Evaluating In-House Trainings Practices Within Small And Medium Hotels: An Explorative Study On Pakistani Hotels

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Abstract

Being a service oriented sector, the role of in-house employees’ training cannot be underestimated in small and medium hotels. Skilled and well trained workforce can only assure good customer services. Therefore, the hotel sector needs to continuously impart advance trainings to their employees for achieving and sustaining competitive advantage. Keeping in view the pivotal role of employees’ training in hospitality sector, this study has endeavoured to explore the training practices of SME hotels in Pakistan. Following a qualitative methodological approach the primary data was collected from three (3) medium hotels in Islamabad, Pakistan through nine (09) semi-structured interviews schedules from mangers serving on different position including: General; Human Resource and Departmental managers. Results of the study depicted that in view of financial and technical constraints SME hotels in the country are mostly adopting informal training methods and thus compromising on the most advantageous formal methods of trainings. The study revealed that owners/managers of SME hotels are underestimating the vital role of formal in-house training in evolving skilled workforce for ensuring quality customer services. The study concluded
that adaptation of formal training methods will enhance employees’ motivation, knowledge and work performance in SME hotels in Pakistan.

**Key words:** Training methods; SME hotels; Pakistan.

**Introduction**

For any organisation, human resource development is a vital component to achieve performance, goals, improve productivity and sustain competitive advantage (Xiao, 2010). According to Bell et al. (2003), Kyriakidou and Maroudas (2010) and Hong and Kean (2012) training is one of the most appropriate ways to increase the productivity of individuals and meet organisational goals. Ahammad (2013); Nickson (2007) and Nischitaa and Rao (2014) suggests that staff training in the hotel industry whether large or SMEs is essential in many ways to increase productivity of employees who armed them with professional knowledge, experienced skills and valid concepts about customer service. In this context, Bayoud (2013) specify that successful hotels always include staff training as their most important development strategy. To achieve the research aim & objectives and thereby answering the key research question, the next section reviews the literature on the major function of HRM such as selection practices and how they influence the performances of employees and organizations.

**Literature Review**

Sommerville (2007) states that training improves both quality and quantity of output; well-trained employees are self-confident in their work, as they know what to do and how to do their work to achieve competitive advantage. Similarly, Moore (2008) adds to this debate by stating that effective training in the hotel industry will not only improve employees’ knowledge, skills and attitudes to work, but will also help to reduce other costs. The other costs include reducing breakages, minimising waste of materials and misuse of equipment, reducing accidents, reducing absenteeism, reducing labour turnover and (perhaps most importantly) reducing stress on management. In this context, Alipour and Shahnaz (2009, p. 64) concluded, “Training is a situational process that is why no single method is right for every situation. While some objectives could be easily achieved through one method, other objectives could necessitate other methods”.

Different methods of training are discussing in detail below:

<table>
<thead>
<tr>
<th>Training methods</th>
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<tr>
<td><strong>Formal</strong></td>
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<tr>
<td><strong>In-formal</strong></td>
</tr>
<tr>
<td><strong>Off-the-job</strong></td>
</tr>
<tr>
<td><strong>Induction</strong></td>
</tr>
<tr>
<td><strong>On-the-job</strong></td>
</tr>
<tr>
<td><strong>On-the-job</strong></td>
</tr>
<tr>
<td><strong>Induction</strong></td>
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**Source:** Researcher

**Induction Training**

http://www.webology.org
It is a type of training which is provided at the initial stage of the job to the employees when newly selected (Hendricks and Potgieter, 2012). This type of training is considered crucial part of a company HR practice as the purpose of this training is to let the newcomers aware about the employment nature, the physical organization working environment, its culture and values and the most important employee working responsibilities (Yilma, 2015). According to Runola (2013) if the organization wants to gain competitive advantage and strengthen its human resources, the management should invest more in employee training practices since the very beginning properly with an employee induction programme. Kearney (2010) argues that new employees cannot meet the expectations of organization until proper induction training has been given. Wang (2008) state in this context, that many hotels have now realized the importance of induction training, based on the argument that with the help of induction training, the management can get the best out of the newly selected staff. It confirms that induction training enhances employees’ commitment to SME hotels and reduces employee turnover rate.

