from comparisons between MNEs and local hotel units regarding their implementation of recruitment and selection methods. In addition, even though hotel industry is a fruitful ground for such type of research, the study results cannot be generalised to other not similar, in terms of services, industries, as there might be differential industrial factors affecting the implementation and transfer of recruitment and selection practices in those industries.

Considering the sample it could be generalised to other big Greek city centres, which have similar to Athens characteristics. Though selection of Athens might have helped us to avoid the seasonality impact, (and thus have valid results about the choice and implementation of recruitment and selection process all year round) there is a possibility that if in the survey were included hotels operating in islands for instance, or in the other areas of Greece, where the seasonality impact is rather apparent, different recruitment and selection practices might be found to be used, or be implemented in a different way. However, there is only a small possibility for this as the already chosen methods (by hotels in the sample) are the low costs ones, which are also usually chosen when high seasonality and turnover rates exist in an industry (Daskin and Tezer, 2012).

Finally, the survey results were based on HR managers' assumptions, and therefore questions regarding the effective implementation of HR practices might have been biased as they were based on managers' own personal experience on the issue. Results might have been differently reported if employees were the respondents.

#### 8.3 Future research-recommendations and considered conclusion

The present research could form as a basis, for future studies and actions. First of all, it might be interesting to examine the extent to which each one of cultural and institutional factors (such as stage of internationalisation and importance of the subsidiary) impact on recruitment and selection practices transfer, by analysing a bigger sample (especially by including more foreign hotels in the sample). Another area for future research could be, using this study in a cross cultural way to examine the same issues (implementation and transferability of practices) in other countries which belong to the same cultural cluster as Greece or countries sharing and competing for the same tourism product, such as Mediterranean countries, so as to have results for recruitment and selection process implementation and transfer, in the whole Mediterranean, an important part of Europe. In this way it would be possible to develop even a framework for recruitment and selection practices implementation and transferability in the Mediterranean. Furthermore, the present study as being crosssectional, it could be replicated in the future years, and thus produce a longitudinal survey, having the possibility to examine in this way antecedents of recruitment and selection practices. It could also be run by applying a qualitative design in order to have a richer insight in recruitment and selection practices in Greek hotel industry and thus being able to explain even further the insignificant impact of all control factors, which was proved for the present survey. Finally, the very same survey could be used and run additional statistical tests (which were out of the scope of this study and its hypotheses), so as to have more results on recruitment and selection process in hospitality in Greece. A cross comparison of the present results with results obtained by employees' responses to the very same questions would also be interesting.

All in all, the present study serves several important purposes, such as filling in gaps in the academic literature, by providing a context and industry specific study for the industry contributing the most in Greek economy. It also provides a handful guide for managers in the industry for the implementation of one of the most important to the industry HRM practices, the recruitment and selection process (as the high hospitality industry turnover in relation with the increased competition due to globalisation, make the process rather important). Finally, the study is rather important as it considers the tourism and hospitality industry, which in an economic crisis period seems to be the only way out of the crisis.

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### **Appendix 1: Survey Questionnaire**

UNIVERSITY OF KENT KENT BUSINESS SCHOOL **CANTERBURY** UK

#### **QUESTIONNAIRE**

### HOTEL RECRUITMENT AND SELECTION PRACTICES: THE CASE OF GREEK HOTEL UNITS/CHAINS VS FOREIGN HOTEL **UNITS/CHAINS IN GREECE**

Alexandra Paraskevi Chytiri, MSc

### **PART A: General Information**

<b>B1.</b> Ownership (Nationality	of parent	company	with the	highest	${\bf proportion}$	of
ownership)						

Greek	Foreign/Subsidiary

B2. In case of foreign/subsidiary	what is the nationality of the parent company.
Please state	
•••••	
<b>B3.</b> Please state the proportion	of ownership of the biggest foreign parent
company/companies	

