



## **PERFORMANCE MANAGEMENT IN HOTEL BUSINESSES**

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### **ABSTRACT**

At present times and in the future the touristic businesses which improve and motivate human resources will be able to achieve their goals easier. But the organizations which cannot achieve this will be obliged to lose their activity fields in time. The most important feature of the tourism sector is to be based on human factors and especially for hospitality businesses being a part of labor intensive businesses. In a country in terms of increasing tourism sector, human factor on the presentation side has a great place. Therefore being successful of the labor work in the hospitality business in their job will also raise customer satisfaction. Performance assessment is a tool that helps directors to measure and increase the employee performance to have the employee performance improved and to provide job satisfaction.

Performance assessment shows the employee what is being expected and what he has to do to achieve the goals of the business. Besides both the place of the employee and essential in-service- training needs will be identified. It contributes development of inter employees communication. And in terms of the director in the business, performance assessment provides to get more effective and truer information about the staff, and also to do the internal career development planning more rationally.

**Key words:** Performance, Management, Hotel Business

### **1. INTRODUCTION**

Hospitality businesses are substantially physical effort based and labor intensive businesses. Thereby the success of the business is also depends on the activity of labor force. specifying what degree is the labor force can only be determined under favour of performance assessment.

In globalization process, to develop the organization with high performance and supports the employment vision, mission and objective and to provide the chance use all potentials are among the requirements of the competition. Human Resource Managers have to pull the qualified labor force in the business to improve and keep them in the business to create the desired organization (Örücü and Köseoğlu, 2003: 19). In today's organizations the factors which hinder improvement of human resources and employee performance are (Winkleman and Mummert, 1996: 53);

- ✓ For management not being able to support from conditions, priorities and talented labor force,
- ✓ For management having limited time to review the cooperation study and to realize the changing need,
- ✓ Being unable to relate the performance assessment, recognition and reward systems and prior objectives,
- ✓ For managers not having the qualification and leadership talents,

### **2. PERFORMANCE MANAGEMENT**

Performance Management system is a process which includes the actions to be taken in the short and long term for defining and sharing the success, leading and improving people as success-oriented (Armstrong, 1994; Öztürk, 2006).

Although the performance management is expressed in various management theories appearing as an independent and special management system corresponds to the end of 1980s and early 1990s. Beyond being

only an approach, it has been risen as an alternative management philosophy in which systems are designed and improved with its philosophy related to be accepted as a value not only a simple labor force, to be motivated, participating the decision processes, developing the labors and organization (Williams, 1998; Boyacı, 2003).

The success oriented support and motivation form the basis of performance management by integrating the intelligible and achievable goals to organizational goals (Lockett,1992; Öztürk, 2006).

According to Bredup (1995) in organizations performance is defined by three conceptional dimensions. These are sufficiency, efficiency and changeability. Sufficiency; determines how economic are the sources of the organization being used, efficiency; determines in what degree are the customer needs being satisfied, changeability; is about in what degree is the organization ready for future changes. Interaction of these dimensions to each other determines the competition power of the organization. All management approaches have to change to support the improvement of these three dimensions of performance (Boyacı, 2003).

It can be said that performance management system in schools is a process which wants to reach success in education overarching the general and special purposes of education to duties and responsibilities of the staff. Within this process the essential support and motivation is provided by the school management.

Performance management system is the process of establishing a common mentality related to organizational goals to be performed and the performance to be revealed in the organization and managing the employees in the correct way to increase the level of their contributions to the common efforts they perform to achieve these goals (Barutçugil, 2002).

In the process of performance management system to reach the goals, having employees to show high performance, making contribution to vocational development and rewarding have effect.

Focusing of the employees, improving their abilities and determining the goals to provide the commitment and measuring at what degree these goals have been achieved (Barutçugil, 2002).

## 2.1. Main Factors of Performance Management System

The main factors of the system mustn't be ignored to reach the goals of performance management.

The main factors of Performance management system are:

- ✓ Planning the individual performance ( through the goal setting interviews between the inferior and superior at end of the period)
- ✓ Determining the essential criterias to evaluate individual performance (Selecting the performance Valuation Methods)
- ✓ Reviewing the performance in the direction of selected methods (filling the valuation forms in the direction of predetermined principles, evaluating performance)
- ✓ Providing feedback to the evaluated individual related to his/her performance (Making valuation interviews)
- ✓ Leading the person in the direction of feedback for improving performance (Coaching)
- ✓ Forming a basis by performance valuation results to make decisions related to individual (charging, promotion, career development, education etc) (Uyargil, 1994).

When the main factors of performance management system examined we can see the importance of the effective communication. A bad communication among people who take place in the system may stop the system to achieve the goal.