Formal off-the-job training

Off-the-job-training (OTJT) is a formal form of training, which is usually, takes place outside the organization and normal working environment. This type of training can be delivering by in-house trainers but generally, the external trainers or specialists attain this. The example of such kind of training includes formal induction sessions, training geared towards the achievement, understanding of a specific skill set and abilities. The techniques normally used in this type of training are conferences, workshops, lectures, E-learning and interactive methods such as role-plays etc. Likewise, Panagiotakopoulos (2011) argue, off-the-job training is more operative compared to on-the-job because when the employees are sent out from their normal working environment for training, so their full attention is towards learning, gaining new knowledge and skills as they are completely off their work for certain duration. Besides, Armstrong (1991) argue that off-the-job training is most beneficial for the development of managerial, social, team leading and customer service skills in contrast to on-the-job training. However, according to Karanikola (2015) instead of investing highly in relation to resources, money and time, on-the-job-training programmes do not always gain the expected outcomes. In addition, Torrington and Hall (1991) specify that such type of training is very costly, difficult in simulating the problems of the job and finally yet importantly, is more time consuming.

Formal on-the-job training

Formal on-the-job training (OTJT) is a type of training method that takes place inside the organization in the form of workshops or seminars to enhance the skills of employees which purpose is to prepare them to provide quality service to the customers (Masterson and Cormican, 2007). Alipour and shahnaz (2009) states that OTJT is a planned practise which purpose is to develop the task level expertise of the new employees with the help of experienced staff at the actual work environment. Jacobs (2003) illustrate that formal OTJT also called structured OTJT is
a planned training occurring on the job during the work that should possess by skilled and knowledgeable staff to perform proficiently. In order to develop formal OTJT there is a general job analysis that is followed by a systematic training method (Masterson and Cormican, 2007). However, the research indicated that SMEs are not willing to provide formal training to their employees (Bishop, 2011).

Informal on-the-job training
In contrast to formal on-the-job training, Informal on-the-job training, also called unstructured OTJT, take place inside the organization but the specification of this type of training is different than the previous one (Pfau, 2005). Alipour and Shahnawaz (2009) concluded that this type of training is unplanned, unscheduled where an experienced and skilled employee train other employees, the skill and knowledge provide during this type of training is related directly to the job requirement. Hence, Masterson and Cormican (2007) illustrate that in this type of training the novice employees are watching the experienced staff when they perform their job and learn from their work or either performing the work themselves and learn it practically. Informal on-the-job training is the most frequently used method in SME hotels (Thelin and Boluk, 2012). Besides, Jacob (2003) concludes that the purpose of this type of training is to develop some specific skills for urgent working environment, usually unplanned. Nickson et al. (2002) argue that in the hotel industry, the management emphasis on employee skill development through internship or occupational work-related experience hence, mostly practice informal on-the-job training instead of formal on-the-job or off-the-job training. Bayoud (2013) concluded that informal on-the-job training in the hotel industry is more preferred because of the industry nature as the staff performed most of the work in direct contact with the clients.

Research Methodology
As this is the first explorative research on training practices on SME hotels in Pakistan thus the researcher believes that in-depth semi-structured interviews are appropriate. The main purpose for using this approach, include, the fact that, in semi-structured interviews most questions can remain open to a certain degree which allow the respondents to answer more in their own terms and provide information as they wish. Also, this approach gives the researcher a certain degree of flexibility to include additional questions during the interviews when issues worth exploring arise or for the purpose of gaining a deeper insight into the content and meaning of the managers' answers related to the research questions. This statement is also supported by Saunders et al. (2009) who states that the order of questioning during an interview may also vary, and additional questions may be needed, depending on the answers provided by the interviewee. It is therefore important for both the interviewee and interviewer to feel relaxed and keen to answer the research questions truthfully. Thus, nine (9) semi-structured interviews were conducted with general, HR and line managers of three SME hotels in Islamabad Pakistan. The main aim was to get a thorough understanding of the phenomena in hand by gaining in-depth information from participants about the prevailing RST practices in Pakistan. However, to ensure anonymity of the
interviewee hotels, they are referred to with the letters: SME Hotel ‘A’ ‘B’ and ‘C’. In addition, in Table 1.1 assigns specific codes for every hotel and managers. For example, GMHa=General Manager Hotel A, HRMHa=Human Resource Manager Hotel A and DMHa=Departmental Manager hotel A. GMHb=General Manager Hotel B, HRMHb=Human Resource Manager Hotel B and DMHb= Departmental Manager Hotel B. GMHc=General Manager Hotel C, HRMHc=Human Resource Manager Hotel C and DMHc= Departmental Manager Hotel C.