### **B4.** Number of hotel units

One		Less than 5	6-10	Over 10
	V /			

### **B5.** Years of operation

Less than 5	6-10	11-20	21-30	Over 30

### **B6. Size of establishments (number of employees)**

0-200	201-500	501-1000	Over 1000

#### **B7.** Type of operation

Owner / operator	Management contract	Franchise

B8.Staff structure (Please specify the proportion of staff that comes from the **following three categories**)

	0-5%	6-20%	21-50%	51-70%	Ove
					70%
Expatriates					
Locals	□				
Third Nationals					

B9. If foreign/subsidiary, to what extent do you transfer/apply the parent

company's HR pra	actices?						
Not at all						Fully	
	_	0		1			<b>\</b>
B10. If foreign/stadaptation of pare					llowing	factors	affect the
	Not at all		A				Fully
Social culture							
External market factors (labour market, external				0			
economic factors)	3						
Legal factors							
Internal firm factors							
(economic							
factors,							
organizational							
culture)							

### **PART B: Research questions**

A1. Which of the following methods for employee recruitment do you use in your hotel unit / chain?

<b>Recruitment Practices</b>	Always				Never
1. Promotion					
2. Transfer					
3. Job rotation					
4. Employment/Recruitment					
agencies (Private and public)		1	0)		
5. Liaison with universities (career days, internships)					
6. Job fairs					
7. Walk ins, unsolicited resumes					
8. Employee referrals					
9. Internet (company website)					
10. Internet (social media)					
11. Print advertisement					
(Newspapers and magazines)					
12. Internal job posting					
13. Other					

# A2. Which of the following methods for employee selection do you use in your hotel unit / chain?

Selection Practices	Always				Never
1. Reference checks					
2. Application forms					
3. Resume screening					
4. Knowledge tests					
5. Performance / work					
sample tests			. 4	, 7	
6. Ability tests					
7. Motivational fit			Image: section of the content of the		
inventories					
8. Personality					
inventories					
9. Integrity tests					
10. Interviews					
11. Assessment centers					
12. Social media					
13. Other					

### 3. Rank (from 1 to 5) the five most frequently used recruitment practices $\mathbf{r}$

Rank	Managerial and	Rank	Operational level
order	administrative level job	order	job openings
	openings		
	Internet (Company's		Internet (Company's
	website)		website)
	Internet (Social media)		Internet (Social media)
	Print Advertisement		Print Advertisement
	(Newspaper and magazines)		(Newspaper and magazines)
	Employment/Recruitment		Employment/Recruitment
	agencies (Private and public		agencies (Private and public
	agencies)		agencies)
	Liaison with		Liaison with
	universities/colleges (career		universities/colleges (career
	days, internships, career		days, internships, career
	office)		office)
	Internal job postings		Internal job postings
	Employee referrals		Employee referrals
	Job fairs		Job fairs
	Walk ins, unsolicited		Walk ins, unsolicited
	resumes		resumes
	Social media		Social media
	Other		Other
	<u>/</u>		

### A4. Rank (from 1 to 5) the five most frequently used selection practices

Rank	Managerial and administrative	Rank	Operational level
order	level job openings	order	job openings
	Reference checks		Reference checks
	Application forms		Application forms
	Resume screening		Resume screening
	Knowledge tests		Knowledge tests
	Performance / work sample tests		Performance / work sample tests
	Ability tests		Ability tests
	Motivational fit inventories		Motivational fit
			inventories
	Personality inventories		Personality inventories
	Integrity tests		Integrity tests
	Interviews		Interviews
	Assessment centers		Assessment centers
	Other		Other
			-

A5. Based on your personal experience, how effective do you think are the following recruitment practices used in your hotel unit / chain?