## 2.2. The Usage Areas of Performance Management

Performance Management System is a system which concerns the employees, directors and the organization itself. Three of them have different goals and expectations for using this system (Uyargil, 1994). Performance Management System may show an increase together with individual and organizational success level.

### 2.2.1. Strategic Planning

Each organizational unit manages the determining and realizing the process of the goals individual level by distributing the duties among personnel in line with their own goals. Thereby strategic plans of organization have been tried to realize being in harmony with general purposes turning into individual plans/goals (King, 1984; Uyargil, 1994).

Employees may contribute to goals the organization aims to reach with performance management system cooperatively and adopting these goals.

### 2.2.2. Wage and Salary Management

One of the most critical goals of the performance management is using the valuation results in wage- salary management system. In most of our businesses performance valuation results have been effective on creating peoples' wage directly or indirectly through promotions (Uyargil, 1994).

It can be said that one of the most important usage area of performance management system is wage- salary management.

### 2.2.3. Career Development System

Career Management System is hand in and glove with Performance Management System because of the actions it includes like goal setting, self assessment, valuation of the inferiors by superiors, developing the inferior by putting them through training programs etc. Being in an information interchange in organization will also affect other personnel systems positively (Uyargil, 1994).

Performance Management System and Career Improving System support the personal development. Since the personal development will contribute for institutional development career development system is involved in performance management system.

### 2.2.4. Determining the Training Needs

The success of education/development actions in organizations depend on being well planned of these actions. A good planning will be possible by determining who needs which subject, when and what degree he needs (Uyargil, 1994).

Performance management provides the employee to collaborate. Determining the fields employees are sufficient they are supported to qualify in other fields.

Particularly in the conditions that performance valuation results are discussed between the evaluated and the evaluative mutually and valuation interviews are done, training needs of inferiors can be thought to shape with high level objectivity and neutrality (Uyargil, 1994).

## 2.3. Goals of Performance Management

Performance management system offers a totalitaritan goal systematic for managing the subprocesses like particularly the planning directed to whole organization and employees, feedback, developing, valuation, budgeting, rewarding and dismissing. In this regard goals of performance management system can be specified as follows (Uyargil, 1994; Boyacı, 2003):

- ✓ Turning the organizational goals into defined personal goals,
- ✓ Determining the necessary criterions to realize the the goals,
- ✓ Evaluating them fairly, equally and on time according to predetermined criterions
- ✓ Configuration an effective communication process between director and wage earners to get the person to compare results of expected and performed performance of him/her.
- ✓ To improve the performance as a whole providing the organization, director, inferiors and superiors to be in cooperation,
- ✓ Providing the success of employees to be recognized and rewarded,
- ✓ Motivating the employees through feedback,
- ✓ Providing information flow related to necessary subjects like career planning, charging and education.

It can be said that increasing the success and perfections of organization and employees, providing an effective communication among employee are being aimed.

There have been various factors which effect performance. Some of them are:

- ✓ Personal Factors: individual talent, sufficient, motivation and responsibility.
- ✓ Leadership Factor: encouragement, leading, guidance, support of team leaders and managers.
- ✓ Team Factor: support of co-workers.
- ✓ System Factor: business systems.
- ✓ Environment Factor: environmental press will be able to come from the inside and outside (Öztürk, 2006).

The person has to be on a level of being able to realize own goals to be able to show high performance. The person who is not on this level may need motivation and support to achieve his goals.

The factors which affect the success situation of the personnel, cause distinctness and variances are classified as; personal abilities, intense of success motivation, environmental factors and organizational factors (Canman, 1993; Uçar, 2001).

#### **2.4. Rules of Performance Management**

While the performance management system is being formed must be gone by the following main subjects:

- ✓ Organization goals have to be shared, department, unit, team and individual goals have to complete each other,
- ✓ Organization goals have to be advisor,
- ✓ Performance development has to be continous and development oriented,
- ✓ Has to rise at the heart of association and cooperation more than control and force,
- ✓ Improving of the performance and how to be achieved have to be shared and explained,
- ✓ Individuals have to be encouraged to use initiative in through the development of individual performance,
- ✓ Management manner must be clear, honest and based on mutual communication,
- ✓ Information flow and informing must be sustained,
- ✓ Changes in the organization goals must be explained to individuals with information and experience, goals and revisions must be enabled,
- ✓ Performans realization, measurement and valuation of determined common goals must be done together,
- ✓ System must be implemented to all employees,
- ✓ In the first step performance and financial conditions must not be associated directly (Öztürk, 2006).

In educational organizations the goals of the school and employees who work in the school must be compatible and progressional. School management must give directions to the employee about the goals clearly and intelligibly. During the performance management process everybody's performance has to be evaluated, required cooperation must be provided.

