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**EMPLOYMENT RELATIONS:
DETERMINANTS AND CONSEQUENCES**

by

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To Britt, Guro
and Maren

Preface

I graduated from NHH 25 years ago in the firm belief that further studies were out of the question. I figured I had a mission “out there” in real life. Furthermore, we had learned that man’s intellectual capacity started to deteriorate at the age of 25. Consequently, the smart thing to do was to find an employer with a policy and reputation of job security. I chose banking, and stayed 15 years.

I have always been a doubting Thomas, so when the opportunity arose, I felt a need to prove that what we learned about intellectual development was wrong. This piece of research has one single observation as its point of departure. In the summer of 1993, a well reputed hotel in Oslo decided to terminate all employment contracts with their housemaids. This puzzled me. Didn’t they need housemaids? Well, they certainly did. The housemaids were promised contracts with another firm, and supposed to be leased back to their previous job. This was my first encounter with outsourcing, and resulted in a “Hovedoppgave” as part of “Høyere Avdelings Studium” at NHH. Since then the perspective has been broadened to embrace all the common relations between employer and employee.

I am convinced that there is no such thing as “out there” imparted from the academic world. We are all part of a knowledge society, and there is nothing as practical as sound theories. Managers need theories and new concepts to understand and grasp the new opportunities.

I am indebted to Norsk Forskningsråd, Kommunal- og Regionaldepartementet and NHO’s Arbeidsmiljøfond for financial support. I am grateful to Kari Mæland at RBL (Reiselivsbedriftenes Landsforening) for her enthusiastic support when most needed.

Returning to NHH has been a very exciting experience. Some of my fellow students from the early, tumultuous seventies are now highly respected professors at NHH. It has been great fun and most instructive to meet with them again. Two of them, Odd Nordhaug and Torger Reve, taught me some of the fundamentals behind this thesis: strategy, organization theory and interorganizational relations, and human resource policies. To my great benefit, they have also served as proactive and highly

constructive members on the committee. Their enthusiasm and encouragement made me believe in my own capabilities. Kjell Grønhaug has been instrumental in guiding me in research methods, and his willingness to help goes beyond any reasonable limit.

Arne Kalleberg has been a new and truly pleasant acquaintance. It was during one of his instructive seminars at NHH I finally decided on the main research questions. He was the obvious candidate on the committee and has given me invaluable and continuous advice as the work progressed. The e-mail system has turned the world upside down. From his PC at the University of North Carolina, he has responded to all my requests within seconds. Professor Knud Knudsen at Stavanger University College has greatly assisted me in focusing and staying on track. I am also grateful to Torstein Nesheim and Sven Haugland for cooperation and suggestions throughout the process.

RF-Research (Rogalandsforskning) has proved to be an excellent employer during the entire process. The combination of project acquisitions, managerial tasks and doctoral work does pose some challenges. I am indebted to my colleagues for their understanding and support. Terje Lie and Jens Petter Gitlesen have been outstanding and patient in their efforts to teach me SPSS. Odd Einar Olsen has forcefully, as always, defended my privilege to concentrate on my thesis at the expense of other pressing duties at RF.

Last but not least I wish to thank my wife, Britt, whom I met at NHH 26 years ago, and our two daughters, Guro and Maren. Their support and encouragement have been invaluable, their patience incredible.

Stavanger, March, 1998

Martin Gjelsvik

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Bad times have a scientific value.

*These are the occasions a good
learner would not miss.*

Ralph Waldo Emerson

1. Introduction of research questions and the empirical setting

The purpose of this study is to focus on determinants of firms' differing employment relations. We observe that employment relations vary from long-term permanent contracts to part-time and temporary engagements. In recent years we have also witnessed a persistent tendency to downsize and outsource activities from the focal firm to outside suppliers. The study attempts to seek out some of the determinants of these trends and some of their consequences on organizational commitment and learning climate. The employment relation is considered as part of the human resource management in firms, and will be regarded as a governance structure. Managers are assumed to be reasonably rational, in the spirit of Simon (1961) and Williamson (1985).

Based on a blend of economic and sociological theories, hypotheses will be formulated and tested. Theory testing is thus one objective. In addition we want to inform managers as to the use and efficiency of employment contracts and relations. In so doing, we focus on a central managerial dilemma: On the one hand, managers want highly motivated and committed employees, a work force that invests a greater part of their energy and effort into the firm and its goals. Loyalty to management and owners coupled with identity to the firm's mission, is considered a comparative advantage. Often, workers are expected to «go an extra mile» for the company, to be cooperative and treat the customers well. Furthermore, employees are expected to acquire new knowledge and capabilities to keep up with a more competitive market and more demanding customers.

On the other hand, due to harder economic and competitive realities, managers tend to favor a flexible organization that is able to cope with a turbulent and changing

environment. From a cost perspective, the firm's capacity should be sensitive to fluctuating demands. Those parts of the organization facing such fluctuations should be adjusted correspondingly. Parts of the work force may thus at intervals have to leave the organization temporarily or be externalized. Flexibility may be obtained through a variety of means. In this study we are preoccupied with numerical flexibility (Atkinson, 1984). By doing so, we focus on a growing trend of high actuality: managers tend to favor numerical flexibility as an instrument to boost profits and sometimes quality. The balancing between long term organizational commitment and short-term, immediate cuts in operational costs is one of the most crucial and relevant challenges facing managers today.

It is precisely this combination of goals that is hard to obtain: a work force highly committed, loyal, competent and simultaneously flexible. It is immanently problematic to create identity, loyalty and facilitate continuous learning and accumulation of competencies in an organization where employees come and go, where some workers are employed by outside firms, or work for themselves as contractors.

This study has as its vantage point the following observations: Employees have differing relations to their employers. We differentiate between six employment relations: full-time permanent, part-time, extra helpers (on-call), temporary, temps agencies, and subcontracting services from other companies, including independent contractors. Not only do we observe that firms differ in their recruitment and employment practices - some outsource activities while others organize the same functions internally. We also observe intrafirm differences, employees in one department may have another relation to the company than employees in a neighboring department. In their efforts to reduce costs and develop competitive and flexible firms, managers tend to establish looser and more temporary relations to their employees. Secondly, jobs previously internally organized become externalized.

This proposal seeks the antecedents of these observations at four levels: the environment, the organization, the function (or task) and at the individual level.

1.1 Background

During the past decade, organizations' use of external workers, leased workers, and independent contractors has increased tremendously (Davis-Blake and Uzzi, 1993). In Norway temps agencies enjoy a formidable growth. The two major companies mediated 53,5% more working hours in June 1995 than the previous year¹. In a national Norwegian survey, 26% of all firms report having used temps agencies or leased workers during the last year, 45% have used external consultants, and 56% have permanent services contracts with subcontractors (Torp, 1990). These trends have continued throughout the 90's (Nesheim, 1997). Substituting permanent employees with temporary workers and externalized labor will have immediate, positive results at the bottom line, because underutilized capacity will be reduced along with fixed costs. In addition we suppose that external suppliers, often being specialists, will carry out the same work at a more competitive price. Consequently, from short term economic calculations, we should expect to observe a strong tendency towards temporary employment contracts and outsourcing as competition hardens. The logic is simple and compelling: When contracting out activities is cheaper than carrying them out yourself, outsource. Even when costs are higher, firms may outsource to gain flexibility. This business strategy will not only save money through greater efficiency, but also improve effectiveness by focusing more clearly on those activities and functions you can do better in-house. Thus, the benefits are obvious. In addition, in recent years this strategy has been supported by political ideology, management fashion and short-term responses to recessionary pressures. Downsizing, delaying and outsourcing have been the buzz words of modern management.

Like all management recipes, however, its appropriateness depends on specific circumstances. Miles and Snow (1994:111) report that «*examples abound of firms (and industries) pushed into decline and ultimate failure by excessive outsourcing*». There are costs as well as benefits, and gains in short-term efficiency carry a potential loss of longer-term capability. Unfortunately, what is lost may be intangible and not susceptible to straightforward measurement. Most corporations derive their revenues

¹ Dagens Næringsliv, July 27, 1995

from the development and exploitation of idiosyncratic knowledge of their products, markets and customers. In service industries, developing and sustaining long-term relations and trust with customers are of vital importance. The employees' agreement to and acceptance of the goals and procedures of the company builds organizational commitment and loyalty. Communicating management's expectations and requirements on how customers and guests are to be treated by the employees depends on physical presence. Such treatment and relationship development is usually part of a broader organizational culture. In the hospitality industry, for instance, excellent guest treatment is part of the basic assumptions and beliefs that are shared by the members of the organization. These beliefs may operate unconsciously and define in a basic «taken-for-granted» fashion an organization's view of itself and its relations to important stake holders and guests. Guest relations may be improved by the employees' sharing of experiences and circumstances as guest feedback expediently can be communicated and discussed. Guests will look for a familiar face as a welcoming reception. Actions, attitudes and routines may be better tuned to the customers served.

An organization derives its capabilities from the people within it. Skills are thus kept by individuals. How can the transformation be made from individual skills to what is perceived as organizational capabilities? Motivation and commitment to the establishment's goals and customers may turn out to be crucial factors. Such learning may well be part of the firm's competitive advantage as it is hard to copy by others. Hamel (1994) argues that a core competence represents the integration of a variety of individual skills. It is this integration that is the distinguishing hallmark of a core competence. Thus a core competence is very unlikely to reside, in its entirety, in a single individual. Long term permanent employment may facilitate these learning processes better than temporary, short term or outcontracted employees.

However, this argument is by no means self evident. Long-term employment may end up in complacency, arrogant treatment of customers and in organizations where employees stick to rigid rules and stiff departmental division of work. Shared value systems may indeed work contrary to efficiency, and recipes and organizational routines for approaching ill-structured, customer related problems may be non-existent. A firm internal labor market may foster motivation for individual careers and self-

serving attitudes, thus representing barriers to team-based efforts to superior customer service. In firms with stable job ladders, the most competent people rise to the top of the organization. Consciously or unconsciously, this may lead to centralized decision making which, paradoxically, may result in second-rate customer treatment.

It is the job of management to organize the employment relations efficiently. By that we mean that short-term as well as long-term consequences and challenges should be considered. We suspect that companies having outsourced activities or use a large share of temporary workers will increase costs in the longer run. A potential loss of shared understanding and experience may threaten the ability of a company to coordinate its activities effectively and to nurture and sustain its core competence (Hendry, 1995). All complex organizations experience tension between the desire for autonomy and that for coordination and control. Autonomous units can act quickly and decisively in response to changing circumstances and market conditions. In the service industry speedy decisions are often a necessary condition as the customer or guest requires the service produced and delivered on the spot at the customer's specifications.

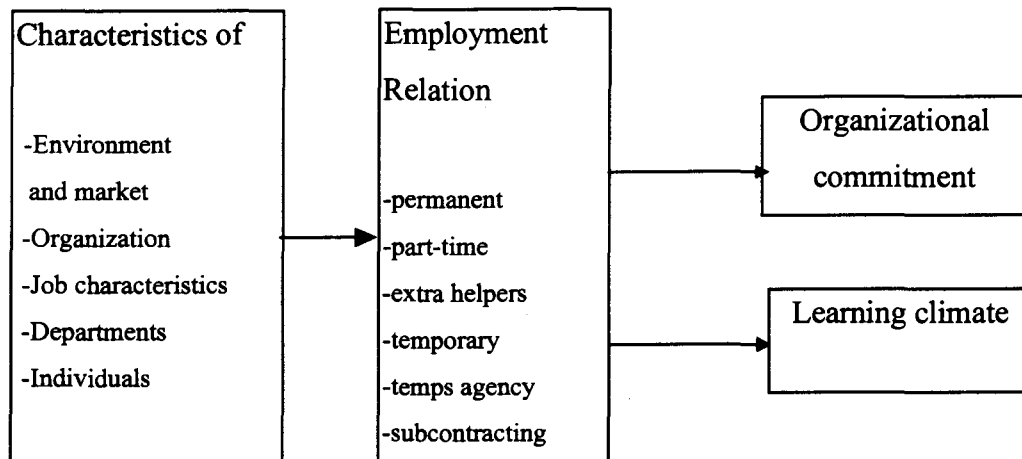
On the other hand, autonomous departments may not act in a way that is beneficial to the other parts of the organization, or in accordance with the overall strategy. Coordination and control is essential for coherent strategic development and to secure quality standards, but is expensive and time consuming. One response to this dilemma has been to combine the idea of outsourcing with that of core competence or core activities, by studying their organizational processes and analyzing which activities in the value chain contribute to the value-added. Those activities for which coordination is critical are retained in the core, and those for which autonomy is appropriate may be divested or manned with temporary employees. We will examine whether this way of solving the dilemma is prevalent.

All in all, we argue that there is a trade-off between short term economic gains of numerical flexibility, and long term costs of lost commitment, attachment and loyalty to the firm and its goals. Permanent, long term employment relations facilitate commitment and loyalty to the goals of the company, and the firm's learning capability, but costs due to lack of flexibility will incur. It follows that there is no one

best solution for all circumstances. We therefore need to assess how the use of employment relations is conditioned by characteristics of the firm's environment and market, the organization and its functions, and individual traits.

Our proposal may be summarized in the figure below²:

Figure 1.1: Some determinants and consequences of employment relations



Management selects a product-market strategy and an organizational structure that supports that strategy. The organizational structure consists of functions and departments as well as job ladders, incentive policies and promotion paths. Management recruits employees, and as part of their personnel strategy, they configure the mix of employment relations.

1.2 The empirical setting

Our model is based on theories that allow for the existence of the whole diversity of employment practices as they unfold in the hotel industry in Norway. The large number of variables in the model will provide a good description of the industry and the respective organizational contexts. Why do we pick the hotel industry as the empirical setting? A recent study (Gjelsvik, 1994) clearly signals that managers and

² A more detailed model, including all the hypotheses, is presented in the chapter on The Employment Relation, page 44.

employees in the hospitality industry are very preoccupied with new trends in employment relations. A number of hotels have launched outsourcing of activities as a method of obtaining flexibility and cost reductions. Some of them have been aborted due to uncontrolled conflicts with employees and unions, others have succeeded. The hospitality industry has a disproportionately large share of contingent contracts (Torp, 1990).

The industry is growing with hardening competition. New hotel concepts appear in the market, offering a combination of highly competitive prices and convenient, but limited services. Costs of operations are far below the traditional full services hotels, thus creating healthy profits. The profitability of the industry as a whole has been unacceptably low in the 1990's due to the recession and subsequent over-capacity. Consequently, managers in the Norwegian hospitality industry are in need for improving the economic performance. Flexibility is required due to this competitive pressure and large seasonal and other variations in demand. This empirical setting is therefore well suited to investigate the dilemma posed above: how do managers balance the need for flexibility and reduced costs with the need for committed and knowledge-oriented employees? Due to competitive pressures and over-capacity the need for improved cost performance is obvious. At the same time, parts of the industry is associated with high turnover and absenteeism, indicating variable loyalty and commitment to the employer. This observation has to be balanced, however, with a new trend in personnel policies to build long-term commitment through quality circles, empowerment and in-house training.

The setting also offers an opportunity to study how institutional arrangements influence on management's decisions. Regulations of the industry are numerous and are continuously revised, thus adding to managers' perceptions of uncertainty. Statutory law and local regulations severely influence the profitability of the industry as opening hours, the permission to serve alcoholic drinks, and aspects of employment relations are regulated. Referring to the latter, the hotel industry has voiced its strong opposition to changes in the law (the Work Environment Act) restraining management's use of temporary workers and outsourcing activities. §58 in the revised Act confines the use of temporary contracts to work that substantially differs from

ordinary tasks, to top managers (for a term of years), contracts of apprenticeships, and to substitutes. The hotel industry argued in vain that the inherent character of hotel work is subject to fluctuations, with considerable seasonal and weekly ups and downs in demand. In other words, with the few exceptions spelled out above, hiring temporary workers is forbidden. Hypothesis 11 and Hypothesis 12 are designed to examine the effect of these regulations on the use of permanent contracts, as the revision was intended to strengthen workers' rights and increase the use of full-time contracts.

In addition, management faces restrictions emanating from collective, central bargaining between the Employers' Association of the Hospitality industry and the Union of Hotel and Restaurant Workers. Central bargaining does not only include minimum wages and incentive systems; the work content for some industry professions (e.g. servants) is also centrally defined. Exceptions from industry-wide agreements on work divisions, can be negotiated locally. In that case, management needs to come to terms with the local union in order to obtain more flexible arrangements. A cooperative style of leadership enhances the possibility of reaching local agreements.

Accumulating the effects of these factors, managers in this industry face a great challenge in predicting and responding to a highly variable demand for their services combined with highly unstable and unpredictable institutional environments. In congruence with Sjöstrand (1987:20) uncertainty and dependence will thus be focused.

The hotel industry is part of the broader concept of service industries. To a much greater degree than in the manufacturing sector, service products are «custom-made» (Lovelock, 1983). Low profits in full-service hotels and gourmet restaurants remind us, however, that customization has its costs. Service management often represents an ongoing battle between the aims of marketing managers to constantly add value, and the goals of operations managers to reduce costs through standardization. These disputes may be resolved through a thorough understanding of consumer or guest choice criteria and competitive positioning strategy and market segment priorities.

Contrary to the managerial rhetoric of the day, customization is not necessarily important to success. Industrializing a service to take advantage of the economies of mass production may actually increase guest satisfaction (Levitt, 1976). Speed, consistency and price savings may be more important to many customers than highly customized service. The newly developed economy concepts in the Norwegian hotel industry take full advantage of guests demanding the latter. The point to be made here is that competitive positioning and strategic choice of markets and customers should influence the way hotels arrange their employment relations. We do know that hotels operate in different markets, offering their guests differentiated levels of service and customization. What we so far do not know, is how these strategies relate to our six discrete forms of employment relations. From our theories we will hypothesize what combinations are most likely.

In hotels the guest expects to share some of the facilities with other customers. In fact, sharing the service with other people is part of the product experience, like visits to the bar or the night club. For other services the guest may have high hopes for individual recognition and customized treatment. Allowing guests to reserve specific rooms in advance, having contact personnel address them by name, and providing some latitude for individual choice (room service and morning calls, drinks and meals) are all means to create an image of customization.

Generally however, the guest likes to know in advance what to expect from the hotel, how the product features are, what the service will do for them and how the treatment from contact personnel will be. Surprises and uncertainty are not normally popular. The tolerance for deviations differ between market segments. It is generally recognized that the professional business market has the lowest tolerance, as opposed to the leisure or vacation market. Yet, when the nature of the service requires a judgment-based, customized solution, the customer contact personnel are not only part of the product but also determine what that product should be.

Hotel managers also take differentiated views on the role of restaurants. The limited service of the economy hotels often exclude restaurant services. They reason that the guests are better served at freestanding (not hotel-integrated) restaurants in town. Full service hotels conclude differently, but may exhibit differentiated strategies as to the

service level of their restaurant(s). For some hotels, the restaurant may be the main attraction and the sole reason for guests to stay, and thus constitute part of the value-adding core activity. Other hotels downplay the role of the restaurant as they realize that the main revenue generating function is the room department. The pilot study (Gjelsvik, 1994) documents how these strategies may be mirrored in different employment arrangements.

This study will also try to uncover whether hotel managers actually emphasize the core/periphery reasoning in their strategic elaborations and human resource policy. As noted above, it has become a habit to argue that core functions be organized internally and carried out by permanent employees. The functions regarded as core activities depend on strategies and markets chosen. For instance, some hotels are striving to achieve a «green» or environment-friendly image as part of their strategy. My pilot study (Gjelsvik, 1994) provides testimony to the fact that such a strategy strongly influences how the housekeeping department is organized. Many hotels regard housekeeping as a standardized service well suited for outsourcing. The «green» hotel, however, made special investments in chemicals, soaps etc. and developed idiosyncratic routines applied to cleaning of rooms, accompanied with comprehensive internal training. This example indicates that within the same industry functions are organized differently, depending on the strategies chosen. Apparently this hotel regards «green» housekeeping as a core activity and a basis for competitive advantage.

Throughout the discussion we differentiate between full-time permanent contracts and more flexible arrangements. The term “flexible” is used to include all contracts except the full-timers. In the U.S. literature the term “contingent” is used to embrace all employment relations of uncertain duration, thus leaving out permanent part-timers. That group is included in the “flexible” category, as the pilot study (Gjelsvik, 1994) revealed that this group has very flexible work arrangements. Whereas full-timers typically have fixed hours and work schedules, part-timers may have shift arrangements that change every month with a variable number of hours.

2. Theoretical perspectives

The functioning of labor markets involve most individuals, all private and public firms, local authorities and governments. Salaries or wages, career opportunities and knowledge enhancement are offered to the employees, and the firms are preoccupied with putting people and their competencies into productive use. Thus, firms and corporations create the link between the work done for the firm, and the rewards and opportunities employees receive for their efforts and physical and intellectual resources. Labor market studies, broadly defined as the arena of matching people to jobs, should therefore focus on organizations and firms, and the people inhabiting them.

The standard theoretical paradigm in labor economics, the neoclassical theory, treats the firm as a “black box”, assuming that managers of firms do exactly what the market prescribes. Firms will hire additional workers until the increase in revenue obtained by adding the latest employee equals the wage rate presented by the market. In competitive markets neither wage rates nor prices can be influenced by individual firms, and labor is treated as a commodity like any other. Consequently, studies of organization level processes are unnecessary and a waste of time. This conception of the firm assumes a very specific - and empirically rare - relationship between the firm and the employee: the firm contracts for the execution of predefined tasks, in a similar manner as the consumer shops around for goods and services. For a given task and quality, the firm will shop for the lowest price available, irrespective of who offers the labor input. The employment relationships are simple, they cover the duration of the task. The labor market defined by these contracts is referred to as a “spot market” (Williamson, 1975). This employment relation is extremely open in nature, as anyone

is free to bid for the execution of the task, and the firm's commitment is limited to the specific individual worker only for the period of the task. Identical workers will obtain identical wage rates, and all workers will be equally well off over their lifetimes, except for wage differences due to individual differentials in skills and motivation.

In the labor market described above, wage rates and other benefits will bear no relationship to the type of firm offering the employment contract other than the variation accounted for by compensating differentials specific to the job composition of the firm (Sørensen, 1994). Since firms and their managers have no impact on wages, workers can safely be indifferent about which firm employs them. They just have to make sure that no competing firm offers higher wages and benefits than their present employer. In a market with completely open employment relationships, managers on their side need not engage in the issue of whom to recruit, because if they behave contrary to what the labor market tells them to, the competition in the product markets will eliminate the discriminating firms. Indeed, firms are "black boxes", for they have nothing more to do than replace workers that receive wages that do not match their productivity.

We rarely observe firms that are indifferent to the effort, skills and knowledge of their employees. The source of the discrepancy between standard theory and reality is clearly demonstrated in the nature of the employment relationships that govern the relation between firms and their employees. Employment relations are almost never completely open, as assumed in standard economic theory. On the contrary, and for a whole range of reasons, they are closed or embedded in structural, institutional and organizational contexts. With this vantage point, some theoretical work and empirical studies of labor markets have focused on firms. Parts of the literature in institutional economics and industrial relations have been concerned with organization level processes. It describes and interprets non-market processes that impede the free operation of market forces, some of which operate at the firm level: the existence of norms of fairness, cooperation etc. This literature also provides a key concept for analysis of a closed employment relation at the firm level: the concept of an internal labor market.

From the management point of view, the establishment of firm internal labor markets

(FILMs) may be regarded as a safeguarding mechanism. Firms may have invested in firm-specific skills by offering training opportunities and stimulating learning climates. In order to make these investments profitable, the firm needs to give job security and proper incentives and long-term career plans for their competent employees. It may also be highly advantageous for the employee to stay with the firm, as is the case when they have acquired skills specific to the firm and not employable elsewhere. These issues will be addressed throughout the study, especially in the chapters 5.5 on Human asset specificity and 5.7 Firm internal labor markets (FILMs).

Secondly, economists too have contributed to an integration and interpretation of empirical observations with the basic concepts of economic or sociological theory. One strand of theoretical and practical interest is the “personnel economics” (Lazear, 1995). Lazear claims that *“the economics of personnel is a science devoted to the discovery of those policies and principles that describe the way the world does or should behave”*. The task for personnel economists is to find simple models that do well in describing important components of employee behavior. Relative comparisons of individuals and firms are the cornerstone of analysis, and frequent themes are compensation, job designs, institutional aspects (job security, unions, work councils, etc.), training, evaluation of jobs or efforts, and firms’ responses to regulation. With a less explicit concern for theoretical issues, sociologists too have made substantial contributions to this literature, especially on institutional aspects. We turn to several of these issues in our analysis and interpretations in chapter 6.

Economists have approached employment contracts through the broader concept of relational contracts, based on the premise of boundedly rational actors. In a more complex and real world than one of spot contracts, relational contracting does not attempt the impossible task of complete contracting, but instead settles for an agreement that frames the relationship. The parties do not agree on detailed plans, but on goals and objectives. Employment contracts, which typically delegate authority to the employer to direct the employer’s actions rather than describing the work to be done in every detail and contingency, are a response to the necessity of incomplete, imperfect contracting. We elaborate these aspects in chapter 2.1 on Transaction costs economics, which embrace legal theorists, economists and sociologists. The latter

group focuses on trust and informal processes as an adjacent or integral part of the employment relationship.

Finally, organizational psychologists continually make contributions to our understanding of teams, motivations and incentive systems, and organizational commitment.

In conclusion, the study of employment relations is a multidisciplinary area which includes economic, sociological, psychological, political, historical and legal perspectives (Kalleberg and Reve, 1993). A variety of theories is therefore needed to describe and explain the antecedents and consequences of differentiated employment practices.

This study draws on the combined strength of economic and sociological perspectives as we expect that a significant social and political component exists in employment relationships that may be masked or missed in economic explanations alone. The pilot study (Gjelsvik, 1994) indicates that perspectives drawn from institutional theory, resource dependency (external control) and bureaucracy theory are most relevant to complement the economic perspectives in the understanding of how employment relations in the hotel industry are configured, managed and organized. These theories are elaborated below.

2.1 Transaction costs economics

We first turn to the economic perspectives on organizations. Economists generally presume that organizations design their structures rationally due to the macro forces of competition where high performers in the long run drive out low performers. Organizations are assumed to strive to establish and develop effective and efficient structures.

Modern institutional economists portray the firm as a setting in which the exchanges of self-interested parties may be better monitored and controlled than in free markets, where actors enter into, fulfill and terminate contracts from one transaction to the next. Organizations emerge in part because the internalization of transactions in an

employment relationship typically allows for better monitoring and control of the performance of self-interested parties than do markets. Organizations develop in order to reduce transaction costs, and the particular form of the organization will tend to vary with the types of exchanges to be governed. Certain dimensions of transactions give rise to transaction costs and combine to create «market failure» in the sense that the market no longer becomes the most efficient medium for mediating the exchange.

Transaction costs economics posits that transactions mainly differ in three respects: uncertainty, frequency and the extent of asset specificity. In this work we focus on daily transactions that all are assumed to be characterized by high frequency. Thus the high-low frequency dimension is not relevant. Consequently, transaction-specific investments, as well as external and internal uncertainty are the most relevant dimensions. Internal or output uncertainty relates to the difficulties and associated costs of measuring the quality and quantity of goods and services produced. With potentially opportunistic actors, performance ambiguity poses an evaluation problem in connection with ascertaining whether or not contractual compliance has taken place (Alchian and Demsetz, 1972).

Contracts are less costly to write when output uncertainty is low, i.e. when performance is separable, observable and measurable (Eisenhardt, 1989). Uncertainty will be reduced by repeated transactions through long-term, permanent relations between the actors, in our case, through long-term employment contracts. Uncertainty will furthermore be reduced by implementation of tight control systems. Therefore, tasks and activities that are hard to measure and observe should be internally organized. If the employee has a long-term perspective on his employment relation with the firm, increased moral commitment and willingness to make efforts on behalf of the employer and colleagues is more likely to prevail than with short-term, temporary employment contracts. In the latter case the interaction between the employer and employee is limited, and the temptation for moral hazard is more prevalent.

The employer is running a great risk when engaging temporary or externalized employees for activities that are costly to measure and observe. Temporary employment is best suited for easily or reasonably measurable jobs, when incentives

can be tied directly to the results of the effort.