Table 1.1 Interviewed participants and hotels specific codes

<table>
<thead>
<tr>
<th>Number of case study hotels</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
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<tbody>
<tr>
<td><strong>Hotel Code</strong></td>
<td><strong>Hotel A</strong></td>
<td><strong>Hotel B</strong></td>
<td><strong>Hotel C</strong></td>
</tr>
<tr>
<td><strong>Participants</strong></td>
<td>1. General manager</td>
<td>1. General manager</td>
<td>1. General manager</td>
</tr>
<tr>
<td>2. HR manager</td>
<td>2. HR manager</td>
<td>2. HR manager</td>
<td></td>
</tr>
<tr>
<td>3. Departmental manager</td>
<td>3. Departmental manager</td>
<td>3. Departmental manager</td>
<td></td>
</tr>
<tr>
<td><strong>Participant codes</strong></td>
<td>1. GMHa</td>
<td>1. GMHb</td>
<td>1. GMHc</td>
</tr>
<tr>
<td>2. HRMHa</td>
<td>2. HRMHb</td>
<td>2. HRMHc</td>
<td></td>
</tr>
<tr>
<td>3. DMHa</td>
<td>3. DMHb</td>
<td>3. DMHc</td>
<td></td>
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</tbody>
</table>

Source: Researcher

Hence, in this study, it was important to establish a relationship and confidence with the interviewee by confirming anonymity and confidentiality, which made the respondents more comfortable and open with the information they provided. The Semi-structured interview plan-key themes and examples of specific questions. After identifying the potential participants for the interviews, the semi-structured interview schedule in Table 1.2, below was prepared, comprising of a list of key research themes and examples of specific interview questions. For example, under the key research theme “Training practices” the sub-theme is “formal and informal methods.

Table 1.2 Semi-structured Interview Plan - key themes and examples of specific questions

<table>
<thead>
<tr>
<th>Training practices: methods and key factors influencing decisions on which methods to use</th>
<th>Formal methods</th>
<th>Informal methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>What kind of formal training does your hotel provide to employees? (On-the-job training, off-the-job training /within the hotel or outside the hotel).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What kind of in-formal training does your hotel provide to employees? (On-the-job training, off-the-job training /within the hotel or outside the hotel).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Source: Researcher**

**Qualitative Data Analysis procedure**

For qualitative data analysis procedures there are many types, such as content analysis, domain analysis and thematic analysis, which can be carried out by using either computer software (e.g., ATLAS.ti, QSR NVivo) or by using a manual approach (Miles and Huberman 1994; Auerbach and Silverstein 2003; Gray 2009; Jennings 2010). Whereas Creswell (2013) stated that thematic analysis applies to a range of epistemological and theoretical approaches thereby increasing the reliability and validity of the key themes within the interview transcript. Since, both manual and computer-based approaches make use of coding systems, which suggests that both approaches can be integrated (Gray 2009; Jennings 2010), in this study, a pre-coding system based on the hierarchical relationship between the main- and sub-themes from the literature have been used as shown in Table 1.3. For example, at Level 1, one of the main research themes is ‘training practices’ which is coded ‘TP’. This is linked to three different sub-themes at Level 2 and Level 3. For example, at Level 2, the sub-themes are ‘types of training practices’ (TP-type), ‘formal training practices’ (TP-formal) and ‘informal Training practices’ (TP-informal). At Level 3, the sub-themes relate to specific examples of training practices e.g., (TP-type-formal/off-the-job; TP-type-informal/on-the-job; TP-type-formal/open).

**Table 1.3 The Pre-Coding System for analysing the Interview Transcripts – based on the hierarchical relationship between the research themes.**

<table>
<thead>
<tr>
<th>Level 1 themes/Codes – thesis title; key research questions (single code)</th>
<th>Level 2 themes/Codes – key research / objectives (two codes combined)</th>
<th>Level 3 themes/Codes – key research / objectives (three codes combined)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(TP) Training practices</td>
<td>Different types of Training (TP-type; TP-formal; TP-informal)</td>
<td>Specific examples of training practices (TP-type-formal/off-the-job; TP-type-informal/on-the-job; TP-type-formal/open).</td>
</tr>
</tbody>
</table>

**Note:** Training practices/Different types of training Formal/open training (1) Induction training; (2) on-the-job training; (3) off-the-job training. Informal/close training (1) Induction training; (2) on-the-job training.