#### **2.5. Significant Points in Performance Management**

The factors influence the system negatively:

- ✓ Insufficient motivation and misinformation,
- ✓ Miscommunication between employee and manager,
- ✓ For directors not using the time well
- ✓ Applications which are not equal and fair

Besides these the factors like honest, clearness, fair, discipline also affect the system (Öztürk, 2006).

During the performance management process if the director cannot supply the essential support, cannot distinguish the high and low performance individuals, desired goals may not be able to reached.

### **3. PERFORMANCE MANAGEMENT IN HOTEL BUSINESSES**

In our country tourism sector is a chief industry which takes an important place for growth of country. Hospitality business is an important constituent of tourism industry. Especially the job performance of the employee work in hospitality businesses which produce labor intensive service has been effective on providing customer satisfaction of the hospitality business, increasing the competition advantage of the business and getting the customers to prefer the same business again. The level of information, talent, ability of the personnel work in the hospitality business and the way they use these factors become an important factor to satisfy the customer expectations.

In the case of offering product and service from person to person, attitudes of supplier to service receiver has an importance as a modifier and a quality determiner. Therefore measuring the job performances of suppliers is mandatory and inevitable (Tarlan ve Tütüncü, 2001, s. 141-143). Applying a personnel performance valuation method which will be able to vary according to goals and management strategy may provide support for development of the business.

The aim of the study is examining the current performance valuation processes on the purpose of optimizing the contributions of the personnel work in four-five star hotel businesses which carry on activities in Ankara.

In the study it is defined what the hospitality businesses are. Following this, performance management process of hospitality businesses employees and valuation of working personnel have been detailed. The contributions that performance valuation supply to hospitality businesses have been described.

At the final stage the survey results which had been made in four-five star hospitality businesses in Ankara were analyzed by the help of SPSS Statistical package program, in line with obtained findings suggestions were tried to be revealed.

#### **3.1. Definition of Hospitality Businesses**

In the literature quite a few definitions have been made for hospitality businesses. In spite of all these various definitions it has been explained in all definitions that hospitality business are useful to supply peoples' temporary food/beverage mobilities and several social needs and the businesses produce product and service.

In the first section and fourth article of "Regulations Related to Certification and Qualities of Tourism Association" published in the official gazette dated 21.06.2005 and number 25852, Tourism Business is described as "commercial businesses which are performed by Turkish or Foreign Nationals, natural and legal persons, realized together or individually and are active in tourism facilities" and tourism association is described as "associations which are in the scope of tourism investment or tourism business activities are done and supplementary factors of those" (Ağan, 2007, s.3).

#### **3.2. Performance Management Process of Hospitality Business Employees**

According to the definition in the dictionary of National Productivity Center performance has been described as; what extend the individual who performs a job, a group or attemption reaches the goals intended for the goals aimed and planned, in another word quantitative and qualitative description of what they have gained (<http://www.mpm.org.tr/sozluk/default.asp?dict=p>, Erişim Tarihi: 18:06: 2009).

At the end of a production process the reached productivity has been determined based on the performance of the employee who performs a duty within the production process.

In a business by performance the goals which the business try to reach are being expressed and the performance of business determines where, in which position and what size the business wants to be in the future. Furthermore the fields where the business will canalize its sources are determined already (Koçel, 2003, p.84).

General structure of performance management is pointed down in the figure 1 (Benligiray, 1999, s.7).