In the hotel industry, doubts may arise as to whether quality standards actually are met. Employees with frequent customer and guest contact are not always observable unless the hotel invests in managers or supervisors that discretely observe the interaction between employees and guests. The result of the interaction may be measured through customer satisfaction schemes, but they may be inaccessible because the majority of disgruntled customers unwillingly give feedback. Dissatisfied customers usually react by terminating their relation with the hotel or restaurant. When guests choose not to frequent the establishment, the reasons may be numerous, thus representing an ambiguous chain of causality. Regular and frequent customer surveys may alleviate this situation, especially if information is gathered immediately after the service encounter. However, customer and guest surveys do come with a cost. With such ambiguity present, employees with high guest interaction should have long-term contracts. Customer contact personnel is not expected to have temporary employment relations unless their activities lend themselves to monitoring and observation. From this discussion, we will predict:

Hypothesis 1: *Easily measurable and observable activities are more likely to be carried out by temporary or externalized employees.*

The hypothesis is consistent with Anderson's (1985) studies of whether or not salespersons should be employed by and integrated in the firm, or hired as independent contractors on a commission basis. She concluded that sales activities are internally organized when:

- the measurement of efforts/results is difficult
- the salesperson is required to carry out non-selling functions, e.g. activities that are not susceptible to measurement or directly improve the results.
- when the products are complex or hard to learn

Uncertainty also rises as a consequence of changes in the environment. Both economic

and sociological approaches to organizations treat environmental uncertainty. We first develop hypotheses in the tradition of transaction cost economics. Uncertainty stemming from dependencies of trade unions and government regulations will be treated later (Hypothesis 11 and Hypothesis 14).

Meyer and Scott (1983) distinguish broadly between two types of organizational environments: technical and institutional. *Technical environments* are those in which firms produce a product or service that is exchanged in a market with accompanying rewards for effective and efficient performance. Economic approaches to organizations focus on these elements. These environments demand and foster the development of rationalized governance structures that efficiently coordinate technical work. Economizing on (transaction) costs is at the heart of transaction cost theory. By contrast, *institutional environments* are characterized by the elaboration of rules and requirements to which organizations must conform in order to receive needed legitimacy and support. In these environments organizations are rewarded for employing correct structures and processes. In Norway, trade unions are central actors in the institutional environment, as is the Government with its regulations, aspects that are treated in the chapter of sociological approaches.

In that chapter, aspects of the technical environment are focused as they emerge in the concept of *task environment* as first proposed by Dill (1958). Broadly defined, this concept is defined as the set of actors directly relevant to workflows involved in attaining an organization's goals and purposes. Typically, these flows include sources of input such as supplies and personnel, markets for products and services, and the behavior and strategies of competitors. Moreover, managers are viewed as ensuring adequate supplies of resources and markets, designing efficient work arrangements, and coordinating and controlling activities.

In defining and responding to environmental uncertainty, Williamson is akin to Thompson (1967) in defining the boundaries of the firm: «*organizations ... seek to place their boundaries around those activities, which if left to the task environment would be crucial contingencies*». Hotel establishments are subject to changes in public regulations, customers' tastes and preferences, labor market conditions and structural upheavals. Since boundedly rational actors cannot possibly predict or forecast the task

environment, contracts end up incomplete. This calls for adaptation needs. In general, the greater the level of uncertainty in a transaction, the more difficult it will be to use contracts and other forms of market governance to manage that transaction, and the more likely that hierarchical forms of governance will be adopted. With permanent employees, the employer does not need to anticipate what these problems exactly might be. In addition, such a relation facilitates the development of codes and language that are unique to the hotel, and which allow for more accurate and efficient communication and development of common goals.

However, the reasoning above requires an important qualification. In Williamson's models, market transactions are best suited to obtain flexibility and efficient governance, also when uncertainty is involved (Williamson, 1991). It is the *combination* of uncertainty and asset specificity that calls for alternative governance. High uncertainty in itself does not give rise to an alternative to market governance. On the contrary, in highly unpredictable markets and unstable institutional conditions (as when regulations are altered) managers would be expected to favor a highly flexible staff. In other words, under perceived volatile conditions, a low proportion of full time permanent employees is predicted:

Hypothesis 2: *There is a positive relationship between permanent employment relations on the one hand, and the combination of high human asset specificity and high environmental uncertainty on the other.*

Hypothesis 3: *There is a negative relationship between permanent employment relations and high environmental uncertainty.*

Asset specificity refers to the degree to which an asset can be redeployed to alternative uses, and by alternative users without sacrifice of productive value. Distinctions of six forms of asset specificity have been made (Williamson, 1991):

1. **site specificity** where successive locations are established to economize on inventory and transportation expenses,
2. **physical asset specificity**, such as a specialized restaurant kitchen to make a gastronomic menu,

3. **human asset specificity** that arises in learning by doing and firm internal training,
4. **brand name capital**,
5. **dedicated assets**, which are discrete investments made at the behest of a particular customer, and
6. **temporal specificity** in which timely responsiveness by on site human assets is vital, as when the guest is treated by the servant in a restaurant.

Williamson (1993) argues that comprehensive asset specificity, high frequency and uncertainty are the driving forces behind the establishment and development of hierarchies. Armed with these variables, transaction cost economists approach the world of contracts. These include internal contracts like employment contracts with employees, market contracts with suppliers, and intermediary forms of contracts having both market and hierarchical elements, so-called hybrid forms (Stinchcombe, 1985; Williamson, 1991).

For service companies some forms of asset specificity are more important than others. In the hotel industry, human asset specificity and temporal specificity in which timely responsiveness by on-site human assets, are vital. Hotel managers and their strategies stress the overriding goal to meet their guests' needs and requirements. Some hotel corporations develop strategies and corresponding internal training programs to support and improve their relations with actual and potential guests. In this context, human asset specificity deals with the degree to which skills, knowledge and experience of the employees are specific to the requirements of dealing with the particular guests of the hotel. Guests are indeed different, and hotels having stored the information and knowledge of the needs and preferences of their particular guests have a potential advantage. This type of knowledge is attained through repeated interaction with the guests. To a large extent this type of knowledge is tacit, consequently it does not lend itself to be transformed into explicitly written routines. The knowledge is idiosyncratic and stored in the memories of the employees. Knowing that getting hold of new customers is far more costly than doing repeated business with regular guests, hotel managers invest money and resources in internal training for their employees. Such training conveys management's visions on how

guests are to be treated in the specific hotel. As part of their strategy, hotels do try to develop idiosyncratic ways of customer treatment to differentiate themselves from competitors. To safeguard and protect such investments, hotels will tend to favor internal organization of activities implying repeated customer contact.

This reasoning is in line with Anderson (1985) who considered specialized human knowledge in sales operations as representing human asset specificity given her focus on the salesperson's role as an agent vs. an employee. Related is also John and Weitz's (1988) operationalization of human asset specificity in terms of the level of training and experience specific to the product-line in distribution channels.

A predominant prediction in transaction cost economics is that high interaction frequency and substantial firm specific transactions will lead to vertical integration. Transactions with these characteristics should be organized internally. This proposition is highly interesting, not only from a theoretical point of view, but from a managerial and employee viewpoint as well. The consequences and potential of investments in firm specific human assets are relevant because managers have experienced that development of their own staff may lead to sustainable competitive advantages (Pfeffer, 1994). The point is echoed in the rhetorical statement: «Our employees are the most valuable asset in the company». Firm specific investments in human resources may be realized through recruitment of special talents or through internal training, job rotation and internal career ladders. Idiosyncratic routines and problem solving methods in teams are other examples of firm specific assets. Furthermore, informal, and sometimes unintended, socialization and learning processes always run parallel to the actual problem solving process. Facilitating those processes is in some establishments indeed part of a conscious strategy to develop unique and valuable resources that are difficult for other firms to copy (Barney, 1991).

The concept of human assets is highly related to the concept of competencies. Both concepts may be more or less specific to the firm or industry. Nordhaug (1993) defines work-related competencies "as the composite of human knowledge, skills, and aptitudes that may serve productive purposes in organizations". Human asset specificity may translate into employee competencies at three levels: task, firm and industry. Task specificity is defined as the degree to which competence is related to

the execution of a narrow range of work tasks (Nordhaug, 1993). In other words, when task specificity is high, the competence is related to one single or a relatively small bundle of tasks, and is less relevant for carrying out alternative tasks. High task specificity alone may be easily transferable to other, competing organizations. Broadly speaking: a waiter is a waiter regardless of employer, unless the competencies are coupled with firm specific skills and knowledge. If the cook or the waiter are trained in purely task specific skills, their market value and transferability will increase. Consequently, they constitute a highly risky and temporary basis for the development of lasting competitiveness.

This reasoning provides the background why indeed the distinction between general and *firm specific knowledge and skills* is so important in human capital theory (Becker, 1964). Firm specific competencies have higher value for the focal firm than in external labor markets. Consequently, it makes sense for the focal firm to invest in such idiosyncratic competencies through internal development programs.

Differentiation strategies and sustainable competitive advantages are based on firm specific competencies held by the managers and employees of the focal firm. Here the transaction cost concept of human asset specificity blends with the resource based perspective of strategy (Wernerfelt, 1984, Barney, 1991). The latter stresses heterogeneous, hard-to-copy competencies as a viable source for competitive advantage. Consequently, we expect:

Hypothesis 4: *There is a positive relationship between permanent employment relations and human asset specificity.*

Environmental uncertainty may pose different risks and dependencies on management, hence deserving further elaboration. The firm competes in competitive product markets and labor markets. As delineated in chapter 5.4 three underlying dimensions of environmental uncertainty may be identified. The first is related to competitive pressure. It is called “**Strategic uncertainty**”, underpinning that managers may position themselves differently to these conditions. Organizations may work out sustainable strategic responses to trends and changes in the competitive market, and align their internal resources correspondingly. Strategic uncertainty pertains to the task

environment that relates to the set of actors directly relevant to workflows involved in attaining the organization's goals and purposes.

Secondly, a more “**General uncertainty**” exists, related to situations in which the managers have negligible or no influence: the extent and predictability of government regulations, the restructuring of the industry, and annual variations in demand. Highly shifting demand from one year to another is related to external forces: exchange rates, weather conditions, and the general economic climate. The third uncertainty dimension is related to “**Labor market uncertainty**”: the challenge to recruit and retain competent people. It is hypothesized that difficulties to recruit and retain employees will lead organizations to offer permanent, full-time contracts. Labor market uncertainty also relates to the task environment, as efforts to ensure adequate supplies of resources are involved. Two features of the task environment are addressed separately in this study: the market for outputs and the labor market.

Based on the dimensions explicated above, Hypothesis 2 is reformulated as follows:

Hypothesis 5a: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high general uncertainty on the other.*

Hypothesis 5b: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high strategic uncertainty on the other.*

Hypothesis 5c: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high labor market uncertainty on the other.*

Hypothesis 3 is further detailed as follows:

Hypothesis 6a: *There is a negative relationship between permanent employment relations and high general environmental uncertainty.*

Hypothesis 6b: *There is a negative relationship between permanent employment*

relations and high strategic environmental uncertainty.

Hypothesis 6c: *There is a positive relationship between permanent employment relations and high labor market uncertainty.*

The concepts of firm specificity and competencies should be explored further, with special focus on its potential capacity for creating economic rent. Nordhaug (1993) points out that the literature has been concentrated on technology-related, and often task specific, firm specificity. Human capital is traditionally defined as “*the factor that differentiates raw labor power from skilled expertise at some task or job, and is a crucial determinant of productivity*” (Milgrom and Roberts, 1992).

Nordhaug identifies another class of firm competencies related to organizational aspects, such as internal politics, organizational culture and interpersonal networks. Knowledge and understanding of the firm’s strategies and customers may be added to the list. These competencies are task nonspecific, but highly specific to the focal firm. Based on these arguments we differentiate the concept of human asset specificity in

a) **technical competencies**, which are task and firm specific, and

b) **intraorganizational (cultural and strategic) competencies**, which are firm specific, but task nonspecific

The term “technical” is used in a broad sense and includes knowledge related to administration, operation and understanding of technology, routines and procedures specific to the firm. In hotels these competencies will include the receptionist’s use and knowledge of the booking and pricing system, housekeeping’s use of environmental friendly detergents, the janitor’s maintenance of equipment and daily problem solving based on thorough knowledge of the ins and outs of the hotel, etc. Intraorganizational competencies may also be coined cultural and strategic competencies, as they include knowledge of the organizational culture, norms, ethical standards, strategies and goals. These competencies are acquired and developed in several ways: by everyday learning in the workplace by interacting with and observing colleagues and teams, through introductory courses and programs, internal strategy

seminars or through internal development programs.

Having employees permanently contracted, the hotel management has a greater possibility to create understanding of and commitment to the mission and goals of the organization. Through goal setting discussions, organizational development schemes, the use of tradition and symbols, management stands a greater chance to convey its message on how guests are to be treated and how this treatment is related to the bottom line, and hence the well-being of the organization and its members. In a service organization, creating a common appreciation of the actual contents of terms like «quality» and «service» is no simple task. It takes time to communicate matters of high complexity and the use of broad communication channels is recommended (Daft & Lengel, 1984). The implication is internal organizing in the form of full time permanent employees. We will make efforts to operationalize and measure both the concepts of technical and cultural and strategic competencies.

A higher degree of dependence due to higher investments made in service processes, in employees as well as routines and procedures, requires that the relationship include safeguards so that its transaction-specific assets are not opportunistically appropriated. We indicate that a permanent employment relation is such a safeguard, and posit:

Hypothesis 7: *There is a positive relationship between permanent employment relations and the degree to which technical competencies are required.*

Hypothesis 8: *There is a positive relationship between permanent employment relations and the degree to which cultural and strategic competencies are required*

Williamson (1991) has further introduced the concept of temporal specificity which can be thought of as a type of site specificity in which timely responsiveness by on-site human assets is vital. The term is akin to technological nonseparability often found in the more intangible world of service industries and thus highly relevant for the hotel industry. Hotel services are produced, distributed and consumed on the spot. An overnight stay or a conference at a hotel cannot be stored for later consumption. The offerings of the hotel have to be provided right there with immediate response to the actual characteristics of demand. The right kind of service has to be offered to the

particular guest and at his/hers specifications. Some of these specifications will be known beforehand, but others will be revealed and adjusted through the interaction with the employee(s). Thus, the hotel is presented with a high degree of uncertainty requiring the employee to communicate effectively and emphatically to provide exactly the demanded service at the right level of quality. The image and reputation of the hotel establishment are also highly dependent on the guest-employee relation. It is therefore in the interest of the employer that this relationship functions smoothly and develops into a long-lasting relationship as a basis for expanding the business.

We further explore one aspect of temporal specificity which we coin "*Timely customer service specificity*". Recall that temporal specificity refers to timely responsiveness by on-site humans. To a considerable extent, the guest's perception of the quality of the hotel is evaluated by the face to face contact with the employees of the establishment. Receptionists, servants and those responsible for conferences and other arrangements have to meet the customer's needs and requirements in a timely fashion and on the spot. The employee seldom gets a second chance, the service delivery is carried out in interaction with the guest. This "moment of truth", if implemented successfully, may economize on considerable transactions costs for the organization, as alternative costs of retaining or attracting new clientele will be markedly reduced. Timely responsiveness to customer needs and preferences through face to face contact from highly qualified and socially intelligent employees establish and develop lasting customer relations. In our context the term translates into the degree of direct customer contact. From the discussion above, employees with extensive face to face customer contact, are expected to enjoy long-term employment contracts. Lasting and trustful customer relations are assumed to be facilitated by employees with a long-term perspective on their efforts in the organization.

We argue that "timely customer service specificity" creates an increased requirement for the governance form to offset the dependence caused by such specific assets. Should employees with tight customer relations leave the focal firm, a considerable proportion of those customers may move their account along with the employee.

Hypothesis 9: *There is a positive relationship between permanent employment relations and the degree of “timely customer service specificity”.*

So far we have discussed several aspects of *firm-specific* human capital, relating the concepts to the term “asset specificity” derived mainly from the transaction cost literature. The main distinction has been made between firm-specific and general-purpose competencies. According to classical economic theory, in a labor market with no specific human capital, no firm would ever invest in training workers to improve their general-purpose human capital. In contrast, workers would have every reason to develop *general* competencies making them more productive and valuable to a variety of potential employers because that would lead to higher earnings for themselves. According to the same theory, there is little reason for employees to invest their time in acquiring skills and knowledge that are not transferable to alternative employers.

In most real labor markets, however, we find organizations that eagerly sponsor training programs for their employees that augment both general and firm-specific competencies. At the same time, employees invest in acquiring skills and knowledge that are valuable only in firms currently employing them, often expecting a reward in the form of increased pay and/or promotions to more responsible and challenging jobs. There are many reasons why actual behavior deviates from standard delivered theory. First, there is an obvious practical difficulty in evaluating and identifying the exact distinction between general and firm-specific competencies. The strategic and cultural competencies, which are firm-specific and task non-specific, are probably most contextually and socially embedded in one particular firm, and thus predominantly firm-specific. Technical competencies, which are both firm and task specific, will probably have considerable elements of general-purpose skills and knowledge.

Secondly, employers are not only interested in the *contents* of the competencies of their staff, but their willingness and ability to learn. Employees displaying a strong learning motivation are highly valuable to the firm, and stand a good chance of being rewarded. From the perspective of the organization, these employees will represent a valuable resource for organizational change and adjustment, enhancing the

organization's capacity for strategic learning.

These employees are likely to be very attractive in the same industry as the focal firm. Highly technical competent job categories like chefs, servants and bartenders will have great productive value for the focal firm and for competitors in the same industry. Any firm-internal training, even with highly firm-specific intentions, will probably have considerable value for competing hotels. The more similar strategies the competing firms pursue, the higher value. These competencies are typical examples of *industry-specific* skills and knowledge, and may easily be competed away. They are often developed through vocational education that is limited to one industry only, and are characterized by high task and industry specificity.

Nordhaug (1993) has identified another set of industry-specific competencies characterized by low task and firm specificity, illustrated by knowledge of the industry structure and its current development, the ability to analyze and understand the strength and weaknesses of competitors, and knowledge about key persons, networks and alliances in the industry. Most important is the ability to relate the specificities of the focal firm to those of the competitors. Such competencies are especially welcome at the middle management level.

Industry-specific competencies, being either task specific or task nonspecific, are highly productive for the firm in their value creating activities. In addition, organizations being able to train and retain employees holding these competencies, will probably increase their reputation in the labor market. We will therefore expect that people with industry specific competencies are offered long-term employment contracts. Hence:

Hypothesis 10: *There is a positive relationship between permanent employment relations and the degree of "industry-specific competencies".*

2.2. Sociological approaches

The transaction cost perspective downplays the social contexts within which contracts and employment relations are located. Sociological theories fill this gap by focusing

on the social, political and other institutional factors that may influence on, and determine the features of employment contracts.

Sociologists argue that the employment relation is a social relation (Baron, 1988). The way in which work is organized, reward systems structured, career paths established and how individuals are motivated, owes a great deal to the networks of social relations that exist within and across organizations. These networks are often embedded in an institutionalized structure facilitating processes of social exchange. Sociologists take us beyond the accustomed notion of the employment relation as an economic exchange of labor for money, and argue that economic actors are embedded in social relationships (Granovetter, 1985). Generally, economic models are criticized for atomizing individuals and organizations. Sociologists remind us that a preoccupation with rewarding outcomes can undermine workers' concern with the processes necessary to do their jobs well and enjoy doing them. This reminder is particularly pertinent to research in the service industry where the interaction between the employer and the customer is of paramount importance. Related is the issue of the flexible versus non-flexible and extrinsic versus intrinsic reinforcements. Deci (1975), in a review of extensive research, found that extrinsic rewards may actually diminish intrinsic motivation and performance.

Systems for monitoring, evaluating and rewarding employees convey an atmosphere that is decisive in its effects on employees. Some employment systems have a peculiar kind of transaction cost associated with them that is seldom incorporated in economic models, namely the cost of making the controls exercised seem too instrumental, utilitarian, inhumane, inequitable or capricious (Baron, 1988). We attempt to assess at least some of those costs as we focus on the consequences of employment relations on organizational commitment and the learning climate of the organization.

2.2.1 Institutional theory

Sociologists draw our attention to the importance of custom, legitimacy, and the need managers may have to present themselves and their organizations as modern. The refurbished institutional theory emphasizes that organizations are strongly influenced by their environments, but that many of the most fateful forces are the result not of the

rational pressures for more effective performance, but of social and cultural pressures to conform to conventional beliefs (DiMaggio and Powell, 1991). The tendency for organizations to conform to standardized and widely accepted images gives rise to prescribed models for organizing being diffused throughout a given organizational field (e.g., an industry). According to DiMaggio and Powell, there are several reasons: First, learning may occur through mimicry, and it may thus pay firms to imitate organizational arrangements, such as employment relations and human resource systems, as a way of economizing on search. Thus, mimicry may be an efficient solution applauded also by economists.

Secondly, the flow of key personnel across organizations and the existence of network relations favor the diffusion of prescribed solutions to common organizational problems, including those concerning employment (Pfeffer and Salancik, 1978). In industries with strong trade unions and joint industry specific educational institutions, like in the Norwegian banking sector, such processes are widespread (Gjelsvik, 1993). Related to the influence from a firm's organizational field, is Granovetter's (1986) observation that the existence of a dense network of personal ties across firms provides a functional alternative to integration. In the hospitality industry, within geographical regions, there is a common pool of potential employees that may be included in the workforce at demand on short notice (on-callers or extra-helpers).

Professions and the state are two additional institutions that foster diffusion of common models for organizing the employment relation. For instance, prospective cooks may have an urgent wish to work with prestigious chefs at gourmet restaurants, without pay. Having been employed by a widely reputed chef, may help to advance one's professional career.

As explicated in chapter 1.2, in Norway the use of temporary workers is strictly constrained by statutory law. In a recent (1995) revision of these laws, the practice of outsourcing activities and employees to another firm and then hiring the employees back in through a contract with their new employer, has also been constrained. This type of regulations obviously hampers the capacity to adapt flexibly to changes in markets and competitive forces.

From this discussion we can develop two alternative hypotheses. The institutional theory underlines an organization's need to act in accordance with rules and regulations to obtain legitimacy. In our context employment relations should be set up to satisfy the regulatory authorities' intentions to secure employee rights by organizing activities within a framework of permanent employment. We would therefore expect compliance:

Hypothesis 11: *Activities subject to regulations from statutory law will have a higher tendency to be organized through permanent employment relations.*

On the other hand, organizations may try to circumvent this type of regulations by externalizing the activities, thus obtaining the need for flexibility. The motivation then shifts from legitimacy to cost saving. The hotel is exchanging the risk of losing legitimacy and thereby reputation and goodwill, with increased cost-advantage potential. In contrast to the compliance hypothesis above, a hypothesis of circumvention is presented:

Hypothesis 12: *Activities subject to statutory regulations will have a lesser tendency to be organized through permanent employment relations.*

As the use of temporary workers is constrained, this alternative is less viable, *ceteris paribus*. Hypothesis 12, if confirmed, will document that the consequences of the law run contrary to its intentions.

Granovetter (1985) notes that sociologists' uncritical reliance on custom or culture to explain institutional arrangements can be as misguided as economists' unbridled efficiency stories. Nonetheless, there is a considerable amount of theory and research in organizational sociology suggesting that an organization's current structure is affected by conditions that prevailed during the period of its founding (Stinchcombe, 1965). Organizations adopt structural arrangements appropriate to the resource constraints they faced when they were founded or last underwent major reorganization. Once adopted, those arrangements exhibit considerable imperviousness to change.

Categorical conformity develops in certain time periods through institutionalizing processes leading to taxonomies or taken for granted typologies that managers use as

models for their organizational structures (Berger and Luckman, 1967).. «Hotel» is such a category, the industry will share with their customers a common apprehension of what a hotel should be, and what it should offer. Similar to the banking industry which has monopolized by statutory law the term «bank», the term «hotel» was protected by the Hotel-Act. In our context, it is interesting to note that in order to use the term «hotel», a lodging facility was required to include a restaurant. The requirement was abandoned in 1983 allowing for limited service hotels, which may be regarded as a new category of hotel organization. They are well adapted to the present competitive environment having far lower operating costs than traditional, full service hotels. Novel concepts require more adaptive organizations and employment relations. Consequently, we expect to find:

Hypothesis 13: *Newly established organizations make less use of permanent employment relations than older, well established organizations.*

This hypothesis is also supported by research on inertial processes in organizations. Inertia has been strongly focused in the managerial (Hambrick, Geletkanycz and Fredrickson, 1993), organizational (Hannan and Freeman, 1984; Nelson and Winter, 1982) and strategy literature (Quinn, 1980; Mintzberg, 1994). Structural inertia is stronger in organizations that are larger, older, and whose units are more structurally interdependent or complex (Hannan and Freeman, 1984). Thus, the observed employment relations within an organization at a given time may represent less an efficient solution to current economic imperatives than a residue of the organization's past. Due to traditionalizing forces in older hotels, we hypothesize that they have greater difficulties adopting to new organizational forms.

2.2.2 Power and bureaucratic control

Organizational structures are not rational systems for performing work in the most efficient manner, they may also be conceived of as power systems designed to maximize control and profits. Transaction cost theory is of little help in analyzing conflicting goals of a firm's various stakeholders. The implicit assumption is that agreement on how the firm should be managed is straightforward. Williamson seems to argue that problems that plague market transactions disappear when transactions are internalized (Grossman

and Hart, 1986). We therefore turn to the theory of power and control.

According to the polarization thesis, work is divided and subdivided not to improve efficiency but to deskill workers, to displace discretion from workers to managers, and to create artificial divisions among the employees (Braverman, 1974). Hierarchy develops not as an efficient way of reducing transaction costs, but as an instrument of control to direct, monitor and sanction employees (Edwards, 1979). Edwards describes the drift of managers away from a reliance upon traditional coercive mechanisms of controlling work behavior, to «bureaucratic control» systems directed at the dual goals of eliminating class and occupation solidarities, while maximizing commitment to and integration in the firm. Coercion, personal domination by supervision and scientific management, is substituted by less visible bureaucratic control systems that aim to reward commitment. Promotions, pay, security; all elements of an internal labor market; are bestowed employees who behave like good corporate citizens.

Whether managers implement employment relations based on control and coercion of the employees' economic self interests; or as a «responsible autonomy» (Friedman, 1977) approach that aims at harnessing the commitment of workers by providing them non-economic rewards such as status, autonomy and responsibility; is an empirical question. Responsible autonomy requires an elaborate ideological apparatus for coopting workers as well as employment security to reinforce a model of the firm as a community, and clearly, a permanent contract is part of that arrangement.

Marxists have been preoccupied with class struggles and class formation. In our context, it should be noted that extensive reliance on part-time, temporary workers and temps agencies may create two classes of employees: permanent workers with relatively secure, high-paying employment, and temporary workers who have only sporadic, low-paid work. Use of these less permanent employment relations and externalization may increase inequality in the distribution of rewards such as pay, career opportunities and status. The result may be higher levels of conflict and eventually organizational disarray and disintegration.

This discussion indicates that the employment relation is intrinsically political, not only because an individual's position within it may determine his/her social class and social expectations, but also because control of the employment relationship tends to be

associated with significant access to political power in society. Organizations are central components of the stratification system in a modern society, and constitute sites where outcomes, such as earnings inequality and career mobility, are generated (Kalleberg et al., 1996).

Unions in the hotel industry are strongly opposed to widespread use of temporary contracts and externalization of the work force (Gjelsvik, 1994). They fight for traditional rights such as job security, wage levels and working hours. In addition, externalized or temporary workers are more difficult to organize and may have different objectives than permanent workers, making collective bargaining more complex and less legitimate to all members. Union-attempts to resist externalization can be expected to be most successful when the influence of unions is high because a large percentage of an organization's employees is unionized. With an increasing percentage of unionized employees, management's attempts to externalize parts of the work force become increasingly risky. We will therefore predict:

Hypothesis 14: *There is a positive relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.*

Writers in the Weberian tradition generally agree with the Marxists that employment relations can be classified along a continuum from adversarial, where employees are treated as commodities, to cooperative, where employees view themselves as being part of a community sharing the beliefs of the company. The prediction of Hypothesis 14 implicitly takes for granted that the union gets its will. Sometimes a strong union and management clashes on vital issues. Leaders may perceive that their legitimate quest for control is being lost, and subsequent attempts to regain control and authority may create conflicts and poor relations to the union and their representatives.