**Source: Researcher**

681 http://www.webology.org
Findings & Discussions
According to the research conducted by Thelin and Boluk (2012) on SME hotels they claim that in SME hotels there is no formal policies and practices. Thus, SME hotels with running HR department were included in this study in order to identify whether they selected hotels used the formal or informal practices. Despite of having the functioning HR department in the selected hotels, managers were justifying the absence of effective training practices. The managers of the selected hotels specify that due to the limited financial and skilled resources and cultural impact, they are unable as well as restricted in developing and implementing effective practices in their hotels. However, the hotel managers show their willingness for the need of effective practices. Though, due to the lack of professional HR skills it doesn’t allow SME hotels in Pakistan to implement systematic training processes and practices. Based on the findings of the explorative in-depth interviews a range of Training methods were identified and discuss below:

Theme# - Training practices (TP), methods and resources used by SME Hotels in Pakistan
In today’s day and age, within competitive hotel industry business, training is considering as the most important component of success (Raja et al., 2011) which increases the proficiency and the value of workforce and the organization (Sultan, 2016). Within SME hotels and their larger counterparts, training improves the abilities of employees in order to perform their job in a better way. Existing literature suggests that training is a method that provides the workforce with the understanding and the abilities of their work to help them operate to the organizational standards set by management (Karanikola, 2015; Nischitaa and Rao, 2014). Similarly, one interviewed manager of a hotel also illustrates:

“In order to catch up with the current business needs and to face future business requirements, it is crucial to equip the workforce with the right KSA to perform their jobs” (HRMHb)

In the same context, one other respondent explained:

“Training helps SMEs to develop and enhance human capital and compete effectively in the conventional hotel industry. Ultimately, it helps to improve the individual and the overall business performance” (DMHa).

Nickson (2007) supports this and states that staff training in the hotel industry is essential in many ways to increase productivity and business performance. Despite conventional SMEs, environment hotels always include staff training (Ahammad, 2013) to achieve competitive advantage (Janes, 2005). Additionally, to provide good customer service SME hotels need to give induction training to new human resources. In this context, one manager specified:

“It’s very important for the new employees to get induction training to bring them to the level of the hotel’s standard. We keep our new employees on induction training for a good few weeks but at least for the first two weeks they get training seven days a week” (GMHa).
Kyriakidou and Maroudas (2010) support these views that induction training is considered a fundamental part of training, either formally or informally.

**Induction training**

From an SME perspective, induction training for new employees is very important because it gives new recruits the opportunity to understand more about the organisational culture and about their working environment (Ahhammad, 2013). In addition, Moore (2008) concludes that induction training helps new staffs to familiarise themselves with the organisation which results in enhancing overall business performance (Sultan, 2016). Considering this perspective, the semi-structured interviews were designed and analysed thematically to investigate the influence of induction training and various training methods adopted by the interviewee SME hotels. For example, one of the hotel’s managers explained:

“As a service provider we acknowledge the benefits of initial induction training to new employees as it improves business performance” (DMHc).

Another general manager argues that:

“Induction training programmes helps the new employees to understand the culture of the hotel. However, the hotel industry faces considerable challenges and a lack of awareness about the significance of induction training which could result in low business performance” (GMHb).

Similarly, one other manager of the same hotel suggested that:

“Training initiatives and schemes have an obvious impact on the individual and organisational development process. Within the services industry a highly skilled workforce with up-to-date KSA could enhance the productivity of the workforce. This can be achieved by formal or informal induction training” (DMHb).

The above findings are similar with the literature when Yilma (2015) states that induction training is considered as crucial part of a company’s HR practice. The purpose of this training is to make newcomers aware about the organization’s working environment, its culture and values and most importantly employees’ working responsibilities (Sommerville, 2007). In a similar vein, Wang (2008) argues that the hotel industry recognises the importance of induction training and its benefits, and further acknowledges that formal induction training specifies to the new staff that the hotel is caring for their employees and helping them to understand their work and deliver a good quality service. However, Subhan et al. (2013) argues that in the conventional SME services market in Pakistan, management prefer apprenticeships and on-the-job training, where limited financial and non-financial resources are the key hindrances to provision of training to the new and established workforce. As the manager of the hotel stated:

“We always have induction training programmes for the new staff. With limited financial and non-financial resources, our hotel always prefers informal/on-the-job training preferably apprenticeship training to increase individuals’ and business
performance. Due to the informal nature of SMEs in Pakistan, on-the-job training is considered as an effective and less time-consuming technique” (HRMHa).