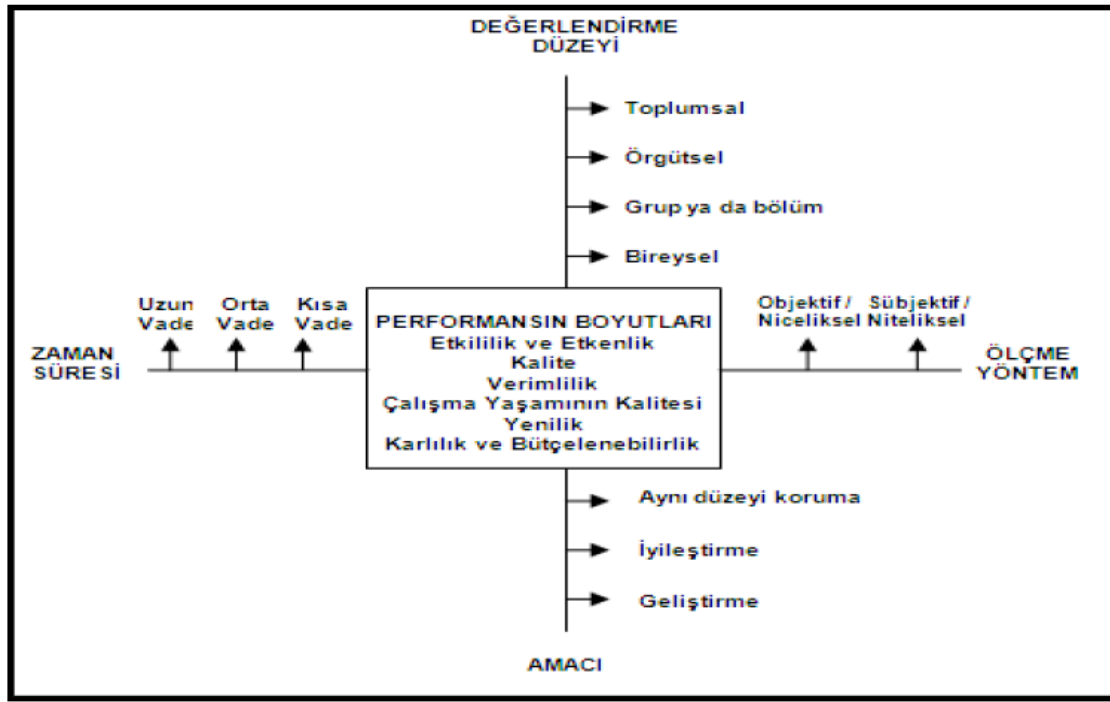


Figure-1: General Structure of Performance Management

According to general structure of performance management as it is shown in the Figure 1; total performance of employees, group or department performances reveal the performance level of the business. To be able to determine the performance level of the business certainly some valuations have to be done at a level of customers get service and society. Besides in terms of the business the headquarter of the performance is related to the goals of keeping the possessed performance level, improvement or increasing. To achieve the performance level which the business wants to reach time period could be determined from short period to long period. Performance valuation methods may show objective/quantitative or subjective/qualitative values in terms of measuring method (Benligiray 1999, p.6 - 8).

### 3.3. Performance Management Process and Goals

Performance management is a process that assumes the duties like information gathering about targeted goals of the business and current and future conditions the business to perform the these goals ,comparing these information, starting and pursuing activities making arrangements to provide continuous development (Benligiray, 1999, p.27).

An operator sets achievable measurable targets for activity and productivity using performance management of the business and continuously tries to measure its activities related to these goals (Bilgin, 2004, s. 125).

For a performance management a business has to be developed consistently and has to determine development strategies, use the available sources effectively and develop as targeted, performance enhancing and measurable targets have to be set, the results related to these performance targets have to be followed and checked periodically, the capacity of the business has to be tried to increase (Bilgin, 2004, s.127). Moreover the directors of the business have to make an effort to enhance the performance of all personnel apart from trying to measure their performance properly (Dreher and Thomas, 2001, p.139).

Since the Performance Management Process of Hospitality Businesses Employees is the main factor of personnel service production in Hospitality Businesses it is the most important capital. Therefore the subject how to benefit from labor force ideally is becoming important (Ağan, 2007, s.89).

The main objectives of trying to constitute the performance management system in hospitality businesses in hotel businesses can be defined; to constitute a connection between the goal-oriented strategies which are not inconsistently with goals of performance valuation and performance valuation, to improve the organizational culture in the business, to provide the personnel to be participant, to form effective groups in the business, making effective management decisions, operating in activities like increasing the employee

performance and prudential. As consequence of realizing these goals hotel businesses will be able to benefit from the possessed sources effectively and voluminosly, will be able to increase the (Benligiray, 1999, s.29-30).

Briefly, to keep up customer satisfaction, service quality and productivity, for personnel it has to apply performance management.

#### 4. CONCLUSION

In recent years by courtesy of growth in the national income, decrease in work hours, technological developments and globalization tends of more vacation have actualized. Thus increasing of demand for tourism businesses has raised the importance of these businesses.

Service and quality are some of the main determinants for success of hospitality businesses. The performance assessment process which is being implemented by the aim of maximizing tries to increase the support of personnel using their job talents and abilities rationally. Thus hospitality businesses have one more step for achieving the goal of satisfying customer requests.

At what degree the goals of the business are understood by personnel and at which level the practices to achieve the goals are successful have to be evaluated. The most important thing in hospitality businesses is to reveal the corporation identity luculently and clearly. To this end vision mission and strategies of the hospitality business have to be determined. Thereby to achieve the common goals of the business, personnel who work in the business may be provided to work consciously and wistfully. Especially in terms of employee in the direction of business goals to know own shares in another word job definitions completely will be an adjuvant factor for employee performance. The fundamental duty of the directors is to provide the employees to work in a happy environment discharging duties at a minimum.

Performance valuation system which will be applied in hospitality businesses has to be regulated in the manner of contributing for individual and organizational improvement providing multidirectional communication in the business.

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