In the hospitality industry we find collectively bargained rules that regulate the work content of servants. In periods of slack, servants may not be willing to help more busy colleagues, resulting in conflicts among the workers, and between them and management. In a number of hotel restaurants these arrangements result in inflexible and cost driving work schedules, jeopardizing the profitability of the restaurant. If backed by the local union, these conflicts may increase as the workers decide to go "by

the book". These situations may tempt management to use less permanent contracts in an effort to «export» the conflict. Therefore, we predict:

Hypothesis 15: *There is a negative relation between the use of permanent employment contracts and the degree of conflict in the organization.*

Weber (1947) argues that bureaucratization is an effective solution to the problem of labor control. This organizational form is technically superior and secures consent to domination through the legitimacy of formal law-like rules, impersonal and just procedures, and a rational allocation of power and rewards. Employees' incorporation and commitment to their organizations are enhanced by the use of legal-rational mechanisms like formal rules, codes and procedures that lay out rights and responsibilities of corporate citizenship to legitimate workplace authority relationships (Halaby, 1986). An important part of the bureaucratization process is the development of employment relations which ensure that competent, stable and reliable employees are hired and promoted.

Individuals with whom the firm has a continuing relationship have an economic motivation to be trustworthy, so as not to discourage future transactions. In other words, intentional managers are advised to create motivation and control systems that make it economically sound to behave trustworthy. One such mechanism of control is the employee's commitment to a long term relationship with a company. Such a commitment is facilitated by establishing a firm internal labor market (FILM). Doeringer and Piore (1971) define internal labor markets as those within *«an administrative unit ... within which the pricing and allocation of labor is governed by a set of administrative rules and procedures»*. According to Althausser and Kalleberg (1981) the key features of FILMs are a cluster of jobs that are hierarchically structured into one or more job ladders representing a progression in knowledge or skills, and that include a few «entry ports» at the lower levels connecting them with wider, external labor markets.

The term also relates to transaction cost reasoning. Williamson (1985) argues that the most important influence on what type of labor market is created, is the degree of human asset specificity, in our context the degree of human and timely customer service

specificity. The human assets of an organization are the skills, aptitudes and knowledge of its personnel, including informal teamwork, communication methods etc. Specificity refers not simply to the extent of specialization of knowledge, skills and routines, but to the degree to which these features are transferable to alternative employers. The deeper and more specialized the employees' skills are in relation to a specific employer, the more dependent is that employer on those employees, and vice versa. Employees having obtained a high degree of strategic and cultural competencies, which is task nonspecific and highly firm specific, are assumed to be valuable assets for the firm. These competencies may be transferable across departments within the establishment or across establishments within the corporate entity (e.g. the chain, in our context). Because of their intangible and unseparable character, these competencies are hard to transfer across firms.

FILMs thus serve the employee's interests by providing the prospects of upward mobility through a regularized and predictive career for advancement, with increased earnings accompanying progression in skills and competencies. The employer's interests are served because valuable workers with thorough knowledge and appreciation of strategic issues and organizational culture, and in whom investments in training have been made, are less likely to desert to a competitor. These ties are assumed to be tightened if the employee also have invested his time and training in developing close guest relations.

FILMs require a long-term personal investment on the part of the employee in the firm and its strategies. They involve a formal, legal apparatus laying out criteria and procedures for compensation and promotion. This structure replaces the manager's more ad-hoc like selection of candidates for advancement. Widely accepted rules may help foster a positive atmosphere by imbuing with legitimacy the conditions for advancement and reward. One obvious benefit is the reduction of potential conflicts over advancements and thus a reduction of transaction costs. Thus, internal labor markets may be viewed as mechanisms bringing employees more fully and firmly within the boundaries of an organization than is the case with external labor markets. By using incentives, such as career advancement and promotion opportunities, managers may elicit employee loyalty and attachment to the organization.

The hotel organizations can be grouped into those with internal labor markets and those without them. We expect that establishments using FILMs will exhibit substantial variation as to the number of jobs actually included in the internal labor market. Drawing on our observations in the pilot study, there is reason to believe that non-unionized and non-core jobs are less likely to be included.. We predict:

Hypothesis 16: *There is a positive relationship between the organization's implementation of FILMs and the use of full time permanent employees.*

Bureaucratic elements easily create rigid and inflexible organizations. If the prediction above holds, hotels may combine internal labor markets with a greater tendency to use externalized workers in order to gain flexibility. Hiring from independent contractors, leasing from temps agencies and outsourcing to subcontractors may not disrupt the internally bureaucratized employment practices as these categories to a greater extent plan and control their own work. We may say that they operate outside of the normal administrative structure of the firm. Consequently, we expect:

Hypothesis 17: *There is a positive relationship between the organization's implementation of FILMs and the use of leasing from temps agencies and outsourcing to subcontractors.*

The argument above presupposes that the employer uses a dual personnel policy by combining a permanent work force within a FILM with a more «administratively detached» workforce, in the sense that they are hired on specific short-term contracts or are employed on another firm's payroll. This combined arrangement allows the firm to focus attention and resources on its distinctive or core competence while at the same time attaining a satisfactory degree of flexibility. In other words, FILMs are related to flexible employment relations in the sense that the use of temporary workers may depend on the presence of a core of highly committed, permanent workers who provide continuity and stability for the firm. It is notable that Kalleberg (1994) indicates a positive correlation between the presence of FILMs and the use of subcontractors in so-called «flexible firms».

In line with this study's main argument, Pfeffer and Baron (1988) comment: «Ironically,

then, because externalization enhances flexibility and focus, it may actually be an essential concomitant of human resource policies that emphasize long-term employment, commitment of the permanent workforce, and a shared vision or distinctive competence. In order to adapt to changes in the environment, firms need to have some way of changing staffing levels and work assignments and to do so without renegeing on the implicit contracts held with the permanent workforce. Thus, the very elements of bureaucratic control and clan control that promise careers and continuity in return for loyalty and commitment may require a buffer work force to absorb fluctuations in environmental demand.»

In recent years the hotel industry has been restructured to the effect that mergers and owner integrated hotel chains have increased their market shares. A growing number of employees in the industry consequently work in multi-establishment hotels. Generally, being part of a multiple-establishment corporation affects employment practices (Pfeffer and Cohen, 1984). Pfeffer and Cohen found that branch establishments were more likely to have FILMs. Corporations are likely to have duplication of skills across establishments which enable them to adjust to shifting demand and workloads by moving workers across establishments. The need for temporary contracts thus diminish. From a control perspective, we would expect to find internal labor markets across establishments belonging to the same hotel corporation, thereby stimulating permanent contracts. As argued above, we would therefore predict that:

Hypothesis 18: *Hotels that are an integrated part of a larger corporation tend to have a larger proportion of permanent employees than freestanding, independent hotels and hotels associated with voluntary chains.*

2.2.3 Resource dependency

Viewed within the resource-dependency perspective, firms attempt to gain flexibility by managing their dependence on external groups (Pfeffer and Salancik, 1978). Generally, the need to acquire resources creates dependencies between organizations and external units. How important and/or scarce these resources are, determine the nature and extent of organizational dependency. We have already touched upon this phenomenon in our discussion of human asset specificity. Transaction specific assets constitute dependence,

because their presence make people replaceable only at a cost (Barney and Ouchi, 1986). Resource dependence theory parallels transaction cost theory in that it views nonmarket governance as a response to environmental uncertainty and dependence. Uncertainty in itself is not problematic. Uncertainty becomes problematic when it involves an element of critical organizational interdependence (Pfeffer and Salancik, 1978:68).

However, resource dependency theory is less concerned with economic efficiency. Its proponents argue that economic dependency gives rise to political problems and may succumb to political solutions. A major contribution is its capacity to discern and describe the strategies firms employ to change and adapt to the environment. We have already discussed one such measure when positing that activities subject to regulations from statutory law will have a higher tendency to be externalized, thus mitigating the dependency of the regulators.

By the same token, firms may use temporary or externalized workers to decrease the union's power over the employees and the organization. Externalized workers may be used to remind permanent workers that alternative sources of labor are readily available to replace nonproductive or conflict creating employees. The use of externalized employees to gain control over existing union influence, implies a positive relationship between unionization and externalization, contrary to Hypothesis 14. Hotels with a large proportion of unionized employees are expected to resist their influence by employing more workers who are beyond the control of unions. We argue that:

Hypothesis 19: *There is a negative relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.*

Hotels have highly variable employment needs. Any hotel guest has experienced that the demand for hotel services varies substantially with the time of day. During certain hours queues seem impossible to avoid, at other hours we have a feeling of enjoying the establishment all by ourselves. The reception area is especially crowded and busy in the morning handling guests checking out. Chambermaids have their heavy work loads in the morning between 8 and 12 a.m. The hotel departments all have their daily busy hours, but at different times. In other words, the hotel organization experiences a daily variability in employment levels. Variation may also be described on a weekly basis. It

is customary in the industry to differentiate between the four-days market from Monday through Thursday night, and the week-end market. For hotels focusing on the business market this demarcation is substantial, whereas the more leisure market oriented hotels experience less severe variations in demand. In general, we therefore predict:

Hypothesis 20: *The higher the variability in demand the lower the use of permanent employment contracts.*

*The real danger is not that computers
will begin to think like men,
but that men will begin to think like computers*
Sydney J. Harris

3. The Employment Relation

In the classical economic theory, supply and demand determine the levels of employment and the corresponding wages. A firm's optimal policy is to hire additional workers of relevant categories until the last worker's marginal revenue of each category is just equal to the corresponding wage rate. Thus pay equals the productivity.

Furthermore, the theory assumes that labor is bought and sold in spot markets, where a given wage payment purchases a defined, observable amount of work to be performed at a given time and place. Admittedly, such markets do exist. The vast bulk of transactions for labor services, however, are mediated by complex and highly differentiated contracts that cover longer, often indefinite, periods of time. Typically, these contracts separate pay and productivity. They are - in transaction cost terminology - incomplete and quite imprecise. Instead of a simple, arm's length market transaction between buyer and seller, most employment contracts actually are best conceptualized as a complex, long-lasting *relationship* between an employer and an employee.

The employment relation is the key theoretical concept used to link the organization and their employees (Kalleberg, 1990). This concept refers broadly to a variety of structures that connect organizations and people, including types of labor contracting, how work is organized and governed, recruitment patterns and the nature of reward and incentive systems. These concerns are the focus of the firm's human resource policies, which should be linked to the overall strategies of the enterprise. How people are managed in organizations, can be examined through a focus on the management of employment relations. The employment contract and the other aspects included in the term employment relations, may be regarded as a governance structure. Managing the organization's work force and maintaining and enhancing the value of the

employment relationship is thus a central task of management.

In relative terms, compared to manufacturing, in service industries the human capital plays a more dominant role as the basis for competitiveness. As human resources generally cannot be owned by the firm nor by the shareholders, additional uncertainties and risks arise in service companies. Competencies may be hard to retain, as most knowledge and skills reside in the human capital. Hence the employment contract, representing the cement binding the individual to the firm (and its owners), takes on an even more important governance function in the service industries.

However, managerial attempts to adapt to the increasing competitive pressures of the market and to the pressures for productivity and flexibility, have been varied. Several initiatives attracted attention in the 1980's, of which the most important in rhetorical if not practical terms was the advent of "human resource management". Human resource management can be characterized as emphasizing a concern with the development and utilization of employees, based on their being regarded as a strategic component of competitiveness. Part of the reason for its prominence is due to the fact that it addresses issues of motivation, learning and competence development, rather than simply the challenge of controlling (opportunistic) employees. This involves examining a range of ways of influencing employees in order to engender commitment, genuine flexibility and adaptability and employee concern about quality.

We argue that traditional sources of success - product and process technology, protected or regulated markets, access to financial resources, and economies of scale, can still provide competitive leverage, but to a lesser degree now than in the past, leaving organizational commitment and capabilities through a learning climate, derived from how people are managed, comparatively more vital. Organizational commitment will reduce the inclination of employees to behave opportunistically, as committed workers share the values and strategies of the firm. The need for direct monitoring is thus reduced. In addition, they are willing to make extra efforts on behalf of the firm, which should reduce the need for alternative, and perhaps costly, incentives. The need for alternative control and monitoring mechanisms are thus reduced, implying that

organizational commitment may have a direct economic value for the employer.

Organizational commitment may be regarded as an integral part of a relational contract. Macneil (1980) posits that a contract is “no more and no less than the relation among parties to the process of projecting exchange into the future”. Weick (1995) argues that when two parties can predict what each other will do in an interaction, based on inference and observation of past practices, a contract to continue these behaviors into the future emerges and structures their future relationship. When the employees believe they are obligated to perform in a certain way and also believe that the employer has certain obligations toward them, a contract exists. Relational contracts are open-ended and - in principle - indefinite. They are flexible and dynamic, facilitating continuous improvement through on-the-job learning.

These arguments are akin to Sjöstrand’s discussion of the structure and the character of relations (1985: 71). Employment contracts are inherently hierarchical in nature, and the relations may be calculative, trustful or based on shared values and goals.

From a competitive strategy perspective, John Kay (1993:59) argues that relational contracts work best when all parties recognize that they are bound into a repeated game. Lifetime employment, internal labor markets, firm-specific learning, seniority-based promotion, generous pension schemes and other forms of deferred remuneration all serve this purpose. Some managers have come to see these as traditional and outmoded ways of human resource policy. Based on an implicit philosophy of positivism, they express the view that «what you cannot measure, don’t exist». This is often a serious error, as actions may often have consequences which emerge later. The choice of contract should therefore be fitted to the requirements of the task at hand, a point strongly emphasized in our discussion of transaction cost economics. Long-term employment contracts are best made as relational contracts because they suffer rather than benefit from too precise a specification of obligations (Kay, 1993:56).

Based on the arguments above, we posit:

Hypothesis 21: *Permanent full-time employees are more committed to their organization than flexible workers.*

Human resource policies should be linked to the strategies of the firm. We have previously discussed various terms related to human asset specificity and the corresponding competencies needed to develop sustainable competitive advantage through people. Instead of trying to measure the extent of investments in human capital, we introduce the term “learning climate”, taking for granted that a good learning climate fosters learning and competence development.

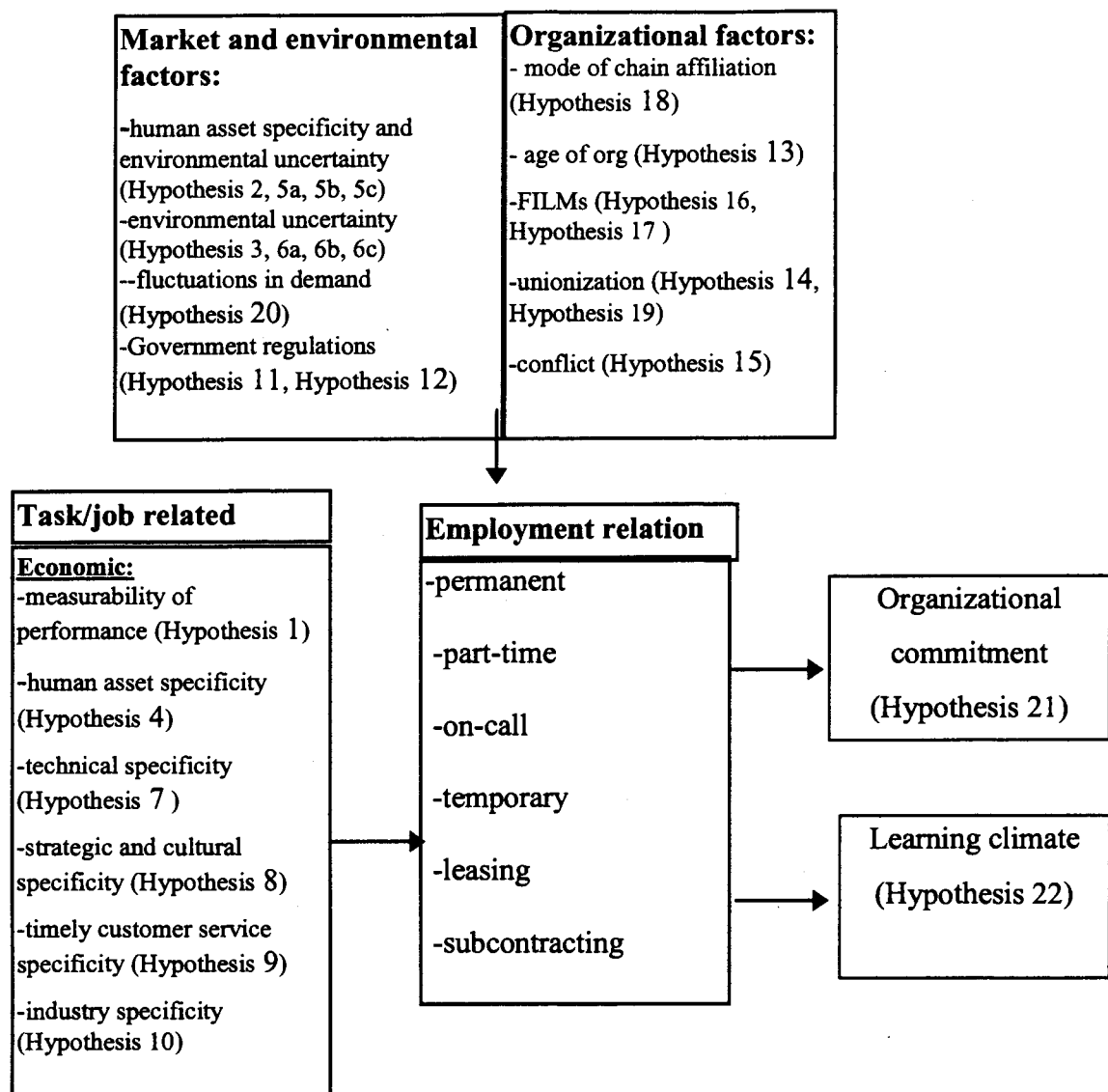
Investments in firm specific human capital may have tremendous effects both on the success of the organization and on the quality of life of the organization’s members. Consequently, there is good reason for management to invest in workers’ specific human capital, that is, in knowledge and skills that are valuable only in the focal firm. However, unless the employees stay with the firm for an extended period, the firm itself will gain only a small fraction of the potential benefits of the investments.

The configuration of the employment relation is part of the structure of the organization. It is the task of management to conceptualize and implement efficient and legitimate structures that develop and utilize the firm’s competencies. Investing in a firm’s learning capacity may enhance its potential to meet changes in the environment and customer preferences. A learning organization is more flexible and attuned to variations. Hence, a constructive internal learning climate may substitute for numerical flexibility lost by favoring long-term permanent employment relations. We therefore assume:

Hypothesis 22: *Permanent full-time employees are experiencing a more positive learning climate than flexible workers.*

Based on the theories and hypotheses presented above, we introduce our model of employment relations, their determinants and some consequences:

Figure 3.1: Determinants and interrelations of employment relations³



Economists argue that the optimal way to organize employment relations is found in the market or market driven mechanisms. Only when the market fails is consideration of other arrangements warranted. From this approach job incumbents may be replaced by persons from outside the organization who have market advantages. Price (wage) is an example of an obvious advantage. As suggested in the introduction, market based employment relations are generally favored by the employer, as it provides the utmost numerical flexibility. In theory employees are invited to stay with the organization as

³ The number in parenthesis refers to the corresponding hypothesis.

long as their marginal productivity exceeds that of other potential employees in the relevant competitive labor market.

At the other end of the continuum, employment relations are structured within hierarchies. These employment relations may be almost isolated from the market forces in the sense that the incumbent has property rights over the job. These rights may stem from a conscious and idiosyncratic strategy of the focal organization, or derived from institutionalized rights of public regulation and national policies. Both arguments are relevant in the Norwegian context. This way of structuring the employment relation is usually in the interest of the employees and their unions, as they ease the continuous competitive market pressure and provide opportunities for better jobs that become available within the firm. From this discussion, we can argue that the way employment relations are organized is well suited for political approaches where power and control over the relation are major themes (Edwards, 1979).

The employment relation may be defined along a continuum from «the company man»'s lifetime employment accompanied by promotion from within, through employment in time-limited specialized roles, to more or less externalized employment relationships. Pfeffer and Baron (1988) conclude that research on organizations has not recognized the full range of options along this continuum and therefore seldom addressed the question of why some employment practices rather than others are used in particular settings and time periods. They add that much of the organization theory takes the logic of bureaucratic control for granted, and therefore fails to focus one of the most critical questions of all: where the firm's employment boundaries are drawn.

In this study the concept of employment relations is outlined in six discrete forms, all seen from the focal firm's point of view:

1. Permanent relation: full-time jobs of indefinite duration (in the hotel industry 35,5 or 37,5 hours a week)
2. Part time jobs of indefinite duration, on predictable roster (the prediction often limited to a month)

3. Temporary:, directly employed temporary employees, fixed terms contracts of any duration
4. On-call (extra-helper), worker called in on demand, without roster.
5. Leasing from a «temps» agency: temporary workers supplied by an agency, work is performed on site. The temps agency acts as employer and bears responsibility for administration and wage payments. The focal firm is responsible for the organization and monitoring of the work.
6. Services provided from another firm or previous internal work outsourced to subcontractors, often fixed contracts for specified tasks (cleaning, laundry, marketing etc.). Included is hire from independent contractors (self employed), often a consultant that is hired for specified tasks. Payment on an hourly basis or for the defined task. Long-term as well as short term contracts are included.

The further use of these categories is described in chapter 5.2 on full-time employment.

*We can be knowledgeable
with other men's knowledge,
but we cannot be wise
with other men's wisdom.*
Michel de Montaigne

4. Research Design

The empirical setting is described in chapter 1.2. In this chapter we delineate the design and how data have been measured and collected.

4.1 Research design

Research designs are divided into three general categories: the classical experiment, the quasi-experiment and the non-experimental field study. The classical experiment is superior in testing causal relationships. An experimental design cannot be accomplished in our case, because we have no access to manipulative independent variables, and complex social contexts are difficult to reproduce with realism in an experimental setting. In addition, it raises serious ethical problems, as we would have to manipulate with individuals' employment relations. These problems also relate to a quasi-experimental design.

The non-experimental field study is thus the only viable and realistic design alternative. The design of this study may also be termed cross-sectional or correlational, as data on the independent and dependent variables are gathered at the same time. In theory research Cook and Campbell (1979) recommend the researcher to give priority to internal validity, construct validity, statistical validity and external validity, in that order. Internal validity refers to the question of whether the independent variable(s) does in fact cause the dependent variable. A lack of internal validity indicates alternative explanations for the relationship between X (the cause) and the effect (Y). This may occur in two ways. First there is the event of a spurious event being used as an explanation. Second, the variable is not spurious but a potential substitute for the concept X or Y. Cook and Campbell label this problem as one of

construct validity.

Construct validity relates to the confounding problem: the possibility that the operations which are meant to represent a particular construct can be construed in terms of more than one construct, each of which is stated at the same level of reduction (Cook and Campbell, 1979: 59). The confound in this case is not a spurious one, but a labeling one. Statistical conclusion validity, which relates to the question whether it is reasonable to presume covariation given a specified significance level and the obtained variances. Testing for statistical conclusion validity is concerned with sources of random error variance and with appropriate use of statistics and statistical tests. External validity refers to whether findings from one study and social context can be generalized across times or to other social contexts or persons.

Since we are less occupied with causality than correlations between individual, organizational and environmental variables on one side and employment contracts on the other, construct validity and statistical conclusion validity will be emphasized. This implies that it is of vital importance how we measure the variables. Furthermore, data should allow for testing correlations between variables. Respondents may therefore be recruited from a homogenous group as long as the collected data encompasses sufficient variance to allow hypothesis testing.

Field studies enable the researcher to study the research problem in its natural setting. As we also aim at informing and communicating the results to managers in the industry, the setting is important. Opportunities to test the relevance of competing theories are also at disposal, as field studies allow for testing correlations between variables. Furthermore, field studies may also improve the external validity of the results (Cook and Campbell, 1979). The results should apply to other industries with similar contexts as the one under scrutiny in this study.

In some instances we may be able to establish causal relationships as well. With causal research, in addition to covariation, the time occurrence of variables is crucial. The cause should precede the effect. Individual properties like age and gender, included as control variables, precede the choice of employment contract. In addition the most probable causal relationships between variables can be indicated on statistical grounds using multiple regression analysis. In some cases time sequences are established by

using data from a previous pilot study (Gjelsvik, 1994) from the same industry context.

4.2 Unit and level of analysis

The main research objective is to delineate factors that explain how firms configure their employment relations and examine some of their consequences. The conceptual foundations for our employee-organization relationship are transaction cost theory blended with a number of sociological theories. All these perspectives focus on the employment relation. Transaction cost theory focuses on employment relations as efficient governance structures. The theory provides dimensions of human asset specificity and indicates how these assets most efficiently should be governed through differentiated employment relations. By examining combinations of the degrees of human asset specificity and uncertainty related to transactions, four internal governance structures are delineated (Williamson, 1981). In addition, transaction cost theory is preoccupied with the efficient boundaries of the firm. How the firm's labor force is connected to the firm, is a fruitful way to examine these boundaries at the micro-level. Again, the employment relation is the relevant concept.

Sociological theories also focus on the employment relations, as they remind us of the importance of social, organizational and political contexts in which relations are embedded (Kalleberg and Reve, 1993). The impacts on employment relations of these social and political relations are assumed not to be completely reducible to efficiency considerations. Understanding the social and political institutions that shape the nature and configuration of employment relations has been a concern of the three sociological perspectives introduced here. Consequently the unit of analysis is the employment relation that connects the employee to the organization.

Determinants of employment relations are collected from four levels: the individual, job characteristics, organization and environment. This is line with Kalleberg and Reve (1993): *"An important task of empirical research on employment relations is to examine the determinants, interrelations, and consequences of the dimensions of contracts. Studies should specify how features of contracts are related to characteristics of markets and institutions as well as attributes of labor force members - such as their experience, training or gender"*. In addition, this study includes the job

level. The arguments are as follows: Organizations are set up partly to handle uncertainty and adoption in an efficient and rational way. However, the concrete substance of rationality depends on part of the total uncertainty a particular part of the organization has to deal with (Stinchcombe, 1990). Thus, rather than postulating one rationality for the whole organization, we suggest that characteristics of the job or function need to be documented in order to appreciate the different rationalities depending on what uncertainty has to be handled, given the task at hand. Transaction related uncertainties differ from task to task and thus across functions and departments.

Units within organizations confront varying environments that pose differing challenges for them, so there is good reason to focus on the job or function.

Transaction cost variables are mostly rooted at the job level. Asset specificity, measurability and uncertainty vary with task characteristics. Furthermore, variation within establishments as to the number of jobs actually included in an internal labor market (Baron, Davis-Blake and Bielby, 1986) may be substantial. Similarly, although establishments appear to have establishment-level hiring standards, there is still variation in hiring standards across jobs (Cohen and Pfeffer, 1986). In the interests of efficiency, organizations should adapt their structures to task, organizational and environmental requirements. Consequently, a multilevel model is required.

Some of the jobs or functions may constitute the core business of the firm while others are more peripheral. The internal labor market may include some departments and exclude others. The degree of customer contact is also highly differentiated between jobs. Most importantly, the employment relation obviously differs across functions. When managers reflect on whether or not to outsource or subcontract, it is categories of jobs they have in mind. These expectations are all based on observations and information from the pilot study.

The organization - or the hotel - is another level of analysis, which raises the question of what we mean by «hotel». The question is not as simple as it seems. Some employment relations imply that persons are on the payroll whereas others are not. In our case, those not on the payroll are also intimately linked to the focal organizations through contracts and relations. Contractors and individuals hired from temps agencies are part of the hotel's value chain. They are therefore part of the organization and

should be included in the population of employees. Those departments that the hotel manager conceptualizes as his/hers «hotel product» will be included in our concept of the hotel. From the pilot study (Gjelsvik, 1994) we know that the operation of restaurants may be subcontracted. From the arguments above, these restaurants will be included in our population if they still are considered as being part of the hotel's integrated product offering.

The second issue relates to the «firm» or «establishment» level. The «firm» refers to the corporate entity which can be very large and complex as the firm may have many hotels across various geographical areas and nations. The «establishment» is generally more tractable and thus preferable as the basis for sampling employees, since it refers to a specific physical hotel within which respondents are actually employed. Kalleberg (1990) recommends the establishment level as most relevant for studying blue-collar and other production and service workers, while the firm or corporation may be most salient for examining issues related to professionals and managers. Our study has the establishment as its predominant focus as most employee-related variables are rooted in the physical work site. Interviews with hotel managers reveal that local managers have substantial decisional discretion on human relation policies.