<b>Recruitment Practices</b>	Absolutely effective				<b>Absolutely Ineffective</b>
Internet (Company's					
website)					
Internet (Social media)				D	
Press advertisement					
(Newspapers and			1		
magazines)					
<b>Employment/Recruitment</b>					
agencies (Public and					
private)					
Liaison with					
universities/colleges					
(career days, internships,					
career office)					
Internal job postings					
<b>Professional associations</b>					
Employee referrals					
Job fairs					
Walk ins, unsolicited					
resumes					
Social media					
Other					

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A6. Based on your personal experience (in the hotel industry), how effective do you think are the following selective practices used in your hotel unit / chain?

Selection Practice	es	Absolute	•											lutely ective
Reference checks														
<b>Application form</b>	S													
Resume screening	g													
<b>Knowledge tests</b>										4				
Performance/wor	·k													
sample tests														
<b>Ability tests</b>														
Motivational	fit													
inventories														
Personality						/								
inventories														
<b>Integrity tests</b>														
Interviews														
Assessment cente	rs													
Other														
A7. What percen		_			t the	midd	le ar	nd I	nigh	er 1	man	age	rial	
levels) is filled in b	y exte	rnal cano	dida	ites?										
Over 80%	60-80%	<b>⁄</b> 0	40-	60%		20-40	0%			Less %	tha	ın 2	20	
	<b>-</b>													
										]				

A8. How necessary do you think are the following job qualifications for managerial and administrative positions?

Qualifications		Absolutely			Absolutely
		Necessary			Unnecessary
Relative	work				
experience					
Specific	job				
knowledge					
Technical skills					
Personality trait	ts				
Managerial abil	ities				
Communication	skills				
Interpersonal sk	kills				
International					
exposure					
Change			ø		
flexibility/adapt	ation				
abilities					
Other		<u> </u>			

A9. How necessary do you think are the following job qualifications for operational positions?

Qualifications	Absolutely				Absolutely
	Necessary				Unnecessary
Relative work experience					
Specific job knowledge					
Technical skills					
Personality traits					
IT skills				ū	
Team working					
<b>Communication skills</b>					
Other					

A10.	All in	all, how	effective	are the	recruitment	practices	you t	use in	your	hotel
unit	/ chain	for the f	following	job cate	gories?					

Job Categories	Abs	olutely						Absolu	ıtely	
_	effe	ctive						Ineffe	ctive	
Management						[	<b>_</b>			
Administrative							<b>-</b>			
Supervisory						[	]			
Technical						[	]			
Other						Ε				
A11. Who is respo	onsible fo	r the sel	ection	proce	ss in y	our	hotel	l unit /	chain	?
(Please tick more th	nan one if	this is th	e case)							
Managerial Level										
HR department	Operat	ional	T	op ma	nagem	ent	Oth	ner		
	departi	ment hea	ds							
				]						
Operational Level										
HR department	Operat	ional	T	op ma	nagem	ent	Oth	ner		
	departi	ment hea	ds							
				1						
A12. To what exten	nt is the	recruitmo	ent an	d selec	ction p	roces	s in	your co	mpan	y
influenced by?										
,										
		A lot	Lit	tle	Not	at				
					all					
Corporate	social									
responsibility										
Ethical values										

# A13. Which of the following recruitment and selection practices, do you expect to change in the future?

<b>Recruitment Practices</b>			
	More future	No change	Less future
	use		use
Internet			
Newspapers and magazines			
Trade publications			
<b>Employment agencies</b>			
Consultant agencies			
Government employment	A.C		
services			
College recruiting			
College internships			
Professional associations			
Employee referrals			
Job fairs / career days			
Company `s web site			
Internal job postings			
Walk ins, unsolicited resumes			
Other			
<b>Selection Practices</b>			
	More future	No change	Less future
	use		use
Reference checks			

Г	T		T
Application forms			
Resume screening – manual			
Resume screening -			
computerized			
Knowledge tests			
Performance / work sample tests			
Ability tests			
Motivational fit inventories			
Personality inventories		X	
Integrity tests			
Behavioural based interviews			
Situational interviews			
Computer – assisted interviews			

Other	
Other	
Other	
Other	
	X V

Thank you for your cooperation!