These findings are consistent with Al-Balushi (2008) who argues that in the services industry the majority of the workforce is inducted with no prior work experience. Similar perspectives have been found in previous empirical study, which confirms that induction programmes can help to bridge the training gap in the hotel industry (Moore, 2008). Likewise, Wang (2008) concluded that induction training is proportional to employee’s motivation, directly or indirectly which leads to increases in productivity. Peixoto (2008) also suggested that initial induction training is a key element to increase human capital skills and to allow businesses to remain competitive. As Altarawneh (2005) illustrates, continuous induction and general training improve human resource and customer satisfaction. Additionally, when new employees attain training, this helps in developing employees’ attitudes and behaviour as well as improving overall business performance. As discussed above, the focus of the training in SME hotels is operational training to perform routine tasks, and the priority to such kind of training might be the lack of skilled labour, financial constraints and labour turnover in the hotel industry (Wang, 2008). As the manager of one hotel revealed:

“The initial induction training that we provide to our employees is more operational in order to fulfil the work requirement. Within SMEs, training could cause the poaching of employees so in that case we should have an already trained workforce to fill the gap. Employee turnover ratio is really high among SME hotels, so we prefer to train all of our new or established staff” (DMHa).

One other manager illustrates that

“I believe that induction training helps the employees as well as the hotel industry because induction improves the performance of the employees which as a result impacts on hotel performance as well. Moreover, with the help of induction training employee turnover can be decreased because once the employee feels themselves valuable and sees their development, so they are more likely to stay with the same organization for a longer time” (DMHc).

These views are consistent with the literature as Bayoud (2013) specifies that hotels who train their workforce at the initial stages face low turnover in comparison to those who provide less or no training at all. It confirms that induction training enhances employees’ commitment to SME hotels and reduces the employee turnover rate. Foot and Hook (2002) cited in Moore (2008) also support the above statement and argue that induction training reduces employee turnover and helps the new workforce to settle at work. In addition, induction training also helps to create a favourable image of the organisation in the mind of new employees and is therefore a valuable public relations exercise.

However, various internal and external factors affect the provision of training. In developing economies, SMEs face additional barriers in training their workforce. Nischita and Rao (2014) argue that internal and external factors affect SME hotels’ performance and the overall service
quality in the tourism industry. Despite internal and external key factors, SMEs prefer training activities to increase staff satisfaction, self-confidence and to attempt to favourably influence the employee turnover rate (Bayoud, 2013). Moreover, training itself offers improvements in abilities and keenness, which helps employees deliver marvellous customer service. In comparison to their large counterparts, SME owners-managers prefer informal or on-the-job training methods (Matlay, (2004); Holden et al. 2006). Johnson (2002) provides support to the above statement that formal training method are not exceedingly pursued by SME businesses due to the lack of financial and non-financial resources they face.

**Informal on-the-job training**

As discussed above hospitality SME businesses are considered the main source of economic growth and employment generation throughout the world and the case of Pakistan is no different. However, Khan and Khan (2012) illustrated that the hotel industry in Pakistan face challenges due to the shortage of skilled employees, and in these circumstances, effective training is a key factor for success. Previous empirical research confirms that within SMEs, provision of training increases the competitive attributes of such firms, however SMEs prefer informal on-the-job training for their employees (Matlay, 2004; Todnem and Dale, 2008; Moore, 2008;Kyriakidou and Maroudas, 2010). In addition, Johnson (2002) concluded that a lack of financial and non-financial resource is the key reason for informal training initiatives. In this context, one of the hotel managers specified:

> “Due to financial restraints, we are unable to allocate a separate budget just for training activities as there are many other important things to do, so if we spend plenty money and time on training that will be unaffordable for our hotel. It doesn’t mean that I am against training but due to our position I am not in favour” (GMHa).