4.3 Sampling

A two stage sampling strategy was implemented. First, we selected a sample of companies in rather homogeneous product and labor markets. To avoid employment practices that vary extensively with seasons, we concentrated on city hotels with a potential for more stable demand over the year. Seasonal hotels often close down out of seasons, so for obvious reasons long-term, full-time employment contracts will not flourish. A sample of 38 hotels have been selected in the first step. All parts of Norway are represented in the sample as hotels from the following cities are included: Oslo (9), Bergen (5), Trondheim (5), Stavanger (6), Sandnes (1), Drammen (1) Kristiansand (3), Haugesund (2), Ålesund (1), Steinkjer (1), Bodø (1), and Tromsø (4). The hotels come in different forms and sizes, and with differing concepts and strategies. At the outstart hotels were drawn from a list of hotels employing more than 10 person years. As we experienced some closed doors, alternative hotels were contacted. In addition some

hotels were explicitly approached by us, based on prior knowledge to the hotel's strategies and use of employment contracts. This was done in an attempt to identify hotels that had used outsourcing strategies in an effort to obtain a sample including interesting and typical cases. In evaluating these steps, one should bear in mind that our priority is internal validity. We therefore deliberately chose a strategy to secure a broader sample, than a truly representative one. The hotel manager himself/herself has filled in the questionnaire, a fact that should enhance the reliability of the data. This is particularly pertinent to the more evaluative parts of the questionnaire.

Having selected the companies (at the «establishment» level) the second step involved drawing a sample of employees from each of these organizations. A sufficiently large number of employees from each hotel is required to obtain a within-establishment variation. This requirement is paramount as we aim at measuring variables at the functional or job level. As a vantage point, our intention was to reach **all** employees in the smaller or medium-sized hotels, and a representative sample in the larger ones. This objective was reached in some cases, but not all. Cost considerations are always present, compelling us to make trade-offs. In a few instances we have not been able to secure a satisfactory within establishment variation. In evaluating this fact, one should bear in mind that we, despite these difficulties, still have responses from both employer and a number of employees. Also, with the large number of total employee cases we have obtained a very satisfactory over all variation across employees and departments.

All in all, the design does provide considerable variation in employee and job attributes within as well as across companies. All cases are represented by data from both management and their respective employees. A major strength of a single-type organization survey is that researchers estimate covariations among organizational properties of interest, while controlling statistically for the effects of confounding factors (Kalleberg et al., 1996). Numerous factors are held constant by confining the study to a specific type of industry and market. By using well accepted economic and sociological theories, efforts have been made to avoid apparent tendencies to «develop different theories for different kinds of organizations» (Freeman, 1986).

4.4 Data collection

The need for data linking individuals to their organizational and institutional contexts are widely acknowledged (Mastekaasa, 1992). The individual employee cannot be expected to give accurate reports on the firm's strategic considerations and how environmental uncertainty influences management's decisions and economic performance. On the other hand, the manager will probably be a bad reporter on individual motives and how human resource policies actually work at the operational level.

In recent years surveys collecting data from managers as well as from employees have been reported (Kalleberg and Lincoln, 1988; Kalleberg, 1990; Torp and Skollerud, 1990). To meet the combined informational needs of sociologists and economists, studies of linkages between business organizations and their employees must include several features. Information obtained from particular work organizations is here linked to data collected from that same organization's employees.

Furthermore, as explicated above data are as a rule obtained from many employees within each establishment. Information from clusters of employees at different levels and positions within the same organization facilitates an analysis of individual differences within the same workplace. The definition of an employee is clearly an issue. The industry employs great numbers of on-call workers, some of which having down to 5-10% engagements with the hotel. The seasonal character of many hotels and their services account for the extensive use of more occasional workers. To include these in the study would require another method of data collection (postal surveys to their home addresses), which would raise financial issues and other dilemmas. Consequently, we had to decide on a cut-off point as to whom to include. As we wanted to have a reasonable chance of reaching all categories at the hotel, the decision was made to include those holding more than a 50% position.

Obtaining data from non-permanent employees is a challenge for several reasons. They are less present in the hotel than their full time colleagues, and thus less liable to come in contact with the questionnaire. The distribution of the questionnaire has been restricted to those employees comprising the hotel concept as defined by the

management, and is thus defined in each case. Consequently, the manager has been contacted and/or interviewed in advance to achieve a proper definition of his/her establishment and to secure cooperation.

Two sets of questionnaires were developed, one for managers and one for employees. The questions are closed-ended. Some of the questions overlap, but generally the questionnaire for managers focuses on strategies, markets, organizational characteristics and some characteristics of functions and departments. Employees have mainly been asked questions related to the employment relation, how internal labor markets and promotion practices actually work, the job, their guest relations and a number of individual characteristics. We have obtained access through the manager or owner of the hotel, who in turn has handled the internal distribution of questionnaires. In some cases the distribution and the motivation to fill in the questionnaires has been carried out as a joint effort of the local union members and management. This decision has been left to the manager in each case.

Questionnaires have been administered to the hotel manager either by myself and/or by four students at the Norwegian College of Hotel Management. The students were all properly trained for the task through several meetings beforehand. All *ex ante* coding of questionnaires was carefully designed and implemented to make sure that employee questionnaires were coupled to the respective managers. How to approach the hotel management were thoroughly discussed, as was the extent to which managers should be informed. We have been aware of the trade off between the need to motivate for access and explain the purpose and relevance of the study on the one hand, and the need to avoid strategic and manipulative responses on the other. In the training procedure we also stressed the importance of telling the same story, as an element to enhance the reliability of the measurement instrument. Using a small number of interviewers can make substantial contributions to data quality (Kalleberg et.al., 1996).

As a supplement to the quantitative data from the questionnaires, eight top managers were interviewed by myself. As a rule this was done in connection with the collection of questionnaires in their respective establishments. Typically the interview lasted for one hour. Why is it useful to add qualitative data to the study? The interviews will clearly aid in understanding the motives of the actors. We stand a better chance to

appreciate and interpret all the “whys”. In addition the researcher may better appreciate long term trends related to the research questions. Such trends are hard to grasp by means of cross-sectoral designs. In this case the interviews have been crucial in documenting some of the main issues here reported. The vast majority of questions posed have been related to the establishment itself, the respective hotel chain or industry issues. The establishment’s relations to the product and labor market have been of vital concern. The interviews will also help in evaluating the validity and reliability of information supplied from the questionnaires from these key informants. In some instances managers have been contacted to discuss discrepancies between the responses in the questionnaires and views expressed in the interview.

4.5 Sources of information

As the study draws on several sources of information, the sources of information pertaining to the respective hypotheses are presented below:

Table 4.1: Information sources related to hypotheses

Hypothesis/information source(s)	Managers' questionnaire	Employees' questionnaire	Interview managers	Interview union repr.
Hypothesis 1: <i>Easily measurable and observable activities are more likely to be carried out by temporary or externalized employees.</i>		X		X
Hypothesis 2: <i>There is a positive relationship between permanent employment relations on the one hand, and the combination of high human asset specificity and high environmental uncertainty on the other.</i>	X	X		
Hypothesis 3: <i>There is a negative relationship between permanent employment relations and high environmental uncertainty.</i>	X	X		
Hypothesis 4: <i>There is a positive relationship between permanent employment relations and human asset specificity</i>		X		
Hypothesis 5a: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high general uncertainty on the other.</i>	X	X		
5b: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high strategic uncertainty on the other.</i>	X	X		
5c: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high labor market uncertainty on the other.</i>	X	X		

Hypothesis/information source(s)	Managers' questionnaire	Employees' questionnaire	Interview managers	Interview union repr.
Hypothesis 6a: <i>There is a negative relationship between permanent employment relations and high general environmental uncertainty.</i>	X	X		
6b: <i>There is a negative relationship between permanent employment relations and high strategic environmental uncertainty.</i>	X	X		
6c: <i>There is a positive relationship between permanent employment relations and high labor market uncertainty</i>	X	X		
Hypothesis 7: <i>There is a positive relationship between permanent employment relations and the degree to which technical competencies are required.</i>	X	X		
Hypothesis 8: <i>There is a positive relationship between permanent employment relations and the degree to which cultural and strategic competencies are required</i>	X	X	X	
Hypothesis 9: <i>There is a positive relationship between permanent employment relations and the degree of "timely customer service specificity".</i>		X		X
Hypothesis 10: <i>There is a positive relationship between permanent employment relations and the degree of "industry-specific competencies".</i>	X	X	X	X
Hypothesis 11: <i>Activities subject to regulations from statutory law will have a higher tendency to be organized through permanent employment relations.</i>	X	X	X	
Hypothesis 12: <i>Activities subject to statutory regulations will have a lesser tendency to be organized through permanent employment relations.</i>	X	X	X	

Hypothesis/information source(s)	Managers' questionnaire	Employees' questionnaire	Interview managers	Interview union repr.
Hypothesis 13: <i>Newly established organizations make less use of permanent employment relations than older, well established organizations.</i>	X	X	X	
Hypothesis 14: <i>There is a positive relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel</i>	X	X	X	X
Hypothesis 15: <i>There is a negative relation between the use of permanent employment contracts and the degree of conflict in the organization.</i>	X		X	X
Hypothesis 16: <i>There is a positive relationship between the organization's implementation of FILMs and the use of full time permanent employees.</i>		X	X	
Hypothesis 17: <i>There is a positive relationship between the organization's implementation of FILMs and the use of leasing from temps agencies and outsourcing to subcontractors.</i>		X	X	
Hypothesis 18: <i>Hotels that are an integrated part of a larger corporation tend to have a larger proportion of permanent employees than freestanding, independent hotels and hotels associated with voluntary chains.</i>	X	X	X	X
Hypothesis 19: <i>There is a negative relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.</i>	X	X	X	
Hypothesis 20: <i>The higher the variability in demand the lower the use of permanent employment contracts.</i>	X	X	X	
Hypothesis 21: <i>Permanent full-time employees are more committed to their organization than flexible workers.</i>		X		
Hypothesis 22: <i>Permanent full-time employees are experiencing a more positive learning climate than flexible workers.</i>		X		

4.6 Data analysis

Coding is facilitated by using closed ended questionnaires. Likert scales and categories are deducted from theory and prior knowledge of the sample. Non-numerical variables are coded for each value. For numerical variables (size, age) the original values or grouping in sensible categories are used. Factor analysis has been carried out in efforts to identify underlying dimensions and to examine the potential for establishing measurement scales. The data from the questionnaire were entered into two respective data files, and then merged. Firm and environmental data (as reported by managers) were distributed to the employees of the respective organizations.

The examination of the hypotheses are carried out in two steps. First a description is presented by means of bivariate correlations. Strictly speaking, this assessment is not intended to represent the hypothesis tests. The purpose is to familiarize the reader with the empirical material, before we move on to multivariate regression analysis as the more rigorous examination. In accordance with the reasoning in the chapter on Unit and level of analysis, all variables pertaining to the respective hypotheses have been grouped in four categories or levels of analysis. The sequence of examination has been carried out correspondingly:

1. Characteristics of the environment or market
2. Characteristics of the organization, i.e. the establishment or the department
3. Job characteristics
4. Individual characteristics

A common way to examine the difference of the means of two groups is the “Group T-test” in which the average scores of the measures for the two respective groups are inspected. As explicated in chapter 5.2, the two groups consist of the categories of employment relations: full-time and flexible employees. The assumptions for the group t-test is that the variable is normally distributed, and that the groups have approximately the same standard deviation. When these assumptions are violated, the probability of the resulting t value is inappropriate. With large sample sizes and approximately the same number of people in each group, the Normality assumption is less critical. For these reasons, the distribution has been inspected with the resulting conclusion that some

distributions are considerably skewed. To minimize the problem, the so-called Mann-Whitney U test was conducted in comparing the two groups. In this distribution-free test all the scores for the respective groups are ranked and added within each group.

The proof of the pudding lies in the significance levels produced by the two tests. It turns out that the Group t-test and the Mann-Whitney U-test agree as to which differences between the two groups are statistically significant. Intuitively the results from the former is more readable and will therefore be used in the presentation of the bivariate analysis. In the (few) cases where the independent variable is binary, the measures of association is calculated as cross tabulations with the Pearson chi-square statistic as measure of significance.

Next the results from a multivariate analysis are introduced. Multiple regression is the appropriate method of analysis when the research problem involves a single metric dependent variable presumed to be related to one or more independent variables (Hair et al.:1995). In the analysis of determinants of employment relations, we deal with a dichotomous dependent variable, therefore the statistical method used is the Logistic regression. This procedure compares the probability of an event occurring with the probability of its not occurring. In our context that translates into calculating the probability of an employee belonging to either one of the two employment categories full-time permanent or flexible. For the examination of determinants of organizational commitment and learning climate linear regression is employed.

Management's use of the various types of employment contracts is analyzed by means of predictors from four levels. As a consequence, the results from the examination of the hypotheses are presented level by level. There are some exceptions. When variables are constructed as the product of two measures, the effects of the individual measures and the combined effect are examined at the same level.

The results are finalized by an overall model containing the most important determinants of employment relations. All the variables used in the hypotheses, in addition to the control variables, were included in a logistic regression run. The procedure "Backward elimination" was then implemented to remove non-significant variables.

*Who knows useful things,
not many things,
is wise*
Aeschylus

5. Measurement and scales construction

5.1 General introduction

Construct validity is a major concern. It is defined as «the extent to which an operationalization measures the concept which it purports to measure» (Zaltman et al., 1977:44). Construct validity can be assessed in various ways:

Face validity tells us to what extent the measure used seems to be a reasonable measure of what it purports to measure. Does the measure seem intuitively right? In this study we want to communicate with the research community as well as with the managers and employees of an industry. It is therefore vital that relevant constructs are familiar to the hotel managers as well as the research community. Satisfactory face validity is obtained by discussing relevant measures with hotel managers and employees. Through several years of teaching organizational and human resource development at the Norwegian College of Hotel Management, the author has considerable experience in the field. Furthermore, in-depth semi-structured interviews with six hotel managers (Gjelsvik, 1994) constitute another building block for the questionnaire construction.

Construct validity problems may also occur when a third variable is seen as being conceptually similar and equally likely to be an explanation of the discovered relationships. This study cites previous studies that report on the construct validity of central concepts used in the present investigation (e.g. “Organizational commitment” and “FILM’s”). Furthermore, we use multiple methods of measuring some constructs by collecting data from several sources (management, employees and archives). Multiple methods have thus been used as exemplified in the use of structured

questionnaires and semistructured interviews. **Convergent validity** is demonstrated by high correlation between measures (items) of the same variable. **Divergent validity** requires low correlation between measures of different variables. **Nomological validity** is improved by deduction of concepts from the theories explicated above. Nomological validity is assessed through the tests of hypotheses.

Operational measures are constructed based on theoretical studies, prior empirical work and discussions with managers and employees in the industry. In other words, we have made efforts to integrate theory and practice. For the most important concepts, scales based on multiple indicators (items) are constructed. The concepts of employment relations, organizational commitment and learning climate illustrate the case. Measures based on multiple indicators are also more robust, i.e. the random error is reduced (Ghauri, et al., 1995). In addition, they allow for validity testing.

Pilot tests of the respective questionnaires have been carried out to test how they communicate with the target groups. Three hotel managers not included in the final sample were used. Some ambiguities were removed, especially concerning questions related to industry specific use of employment relations and work schedules. The employee questionnaire was distributed to a large group (100) of students at The College of Hotel Management. The questionnaire proved to communicate very well. The common critic of using students does not apply, since all students have broad working experience from the hospitality industry. A question pertaining to remuneration was adjusted.

When evaluating methods used and statistics reported, one should bear in mind that we sometimes adopt well proven measures, as in the case of “Organizational commitment”. In other instances we walk a more exploratory path. Examples are our efforts to further explore different dimensions of “human asset specificity” and “learning climate”. Factor analysis has been used to identify potential underlying dimensions in more well established concepts like “environmental uncertainty”. Although always based on a theoretical foundation, factor analysis has also been used in a more exploratory sense to “let the empirical data speak”. This technique has been implemented in identifying concepts related to learning climate and FILMs. The construction of the particular measurements is explicated in detail below.

5.2 Full time employment

The employment relation is the dependent variable in most hypotheses. As we turn to the examination of organizational commitment and learning climate, the employment relation becomes an independent variable. Based on a prior study of this particular industry (Gjelsvik, 1994) and relevant literature, the various employment relations were split up in these categories:

1. permanent relation: full-time jobs of indefinite duration with more than 35,5 weekly working hours
2. part time jobs of indefinite duration with less than 35,5 weekly working hours
3. temporary:, directly employed temporary employees with fixed terms contracts of any duration, includes seasonal workers and apprentices,
4. extra helpers, employees called upon on demand, a stand-by labor reserve that may or may not have a contract on a minimum number of working hours. Payment on an hourly basis or for the defined task, typically a minimum of three hours' attendance.
5. leasing from a «temps» agency (agency temping): temporary workers supplied by an agency, work is performed on site. The temps agency acts as employer and bears responsibility for administration and wage payments.
6. services provided from another firm or previous internal work outsourced to subcontractors, often fixed contracts for specified tasks (cleaning, laundry, marketing etc.). Included is hire from independent contractors (self employed), often a consultant that is hired for specified tasks.. Long-term as well as short term contracts are included.

As will be explicated in the “Results” section, the use of leasing and subcontracting is practically non-existent in the sample. Consequently, the categories 5 and 6 above have been deleted from the further data analysis, which implies that the total number of employees is defined as the sum of the categories 1-4 above. The number of respondents from the respective departments and employment categories is presented below:

Table 5.1: Respondents across departments and contracts

	<i>Restaurant & kitchen</i>	<i>Reception</i>	<i>Rooms</i>	<i>Conferences</i>	<i>Bar, pub & nightclub</i>	<i>Support</i>	<i>Total</i>
Permanent full-time	157	100	64	36	18	113	488
Permanent part-time	24	35	27	8	6	16	116
Extra helpers	9	3	19	2		2	35
Temporary full-time	15	10		2		6	33
Temporary part-time	5	3	1				9
Sum	210	151	111	48	24	137	681

This distribution - compared with the respective responses from managers - points to the fact that extra-helpers in particular are under-represented in the sample. Managers report (section 6.4 on Employment relations) of a 22% share of extra helpers, as compared to a 5,1% share above. The issue of possible bias is therefore highly relevant. It is a fact that non-permanents are harder to find. Does that imply that those extra-helpers that chose to cooperate are more like permanent employees than the non-permanents who did not participate in the study? Are they more similar to other respondents than the category they are supposed to represent? First of all, we should bear in mind that the present extra-helpers should be representative of the population of extra-helpers holding a 50% job or more.

Fortunately, we do have data on extra helpers that indicate that the respondents share expected characteristics (reported in detail in chapter 6.3). They have low seniority, are predominantly female, have far less formal education, and are rarely promoted, The majority has no formal contract and would rather have a *permanent* contract. These results document that extra-helpers indeed do differ from their permanent full-time colleagues, and make it plausible that the sample is representative.

The employment concept is measured at the individual as well as at the organizational level. Employees have responded to their respective employment relation to the hotel,

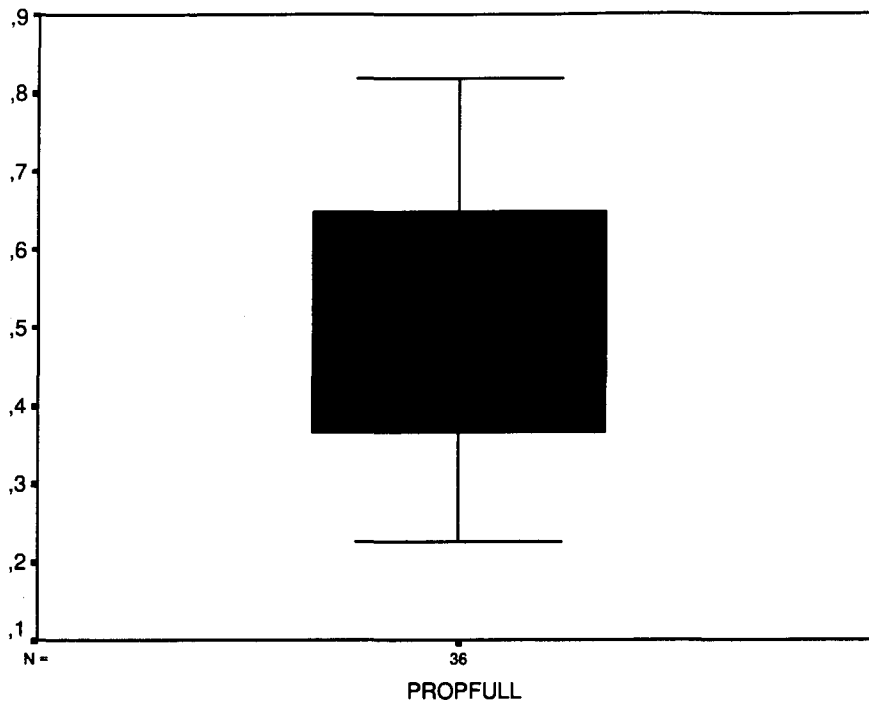
and the managers provide an overall distribution of type of employment contract department by department according to the categories listed above. The departments were structured as follows: restaurant; kitchen; rooms; reception; conferences; bar, pub and night club; cafeteria or breakfast area; marketing and sales; accounting; human resource; and other support departments.

In order to enhance the readability and allow for comparisons, the number of departments have been reduced to the following six: reception, rooms, restaurant (including kitchen, cafeteria and breakfast), conferences; bar, pub and night club; and support staff (including marketing and sales, accounting, human resource and other support). These departments embrace the main activities of a hotel organization.

Permanent employment contracts come in two fashions: full-time and part-time. Consequently, two measures are established. PROPFULL represents the proportion of permanent full-time employment contracts of the total number of employees. This measure may be computed in at least two ways: as an overall measure (total number of permanent full-time employees as part of the total number of employees in the hotel), or as the mean of the proportion of full-time permanent employees in each of the specific departments (PROPFUL2). In the latter case all departments have the same weight, implying that the smallest departments will be over-represented. In this sample the support departments are typically small and are supposed to have limited influence on the major value adding activities of the hotel. Consequently, it makes little sense to deliberately let these departments have greater influence than deserved.

On the other hand, there is reason to believe that the antecedents and consequences of the configuration of employment relations will work through the climate at the department level. The closest and familiarized work environment is probably most prevailing for learning-by-doing, arenas for creating social networks and cooperation, and bases for organizational commitment. The impact of differing weights is demonstrated by correlating the measures PROPFULL and PROPFUL2. With a correlation close to 1, the relative weight of all departments is not very dissimilar. We decided that a correlation of 0,9 or more - should favor the latter, PROPFUL2. However, the Pearson correlation coefficient is 0,818, resulting in that the former, PROPFULL, will be preferred. The distribution is presented below:

Figure 5.1: Boxplot of proportion full time, permanent employment relations



On the average the proportion of full time permanent employees is 0,53. The median is 0,54, indicating a normal distribution, which is further underscored by the skewness and kurtosis measures⁴. The line in the middle of the box indicates the median value of the proportion for 36 hotels. The bottom line signals the minimum proportion encountered in the sample (0,23) and the upper line represents the maximum proportion of full time permanent contracts (0,82). The box encloses the middle half of the hotels, 25% below the middle line, 25% above. In other words, 25% of the hotels have a proportion of full time permanent employees in the interval between the median (0,53) and 0,64 (approx.), whereas another 25% is concentrated between the median and 0,36 (approx.).

Differences between the four remaining categories of employment relations will be explicated, before another simplification is executed. For the majority of our analyses, the most pertinent categories of employment contracts are constituted by the dichotomy of full-time permanent employment on the one side, and the part-time,

⁴ Skewness: -0,162 (SD 0,393), kurtosis -0,945 (SD: 0,768)

temporary and on-call (extra helpers) workers on the other. As a rule, our hypotheses discriminate between full-time permanent employees and the subgroup of the remaining three categories. A dichotomous variable is hence constructed both at the individual and at the organizational level.

Alternatively, the four employment categories may be assessed as constituting a continuum of increased flexibility, ranging from permanent full-time workers at one end, compared to on-call workers at the most flexible side. However, such a procedure is more speculative, as the assessment of the categories is replete with ambiguity. Conflating categories do indeed result in loss of information, but simplicity and lucidity are enhanced.

5.3 Measurability of performance

To tap the concept of measurability a scale of four items was constructed. The respondents were asked to voice their opinions along a continuum from 1 to 6, where 1 is “totally disagree” and 6 is “totally agree”. The scale is based on responses from employees to the following questions:

Table 5.2: Measurability of performance

	<i>Rest. & kitchen</i>	<i>Reception</i>	<i>Rooms</i>	<i>Conferences</i>	<i>Bar, pub</i>	<i>Support</i>	<i>Total</i>
A. It is easy to see the results of my work	4,80 (1,18)	4,19 (1,32)	4,93 (1,22)	4,74 (1,31)	4,65 (1,07)	4,61 (1,31)	4,64 (1,27)
B. My superior can easily measure and evaluate my work effort	4,81 (1,27)	4,21 (1,44)	4,88 (1,31)	4,88 (1,31)	4,44 (1,41)	4,39 (1,44)	4,67 (1,33)
C. My superior can easily measure the weekly results of my work	3,98 (1,51)	3,48 (1,46)	4,59 (1,44)	4,20 (1,49)	4,04 (1,94)	3,83 (1,48)	3,95 (1,53)
D. My superior can easily evaluate the quality of my work	4,88 (1,13)	4,34 (1,33)	5,03 (1,19)	4,84 (1,17)	4,43 (1,50)	4,61 (1,50)	4,71 (1,25)

The scale has a mean of 4,47 and a standard deviation of 1,07. The reliability test produces a coefficient (Chronbach's) alpha of 0,79. The coefficient alpha provides an average reliability coefficient based on the average correlation across the dimensions

(items) and the number of items. High coefficient alpha and positive and high correlations across the items is an indication of data with high reliability or internal consistency. Nunnally (1978) recommends a coefficient alpha of 0,70 or higher. A somewhat lower coefficient alpha is acceptable, especially in an exploratory phase when the development of operational measures is still in its infancy. In subsequent presentations and discussions of the reliability of scale constructions, coefficient alphas in the range of 0,6-0,7 will sometimes be argued for.

The scale does not discriminate between input and output measures, as has been customary of economic organization theories (e.g. principal agent theory). A factor analysis strongly indicates that all items load on one factor only, indicating that a unidimensional measure has been obtained.

5.4 Environmental uncertainty

Relating to the concept of task environment a battery of questions was included in the questionnaire to capture different aspects of environmental uncertainty. The questions and response pattern are presented below:

Table 5.3: Environmental uncertainty

	N	Mean	Std. Deviation
A. Major seasonal variations in the demand for our services exist	38	4,11	1,50
B The demand for our services vary strongly year by year	38	2,18	1,20
C. Government regulations are hard to predict	38	3,84	1,35
D. The competition has increased strongly the latest 3-4 years	38	4,76	1,34
E. We are uncertain as to the strategies of our competitors for the next years	38	3,21	1,14
F. Government regulations have minor impact (reverse - coded)	38	4,11	1,25
G. The restructuring of the industry has a strong impact on our hotel	38	3,53	1,29
H. It is easy to recruit qualified employees (reverse - coded)	38	4,08	,97
I. It is difficult to retain qualified employees	38	3,03	1,10

A reliability test of the entire set of questions estimates a coefficient alpha of 0,632, which, according to the 0,7 criterion, is not satisfactory. Two items (F and H) correlate negatively with some of the other items. There is a negative item-to-total correlation between variable h and the scale. Furthermore, the scale is made up of factors relating to input as well as output uncertainties, indicating a need for a closer inspection through factor analysis.

At the outstart all dimensions were included in the factor analysis. Variable F relating to the impact of governmental regulations proved to have a low factor loading on the test for measures of sampling adequacy (MSA) for individual variables. Having removed this variable, the overall measure of sampling adequacy produces the numbers presented below:

Kaiser-Meyer-Olkin Measure of Sampling Adequacy 0,638

Bartlett's Test of Sphericity Approx. Chi-Square 51,693; Significance ,004

When the purpose of the factor analysis is to identify theoretically meaningful factors or constructs, an oblique extraction solution is recommended, because, realistically, very few variables are uncorrelated, as in an orthogonal rotation. The results are presented below:

Table 5.4: Oblique rotation of Component Analysis Factor matrix

Pattern Matrix	Factor 1	Factor 2	Factor 3	Communality
10D: Increased competition	,891		-,295	,757
10E: Competitors' strategies	,828	-,117		,613
10A: Seasonal variation in demand	,613		,365	,593
10C: Predictability of Government regulations	-,265	,876		,622
10G: Impact of restructuring of the industry		,757	-,150	,566
10B: Annual variation in demand	,260	,445	,180	,449
10H: Difficult to recruit qualified personnel	-,203	-,268	,914	,817
10I: Difficult to retain qualified personnel	,131	,361	,605	,683

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

For each variable, the communality is the proportion of the variance of that variable that can be explained by the common factors. Communalities range from 0 to 1, indicating that the common factors explain none of the variance of the variable, or all of the variance, respectively.

The factor analysis indicates three important underlying dimensions of the environmental uncertainty score. The first factor expresses the uncertainty related to competitive pressure (10d, 10e, 10a). We may call this factor strategic uncertainty, underpinning that hotel managers may position themselves differently to these conditions. We also include the item related to seasonal variations in demand, which is another strategic issue for managers. Some endeavor to prolong the seasons by various means: conference arrangements in the fall and early spring, local arrangements in the Christmas season etc. Typically these hotels strive to serve several markets with different seasonal demands in order to level out the otherwise extreme seasonal fluctuations. Factor number two signals a more general uncertainty related to situations in which the managers have very limited or no influence: the importance of, and predictability of government regulations, the restructuring of the industry and annual variations in demand. Highly different demand from one year to another is related to external forces: exchange rates, weather conditions, the general economic climate, etc. The third detectable factor relates to the labor market, the challenge to recruit and retain competent people (10h and 10i). We thus have three factors:

- A) Strategic uncertainty (10a, 10d, 10e)
- B) General uncertainty (10b, 10c, 10g)
- C) Labor market uncertainty (10h and 10i)

New scales are established in accordance with the definitions above. The coefficient alphas are 0,65, 052, and 0,46, respectively. Compared to recommendations of acceptable alphas, the coefficient for strategic uncertainty is acceptable, especially when the limited number of items is taken into account. The variables “general uncertainty” and “labor market uncertainty” pose more substantial challenges. Again, the number of items is limited. In the latter case of two items, the correlation between the two is 0,31 (Sig, 2-tailed, 0,066). The low scores notwithstanding, the scales will

be used as identifiable dimensions of the broader uncertainty concept.

5.5 Human asset specificity

The concepts related to human asset specificity and identified types of competencies presented in chapter 2 employ both questionnaires as sources of information. As explicated in the same chapter, our ambition is to further develop the concept of human asset specificity. Some of the measures are thus in an early and exploratory stage. Consequently, precision requirements are somewhat relaxed, compared to measurements used in a more confirmatory mode. Managers report on their requirements of knowledge and skills to various positions in the firm, and how different activities are related to the strategies of the hotel. These data are related to departments or job categories, enabling us to employ a transaction oriented approach. Employees report on their individual training and competencies, the degree of actual customer contact, the length of their employment with the firm etc.

We start the discussion of human asset specificity by elaborating the concept of “*Timely customer service specificity*”. As will be recalled from the discussion leading up to Hypothesis 9, the extent of customer contact is used an indicator of the concept of customer service specificity. Employees were asked to assess to what extent they have direct customer contact along a continuum from “almost all the time” to “never”. The answers were transposed to a scale ranging from 0,95 to 0.

In discussing *firm specific competencies*, we argued for a distinction between

- *technical competencies*, which are task and firm specific, and
- *cultural and strategic competencies*, which are firm specific, and task nonspecific

Numerous potential items were assessed for constructing a scale suitable for measurement of these concepts. Factor analysis was employed to identify potential underlying factors that might prove relevant for measuring the two concepts. Managers were asked to evaluate their value adding departments and activities across a number of issues, a set from which the regression tapped items. The factor analysis failed to produce a coherent scale. Consequently, we were left to use two separate questions to capture the two constructs. These are as follows:

Technical competencies: *“These tasks require thorough knowledge of our menus, guests and operating procedures”*

Strategic and cultural competencies: *“These tasks require thorough knowledge of our organizational culture and management style”*

Managers have assessed these features along a 1-6 scale. Results are presented in Table 6.17.

To capture the concept of **human asset specificity**, the employees were confronted with the following question: *“Imagine a person with approximately the same education and general work experience as yourself, but without your experience in your present job, how many months are required to train this person to carry out the job in accordance with management’s expectations?”* The responses are presented below:

Table 5.5: Required firm internal training (months)

	<i>Mean</i>	<i>N</i>	<i>SD</i>
Reception	5,00	140	4,58
Rooms	2,99	93	3,06
Conferences	6,34	43	6,82
Kitchen	4,57	77	4,25
Dish washing	1,79	6	2,15
Restaurant	5,68	96	6,31
Bar, pub, night club	4,14	21	5,28
Support staff	5,13	65	4,80
Other activities	5,48	65	4,63
Total	4,85	606	4,96

The table indicates major differences in the firm’s requirements of firm specific competencies, not only across departments or jobs, but within the same departments as well.

As a further effort to validate measures, we will now elaborate on how the concepts of “technical competencies” and “timely customer service competencies” may be differentiated from other related concepts. Does it actually make sense to differentiate

between concepts in the realm of human asset specificity? From the responses from the employees, the following variables were run through a factor analysis:

- var06a: Seniority in the hospitality industry
- var06b: Seniority in present occupation
- var06c: Seniority at the focal hotel
- var06d: Seniority in present job
- var21: Extent of customer contact
- var27: Required internal training to meet management's expectations
- var30a: Firm specific training
- var30f: Task nonspecific training

Except from the group of seniority dimensions, the regression analysis fails to reveal any common underlying factors. Var27, used as a proxy to human asset specificity, and var21, used to measure "timely customer service specificity" act independently of the others.

The concept of **industry specificity** is captured by asking the employees to evaluate "*In your opinion, how many years of industry related education and relevant work experience are required to carry out your present job?*" The responses are:

Table 5.6: Industry specific competencies across departments

	Mean	Std Deviation	N
Restaurant&kitchen	3,70	2,20	210
Reception	2,50	1,70	151
Rooms	1,05	1,41	113
Conferences	2,79	1,95	48
Bar, pub, nightclub	3,53	2,33	24
Support	3,42	2,18	137

5.6 Activities subject to regulations

Activities subject to regulations are measured at the department level as reported by management. Managers have responded to the following question by giving a score from 0 to 6: "*The operations in the department is much affected by the Work Environment Act and other Government regulations*". The responses across

departments are as follows:

Table 5.7: Effect of regulations

	N	Mean	Std. Deviation
Restaurant & kitchen	35	4,8857	1,5295
Reception	35	4,5143	1,5787
Rooms	35	4,8857	1,4906
Conferences	29	4,5862	1,5473
Pub, nightclub	22	4,8636	1,4895
Support	27	3,5926	1,9662

5.7 Firm internal labor markets (FILMs)

Our measures of FILMs are based on managers' reports on structural features of the establishment, combined with information from employees on their actual and expected careers. Some of the questions relate to their own, individual experiences and expectations, others have reference to assessments of the organization as a whole. Directly measuring FILMs from data supplied by organizational informants is an advance over the indirect indicators of FILMs used by most previous studies (Kalleberg, et al., 1996). Furthermore, this study takes advantage of the combined data from managers and their employees.

At the organizational level the number of departments heads and the number of managerial positions were measured. These numbers are assumed to be objective indicators of the potential for promotion opportunities within the establishment. A preliminary test revealed that these measures have negligible relevance, and have been discarded from the final analysis.

The employees have responded to these statements (1 = totally disagree, 6 = totally agree):

Table 5.8: Promotion opportunities

	N	Mean	Std. Deviation
A. Employees in my type of position enjoy good opportunities of promotion to a position with better pay or more responsibility	661	3,20	1,76
B. I expect to be promoted in this hotel during the next two years	648	2,15	1,51
C. Employees not being promoted may expect higher pay based on seniority	641	3,87	1,88
D. As a rule current employees are promoted to vacancies	648	3,96	1,56

These items do not constitute a consistent scale. A reliability analysis uncovers a low estimated coefficient alpha of 0,38. The result is not surprising, on the contrary the result is in accordance with prior research, where a common conclusion is that a distinction should be made between general promotion opportunities (C and D) and individuals' own expectations of promotions (A and B) (Kalleberg et al., 1996). A factor analysis documents parallel results for the present empirical data.

In order to delineate *expectations* from *actual experiences*, the employees were also asked to respond to the following question:

Table 5.9: Actual promotion experiences

<i>Have you been promoted to a position with better pay or more responsibility in the hotel?</i>	<i>Frequency</i>	<i>Percent</i>
Yes	254	38,4
No	407	61,6

This item and those listed in Table 5.8 will be used at the individual level, with one exception. Question B (in Table 5.8) is discarded due to validity problems. A number of respondents have reported that they have no ambitions, or even stronger: they do not want to be promoted. This feedback indicates a troublesome potential of confounded interpretations.

The managers also respond to the following questions:

Table 5.10: Human resource policy issues

	N	Mean	Std. Deviation
1. Our employees are never paid more than tariff/market wages (reverse coded)	38	4,16	1,48
2. We have a personell system monitoring employees' wage and career development over time	38	3,76	1,51
3. Our human resource policy differentiates between fulltime and contingent employees	38	3,58	1,70
4. We have implemented a longterm human resource policy to strengthen our competence at all levels	38	4,42	1,00

As a starting point, these items were assumed to correlate. Employees should be paid above market rates to be retained in an internal labor market, and a personnel system would keep track of the employees' career development as planned and implemented as part of a FILM. The estimated coefficient alpha is 0,25. Furthermore items 2 and 4 are uncorrelated. Due to these obstacles, a factor analysis was employed to sort out potential relevant dimensions based on prior research and our empirical data combined. As input to the factor analysis, the following items were used:

At the individual level:

1. Individual promotion opportunities (C and D)
2. Individual promotion expectations (A and B)
3. Individual promotion experiences (E)

At the organizational level:

1. Proportion of vacancies filled with current employees ("INTREK", as reported by the managers)
2. Wages above market level (Var21e)

Structural variables:

1. Number of management levels (Var23)
2. Number of management positions (Var22)

No underlying common factors were detected. As a consequence, the following items will be used to tap different aspects of FILMs:

1. **Individual promotion opportunities:** *"Employees in my type of position enjoy good opportunities to be promoted to a position with better pay or more*

responsibility” (1-6)

2. **Seniority-based wage increases:** *“Employees not being promoted may expect higher pay based on seniority” (1-6)*
3. **General internal promotion opportunities:** *“As a rule, current employees are promoted to vacancies” (1-6)*
4. **Actual promotion:** *“Have you been promoted to a position with better pay or more responsibility in the hotel?” (yes/no)*
5. **Above market wage:** *“My job in this hotel is better paid than corresponding jobs in other hotels” (1-6)*

5.8 Age of organization

Measuring the age of an organization seems straightforward, and so it is. The managers were asked when the hotel was established. However, organizations may have many lives. Their life may have been aborted by bankruptcies, only to be revived after a refinancing. Furthermore, chain membership may come and go. How do we solve these dilemmas? The issue has been discussed with the hotel’s management. For the majority of the sample, the date of the original establishment has been reported. In those cases where the hotel has embarked on completely new markets with radically altered services, combined with a reorganization (new ownership and/or management), the date of the “new life” is reported.

The organizations surveyed range in age from 2 to 139 years. With a mean of 34,2 years and a median of only 13, the distribution is skewed. Consequently the measure has been transformed to log₁₀, which is used in the subsequent analysis.

5.9 Unionized employees

The manager reports on the *proportion* of employees organized in a trade union. In addition, the individual employee reports whether he/she is organized or not. The managers report of an average proportion of unionized employees of 35,6%, ranging from 0 to 90%. Correspondingly, 41% of the employees in the sample are organized.

At the organizational level, the measure will be based on the numbers as reported by the managers.

5.10 Conflict level

Variables relating to levels of conflicts or cooperation were included in both surveys. Since the relevant hypothesis is formulated from the management's point of view, the response from the leaders have been preferred. The managers were asked: *"How will you describe the relationship between the employees and management? Is the relationship characterized by (1 = totally disagree, 6 = totally agree)"*

Table 5.11: Employee-management conflicts

	Mean	Std. Deviation
Mutual understanding of profitability requirements and other major challenges (reverse coded)	2,47	,797
Personal conflicts	2,29	1,037
Conflicts related to wages	2,63	1,195
Agreement related to recruitment and dismissals (reverse coded)	1,95	,899
Agreement on the need for internal flexibility (reverse coded)	2,92	1,239
Mutual understanding for guest treatment and service level (reverse coded)	2,03	,915
Employees take on tasks beyond their job description (reverse coded)	2,61	,946

N: 38

An "Employee-management conflict" scale has been constructed including the items listed above. The scale has a moderate to satisfactory estimated reliability (alpha 0,68). This organizational level construct is transformed to the individual level file and distributed to the respective employees.

5.11 Chain membership (part of larger corporation)

Managers report on the issue of chain association or membership. The three categories correspond to the ones used in the industry. The results are presented below:

Table 5.12: Chain affiliation

	Frequency	Percent
independent hotel	3	7,9
voluntary chain affiliation	13	34,2
member of owner-integrated chain	22	57,9
Total	38	100,0

A very small number of hotel establishments are independent. This result is representative of the Norwegian market. An ever increasing number of hotels decide to cooperate with larger chains. In recent years the Norwegian market has come to be dominated by 5-6 chains. Hotels affiliated with a so-called voluntary chain typically limit the cooperation and coordination to marketing and procurement. Policies on human resource management is still left with the individual establishment.

Hotels belonging to an owner-integrated chain not only share a common ownership, but they witness an implementation of a comprehensive joint policy, including human resource policies. Some chains offer joint training for employees in establishments belonging to the chain. According to the managers, internal labor markets are created and career ladders exist for the chain as a whole. In our context, the relevant distinction is whether or not the establishments have a common human resource policy or not. Consequently, the sample will be divided in two parts. One group will include independent establishments and hotels affiliated with a voluntary chain. The owner integrated hotels constitute the other group.

5.12 Variability in demand

The variability concept developed here focuses on seasonal or other forms of more or less predictable variations in demand. The measure is based on a registration of the actual proportion of beds filled. Hotels register this occupancy rate on a daily basis, and report average monthly figures. This variable should be positively related to the profitability of the hotel.

The lowest and highest average monthly proportion for 1996 is reported by the manager. The difference between these two numbers was computed for each individual

hotel. The minimum difference is 24 percent points, compared to a maximum of 78. The lowest monthly average in the sample is 16%, implying that 1 of 6 beds are occupied. At the other extreme, a hotel was blessed with a minimum of 70,3%, indicating differentiated needs for a flexible staff. This objectively based measure of variability in demand adds to the subjective measures of environmental uncertainty presented in chapter 5.4. The measure has been transformed to log10 because of skewness.

5.13 Organizational commitment

The number of definitions of commitment has grown in parallel with an increased interest in the concept. Broadly speaking, these can be reduced to three groups concerned with attitudinal, exchange and behavioral commitment. Becker (1960) views commitment as the result of an exchange between two parties, and it applies to the relation between employer and employee. The concept has been operationalized by Hrebiniak and Alutto (1972) and defined as: *“a result of individual-organizational transactions and alterations in the side bets or investments over time. The more favorable the exchange from the participants point of view, the greater the commitment to the system”*.

In what is probably the most widely used definition, Mowday et al (1982) suggest that organizational commitment is *“the relative strength of an individual’s identification with and involvement in a particular organization”*. It is characterized by at least three factors:

1. A strong belief in and acceptance of an organization’s goals and values
2. A willingness to exert considerable effort on behalf of the organization
3. A strong desire to maintain membership of the organization

This latter definition implies that organizational commitment has both an affective as well as a behavioral component. We have decided to use the definition of Mowday et al for two reasons: It is the most widely used, which facilitates a subsequent communication with other studies. Secondly, it has obvious links to concepts that this study focuses on, that is the strategic potential of human resource policies that embrace

the concept of human asset specificity, especially the strategic and cultural competencies.

Thus we have built a scale of 7 items selected from the Organizational Commitment Questionnaire (Mowday et al.,1982). The selection was made to capture the three aspects of commitment as listed above. The responses are as follows (Except for the one reverse-coded item, 1 = totally disagree, 6 = totally agree):

Table 5.13: Organizational commitment

	N	Mean	Std. Deviation
A. I am proud to be working for this hotel	668	5,03	1,19
B. I am willing to work harder than I have to in to help this hotel succeed	664	5,17	1,07
C. I would take almost any job to keep working this hotel	665	2,21	1,45
D. I feel very little loyalty to this hotel (reverse	660	4,77	1,57
E. I would turn down another job for more pay order to stay with this hotel	662	3,06	1,61
F. I find my values and the hotel's values are similar	652	4,56	1,28
G. I would not hesitate to recommed a friend to accept a job at this hotel	659	4,69	1,43

The scale including the seven items above proves to have a satisfactory internal consistency, with an estimated Cronbach's alpha of 0,77. The seven items' scale produces an average score of 3,84 and a standard deviation of 0,77. The distribution of the three dimensions across employment relations is reported in Table 6.24.

5.14 Learning climate

The interest for organizational learning climate is straightforward: The state of the organization's learning climate is assumed to influence on its ability to learn, which in turn is expected to have performance implications. In other words, improvement of a firm's learning climate is assumed to enhance its learning, leading to improved performance. As with organizational commitment, the individual is considered the appropriate level of measurement.

Employees were asked to respond to ten statements relating to the internal learning climate at the hotel. (1 = totally disagree, 6 = totally agree). The distribution of

responses is presented below:

Table 5.14: Learning climate

	N	Mean	Std. Deviation
A. Further development of my capabilities is well facilitated at this hotel	654	3,60	1,46
B. Internal training is being offered on a continuous basis	656	2,84	1,53
C. Improvement proposals from employees are welcomed by management	655	4,21	1,44
D. We are being encouraged to take responsibility for our own competence development	657	4,08	1,46
E. The ones expanding their own competence receives recognition from management	649	3,86	1,45
F. I get the opportunity to learn novel tasks	647	3,78	1,54
G. We have a say as to how things should be done	657	4,09	1,46
H. My superior wants me to succeed.	653	4,88	1,24
I. We share our knowledge and skills with each other	660	4,59	1,26
J. Trial and error is accepted in order to improve	657	4,83	1,24

The scale computed from the ten items above has a very satisfactory internal consistency, with an estimated Cronbach's alpha of 0,89. The ten items' scale produces an average score of 4,08 and a standard deviation of 1,00. Learning climate is a multidimensional construct, hence, our scale encompasses several important dimensions:

1. Management relations and style (C, E, H)
2. Empowerment and autonomy (D, G)
3. Opportunities to develop (A,B)
4. Learning by doing (F, J)
5. Knowledge sharing through teams (I)

Access to learning opportunities, enhancement and further development of individual knowledge and skills, are major benefits for the employee. These data will inform us on how this access is distributed among individual members of an organization and across enterprises. For service organizations, people are the most productive resource. To identify the organization- and job-related factors that enhance the learning climate, is a thus a major task for managers as well as for employees.

6. Results and testing of hypotheses

6.1 Introduction

In this chapter the results from the study are presented. The hypotheses will be tested in correspondence with the four levels of analysis. Identification of the predictors of employment relations is the first objective. Some preliminary results have already been presented in the previous chapter in connection with the definition and operationalizations of the variables. First, grouped by level, results from a bivariate analysis between the individual predictors and the dependent variable are presented. Secondly, the hypotheses are tested and examined by means of multivariate regression analysis. These tests are actually carried out in two steps: First level by level in a parallel manner as the bivariate assessment. Next a simultaneous analysis of *all* predictors completes the examination. The discussion and interpretation of the results presented in chapters 6.2 and 6.3 take advantage of the interviews with top managers as a supplement to the structured questionnaires.

Having completed a detailed examination of the determinants of employment relations, we next turn to the analysis of organizational commitment and learning climate. The influence of employment relations is a major concern and is first assessed by itself, before we move on to a further investigation where the impact of all variables is examined. The methodology is analogue with the one used in the analysis of the determinants of employment relations, apart from the bivariate analysis.

Before throwing ourselves into all this exciting material, we provide some major conclusions on the use of employment relations in the hospitality industry.

6.2 Some major conclusions

Outsourcing or externalizing of activities has been a major trend in recent years. Gjelsvik (1994) documented that this national and international development also could be observed in the hospitality industry in such disparate functions as laundry services, cleaning of rooms, accounting, security, and the operation of restaurant and bars. No omnipotent determinants could be uncovered, however. Economic benefits were documented in some cases, and attempts of union busting could be observed, although not explicitly admitted. Externalizing is assessed as a major tool for achieving numerical flexibility, enabling the hotel to adjust the amount of working hours to the shifting demand. Outsourcing of core as well as peripheral services were evidenced. In parallel with the subsequent observed development in other industries (Nesheim, 1997), a continuous trend of externalizing in the hospitality industry was thus expected.

This study documents that outsourcing and externalizing of work no longer is a major trend in the hospitality industry. The need for flexibility is mainly achieved by extensive use of on-call workers (extra helpers) and part-timers. In our survey, these two categories constitute respectively 22% and 22,9% of the total work force. In other words, the firms in this industry have chosen to internalize most activities, including those that according to delivered organization theory easily lend themselves to outsourcing and market organization. Interviews with hotel managers even reveal that functions previously provided by market actors, presently are internalized. Some managers have experienced the full circle from internal organization to outsourcing and then back to full integration in the hotel organization. Why do we find this trend of internalizing, contrary to prevailing managerial thinking in other industries?

Firstly, jobs having status as non-core in other industries, and hence are assessed as candidates for outsourcing, are defined as core-functions in this industry. Cleaning of guest rooms is the best example. The job of the house maids is easily measurable and lends itself to standardization. External suppliers are abundant, standard contracts exist, and norms for productivity measures have been developed. In other words, a well-functioning market exists, and contracts are easy to underwrite. Nevertheless, the work is organized by the hotel, where the house maids are employed. In general, this

function is conceived of as being a core service in the hospitality industry. One informant claimed that “if we cannot clean the rooms, we cannot run a hotel”. In most other industries, cleaning is regarded as a typical non-core service.

Secondly, services that on the surface may seem standardized, are in fact considerably firm specific. Some hotels have upgraded the job of the house maids through novel and expanded job designs, communicated by descriptions such as “room-hosts/hostesses”. House-maids are expected to communicate and interact with the guests, and to be well informed on the hotel’s services. Training in how to relate to the guests, including cross-sales opportunities, is a vital part of some hospitality strategies. Real implementation of new job designs require firm-internal training. The more firm specific training is required, the less likely is outsourcing of the service. Other hotels pride themselves in having a “green profile”, using environmental-friendly detergents and chemicals for their cleaning. The hotels pursuing this strategy have underwritten a contract with a specialized supplier. The hotels, being affiliated with a chain, take responsibility of training the house-maids and other employees, thus securing the correct implementation. Technically, the vendor could have supplied the actual cleaning too, but the chain has chosen to carry out the job themselves, as they want to develop their own, idiosyncratic way of cleaning. This example fully demonstrates the need for micro-studies of make-buy decisions. The more general job characteristics constitute a pertinent starting point for make-buy assessments, but these have to be combined with the firm’s idiosyncratic strategies in order to take a truly informed judgment.

Thirdly, the potential of multi-skilling is most effectively utilized by internal organizing. So-called functional flexibility, implying that the employees carry out more than one specified job, is implemented in smaller or medium-sized hotels. The after midnight/early morning receptionist may prepare the breakfast table. The evening receptionist may function as a bartender. In some hotels, the combination of receptionist and house maids is observed. If management succeeds in tearing down the real or imagined department walls, functional flexibility may substitute numerical flexibility. Numerical flexibility takes for granted that tasks are separable and jobs well-defined, and hence lend themselves to outsourcing. Functional flexibility may

best be attained through internal organization, because firm-specific job designs best utilize its potential. The permanent employment relation does not rest upon clearly defined and measurable jobs. On the contrary, the employment contract is typically flexible as to the content of a person's job, at least within an acceptable range of the incumbent's expectations and industry traditions (Sjöstrand, 1987)

The employment contract with an employee is assumed to be more flexible than an external contract with a supplier, the term flexibility here used in relation to job content and execution. Tasks can be bundled in novel ways to utilize the skills of the employees, and be adjusted to the rhythm of demand from the guests. Successful implementation of radical changes in job design requires acceptance from the employees and their organizations, often accompanied by more encompassing discussions of strategies and organization development. These challenges are better met when people appreciate the goals and missions of the firm, communicated through democratic internal processes. These processes are best facilitated by the employment relation, in contrast to contracts with external suppliers of manpower.

The argument above is supported and underlined by managers having experienced outsourcing. Successful outsourcing is conditioned by people that are perceived as, and perceive themselves of, being an integrated part of the hotel. They wear the uniforms of the hotel and are included in its internal meetings. Furthermore, to underline the need for mutual understanding of strategies, in one instance the manager of the supplier was included in the management group of the focal hotel. In other words, even in the case of outsourcing, the relationship between the supplier and the focal organization is far from being characterized by the arm-length, non-personal mode of the typical market transaction.

The failure of using outsourcing as a means of power demonstration or union busting in a number of hotels in the early nineties has been embedded as part of the industry's consciousness. The hotels involved have a new management, whose task is to rebuild trust and well-functioning employer/employee relations. The wounds are deep and slow to grow. Attempts of externalizing jobs are doomed to raise opposition from the national and local unions. An outsourcing attempt will have to involve the employees and their organizations in order to succeed. Without such involvement, the reputation

in the labor market of hotels pursuing an outsourcing strategy will almost certainly deteriorate, a risk that grows in tandem with a more competitive labor market. Efforts to build and sustain a good image with potential job-seekers are not congruent with an aggressive outsourcing strategy.

In sum, due to institutional constraints, firm specific investments in training and job designs, learning from own experiences, and difficulties to compete on the labor market, seem to disfavor outsourcing and leasing from external agencies. This is not to say that outsourcing and specialization is totally non-existent in this industry. It does still exist, but is not a growing trend. Apparently, outsourcing was trendy at the beginning of the nineties, but not a lasting trend. This observation naturally leads to the next question: How then, does this industry manage its obvious need for flexibility? How is the amount of manpower adjusted to demand?

6.3 On-call employees (extra-helpers)

To a large extent, the function of on-call people (extra helpers) is the industry's solution to the need for numerical flexibility. On-call workers are just that, called upon by the organization on demand. They constitute a stand-by labor reserve which, in principle, has no contract on a minimum number of working hours. They are typically paid by the hour or for a defined task. However, attendance is paid for three hours as a minimum. In addition, they *may* benefit from a contract guaranteeing them a minimum wage. As part of their human resource policies, some hotels offer minimum levels of various degrees on a local, voluntary basis. This minimum pay may be related to a month, half a year, or an entire year. The rules governing when the extra-helpers may be called upon, also display a great variety. Some hotels expect their pool of extra-helpers to stand-by daily until an agreed-upon time, in order to be eligible for work the same day.

As demonstrated, the distribution of risk between the employer and the employee may vary. In some cases the firm may obtain flexible labor at almost no risk, even in combination with some firm specific skills. Extra helpers provide the firm with optimal flexibility combined with at least satisfactory knowledge of the firm's

procedures and quality standards, as some on-callers have been linked to the organization for a long time. The risks accruing to a highly variable demand are almost entirely carried by the employee, as they normally have no guarantee for a minimum wage.

Stinchcombe (1990) comments: "*The central question of rationality from the point of an employer is the distribution of uncertainty. An exchange partner (the firm) is likely to want authority when it does not know which particular activity it is likely to want, but is reasonably sure it will want some activity*". Extra-helpers are used as a stand-by reserve when management knows *what* it wants, but does not know *when* the need for the particular service arises. House maids are wanted to clean the rooms, but the number of rooms needed to be cleaned, vary greatly. Guests need to be served in the restaurant, but the number of guests and hence the number of servants required, may be difficult to predict. The principle may be extended to practically all departments. Receptionists are always needed, but the number varies with the demand. A number of hotels very deliberately combine a permanent staff to handle a predicted minimum or average demand, with a flexible on-call staff to tackle weekly or seasonal peak demand. Occupancy figures are registered on a daily basis, providing a sound foundation for such calculations.