Analysis of the semi-structured interviews further reveal that the current nature of various training methods is highly dependent upon training theories and models, as discussed in the literature above. However, within SME hotels informal and on-the-job training techniques look feasible. Higher external costs and lack of time is considered as key hindrances to provide formal or off-the-job training. Besides, Afaq and Khan (2008) argue that employees who attain more on-the-job training perform better due to practical experience, which also enhances the skills and capabilities of employees. As the manager of one hotel argued:

> “Within the conventional hotel industry, most training approaches are informal and reactive. From a demand and supply perspective, reactive and informal methods clearly demonstrate the high level of engagement within the SME hotels workforce…. I think informal training helps employees to learn more as compared to formal training because they can ask more questions of their colleagues if they do not understand something. The main beauty of on-the-job training is when we get stuck (I mean if we are short of an employee in any department) we can get an employee straight away from the training session as they are inside the hotel, so we do not need to wait for extra assistance” (HRMHe).

One other manager specified:
“One of the many advantages of on-the-job training is that we don’t need to pay anyone to train our employees, because formal off or on-the-job training costs us a lot of money and the results sometimes are not evident” (HRMHB).

These findings are consistent with Mathis and Jackson’s (2008) study who confirms that informal training activities assist the workforce to learn more informally. The literature also specified that informal training is considered more operative within the SME environment that supports high output, effectiveness and excellence (Doyle and Hughes, 2004) and (Hong and Kean, 2012). Additionally, Pfau (2005) concluded that on-the-job training is a cost reduction and cost-effective technique for organizations such as SMEs. Furthermore, the positive outcome of such kinds of training is not guaranteed as well. Similarly, Coetzer et al. (2012) also specified that SME businesses are less likely, as compared to their larger counterparts, to provide formal training due to the fear of high costs and invisible outcomes. A manager of a prominent hotel explained:

“Formal training methods are time consuming and not suitable with our hotel’s business needs. Our hotel always prefers to invest where a cost and profit linkage is evident. Therefore, informal techniques are really demanding in the SME hotels business training market….one of our supervisor’s or the management team member conducts training in our hotel as they have the knowledge and experience of the work required” (GMHC).

These views are consistent with the literature that SME hotels mostly train in an informal and on-the-job manner where the immediate supervisor or a manager provides training to the employees (Kyriakidou and Maroudas, 2010). This training method is relatively linked with the “sitting with Nellie” approach where a trained and experienced supervisor takes the opportunity to teach staff in the organization. As Kotey and Folker (2007) and Storey (2004) argue, informal or on-the-job training methods are low cost and in line with SME needs because in a conventional SME environment, management considers provision of training as an immediate loss to time and money. However, Moore (2008) opposes this view and responds to this argument that training is not a waste of money and time. Likewise, the hotel and catering industry-training board (HCITB, 1982) specified in Moore, (2008, p1. 9) states: “training is not a luxury; it is essential in every business, no matter large or SMEs”. As one of the managers, argues:

“Actually, I personally prefer on-the-job training because in this way the employees learn more. Furthermore, it is helpful and specifically designedby SMEs” (GMHa).

In the same vein, another manager explained:

“Apprenticeship training is neither complex nor theoretical and is less time consuming. SMEs train employees for multi-purpose work in different department(s) so if we need to cover certain other jobs, we should have trained workers…. however, it does not mean that I am not in favour of formal/off-the-job training. Formal/off-the-job training is more time and money consuming, and as a private business we are unable to afford it” (HRMHC).
The literature also states that on-the-job training gives the opportunity to the staff to be trained in many other departments, Gomez-Mejia et al. (2001) cited in Bayoud (2013). Also, Nickson et al. (2002) cited in Wang (2008) specify that in the hotel industry the managers stress more on job-related work experience thus on-the-job training is heavily accomplished. The reason behind that could be the nature of the work entailed in the hotel sector, as many of the functions take place in direct contact with customers (Bayoud, 2013). Similarly, Moore (2008) argues that on-the-job training in the hotel industry is crucial because learning through practical work provides employees the opportunity to learn more effectively than theoretical learning. Similarly, Coetzer et al. (2012) argue that within SMEs, the cost of hiring external trainers is very high and that has become one of the main reasons (among others) that SMEs prefer informal/on-the-job training over formal training. As one manager explains:

“It’s not that we are not interested in arranging formal training for our employees. The main constraints are available resources, which we are lacking at the minute. We are not getting any financial help from government or other private organizations to arrange formal-training and on our own we cannot make it…. the government is not interested at all in investing in the hotel industry training, I mean we need more practical labs where we train employees regarding cooking, for that we need latest technology. Moreover, time is a big challenge for our hotel, we are not in a position to spare our trained employees to give training to non-train staff all the time, because if we put our trained employees in training sessions who will look after the work?” (DMHb).

Tanke (1990) cited in Bayoud (2013) asserted that training in the hotel industry as a whole is an ignored activity. Several other authors such as Naama (2007), Poulston (2008) and Kassem (2008) also view staff training in the hotel industry as an activity, which is lacking. Whereas Lashley and Best (2002) argue that the lack of training provision reduces employees’ skills and increases the human resource turnover rate in the hotel industry. These arguments are consistent with the findings of Nolan and Garavan (2016) who reveal that in SMEs, the management adoption of informal training activities is still directly proportional to employees’ turnover rate. In addition, formal methods are expensive and inconsistent with SME business needs in hotel industry. The supply and demand issue has provided a justification for indulging in formal training activities as one of the managers verified:

“Formal training activities are continually designed and planned with the business’s needs. However, if we see the nature of SME hotels, the management prefer informal/on-the-job techniques. The reason behind that is a supply and demand perspective, where the relationship between SMEs’ training and business performance is visible. Secondly, informal techniques are more practical and time saving compare with formal or off-the-job methods and lastly, due to lack of time and finance, our hotel consider informal training approach as an instant solution” (DMHc).

In a similar vein, one manager specified:
“I understand the importance of formal training but it’s out of our range due to certain challenges that we face for example money, time and the non-availability of specific training places, plus the latest training tools and lack of qualified trainers which do not allow us to indulge formal training. However, training is training whether that is formal-informal; it still enhances employee’s skills” (HRMHa).

One other manager stated in this regard as well that:

“Within the SME businesses, we see training as an important component to increase business and employees’ performance. Furthermore, SMEs prefer a semi-skilled workforce to overcome training costs and loss of working hours. However, direct provision of formal-informal training could increase the employee turnover rate. From a supply point of view, formal training leads to employee poaching and higher turnover rate” (DMHa).

The analysis confirms that provision of informal training is more feasible with SME hotels needs and a supply and demand perspective. In addition, the management also considers finance as one of the key issues among the other issues in the provision of their training practices. In a similar context, Panagiotakopoulos (2011a) and Bishop (2011) illustrated that SME businesses see informal/on-the-job training practices as a time and cost-effective solution to develop their staff rather than a non-training approach. Likewise, Cairncross (2008) concluded that in Australian SME hotels, the provision of informal on-the-job training is more favourable than formal training because the management are not yet convinced of the positive outcome of formal training. Thus, Bayoud (2013) and Panagiotakopoulos (2009) state that there are many factors that block the way for the implementation of formal training practices in the hotel industry and SMEs such as a lack of time, and management attitude towards training.

Conclusion & Implication

As discussed above the main purpose of this research is to explore the training practices of SME hotels in Pakistan. From the findings of the results the researcher found the evidence that although SME hotels operators in Pakistan considered the functions of HR (training) to be important for the success of their hotels however, due to some of their internal organisational problems little value is given to develop formal HR practices in their organizations therefore they are often neglected. In addition, this research clarifies that the sectors are different in terms of their HR practices and methods, thus the current methods which are practicing at this stage need to be challenged as to their value and suitability in various hospitality contexts. Thus, the researchers expects that this research will contribute to the training debate and will further help to refine and enhance the types of training methods employed across different hospitality industry in Pakistan. Exclusively, from the results it is evident that formal training methods are not given due attention, because that will cost them more in terms of financial resources. Instead, informal training methods are used based on the argument that informal methods/practices do not require any financial resources.

The research results offer several key implications for SME hotels owners/managers in order to improve their organizational performance. As specified from the literature that effective training
methods/practices lead to positive outcomes (Thelin & Bolul, 2012). Thus, formal training methods/practices would enhance employee motivation their knowledge in SME hotels and would improve help them in their work performance. Moreover, effective training methods/practices also impact on enhancing organizational performance as well. This indicate that whether large or SMEs employees are the main resources of organisation development. Thus, the owners/managers of SME hotels shouldn’t underestimate the importance of human resources. Additionally, there are certain other implications for owners/managers of SME hotels in the implementation of proper training methods/practices and how these methods affect hotel and employee performance. For instance, the present research provides useful perceptions for owner/managers of SME hotels about the existing training methods/practices in Pakistan. Thus, SMEs” owner/managers can currently examine the employed training methods/practices in their hotels and identify problematic areas in HR practices, to properly implement these practices, and can take measures to correct these practices for achieving high levels of both employee and hotel performance.

References


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