This is not the time and place for a thorough analysis of the functioning of labor markets, and why some people are willing to bear the major burden of the risks described above. Extra-helpers are predominantly house-wives and students. Some of them are able to reduce their risks for low and variable income by having contracts with more than one firm. Students will reduce their risks of variable welfare by adding the hospitality-generated income to loans and grants from the state. This study does not contain any information pertaining to the individual's situation outside the focal organization. We do have some information on extra-helpers, however, that may contribute to a preliminary description. Compared to employees with permanent full-time relations, the following picture emerges:

Table 6.1: Characteristics of on-call extra helpers

	<i>Permanent full-timers</i>	<i>Extra helpers (on-call)</i>
Average age (years)	34,1	27,7
Seniority in the industry (years)	10,5	5,2
Seniority with the firm (years)	6,7	2,7
Number of years in present job	4,4	2,2
Weekly average hours worked	38,9	29,9
Proportion female	61,2%	83%
Vocational diploma	35,8%	9,1%
Proportion promoted	42,4%	18,8%
Union membership	42,3%	28,6%
Formal contract	93,1%	33,3%
Preferred employment relation	94,3%	45,5%
Preferred working schedule	83,1%	65,7%
N:	387-485	26-34

The typical on-call worker is a young female. They are found in all departments, but most likely she is a house-maid or servant, particularly serving banquets, conferences or other big dinners and parties. Some hotels have implemented an explicit policy of hiring a permanent staff combined with a flexible buffer. The rooms department may serve as an example. The department is manned with a permanent staff of core people structured to manage cleaning of a normal, pre-defined occupancy rate, or alternatively, the expected minimum rate. The variable proportion above the minimum or normal occupancy rate is taken care of by part-timers, often on-call. The more short-term agreements, the lower risk taken by the firm.

A similar arrangement is implemented for the banquet- and party-servants. A small core of permanent full-timers is in charge of the business, planning ahead and managing the daily operations and banquet arrangements. A large additional work

force is needed in seasons and for particular big parties. One hotel deliberately leans on three categories of flexible people:

Category A: a group of people that are well acquainted with the hotel, its procedures, service standards and guest treatment. They are often free-lance servants working for several hotels, thus having a high degree of task specific competencies.

Category B: employees from other parts of the hotel, thus exploiting the potential for internal, cross-departmental flexibility.

Category C: people being recruited from a list of on-callers, either for a short season (Christmas, National holidays etc.) or particular arrangements.

By combining categories A and B the organization may set up a team of complimentary competencies. Category A contributes with superior task specific competencies and category B brings in the firm specific competencies of the strategic and cultural kind. In combination, these may serve as the core staff of major arrangements in the hotel, with category C people as their helpers.

The typical receptionist enjoys a permanent full-time contract with the hotel. The majority of receptionists prefer a normal work schedule, which is not congruent with the need and availability for these services. In order to offer the stable work force satisfactory conditions, part-timers, either in the form of extra helpers or on a more permanent basis, take the load of week-ends and late nights. Again, we witness a core/flexible staff philosophy, this time based on the preferences from the employees in combination with the organization's need for accessible services.

As expected, extra helpers have far less industry and firm specific seniority than their full-time colleagues. The length of their working week is close to 30 hours⁵. The majority is unskilled, the proportion pleading a vocational diploma is low. It is

⁵ This result is most likely not representative. The most peripheral categories of extra helpers are probably not included in the sample (i.e. banquet and party servants). Recall also that only employees with more than a 50% job is included. On the other hand, some extra helpers hold more than one job, in which case their response may be based on the total number of hours worked, regardless of hotel

interesting, though, to observe that some of the extra-helpers do have a formal education. As learned above, freelance servants constitute an on-call category, and may well pride themselves with industry specific formal training. Extra helpers should not have high hopes of being promoted, although some of them indeed do. Some of them are union members, but their propensity to join is considerably smaller than for permanent full-timers. Two of three extra helpers do not have a formal employment contract with the hotel, in contrast to their permanent co-workers.

We have argued that extra helpers take the main economic burden of the consequences of the variability of demand confronting the hotels. The solution to the need for numerical flexibility is termed “extra helpers”, implying that a large group of workers in the hospitality industry lack a level of job security regarded as normal in the context of Norwegian labor and industrial relations. However, in modern society, most individuals may be selective as to their relations with the labor market and potential employers. In other words, what kind of preferences do extra helpers voice in regard to their present employment relation? Less than half (45,5%) of the extra helpers prefer their present employment status. The majority of them do want a permanent contract. A larger proportion (65,7%) has a satisfactory work schedule (roster). Our data do not permit us to be conclusive, but tentatively we have documented a group of flexible workers that would like to see their employment relation being formalized and transformed into a permanent relation to the firm.

There is evidence that firms are able to use flexible work in tandem with more permanent employment relations by combining an internalized core of permanent loyal workers, on the one hand, and a hybrid periphery of flexible workers on the other. It seems like the union tacitly has accepted this trend, as a more flexible workforce with less attractive work arrangements, makes it possible to demand improved conditions for their own members having permanent contracts. The organization is able to offer permanent contracts and regular work schedules to part of its workers, on the condition that a flexible work force stays behind to buffer the need for hands at irregular hours.

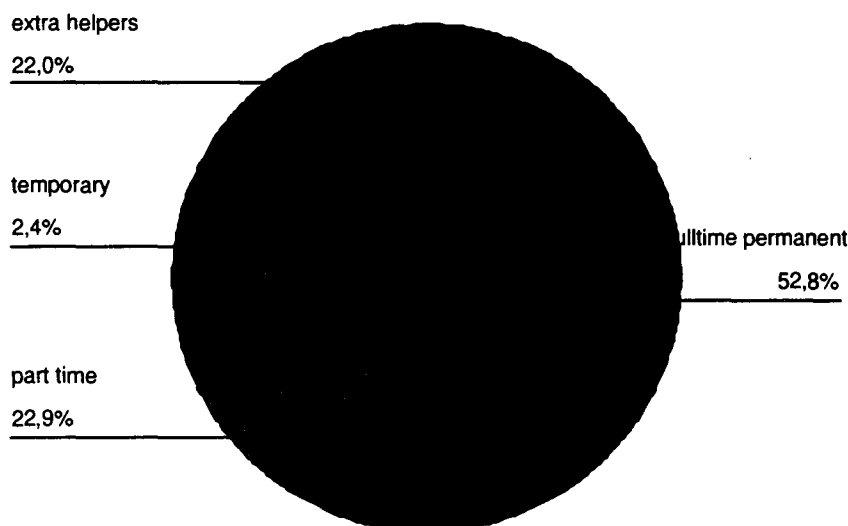
What is defined as flexible contracts may not always adhere to that definition. Some part-timers may indeed have a permanent contract that the employee has entered

voluntarily in combination with family responsibilities or educational challenges. Temporary workers may have a short-time contract with the focal firm, but may enjoy a long-term contract with a temporary agency. As a general rule, however, extra helpers undoubtedly constitute the most flexible buffer for the organization, although even some extra helpers may benefit from long-term intentions, albeit not of a formal character.

6.4 *Employment relations*

We have documented the negligible use of outsourcing in the hospitality industry. More generally then, what kind of employment relations are used in the hotel industry? We first present the results as reported by the hotel managers. The results are based on the questionnaire, supplemented by interviews with the top-managers from 8 hotels. The questionnaire provides a status report of the present situation concerning the use of employment contracts, but carries no information as to any shifts in attitudes and use of the different kinds of arrangements. The longitudinal aspects have been captured through the interviews, at least to some extent. We first present the results from the questionnaire before moving on to the interviews.

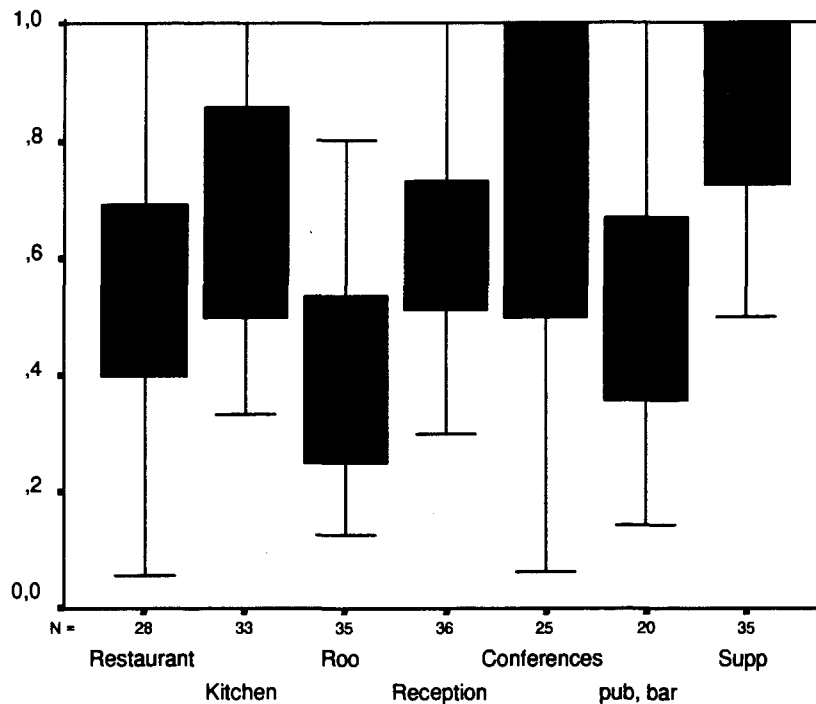
Figure 6.1: Employment relations



A small majority of the employees enjoy full-time permanent employment contracts. The flip of the coin reveals a large share of flexible workers. The part time (permanent) workers and the extra helpers constitute a practically speaking equal share of the contracts, with a small proportion left for temporary contracts. Temporary employees work both as full-timers as well as part-timers. We next focus on the use of permanent

full-time contracts:

Figure 6.2: Proportion full time permanent employees across departments



Hotels use employment contracts in very different ways as witnessed by the large spread of the distribution. The pattern also varies across departments. Hotels apparently have different strategies, but the variation between hotels needs to be supplemented with discussions at the department level.

In all departments across all hotels there are some permanent full time employees. No department is run exclusively by non permanent employees. Apparently a core of permanent employees is found in all departments. Managers have different policies as to the size of this core. At some hotels, a clearly stated policy of a minimum sized core exists, limited to one department manager as an example. Other managers operate with a human resource policy which includes an intention to favor full time permanent employees.

Cooks and support personnel stand the highest chance of having a permanent, full time contract. At the opposite end, the room department always employs a proportion of non permanent, flexible workers, the majority of them being house maids. The median value

for this department is considerably smaller than for any other department. The typical job in this department is easily measurable, with low requirements for specific knowledge and skills. Furthermore, on the average, the degree of customer contact is moderate.

The largest variations in the use of employment contracts are found in restaurants and the conference departments, indicating that hotels differ greatly in their priorities and marketing of these services.

The search for relevant explanations of the differences explicated above is a major ambition of this study. A preliminary conclusion is that determinants exist both at the organizational and at the department level.

6.5 Bivariate analysis

Having introduced and discussed the dependent variable above, we next turn to the examination of the hypotheses. The associations between the predictors and employment relations are first presented by means of bivariate analysis, before we apply a multivariate analysis to test the hypotheses. For practical reasons, and in order to obtain a first impression of the correlations, the descriptions are mostly related to the bivariate analysis.

6.6 Individual level (Control) variables

No hypothesis pertains to individual characteristics. Gender, age, and vocational training are included in our testing, however, as control variables in the multivariate analysis. In the labor market, a significant number of factors on the demand as well as on the supply side may explain gender and age differences. These differences are not in focus in this study. They are of great concern however, as they are assumed to explain part of the variations in the use of employment contracts. Consequently, they are included throughout the analysis as control variables. How these individual characteristics are associated with permanent and flexible employment contracts, are evidenced below.

6.6.1 Gender

It is commonly known that gender matters as to what kind of employment contracts being offered. Prior research has evidenced, again and time again, that women hold the big majority of flexible jobs. This particular industry is no exception. As the industry is in need of flexible, contingent workers, students (of both sexes) and house wives are attractive recruitment groups.

As evidenced below, gender is influential on a person's preferences for employment arrangements. However, a further discussion on gender is beyond the scope of this study.

Table 6.2: Employment relations and gender

		Gender		Total
		male	female	
Employment relation	flexible contracts	33 14,9%	160 34,9%	193 28,4%
	permanent full-time	189 85,1%	298 65,1%	487 71,6%
Total		222 100,0%	458 100,0%	680 100,0%

Pearson χ^2 : 29,6, sign. 0,001

6.6.2 Vocational training

A considerable number of employees in the hospitality industry have received a vocational diploma. This is a highly industry specific education based on formal training in public high schools or colleges in combination with practical training in businesses. A large proportion of cooks and servants enjoy the benefits of this formal evidence of quality and experience. Recently, receptionists are also offered a formal education leading to a vocational diploma. One such benefit is assumed to be long-term employment contracts with establishments in the industry, which is confirmed below. People without a formal vocational training have a larger propensity to hold flexible jobs than their well-educated colleagues.

Table 6.3: Employment relations and vocational diploma

		Vocational diploma		Total
		No	Yes	
Employment relation	flexible contracts	156 33,6%	31 15,3%	187 28,0%
	permanent full-time	308 66,4%	172 84,7%	480 72,0%
Total		464 100,0%	203 100,0%	667 100,0%

Pearson χ^2 : 23,6, sign. 0,001

6.6.3 Age

For young people the entrance to the labor market is often through flexible contracts. Potential recruits to the hospitality industry may start off their later career as part-timers or extra-helpers during their education. Their relatively low skill and competence levels put them in the back of the line of competitors in the labor market. Consequently, a larger proportion of younger people have to be content with flexible work. Although significant, the average difference of two years may seem small. Bear in mind, however, that people do not grow old in this industry.

Table 6.4: Employment relations and age

	Permanent	Flexible	t	Sign. (2-tailed)	N
Age (years)	34,1	32,1	2,17	0,031	663

The three control variables have all major impact on the type of employment contract being offered or applied for. It is reassuring for the validity of the measure of employment relations, that the control variables relate to the latter as they are expected. All in all, young women without a vocational diploma stand a lesser chance of obtaining a permanent relation with a company than middle aged men with a formal education. Neither result is surprising.

6.7 Environmental and market factors

In the following sections all the hypotheses will be tested according to the procedure and categories outlined in the introduction chapter 6.1. At the environmental and market level the following hypotheses have been proposed:

Hypothesis 20: *The higher the variability in demand the lower the use of permanent employment contracts.*

Hypothesis 6a: *There is a negative relationship between permanent employment relations and high general environmental uncertainty.*

Hypothesis 6b: *There is a negative relationship between permanent employment relations and high strategic environmental uncertainty.*

Hypothesis 6c: *There is a positive relationship between permanent employment relations and high labor market uncertainty.*

Hypothesis 4: *There is a positive relationship between permanent employment relations and human asset specificity*

Hypothesis 5a: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high general uncertainty on the other.*

Hypothesis 5b: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high strategic uncertainty on the other.*

Hypothesis 5c: *There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high labor market uncertainty on the other.*

Hypothesis 11: *Activities subject to regulations from statutory law will have a higher tendency to be organized through permanent employment relations.*

Hypothesis 12: *Activities subject to statutory regulations will have a lesser tendency to be organized through permanent employment relations.*

Table 6.5: Environmental effects on employment relations

	<i>Perma- nent</i>	<i>Flexible</i>	<i>t</i>	<i>Hyp. no</i>	<i>Predicted</i>	<i>Observed</i>	<i>Sign. (2-tailed)</i>
Variability in demand (lg10)	1,619	1,625	-0,48	20	-	-	0,630
General uncertainty	3,09	3,20	-1,33	6a	-	-	0,184
Strategic uncertainty	3,81	3,98	-2,05	6b	-	-	0,041
Labor market uncertainty	3,51	3,44	1,08	6c	+	+	0,279
Human asset specificity (months)	5,22	3,71	3,81	4	+	+	0,001
General uncertainty and human asset specificity	16,34	12,02	3,17	5a	+	+	0,002
Strategic uncertainty and human asset specificity	19,92	14,57	3,33	5b	+	+	0,001
Labor market uncertainty and human asset specificity	18,51	12,44	3,97	5c	+	+	0,001
Regulated activities	4,51	4,61	-0,80	11,12	+ -	-	0,425
N:	488	193					

6.7.1 Variability in demand

Unexpectedly, the variability in demand does not seem to influence the human resource policy in the direction of more extensive use of flexible employment contracts. A substantial negative association was expected because, from the perspective of management, long-term contracts make dependencies, which pose economic risks in a market with fluctuating demand. In the Norwegian context, compared to most other nations, workers benefit from extensive employment protection, consequently dismissals is a complex matter. The interpretation of these data should be related to the impact of the other indicators of environmental uncertainty, which is addressed in the next chapter.

6.7.2 Environmental uncertainty

Based on the transaction cost founded hypothesis postulating a negative relation between high environmental uncertainty and the use of permanent employment contracts was posited. Three dimensions of uncertainty were identified as explicated below:

Strategic uncertainty, relating to seasonal variations, increased competition and uncertainty as to the strategies of competitors.

General uncertainty, including aspects of annual variations in demand, unpredictable Government regulations, and impact of the restructuring of the industry. The items are assumed to capture the uncertainty aspects beyond any noticeable influence by the focal organization.

Labor market uncertainty, relating to the difficulties of recruiting and retaining qualified employees. It is assumed that management may adjust to and position themselves proactively in this market.

The concepts of uncertainty do have a considerable influence on the choice of employment contract. The directions of the relationships are in accordance with the hypotheses. In firms being thrown into arenas where management is without influence, and where the outcome of the driving forces are hard to predict, management tends to prefer a larger share of flexible work force. Strategic uncertainty seem to have the most influential impact on the choice of employment relations, indicating that management proactively adjust their employment configurations to the perceived challenges of the emerging competitive realities in the industry. This argument may be further elaborated by investigating how the employment practices as part of human resource policies are related to strategic issues. Management was asked to state whether they pursued a cost-saving strategy or a product/service differentiation strategy (Porter, 1980). Hotels pursuing the latter strategy is expected to seek competitive advantage by increasing the perceived value of their services through investments in their employees (Pfeffer, 1994). However, our data suggests that the choice of strategy has negligible impacts on the human resource policies of

the hotel. To the extent that hotels pursue competitive business strategies⁶, there seems to be a substantial untapped potential for improvement of management in this field.

General uncertainty, which is assumed to capture the aspects of the environment beyond the control or influence of the management, also tends to favor flexible contracts, but to a somewhat lesser degree than the strategic equivalent. This latter result is somewhat surprising, as one could assume that being dependent on an environment beyond control is more risky than strategic adaptations. One way of handling this type of dependence is indeed extensive use of flexible contracts, and therefore a stronger correlation was expected. In the final multivariate analysis (chapter 6.11) it indeed turns out that the general uncertainty is the major predictor.

Uncertainties relating to the labor market, that is to recruit and retain competent people, tend to favor full-time permanent employment. In terms of transaction cost theory, writing contracts are costly. In a competitive labor market, where personnel turnover may have a tendency to increase, the costs of writing contracts and introduction and training of recruits to the specifics of the company, increase. Costs are reduced by offering employees permanent contracts. By investigating the items constituting the labor market uncertainty variable, the data clearly indicate that difficulties of *recruiting* new talents have substantially greater impact than the challenge of *retaining* highly qualified employees.

6.7.3 Human asset specificity

A predominant prediction in transaction cost economics is that high interaction frequency and substantial firm specific transactions will lead to vertical integration. Transactions that imply investments in human asset specificity are expected to be organized internally. Activities requiring competencies specific to the focal firm are thus assumed to be safeguarded by long-term employment relations. Full-time permanent employment relations are furthermore superior to part-time or temporary contracts as a facilitator for acquiring those competencies in the organization.

⁶ The alternative is the pursuit of cooperative strategies

Employees enjoying the benefits of a stable and predictable employment contract are believed to be more motivated to learn and be more committed to the goals of the firm.

The concept of human asset specificity is captured by asking employees to “*Imagine a person with approximately the same education and general work experience as yourself, but without your experience in your present job, how many months are required to train this person to carry out the job in accordance with management’s expectations?*” On the average, permanent employees state that 5,22 months are required, as compared to 3,71 months from the flexible workers. The difference of 1,5 months is significant at the 0,001 level, thus indicating support of the hypothesis. Hotels do seem to safeguard specific investments in human capital by offering long-term contracts.

Table 6.6: Required training in months

	Employment relation	
	flexible	permanent full-time
	Mean	Mean
Restaurant&kitchen	4,00	5,40
Reception	3,79	5,63
Rooms	2,49	3,08
Conferences	5,56	6,60
Bar, pub, nightclub	3,52	4,34
Support	4,41	5,50

Considerable differences in requirements exist across departments. People arranging conferences meet the most extensive requirements for firm specific training. Such arrangements are not only specific to the hotel, but to the customer as well. In this case, the customer often is another firm or organization with highly customized and professional needs. In addition, no formal public or industry education exist to train people to be skilled at arranging conferences. Consequently, training must be taken care of by the hotel itself. In addition, conference facilities and arrangements are often part of a hotel’s differentiating strategy.

Restaurant employees and receptionists both report on extensive requirements for firm internal training. Support people typically come with a professional experience in their

backpack, thus needing less firm specific training. House maids and dishwashers meet low requirements from their employer for additional firm specific skills and knowledge. These jobs are typically low status, easily measurable and transferable from one organization to the other.

These results clearly underline the usefulness in distinguishing between firm-specific and general-purpose human capital. According to classical human capital theory, no firm should invest in training workers to improve their general-purpose competencies. Such investments should be reserved for jobs and activities whose execution will be improved by idiosyncratic, firm-specific skills and knowledge. The profitability of those investments are secured by long-term contracts with the tangent employees.

6.7.4 Environmental uncertainty and human asset specificity

We now turn to the effect of the *combined* impact of high human asset specificity and environmental uncertainty on the choice of employment contract. We use the same concepts of uncertainty as above. Human asset specificity is conceived of as the technical (in a broad sense) aspects of competencies required for the respective jobs. Recall that the employees were asked to report on “*how many months of training are required to carry out the job in accordance with management’s expectations*”.

From transaction cost theory positive correlations are expected. Investments in human asset specificity should be protected by offering employees permanent full-time contracts. The argument holds true for all three dimensions of uncertainty. Recall that the isolated impact of general and strategic uncertainty was negative, as predicted. For jobs requiring the most internal training, there is a strong tendency towards permanent full-time employment relations. In other words, the direction of the correlations for the general and strategic uncertainty shift, again precisely as predicted by economic organization theory. By inspecting the t-values, labor market uncertainty combined with firm specific investments in people display the strongest impact. As assumed, investments in employees’ skills and knowledge enhancement are safeguarded by offering long-term employment relations to the organization. Such investments yield a profit for the organization as long as the acquired competence is used productively in the focal firm.

6.7.5 Regulations

The hospitality industry is exposed to a large number of regulations and constraints. In this study we focus on the one of most present interest, the impact of the “Work Environment Act”. This act exerts strong limitations to the use of flexible employment contracts. The effect of the potential constraints was measured at the department level, as management was asked to assess the impact of the act for the activities related to the respective departments at the hotel.

Based on prior research from the hospitality industry (Gjelsvik, 1994), two alternative hypotheses were presented. Employment relations are assumed to be arranged in accordance with the intentions of the regulating bodies, which, in the context of the Norwegian industrial relations, are permanent relations. Consequently, an organization’s longing for legitimacy in the eyes of the Government (and sometimes the general public) recommends permanent contracts. On the other hand, adaptation costs will incur if non-efficient government structures are chosen. Under these circumstances, decisions on the use of employment contracts represent a cross-pressure and dilemma for management, which was loudly and publicly expressed as the revised law was introduced. Our alternative hypotheses highlight management’s priorities between legitimacy and efficiency.

In the choice between legitimacy and efficiency, the latter is favored⁷. For activities most influenced by the regulations, flexible employment contracts are the preferred solution from the perspective of management, despite the law’s intentions. In this case, economic arguments have priority to institutional arguments. A closer inspection of the data reveals that the impact of regulations is most substantial in the room department. House maids are easily substituted and their jobs lend themselves to measurability. Investments in firm specific competencies are also marginal for this group of employees. In conclusion, all arguments for a flexible work force are documented for these activities, and Government exposed regulations make no difference. Institutional

⁷ In the data presented here, the correlation is not statistically significant. An alternative measure of the dependent variable at the department level (as a proportion of permanent contracts) produces a significant correlation (two tailed: 0,013).

pressure does not seem to intimidate management to disregard economic efficiency arguments.

6.7.6 Multivariate analysis

Next the analysis is taken a step further through multivariate analysis where all the variables pertaining to how the organization adapts to the environment are presented. The effects of the three control variables are included.

Table 6.7: Environmental effects on employment relations (multivariate analysis)

	<i>B</i>	<i>Wald</i>	<i>Sig</i>
Variability in demand	1,1777	1,0942	0,2955
General uncertainty	-0,2079	1,3343	0,2480
Strategic uncertainty	-0,2584	1,8503	0,1737
Labor market uncertainty	0,0740	0,1198	0,7292
Human asset specificity	-0,1023	0,3916	0,5315
General uncertainty and human asset specificity combined	-0,0032	0,0094	0,9226
Strategic uncertainty and human asset specificity combined	0,0062	0,0436	0,8346
Labor market uncertainty and human asset specificity combined	0,0414	1,0637	0,3024
Regulated activities	-0,914	1,6295	0,2018
Gender	-1,0648	18,7214	0,0000
Age	0,0177	3,6976	0,0545
Vocational diploma	0,8335	11,2089	0,0008

N: 591, df: 12

In the multivariate analysis, which includes the three control variables, the prior significant correlations disappear. None of the environmental level predictors produce significant results, whereas the individual control variables have major impact. A removal of the control variables still fails to obtain any significant association between

the market variables and employment practices. If anything, there may be a weak influence from the two market uncertainty variables, where the direction of the associations are in accordance with transaction cost predictions. The combined effects are all but non-existent. We return to the impact of environmental predictors in chapter 6.11.

Gender is a major predictor of employment relations. Female workers are more often offered flexible contracts. Holders of vocational diplomas improve their probability of obtaining a permanent job considerably.

6.8 Organizational factors

The section above analyzed how the organization adapts to environmental issues. We now turn to the examination of the predictors pertaining to characteristics of the organization itself. The relevant hypotheses are as follows:

Hypothesis 13: Newly established organizations make less use of permanent employment relations than older, well established organizations.

Hypothesis 15: There is a negative relation between the use of permanent employment contracts and the degree of conflict in the organization.

Hypothesis 14: There is a positive relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.

Hypothesis 19: There is a negative relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.

Hypothesis 16: There is a positive relationship between the organization's implementation of FILMs and the use of full time permanent employees.

Hypothesis 17: There is a positive relationship between the organization's implementation of FILMs and the use of leasing from temps agencies and outsourcing to subcontractors.

Hypothesis 18: Hotels that are an integrated part of a larger corporation tend to have a larger proportion of permanent employees than freestanding, independent hotels and hotels associated with voluntary chains.

Table 6.8: Organizational effects on employment relations (bivariate analysis)

	<i>Perma- nent</i>	<i>Flexible</i>	<i>t</i>	<i>Hyp. no</i>	<i>Predicted</i>	<i>Observed</i>	<i>Sign. (2- tailed)</i>
Age of hotel (years)	44,5	36,8	2,39	13	+	+	0,017
Conflict level	2,47	2,40	1,34	15	-	+	0,182
Proportion of union members (%)	35,8	38,4	-1,42	14,19	+ -	-	0,155
Indicators of FILMs:							
Individual promotion opportunities	3,20	3,18	0,14	16, 17	+ -	+	0,891
Seniority based wage increases	3,85	3,92	-0,45	16,17	+ -	-	0,655
General promotion opportunities	3,87	4,18	-2,24	16,17	+ -	-	0,026
Wages above market	2,75	2,59	1,11	16,17	+ -	+	0,001
N:	488	193					

6.8.1 Age of the organization

Based on institutional arguments we expect to find that newly established organizations make less use of permanent employment relations than older well established organizations. Older hotels were assumed to have a larger share of permanent full-time employees. The hypothesis is confirmed, employees working for older hotels enjoy a greater chance of obtaining permanent contracts. Does this necessarily imply that younger hotels systematically use alternative employment practices?

Closer inspection of a scatterplot reveals that hotels younger than 10 years display the whole array of employment arrangements. The proportion of permanent full-time employees vary from 20% to 85%, in other words, young hotels have very dissimilar structures. Older hotels, having survived at least two generations, seem to converge on more similar structures with relatively large proportions of full-time permanent employees. These structures may consist of internal labor markets, standard procedures, and long-term relations with their customers. Although speculative: these data may

support the view that a contingency for a long organizational life surviving several generations, is a permanent work force that identifies with the hotel and its culture, and people that pass the goals and values of the organization over to new generations.

These results are consistent with de Geus' (1997) research on long-lived companies. He found that firms older than hundred years had four key factors in common. One conclusion was that long-lived companies were cohesive, with a strong sense of identity. *"No matter how widely diversified they were, their employees (and even their suppliers, at times) felt they were all part of one entity"*. Strong employee links were essential for survival amid change. *"This cohesion around the idea of "community" meant that managers were typically chosen for advancement from within; they succeeded through the generational flow of members, and considered themselves stewards of the longstanding enterprise"*.

de Gues' description is very similar to the traditional, often family-owned hotel, that has outlasted several generations. His description of the sense of belonging to the organization is reminiscent of our concept of organizational commitment. Employees in these organizations all subscribe to a set of common values, a feature that is similar to our term "strategic and cultural competencies".

6.8.2 Conflicts

As recalled from the chapter on measurement, a scale was constructed to capture the general level of conflict in the organization, as reported by the manager. A scale was also constructed based on the responses from the employees, reporting on the relations between management and employees, between employees at different departments and the customer relations. A strong correlation between the two measures exists⁸.

The level of conflict is measured at the organization level and conceived of as a contextual variable. The mean score on the conflict indicator is less than 2,5 on a scale from 1-6, with 6 indicating the highest level of conflict. The level of conflict may rather have a weak tendency to rise with the proportion of permanent full-time employees,

⁸ Pearson correlation = 0,493, significant at 0,002 (2-tailed)

contrary to our hypothesis. This hypothesis was based on a previous study of outsourcing of restaurants in the hotel industry (Gjelsvik, 1994). Our expectation that managers tend to “export” conflicts by externalizing parts of the work force is not supported. That strategy has previously been attempted at some of the major hotels, with highly questionable results. In some highly visible cases, conflicts have blown in the open. In one case, a conflict even developed into a strike. Within the Norwegian context of industrial relations, such a strategy will meet strong and persistent opposition from the union. The present data supplemented with information from the interviews with managers, indicate that political solutions to conflicts by means of externalization of jobs is not a viable strategy.

In order to elaborate somewhat more on the issue of conflict handling, we attempted to capture three dimensions of conflicts and their relation to employment practices. The three dimensions are

- disagreement on appreciation and acceptance of goals
- personal conflicts between management and employees
- disagreement on work organization

Neither one of these dimensions have a substantial impact on employment practices. Disagreement on how to organize the work flows at the hotel seems to have no impact at all. Establishments blessed with harmony tend to have a balanced mix of employment contracts, or 55-65% of permanent full-time employees. Hotels with the largest share of permanent full-time workers may tend to rely heavily on internal functional flexibility, with employees working in several departments. These arrangements sometimes cause role and incentive conflicts. Ambiguous roles may result in reluctance on the part of the employee to engage in low-status jobs, increasing the need for more direct supervision and coordination from management.

In social relations, maybe Freud was right: like porcupines, people will prick and injure one another if they get *too* close. Another viable explanation is that some hotels find an optimal mix of core permanent employees supplemented with a voluntary flexible staff. By voluntary we mean that the employee holds an employment contract of his/her own

choice.

Assessed from the employees' perspective, the conflict climate is most developed in the rooms department and among dishwashers. The complete distribution is as follows (note that the level of cooperation is reported):

Table 6.9: Level of cooperation

	N	Mean	SD
Reception	151	4,94	,67
Rooms	113	4,76	,81
Conferences	48	4,96	,59
Kitchen	88	4,85	,61
Dishwashing	9	4,53	1,34
Restaurant	113	4,96	,74
Bar, pub, nightclub	24	4,91	,81
Support	69	4,93	,70
Other functions	68	4,95	,70
Group Total	683	4,90	,72

House maids and dishwashers suffer from the lowest status in the hotel, and it is hard to get a helping hand from colleagues. A number of hotels strive to practice an overlap between the receptionists and the house maids. Many receptionists, however, only reluctantly comply, because their primary job as receptionist enjoys a far better formal and informal status in the organization. In times of extreme busyness, the house maids thus feel left to themselves. Path dependencies and traditions are still at work.

Kitchen employees also report of a relatively low climate of cooperation. The main cause is found in the often tense relations between the cooks and the servants. Status differences are again part of the reason. Differentiated incentive structures must take the major blame, however. Servants obtain a percentage of the sales in the restaurant as part of their regular pay (12,5%). In addition, and as a regular rule, a discretionary tip finds its way to their pockets. Obviously, the customer's satisfaction is dependent not only on the service and attitude of the servant, but on the cooks efforts as well. Normally cooks have a fixed pay, as a rule they do not take part in the tips generated in the restaurant.

In other words, in the restaurant we find an incentive system that is unsupportive of cooperation and the joint efforts to satisfy the guests. This arrangement is further

supported by a rather rigid regulation in the formal agreement between the union and the hotel as an employer. In those restaurants where the climate of cooperation between management and employees are poor, servants typically work “by the book”, creating rigidities between people that hold different types of jobs. Again, tradition and status differences have established rigidities, but these are even institutionalized in the union/employer agreement. This situation poses a dilemma for the union. They fully realize the unfair treatment of cooks, but because waiters are more unionized than other groups in the hotel, they have not been willing to support changes.

Local differences do exist, however. Some hotels have managed to achieve remuneration arrangements that include the cooks in the sharing of tips in the restaurant. These organizations have realized that serving the restaurant guests is a joint effort, which should be supported by an efficient incentive system, supporting coordination towards a common goal.

6.8.3 Impact of unions

The union in the hotel industry is strongly opposed to widespread use of temporary and flexible contracts. The struggle for job security, permanent contracts and normal working hours have apparent and often loud priority. One source of discontent is the issue of work schedule and the duration of a roster regulating the work week. Normally a roster interval is four weeks, which means that the employee knows his/her work schedule for four weeks. Some employers argue that a roster is terminated after the four-weeks period, thus requiring a renegotiation (on their terms) of the roster. The employee, on the other hand, claims that a new roster starts automatically every four weeks, implying a much more predictive future. This attitude, if successfully implemented and institutionalized throughout the organization, reduces the employer’s potential for obtaining flexibility.

The influence of unions at the organizational level is supposed to increase in parallel with the proportion of unionized workers at the hotel. In accordance with institutional theory, a positive correlation between the proportion of unionized workers at the hotel and the practice of permanent full-time contracts is expected. An organizational behavior as predicted would grant increased legitimacy to the hotel in the labor market,

and facilitate improved local industrial relations. Employing more flexible contracts may be more efficient in the short run, but obtaining a superior image in the labor market, may increase the hotel's capacity to recruit and retain highly qualified employees. Thus, an institutional argument may in fact be coupled with a more long term efficiency consideration.

On the other hand, from a resource dependency approach, management in unionized, and sometimes hostile surroundings, would make efforts to dispose of any dependency of an influential local union. Dependency gives rise to uncertainty and political challenges, and managers may succumb to political solutions. In this context, management may be tempted to use temporary and flexible workers to decrease the union's influence over the employees and the priorities of the organization. Flexible workers may furthermore be used to remind permanent employees that alternative sources of labor are readily available to replace nonproductive or politically proactive and influential colleagues. Any opposition to flexibility, or a potential threat thereof, may be disposed of, or escaped from, altogether. Based on this line of argument, we would expect a negative correlation between a high proportion of unionized workers and permanent full-time employees.

Full-time permanent employees tend to work in hotels with lower proportion of union members. This correlation lends support to the resource dependency perspective. The result is paradoxical, as we know that the unions are strongly opposed to contingency work. A strong union at the workplace is expected to influence and partly control the pattern of employment contracts used. Based on interviews with managers, a reasonable explanation is that both sides actually get what they want. Employers want a stable and highly qualified, competent core of people. At the same time, part of the organization must meet the need for flexibility to cope with environmental jolts.

To retain the competent employees, economic benefits and work schedules at least have to meet the market expectations, and sometimes go beyond. To achieve both ends, differentiated contracts are offered. Although publicly denouncing contingent contracts, local unions appreciate the need for some flexibility. In a competitive labor market, local unions struggle for their members and their renewed membership with the union. Tacitly the local union seems to realize that the economic implications forbid managers

to pursue a human resource policy that includes everybody in having above market benefits. Consequently, to secure continued membership from permanent full-time workers, they locally do not oppose arrangements that exclude extra helpers and other flexible workers to help maintain the need for flexibility. Hotels have a greater capacity to offer benevolent solutions and individually and socially acceptable work hours to their core employees, if a flexible reserve can handle the remaining activities.

Flexible employees do have a smaller propensity to organize in unions. Among permanent full-time employees 42,3% are organized, whereas the corresponding share of all flexible workers is 38,1%⁹. Among the latter, the proportion decreases with the degree of externalization. Extra helpers have a far lesser propensity to organize than permanent part time employees. In other words, the negative correlation documented above, cannot be accounted for by the individual level.

Intuitively, a larger gap of unionization between the two respective groups was expected. However, the figures are influenced by at least two circumstances: the temporaries consist of a considerable share of apprentices that tend to unionize. Secondly, bear in mind that all flexible workers in the sample work 18 hours or more. Apparently, people organize to obtain rights. Non-unionized colleagues more often have job alternatives and enjoy above market level wages.

6.8.4 Firm internal labor markets (FILMs)

Two alternative hypotheses have been presented, positing opposite consequences of FILMs on employment practices. The implementation of FILMs is definitely not associated with leasing from temps agencies and outsourcing to subcontractors. As reported in section 6.4, traces of leasing and outsourcing in this industry are negligible. The combination of a core staff and considerable *outsourcing* of activities, is not uncovered in this material. Few examples of outsourcing and temps agencies are documented. The original hypothesis 17 is thus not confirmed. However, the more general hypothesis that FILMs may be instrumental for *some* groups of internally

⁹ Pearson χ^2 : 1,10, sign. 0,317

organized employees to the exclusion of other employees, cannot be discarded.

Hypothesis 17 should thus be restated as follows:

There is a positive relationship between the use of FILMs and the use of flexible workers at the organizational level.

The concept of internal labor markets is conceived of as internal mobility patterns and promotion opportunities. Five indicators have been used to capture the concept, two measures are related to the organization, three of them pertain to individual experiences. Actual promotions (*Have you been promoted to a position with higher wages or more responsibilities?*) are mostly reserved for full-time permanent employees, as expected. Four of five having experienced the blessings of promotions enjoy long-term contracts.

Table 6.10: Employment relations and actual promotions

		Actual promotion		Total
		No	Yes	
Employment contracts	flexible contracts	132 32,5%	51 20,2%	183 27,8%
	permanent full-time	274 67,5%	202 79,8%	476 72,2%
Total		406 100,0%	253 100,0%	659 100,0%

Pearson χ^2 : 11,86, sign. 0,001

In an effort to retain qualified people in the organization, they are sometimes paid wages above market level. Again, such benefits are reserved for full-time permanent workers.

The fact that some employees have been promoted and enjoy wages above market level, does not necessarily imply a general human resource policy to that effect. Recall that the two measures above relate to the individual employee with no reference to the organization on the whole. The remaining three indicators attempt to measure the extent of opportunities in the organization for promotions, and wage increases based on seniority with the firm.

Perceived individual promotion opportunities (*“In my type of position we have opportunities to be promoted to a position with higher pay or more responsibilities”*) is

not associated with how the employee is linked to the firm. Permanent and flexible workers stand on equal footing. The average score (on a scale from 1 to 6) is 3,20 and 3,18 respectively. Note that this is an *average* score, as we soon will return to the issue of the distribution of opportunities across the various departments.

Our primary interest is to examine how structural features of the organization like FILMs may be supported by the configuration of employment relations. The *general* promotion opportunities of the firm constitutes a central feature of an internal labor market. The concept is captured by two related statements that employees were asked to evaluate:

1. As a rule, current employees are promoted to vacant positions
2. Employees not being promoted may expect higher pay based on seniority

Full-time permanent employees report of significantly lesser general promotion opportunities, whereas no difference in obtaining wage increases based on seniority is detected. Flexible workers display a more positive perception of the promotion opportunities than full-time permanent employees. These figures indicate that hotels do not create FILMs on a *general* basis, in the sense that all employees are included in a comprehensive human resource policy. Yet, as reported above, some groups of employees do enjoy above market level pay and promotions. Apparently, career ladders are at disposal for *part* of the work force. These data fit a description of a recruitment policy to the effect that the entrance to this industry goes through a flexible job. In recruiting new hands and heads, managers always run the risk of letting in non-suitable people. Managers reduce their recruitment risks by screening and testing potential long-term workers in-house before eventually offering them permanent contracts.

A closer inspection of the relationship (by means of scatterplots) documents that hotels employing the highest proportion of permanent full-timers, offer average general opportunities of promotions. Hotels offering their employees the best promotion opportunities tend to have a low to medium proportion of full time permanent workers, supporting the conclusion that internal labor markets apply for some of the employees, excluding others. A further elaboration leads to the conclusion that promotion

opportunities are unevenly distributed across the hotel organization:

Table 6.11: Promotion opportunities across departments

	<i>Rest. & kitchen</i>	<i>Reception</i>	<i>Rooms</i>	<i>Conferences</i>	<i>Bar, pub</i>	<i>Support</i>	<i>Total</i>
A. Employees in my type of position enjoy good opportunities of promotion	3,22 (1,80)	3,41 (1,69)	3,11 (1,83)	3,36 (1,68)	2,41 (1,59)	3,07 (1,73)	3,20 (1,76)
B. I expect to be promoted in this hotel during the next two years	2,06 (1,48)	2,41 (1,56)	2,11 (1,55)	2,39 (1,59)	1,64 (1,05)	2,03 (1,49)	2,15 (1,51)
C. Employees not being promoted may expect higher pay based on seniority	3,54 (1,98)	4,16 (1,73)	4,38 (1,63)	3,88 (1,91)	2,77 (1,97)	3,86 (1,88)	3,87 (1,88)
D. As a rule current employees are promoted to vacancies	3,76 (1,73)	3,86 (1,53)	4,30 (1,43)	3,96 (1,47)	4,05 (1,53)	4,09 (1,42)	3,96 (1,56)
E. Share that have been promoted to a position with better pay or more responsibility in the hotel	34,7	34,2	32,4	51,0	23,8	51,1	38,4

Average scores, SD in parentheses

The most promising individual promotion opportunities are found in the reception and the conference departments. In these two departments we also find the highest share of people that expect to be promoted. As documented in Table 6.17, the internal career ladders are most accessible to the incumbents of jobs characterized by firm specific and task non-specific competencies. House maids are lowest on the ladder, and almost destined to stay there. Their chance of being promoted is only half the chance of the support and staff personnel. Restaurant waiters, cooks and other kitchen workers are also subject to a low degree of upward mobility. This result is somewhat surprising, because a large number of hotels offer promotion positions for a restaurant manager and a kitchen manager, or so-called food and beverage managers. Bar, pub and night-club employees are all working in a dead end street if they aspire to a tall promotion ladder. Receptionists and employees in the conference departments stand a far better chance.

These two departments, in addition to the support and staff departments in particular, require strategic and cultural competencies. Jobs that require thorough knowledge of the firm's specific organizational culture and management style seem to be supported by an internal labor market. Furthermore, these groups do not have a formal industry specific

education. They are often well educated, but without the professional task and industry specific competencies. Their general-purpose education makes them easily marketable in other industries. FILMs are used to safeguard investments in their strategic and cultural competencies.

We next turn to the question of how promotion opportunities are associated with the range of employment relations. By doing so, we go beyond the permanent/non-permanent dichotomy.

Table 6.12: Promotion opportunities across employment contracts

	<i>Perm fulltime</i>	<i>Perm parttime</i>	<i>Extra helpers</i>	<i>Temp fulltime</i>	<i>Temp parttime</i>	<i>Total</i>
A. Employees in my type of position enjoy good opportunities of promotion	3,20 (1,74)	3,13 (1,90)	2,87 (1,66)	3,59 (1,79)	3,44 (1,24)	3,20 (1,76)
B. I expect to be promoted in this hotel during the next two years	2,16 (1,49)	2,03 (1,60)	2,42 (1,73)	2,16 (1,48)	2,12 (1,13)	2,15 (1,51)
C. Employees not being promoted may expect higher pay based on seniority	3,85 (1,86)	3,87 (2,07)	4,10 (1,62)	4,00 (1,88)	3,75 (1,67)	3,87 (1,88)
D. As a rule current employees are promoted to vacancies	3,87 (1,56)	4,21 (1,58)	4,42 (1,34)	3,80 (1,56)	4,25 (1,39)	3,96 (1,56)
E. Share that have been promoted to a position with better pay or more responsibility in the hotel	42,4	30,0	18,8	30,0	14,3	38,4

The results are somewhat surprising and confusing. Temporary workers report of the most promising individual promotion opportunities. Why should temporary workers stand a better chance of upward mobility than their permanent peers? We know that apprentices are included in the temporary category, a group that evidently have good reason to expect a favorable career ladder encounter. This interpretation is consistent with the responses of the next question, few of them expect a promotion the next two years. As expected, part-timers report consistently of fewer promotion opportunities than the full-timers. However, the differences are small and statistically non-significant, except for actual promotions. In this respect, full-timers outperform their colleagues

significantly.

6.8.5 Chain affiliation

In recent years the hotel industry in Norway has been restructured to the effect that mergers and owner integrated hotel chains¹⁰ have increased their market shares. This study makes a distinction between fully owner-integrated chains, and chains building on voluntary membership. The latter is grouped together with independent hotels, because they share a common characteristic which is of vital interest in this context: the human resource policy is determined at the establishment level. The hypothesis that hotels being part of a larger corporation tend to use a larger proportion of permanent employees, takes for granted that the chain has developed and implemented shared strategies for their human resource policies. Interviews with managers and union representatives tend to support that assumption.

Table 6.13: Employment relation by chain type of affiliation

		Chain membership		Total
		independent or voluntary chain	Owner integrated	
Employment relation	flexible contracts	72 30,9%	121 27,0%	193 28,3%
	permanent full-time	161 69,1%	327 73,0%	488 71,7%
Total		233 100,0%	448 100,0%	681 100,0%

Pearson χ^2 : 1,14, sign. 0,285

These figures do not support the hypothesis, contrary to the multivariate analysis on the next page. The latter documents that owner-integrated hotels tend to offer permanent work more often than the voluntary chains. Permanent employment contracts may pose a lesser risk for integrated establishments as employees not needed at one hotel may be relocated to another with more ease than a dismissal or temporary lay-off. Integrated

¹⁰ Norwegian examples: RICA, Radisson SAS, Choice

chains may offer their employees a more extensive and interesting internal labor market, in turn supported by long-term employment contracts. A coordinated internal labor market across establishments may thus be instrumental as a buffer to environmental shifts.

6.8.6 Multivariate analysis

Table 6.14 reports the logistic regression coefficients for the organizational predictors of permanent full-time employment relations. The multivariate analysis of the organization variables, controlled for gender, age and education, by and large support and confirm the findings above.

Table 6.14: Organizational effects on employment relations (multivariate analysis)

	<i>B</i>	<i>Wald</i>	<i>Sig</i>
Age of hotel	0,0059	3,5642	0,0590
Conflict level	0,0542	0,0936	0,7596
Proportion of union members	-0,0107	5,2746	0,0216
Actual promotion	0,5776	6,9970	0,0082
Wages above market	-0,0222	0,1237	0,7250
Individual promotion opportunities	0,0069	0,0137	0,9069
Seniority based wage increases	-0,0053	0,0084	0,9269
General promotion opportunities	-0,1578	5,2872	0,0215
Part of integrated chain	0,5464	5,1279	0,0235
Gender (female)	-0,9165	13,4469	0,0002
Age	0,0264	6,6846	0,0097
Vocational diploma	0,8489	11,0527	0,0009

N: 577

Older hotels enjoy the company of full-time permanent employees. The statistically significant tendency of older hotels to employ long-term contracts holds true.

Organizations tend to use the structures and policies developed at the time of their birth way into the future. An institutional interpretation thus indicates that hotels having survived generations, continues to pursue their human resource policies developed and implemented one or two generations ago.

The level of conflict at the workplace loses any impact on the employment practices. The correlation, which also was weak in the bivariate analysis, disappears. The “conflict-export” hypothesis is not supported. The tendency in organizations with higher proportion of union members to employ flexible personnel, is strengthened in this analysis. Flexible employees do not have a higher propensity to organize in unions, so there is no individual level explanation to this finding. This fact opens for a more management oriented interpretation. Is management actually making efforts to constrain the influence of organized labor by favoring non-permanent or part-time jobs? In the context of Norwegian industrial relations, a conclusion to the effect that employers deliberately attempt to split up union-power, is highly controversial. The result is congruent with the core-periphery hypothesis. In unionized hotels, the union has obtained job-security through full-time permanent employment contracts for their members, thus limiting the potential for numerical flexibility. Having realized this fact, and in combination with these realities, management tends to use a larger share of flexible (and often non-unionized) workers. We do feel, however, that further research is needed before a conclusive opinion can be reached.

Individual promotion opportunities and the existence of seniority based wage increases have no influence on the employment contracts. More surprisingly, the former strong tendency for people enjoying above market-level wages to have permanent contracts, disappears. As recalled, control variables have been included in this analysis. Gender, education and age may explain why the correlation disappears. Not quite young males with formal vocational training are more likely to achieve above market wages than young females. An expanding hospitality market turns the labor market into a very competitive one, especially for scarce, highly qualified specialists. Above market-level wage is not a consequence of union membership, a market value explanation is more plausible. The higher wages are not obtained by seniority nor actual internal promotions, hence strengthening the market argument above.

Permanent employees do not report on general promotion opportunities (reported by the employees as a general policy at the organizational level). The multivariate analysis confirms the conclusions from the bivariate examination. Permanent full-timers are not favored by better promotion opportunities than their colleagues. Furthermore, they report that *generally* current employees are not promoted. These results may indicate that the entry or existence of part-timers and temporary workers may reduce the job opportunities available to full-time permanent employees, a concern expressed by Pfeffer and Baron (1988). It is also consistent with Barnett and Miner's (1992) statement that firms hire employees but then effectively preclude them from further opportunities.

The following picture emerges: Two entrance levels to the organization exist, one at the bottom level where people are offered flexible work as a start position. An internal screening process results in promotion offers including permanent contracts with the organization to those displaying the right attitudes, skills and knowledge. The other entrance level is reserved for professionals often offered above market level salaries to lure them away from their present employer. These positions may be managerial or industry specific professional (f. ex: gourmet chefs).

Independent hotels and hotels with a voluntary chain association are able to offer career opportunities for those at the lowest entrance level, but will have difficulties in offering further advancements for those entering at the professional level. Integrated chains is in a different position. Through a common human resource policy they may offer low-entrants *and* professionals further development and advancement up the career ladder across the establishments in the corporation.

6.9 Job characteristics

Transaction cost economics asks what the dimensions are on which transactions differ, and which present differential hazards. Its ambitious research program spans from microanalytic analysis of transactions to examination of institutional arrangements. The relevant hypotheses, which are all generated from transaction cost reasoning are as follows:

Hypothesis 1: *Easily measurable and observable activities are more likely to be*

carried out by temporary or externalized employees.

Hypothesis 7: *There is a positive relationship between permanent employment relations and the degree to which technical competencies are required.*

Hypothesis 8: *There is a positive relationship between permanent employment relations and the degree to which cultural and strategic competencies are required*

Hypothesis 9: *There is a positive relationship between permanent employment relations and the degree of “timely customer service specificity”.*

Hypothesis 10: *There is a positive relationship between permanent employment relations and the degree of “industry-specific competencies”.*

Employment contracts are part of a firm’s governance structure where characteristics of the job are assumed to be significant determinants of how the employment practices are set up. The discussion of job characteristics takes us into the microanalytic scenery of transaction cost economics. Two major dimensions are highlighted: the measurability, and the extent of human asset specificity being involved in the job or activity. We first turn to the issue of measurability.

Table 6.15: Effects of job characteristics on employment relations (bivariate analysis)

	<i>Perma- nent</i>	<i>Flexible</i>	<i>t</i>	<i>Hyp. no</i>	<i>Predicted</i>	<i>Observed</i>	<i>Sign. (2-tailed)</i>
Measurability	4,43	4,60	-1,90	1	-	-	0,058
Technical competencies	4,85	4,80	0,41	7	+	+	0,681
Strategic and cultural competencies	4,80	4,74	0,51	8	+	+	0,612
Timely customer service specificity	0,56	0,64	-2,44	9	+	-	0,015
Industry specificity (years)	3,21	2,03	6,87	10	+	+	0,001

N: 660-680

6.9.1 Measurability

In congruence with the hypothesis, full-time, permanent employees tend to have less measurable jobs than more flexible colleagues. Measurability is a highly potent concept. As will be explicated later (chapters 6.12.6 and 6.13.4), whether jobs are measurable or not also have significant impact on organizational commitment and learning climate.

The table above displays individual-related data, and does not account for the assumption that the degree of measurability may vary systematically across departments or bundles of similar activities. Some jobs are more easily measurable than others. In which departments do we find the most measurable jobs?

Table 6.16: Measurability across jobs

	N	Mean	Std Deviation
Reception	151	4,06	1,14
Rooms	113	4,85	,99
Conferences	48	4,54	1,09
Kitchen	88	4,78	,74
Dishwashing	9	4,75	1,39
Restaurant	113	4,48	1,02
Bar, pub, nightclub	24	4,43	1,17
Support	69	4,42	1,07

House keeping (cleaning) and jobs in the kitchen are most transparent. On the other hand, jobs that do not lend themselves to measuring are primarily found in the reception.

The measurability issue pertains to input as well as output uncertainties. Input uncertainties arise when the efforts, timeliness and physical presence is hard or costly to measure. Output uncertainties relate to the quality of the product or service rendered to the customer. A mutual long-term perspective on the employment with a firm through a permanent contract will facilitate continuous improvement of effort as well as quality. Employment contracts implicitly or explicitly grant headroom for adjustments. Flexible contracts often have to be rewritten, or are less motivating for adjustments and improvements because of the shortsighted perspectives. Less measurable activities are difficult to explain and define for outsiders, hence the writing

of contracts is time-consuming and costly. As pointed out by the hotel managers, *“suppliers of manpower do not understand our business and the requirements of our guests”*. Consequently, the hybrid form of extra helpers are preferred. Their voice is weaker, and may be trained and indoctrinated by the hotel or other actors in the industry.

6.9.2 Technical competencies

The concept of firm specific human assets is further elaborated by turning to the terms “Technical competence” and “Strategic and cultural competencies”. Recall that the term technical competencies is measured by asking managers to evaluate: *“To carry out these tasks a thorough knowledge of our menus, guests, and standard procedures, is required”*. Firm-specific investments in technical skills and knowledge are characterized by being both firm and job specific, and are assumed to be safeguarded and reaped by offering employees involved permanent full-time contracts. The present data fail to support such a hypothesis, as the positive relation fail to pass the test of significance by a clear margin. The reason may be that substantial parts of these competencies easily may be codified and transferred to competing firm. Task specific skills and knowledge lend itself to within-industry distribution. A number of jobs, exemplified by servants, cooks and chamber maids, are standardized across the industry.

Task specific skills in itself are not safeguarded by permanent contracts. With a well functioning industry-internal labor market, it is economically efficient to employ more flexible contracts for task specific jobs. In the practical world it may be difficult to distinguish between firm and industry specific skills and insights. Educated cooks and servants may receive firm specific training to excel in relation to the focal firm’s defined and differentiated strategies, and their emphasis on guest treatment.

Yet, it can be argued that substantial portions of such training will be more than interesting and relevant for competing firms in the same industry. Hotels may want to establish an environmentally “green” image by employing user- and environmental-friendly detergents or by introducing an ecologically-produced menu in the restaurant. The housemaids, the cooks and the servants are internally trained to meet quality

standards and customers' need for information on the new services. These procedures have elements of firm-specific as well as general-purpose competencies. Procedure by procedure, they may be rather general, lending themselves for copying or imitation by competitors. Bundled together as an integrated green policy enthusiastically implemented by a highly motivated and committed organization, is something else. The procedures then become part of an agreed upon and mutually appreciated strategy that is hard for competing firms to copy. Thus, a "green" strategy may create sustainable competitive advantage. The example highlights that procedures, even radically novel to the industry, appreciated as requiring purely technical skills and knowledge, seldom are sufficient for creating effective and visible differentiation strategies.

Consequently, a tentative conclusion is that the less task specific and the more firm specific a task, the higher probability for that task to be organized within a permanent, full-time employment contract.

6.9.3 Strategic and cultural competencies

To further test the tentative conclusion presented at the end of the section above, we turn to the concept of "Strategic and cultural competencies", which are firm specific and task nonspecific. Managers were asked to evaluate tasks at the hotel according to the extent "*a thorough knowledge of our specific organizational culture and management style is required.*" Firm specific and task non-specific activities are hard to copy and impossible to fully transfer across organizations. It is hard to imagine an encompassing organizational culture being exported to another firm. Management style is also an inseparable organizational or group phenomenon that cannot easily be transferred. Unsurprisingly then, a positive relation between requirements for strategic and cultural competencies and permanent full-time employment was hypothesized.

The hypothesis is not confirmed. In conclusion, neither technical nor strategic and cultural competencies apparently influence the way employment relations are governed. A closer inspection of the same data grouped as department scores uncovers substantial differences between departments. The responses are as follows:

Table 6.17: Required competencies across departments

	<i>Rest. & kitchen</i>	<i>Reception</i>	<i>Rooms</i>	<i>Conferences</i>	<i>Bar, pub</i>	<i>Support</i>	<i>Average</i>
A. A thorough knowledge of our specific organizational culture and management style is required	4,44 (1,52)	4,94 (1,57)	3,91 (1,50)	4,68 (1,49)	3,86 (1,46)	5,07 (1,33)	4,48 (1,48)
B. To carry out these tasks a thorough knowledge of our menus, guests, and standard procedures, is required	5,06 (1,43)	5,03 (1,54)	3,71 (1,45)	4,90 (1,57)	4,41 (1,59)	4,71 (1,63)	4,63 (1,54)
C. Long internal training is required to carry out these tasks in accordance with our strategy	3,36 (1,40)	4,19 (1,51)	3,14 (1,31)	4,07 (1,28)	3,32 (1,17)	4,34 (1,37)	3.74 (1,34)

Strategic and cultural competencies are most vital for the support staff, receptionists and employees engaged in conference arrangements¹¹. Consistent with that result, to work in these departments also requires the most substantial internal training. In other words, jobs that require firm specific and task non-specific competencies are associated with the most extensive *internal* training. Furthermore, we have documented that the best internal promotion opportunities are found in the same departments.

6.9.4 Timely customer service specificity

We next turn to yet another aspect of asset specificity. The concept “temporal specificity” is conceived of as a type of site specificity in which timely responsiveness by on-site human assets is vital. We have argued that face to face customer contact where the service is produced in the presence of the customer, is a practical example of temporal specificity. In the context of the hospitality industry, the term has been coined “timely customer service specificity” and operationalized and measured as the extent of direct customer contact. Employees having direct customer contact, and

¹¹ At the department level, a statistically significant correlation is evidenced between strategic and cultural competencies and full-time permanent contracts (sig, 0,03), whereas technical competencies still produces a non-significant correlation.

thereby being involved in the production of numerous “moments of truth”, are expected to enjoy full-time permanent contracts. A hotel is highly dependent on employees dealing directly with their guests, especially as instruments for building and sustaining long-term customer relations and for reputational effects. Consequently, these positions should be maximally safeguarded through permanent full-time employment contracts.

The data fail to support the hypothesis. On the contrary, jobs implying close and frequent customer contact have a tendency to be held by employees with flexible contracts. As in many other service industries, employees with close relations to the revenue generating customer carry the main burden of the firm’s need for flexibility. As in the banking industry, it seems like the career ladder leads customer contact employees away from the guests. In a sense, the result is both paradoxical as well as obvious. Paradoxical because opportunistically acting individuals may cause substantial harm to the firm through frequent and direct customer contact. Obvious because these employees have to be present on the spot at the customers will, which is at very different times and scenes, hence the requirements for flexibility. Suffice it to say that this practice poses considerable risks for the employer and the reputation of the organization.

6.9.5 Industry specific human assets

As explicated above, in practical life the distinction between firm specific and general-purpose assets is blurry. Industry specific human assets may be classified in between the two categories, as a group of competencies in its own right, thus constituting a third category. This type of competence is not completely general in human capital theory terms, since its application is restrained to one industry. Our concept of industry competencies includes both task specific skills (servants, chefs, bartenders) and task nonspecific skills and knowledge, like knowledge of the industry structure and its history, and key persons and industrial networks. The term is captured by asking employees to evaluate *“In your opinion, how many years of industry related education and relevant work experience are required to carry out your present job?”*

As predicted, employees having industry specific competencies stand a far better

chance of obtaining a permanent full-time job. From the employee's perspective, the data clearly demonstrate that investments in industry specific education and experience pay off in form of job security and long-term contracts. From the management point of view, recruiting people with industry specific competencies secure at least an accepted quality standard. These competencies, and their owners, are easily transferable, however. Offering full-time permanent employment is apparently one viable safeguarding measure to retain these employees and their skills and knowledge. Employees with industry specific skills and competencies can more often than others pocket wages above market level¹². Incentive schemes are another navigable route to retaining high quality people.

Considerable variations are documented across the employment relations:

Table 6.18: Industry specific competencies and employment relations (years)

	<i>Mean</i>	<i>N</i>	<i>SD</i>
Permanent full-time	3,21	488	2,24
Permanent part-time	2,07	116	1,71
Extra helpers (on-call)	1,42	35	1,84
Temporary full-time	2,44	33	1,52
Temporary part-time	2,44	9	1,74

6.9.6 Multivariate analysis job characteristics

The multivariate analysis of the impact of job characteristics, controlled for gender, age and education, by and large support and confirm the findings above. The bivariate results are confirmed by the multivariate examination.

¹² The correlation is significant at the 0,05 level (0,029)

Table 6.19: Effect of job characteristics on employment relations (multivariate analysis)

	<i>B</i>	<i>Wald</i>	<i>Sig</i>
Measurability	-0,216	5,587	0,018
Timely customer service specificity	-0,636	5,190	0,023
Technical competencies	0,023	0,079	0,779
Strategic and cultural competencies	0,000	0,000	0,998
Industry specificity	0,198	11,847	0,001
Gender	-0,750	10,353	0,001
Age	0,018	3,726	0,054
Vocational diploma	0,543	4,847	0,028

N: 642
df: 8

Industry specific competencies are important determinants of employment relations. They are furthermore supported by job security and exploited through full-time contracts. Timely customer service specificity, on the other hand, is more often accompanied by flexible contracts. The task specific (technical competencies) and task nonspecific (strategic and cultural competencies) firm competencies, seem to play a negligible role. Measurability is another important predictor of employment practices. Measurable jobs tend to be carried out by flexible workers, as they lend themselves to clear definitions which facilitate agreement as to the content and the quality standards of the job.

6.10 Department impact

Several times we have touched upon the impact of department level variables in the analysis of employment relation determinants. Time and again we have documented that where you work is a major determinant of the type of employment contract offered. In the table below the effect of departments is examined with the three control variables included.

Table 6.20: Effect of departments on employment relations (multivariate analysis)

	<i>B</i>	<i>Wald</i>	<i>Sig</i>
Reception	-0,660	4,733	0,0296
Rooms	-0,865	7,607	0,0058
Restaurant	-0,742	6,032	0,0141
Conferences	-0,400	0,924	0,3363
Bar, pub, nightclub	-0,679	1,570	0,2102
Gender	-0,871	14,057	0,0002
Age	0,018	4,039	0,0445
Vocational diploma	0,893	13,552	0,0002

N: 659

Jobs in support functions like sales, marketing, and accounting are most often full-time permanent¹³. These jobs share some common characteristics:

1. The degree of direct face to face customer contact is low, hence the work can be carried out without the presence of the customer. Most activities are done within normal working hours. Compared to the other departments, the rhythm of work is independent of customers.
2. A large portion of the employees have a professional, often industry specific background. Sales and marketing people need to appreciate the workings and routines of the organization and networks in the industry. As we have seen, industry specific competencies are hard to retain, hence decisive to protect.

Conference arrangers also have a fair chance of obtaining permanent contracts. In this department, formal industry specific competencies are low, whereas the requirements for firm specific skills and knowledge are correspondingly high. Customers are often

¹³ The support department(s) are not displayed in the table. The department functions as a benchmark against which the other departments are related.

professionals, like representatives for firms or public institutions, and demand tailored arrangements. According to the hotel managers, personal sales talent, social intelligence and relational skills are decisive in business development in this area. Employees are empowered, enjoying discretionary decision powers. All these competencies are best supported and further developed through long-term employment relations. Opportunism will have major consequences as each customer represents considerable sales.

More than any others of their colleagues, housemaids are having flexible contracts. Their tasks are characterized by scant need for industry as well as firm specific competencies. These hands and backs are most easily substitutable as an external market for these services can be found. The figures for the restaurant include temporary staff for banquets and bigger parties. For further comments, see chapter 6.3 on extra helpers.

6.11 Overall model

In the analyses of determinants of employment relations above, a substantial number of variables have been introduced and examined. Although not a major part of this study, the intention was to summarize the discussion on these determinants by including all variables in one comprehensive analysis. Such a model turned out to be over-complex, however. In the model presented below, all variables were initially included. All predictors, including the department dummies, have been tested in the same model. In subsequent runs, variables with less impact were removed until the significant ones were identified¹⁴.

¹⁴ Multiple Logistic Regression is used, by means of the method called backward elimination (SPSS). At each step, variables are evaluated for removal. The entire table including all variables is presented in the appendix.

Table 6.21: Major predictors of employment relations

	<i>B</i>	<i>Wald</i>	<i>Sig</i>	<i>R</i>
Environmental variables				
Variability in demand	3,348	7,605	0,006	0,0959
General environmental uncertainty	-0,272	5,190	0,023	-0,0723
Organization variables				
Integrated chain member	0,820	7,827	0,005	0,0978
Actual promotion	0,439	3,485	0,062	0,0494
Internal promotions	-0,173	5,291	0,021	-0,0735
Proportion of union members	-0,026	13,789	0,0002	-0,1391
Department				
Restaurant	-0,534	3,873	0,049	-0,0554
Job characteristics				
Industry specificity	0,236	10,658	0,001	0,1192
Measurability	-0,310	7,412	0,006	-0,0942
Timely customer service specificity	-0,650	4,349	0,037	-0,0621
Control variables:				
Vocational diploma	0,924	8,819	0,003	0,1058
Age	0,029	6,637	0,010	0,0872
Gender (female)	-0,778	7,911	0,005	-0,0985

N: 613

The model correctly classifies 79% of the employees to their respective employment categories.

Based on the transaction cost theory, two hypotheses postulating a negative relation between high environmental uncertainty and the use of permanent employment contracts was posited. The hypotheses are only partly supported. Surprisingly, variability in demand combines with permanent full-time contracts, contrary to our

hypothesis. Fluctuations in demand was expected to add to the uncertainties of the firm and foster flexible relations to the employees. The variability construct used here focuses on seasonal variations measured as the maximum average difference in occupancy rates throughout the year. These fluctuations may be predictable from one year to another, thus posing no additional uncertainties. Management may obtain the required adjustments of labor by functional flexibility.

On the other hand, the perceived general uncertainty stemming from unpredictable Government regulations and the impact of the restructuring of the industry fosters flexible contracts; in accordance with the hypothesis. This construct is supposed to capture uncertainties beyond any noticeable influence by the focal organization. The directions of both associations are consistent with our prior examination in chapter 6.7.6. The results remind us that changes in the environment may pose different challenges and differentiated internal responses.

Establishments being part of an owner-integrated chain favor long-term contracts as compared to hotels being affiliated with voluntary chains and independent hotels. This observation is predicted from a bureaucratic control perspective, according to which internal labor markets across establishments are expected to stimulate permanent contracts. As employees more conveniently may be moved across hotels being part of the chain, as voluntary career climbing or as a result of changing patterns of market demand. Uncertainties and dependencies associated with job security, are reduced as compared to more free-standing hotels. The relationship is also consistent with institutionalization theory. Large organizations, more visible and more subject to public and governmental scrutiny, should be more likely to adopt legitimated practices.

At the outstart, we introduced several indicators of FILMs: individual and general promotion opportunities, wages above market level, and actual promotion experiences. The latter is the best predictor of full-time permanent contracts with the organization. Any efforts to implement firm internal labor markets were assumed to be correlated with job security and permanent contracts. Surprisingly, full-time permanent employees report of significantly lesser general promotion opportunities (*"As a rule, current employees are promoted to vacant positions"*). As explicated in

chapter 6.8.4, flexible workers display a more positive perception of promotion opportunities than the full-timers.

It is well known that unions demand job security on behalf of their members. How does a large proportion of unionized workers influence the structure of employment contracts. Two alternative hypotheses were presented. With an increasing percentage of unionized employees, management's attempts to enforce flexible contracts, were assumed to become more risky, thus lowering the probability of employing more flexible contracts. Succumbing or agreeing to the union's priorities and preferences, could bestow on the hotel acceptance and legitimacy in the labor market. Hence, a positive correlation was assumed. On the other hand, managers confronting a heavily unionized organization, are expected to rid themselves of their dependence on union consensus, hence employing more flexible workers outside the control of unions. In other words, the implication of the alternative hypothesis is that unionized hotels strive to increase the ratio of flexible employees. The latter hypothesis is confirmed, thus indicating that power or efficiency arguments are superior to legitimacy. The figures are also congruent with the thesis of a two-tiered core/periphery labor market.

The chance of obtaining a permanent full-time job depends on where you work. Jobs in the restaurant and the rooms department are more often contingent. In this table being a waiter significantly worsen the opportunity of having a permanent full-time job. In evaluating these results, bear in mind that banquet servants are included in the numbers.

Job characteristics are substantial determinants of employment relations. As predicted, easily measurable jobs are strongly associated with flexible contracts. Industry specific competencies are awarded with job security and permanent contracts. What was coined timely customer service specificity (extent of direct customer contact), has substantial impact, but in the opposite direction as expected. In face to face communication, hotel guests very often meet flexible workers.

In conclusion, determinants at all levels are influential on how the organization configures its employment relations. A blend of environmental and organizational determinants, coupled with dimensions of the job, is documented. Three individual

factors, gender, age and education, are also decisive predictors. The observations also support the view that studies of employment relations are enhanced by using a mix of economic and sociological approaches.

We conclude this section by providing a summary table of the hypotheses and whether they were supported or not by the analysis. The results are based on the multivariate level-by-level analysis. The observed direction of the association is reported together with the significance level. Hypothesis 16 and Hypothesis 17, the two alternative hypotheses on the use of FILMs are reported by means of all five indicators, since no single measure for FILMs was obtained. In addition to the level-by-level examination, in the right-hand column the results are provided from the overall model encompassing all predictors, department variables (as dummies) and the control variables. The significance levels are documented in the third column. The directions are consistent with those reported in the "Obs." column. A substantial consistency is documented between the single level analyses and the overall model.

Table 6.22: Testing of the hypotheses: A summary

	<i>Pred.</i>	<i>Obs.</i>	<i>Sign.</i>	<i>Overall</i>
Hypothesis 1: <i>Easily measurable and observable activities are more likely to be carried out by temporary or externalized employees.</i>	-	-	0,018	0,007
Hypothesis 2: <i>There is a positive relationship between permanent employment relations on the one hand, and the combination of high human asset specificity and high environmental uncertainty on the other.</i>	+	ref hyp 5a,5b and 5c		
Hypothesis 3: <i>There is a negative relationship between permanent employment relations and high environmental uncertainty.</i>	-	ref hyp 6a,6b and 6c		
Hypothesis 4: <i>There is a positive relationship between permanent employment relations and human asset specificity</i>	+	-	0,531	
Hypothesis 5a: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high general uncertainty on the other.</i>	+	-	0,922	
Hypothesis 5b: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high strategic uncertainty on the other.</i>	+	+	0,834	
Hypothesis 5c: <i>There is a positive relationship between permanent employment relations on the one hand and the combination of high human asset specificity and high labor market uncertainty on the other.</i>	+	+	0,302	
Hypothesis 6a: <i>There is a negative relationship between permanent employment relations and high general environmental uncertainty.</i>	-	-	0,248	0,023
Hypothesis 6b: <i>There is a negative relationship between permanent employment relations and high strategic environmental uncertainty.</i>	-	-	0,173	
Hypothesis 6c: <i>There is a positive relationship between permanent employment relations and high labor market uncertainty.</i>	+	+	0,729	
Hypothesis 7: <i>There is a positive relationship between permanent employment relations and the degree to which technical competencies are required.</i>	+	+	0,779	

	<i>Pred.</i>	<i>Obs.</i>	<i>Sign.</i>	<i>Overall</i>
Hypothesis 8: <i>There is a positive relationship between permanent employment relations and the degree to which cultural and strategic competencies are required</i>	+	+	0,998	
Hypothesis 9: <i>There is a positive relationship between permanent employment relations and the degree of "timely customer service specificity".</i>	+	-	0,023	0,037
Hypothesis 10: <i>There is a positive relationship between permanent employment relations and the degree of "industry-specific competencies".</i>	+	+	0,001	0,001
Hypothesis 11: <i>Activities subject to regulations from statutory law will have a higher tendency to be organized through permanent employment relations.</i>	+	-	0,201	
Hypothesis 12: <i>Activities subject to statutory regulations will have a lesser tendency to be organized through permanent employment relations.</i>	-	-	0,201	
Hypothesis 13: <i>Newly established organizations make less use of permanent employment relations than older, well established organizations.</i>	-	-	0,059	
Hypothesis 14: <i>There is a positive relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.</i>	+	-	0,022	0,000
Hypothesis 15: <i>There is a negative relation between the use of permanent employment contracts and the degree of conflict in the organization.</i>	-	+	0,760	
Hypothesis 16: <i>There is a positive relationship between the organization's implementation of FILMs and the use of full time permanent employees.</i>	+			
Hypothesis 17: <i>There is a positive relationship between the organization's implementation of FILMs and the use of leasing from temps agencies and outsourcing to subcontractors.</i>	-			
Indicators of FILMs				
Actual promotion		+	0,008	0,061
Wages above market		-	0,725	
Individual promotion opportunities		+	0,907	
General promotion opportunities		-	0,021	0,021
Seniority based wage increases		-	0,929	

	<i>Pred.</i>	<i>Obs.</i>	<i>Sign.</i>	<i>Overall</i>
Hypothesis 18: <i>Hotels that are an integrated part of a larger corporation tend to have a larger proportion of permanent employees than freestanding, independent hotels and hotels associated with voluntary chains.</i>	+	+	0,023	0,051
Hypothesis 19: <i>There is a negative relation between the use of permanent employment contracts and the proportion of unionized employees in a hotel.</i>	-	-	0,022	0,000
Hypothesis 20: <i>The higher the variability in demand the lower the use of permanent employment contracts.</i>	-	+	0,295	0,006
Rooms department		-	0,006	0,049
Gender (female)		-		0,005
Vocational diploma		+		0,003
Age		+		0,010

6.12 Organizational commitment

Managers may have different strategies as to how they link employees to their firm. The employment contract is in itself a key construct in the discussion of how the relationship between employer and employee is governed. The management of employment relations is accompanied with, or may be part of, an integrated human resource strategy. To that effect, we have discussed firm internal labor markets, remuneration issues, and recruitment policies.

The formal employment contract is only part of the comprehensive employee-employer relation. Organizational commitment is another concept for examining the relation between individuals and organizations, as it captures attitudinal and psychological ties to the organization.

Employees who are highly committed to their work organizations are willing to devote more time and effort to the firm, identify with and share the values of the employer, and seek to maintain their affiliation with the organization (Steers, 1977). Managers want committed employees because such workers are assumed to display high levels of effort and performance, and lower rates of turnover and absenteeism, with attendant reductions in costs of replacements and training (Mowday, Porter, and Steers, 1982). In our context it is additionally assumed that committed employees may offer guest treatment of higher quality, which may lead to improved repeat transactions with the establishment.

6.12.1 Organizational commitment and employment relations

Organizational commitment may be regarded as an alternative coordination mechanism to direct supervision, as committed workers are infused with the values and goals of the organization. In other words, organizational commitment may have great economic value to the firm as the need for monitoring and control mechanisms is reduced. In organizations with activities which are difficult or costly to measure or monitor, savings may be substantial. Commitment to the workplace, to colleagues, to the well-being of the guests and to the goals and values of the organization, will reduce potential opportunistic behavior. Commitment may also have a value for the employee, as highly motivated people may be offered employment contracts to their own preferences,

improved compensation or benefit from improved career and promotion prospects.

We assume that employees enjoying a long-term contract with the organization are more committed than others. People having a long-term perspective on their employment will to a larger degree identify with the goals and missions of the organization. Permanent contracts should be the better platform for implementation of employment practices involving investments by employers in their human resources, such as internal promotions and on the job training. A mutual set of obligations and long-term perspectives would secure the investments done by the firm. Organizational commitment is regarded as an exchange for job security through long-term contracts with the firm. Pfeffer (1994: 24) confidently states that *“the biggest disadvantage of contingent employment arrangements is the difficulty in obtaining loyalty, dedication, or willingness to expend extra effort on behalf of the organization. Sometimes it is even difficult to get them to do their jobs.”* He also refers an executive pointing out *“they’re here to make money, not to fulfill the corporate vision”*.

Consequently, the following hypothesis is proposed:

Hypothesis 21: *Permanent full-time employees are more committed to their organization than flexible workers.*

Our results do not confirm the opinion of Pfeffer nor our hypothesis. On the contrary, the data suggest that full-time permanent employees are not more committed than their colleagues. At the individual level we find no correlation at all¹⁵. This unexpected result was further examined at the department level. The proportion of full-timers at the departmental level may be conceptualized as a contextual variable, as a measure of social coherence in the department. Organization members are not more committed even if they work in departments with higher proportion of permanent full-time colleagues. In other words, individual workers with long-term contracts do not display greater commitment to their organization than flexible colleagues. Neither do departments with larger proportions of permanent full-timers produce more committed employees.

Before moving on to a further examination, we take a closer look at the scores of organizational commitment for the different employment contracts:

Table 6.23: Employment relations and organizational commitment

	Mean	SD	N
Permanent full time	3,84	0,76	474
Permanent part-time	3,88	0,82	113
Temporary full-time	3,92	0,56	33
Temporary part-time	3,75	0,75	8
Extra helpers	3,66	0,79	33

Temporary full-time workers and permanent part-timers display the highest level of organizational commitment. It is a paradox that employees with a “looser” or non-permanent perspective on their contact with the organization are the most committed. They may share a common characteristic in aspiring to full workdays on a permanent basis, thus being committed to the potential goals ahead. At the individual level, such an aspiration theory of commitment seems to have support.

Full-time workers with a permanent contract with the firm may take a more relaxed, complacent and laid-back position toward the organization. Complacency may be a viable explanation, but it goes beyond the scope of this study to evidence the suggestion. Anyhow, it is apparent that managers are not able to infuse shared values and commitments in their full-time employees. At the lowest end of the commitment scale, we find the on call people (extra helpers), as expected. Normally, extra helpers do not have opportunities to share in the collegial community, they are normally hired for a specific job, and leave the premises when the work is done. As a rule, they have marginal opportunities to take advantage of the firm’s investments in human resource practices. Some of them are free-lancers moving from one hotel to another, thus sharing their potential for commitment with several organizations.

¹⁵ Pearson correlation: -0,003, significant at 0,937, N:663

A further elaboration is provided below. As explicated in chapter 5.13, the commitment scale reflects three dimensions: the willingness to exert extra effort on behalf of the organization, the desire to maintain membership in the organization, and the belief in and acceptance of the organization's goals and values. The average scores across employment relations are as follows:

Table 6.24: Dimensions of commitment across employment relations

	<i>Perm fulltime</i>	<i>Perm parttime</i>	<i>Extra helpers</i>	<i>Temp fulltime</i>	<i>Temp parttime</i>	<i>Total</i>
Willingness to exert extra effort	5,20	5,14	4,66	5,24	4,88	5,16
Desire to maintain membership in organization	2,55	2,85	2,49	2,95	3,00	2,63
Acceptance of goals and values	4,82	4,62	4,34	4,85	4,47	4,76

The full-timers are somewhat more willing to exert an extra effort for the hotel and share the goals and values of their organization. Despite these results, full-timers do not have a strong desire to maintain their membership in the organization. Part-timers and temporaries (except extra helpers) are actually more inclined to stay on. All in all it seems like the temporary full-timers may constitute an outstanding source for new recruits.

6.12.2 A model of organizational commitment

Above we drew the preliminary conclusion that full-time permanent employment contracts do not develop commitment to the organization. What, then, can explain organizational commitment? Except from the assumed correlation between employment relations and organizational commitment, no hypothesis was elaborated on beforehand. We will instead seek determinants among the same dimensions used in our examination of antecedents to employment relations. The general model is as follows:

$$OC = a + b*ER + c*propful + d*ind.var. + e*env.var. + f*org.var. + g*job char.$$

The model posits that an individual's organizational commitment (OC) can be explained by his/her employment relation (ER), the proportion of full-time permanent employees in his/hers department, individual variables, environmental variables, organizational variables and job characteristics. A constant (a) is added to the equation. The individual, environmental and organizational variables are the same as introduced in the analysis of employment relations, as are the job characteristics. The results are presented group by group. The examination is summed up by presenting a model containing those variables that are most significant as predictors of organizational commitment. As before, the individual variables are regarded as control variables.

6.12.3 Employment relations

We first explicate the impact of employment relations on organizational commitment, simultaneously with the individual control variables¹⁶.

Table 6.25: Employment relations, control variables and organizational commitment

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,096	-1,361	0,174
Proportion full-time permanent employees in department	0,158	0,816	0,415
Gender (female)	-0,031	-0,457	0,648
Age	0,018	6,553	0,001
Vocational diploma	-0,081	-1,194	0,233

N: 611
R²: 0,069
df:5

¹⁶Regular multiple regression analysis is used in the examination of predictors to organizational commitment and learning climate.

Even when controlled for gender, age and vocational training, permanent full-timers are no more committed to their work place than more flexible colleagues. If anything, the association points in the opposite direction. The result is surprising, as permanent contracts are supposed to bestow workers with a long-term perspective on their job and employer, hence greater loyalty and commitment. As evidenced in Table 6.24, full-timers may not have a long-term perspective on their employment relationship, an argument which is consistent with high turnover in the industry. For an industry in need of competence development, this is bad news, and may cement managers' unwillingness to invest in their people.

Neither does the contextual variable "Proportion of full time permanent employees" at the department level promote commitment . This result is also puzzling as a workplace dominated by full-timers was expected to facilitate social integration that fosters shared values and rituals¹⁷. These two variables will accompany us throughout the analysis.

Gender differences and organizational commitment are themes of some dispute (Kalleberg, et. al., 1996). In this industry, no significant gender differences are detected. This conclusion holds true even when adjusted for job, career and other organizational factors. If anything, females are slightly less committed than their male colleagues. Throughout the analysis of the whole range of variables, a negative correlation between women and organizational commitment is reported. However, at no stage is the correlation significant.

Age is a dominant determinant of organizational commitment. Older employees are considerably more committed to their workplace than younger colleagues, a highly consistent and significant result throughout the examination. People equipped with a vocational diploma tend to be lesser committed to their employer. A formal education makes workers more employable by alternative firms, since a diploma is a legitimate

¹⁷ The model was run by dropping individual full-time contract, then proportion full-time in department (i.e. including one of the variables at a time) to investigate whether the non-significant results are due to collinearity. These alternative runs support the results in the table presented, including both variables. Consequently, the observations are not due to collinearity.

proof of industry specific competencies. The consequence may be less willingness to commit oneself to any particular employer. For the employer seeking to retain workers with formal industry specific training, that challenge becomes even harder.

6.12.4 Organizational commitment and environmental variables

Most prior studies of organizational commitment have emphasized organization- and job related determinants, often limited to single work organizations. Reliance on bivariate correlations only, is another prevalent tendency (Kalleberg et. al.,1996). Other studies are unable to report within-organization variation, as they merely rely on individual-level data. Our data allow for multivariate analysis of a blend of predictors from individual, job, organizational, and environmental level.

We first turn to the environmental or market variables. The economic and institutional variables used in connection with the examination of employment relations are included.

Table 6.26: Effect of environmental variables on organizational commitment (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,088	-1,193	0,233
Proportion full-time permanent employees in department	0,073	0,333	0,739
Variability in demand	0,069	0,193	0,847
General uncertainty	0,093	1,775	0,077
Strategic uncertainty	-0,036	-0,608	0,544
Labor market uncertainty	-0,097	-1,558	0,120
Human asset specificity	0,053	1,179	0,239
General uncertainty and human asset specificity combined	-0,020	-2,530	0,012
Strategic uncertainty and human asset specificity combined	0,001	0,081	0,936
Labor market uncertainty and human asset specificity combined	0,002	0,274	0,784
Regulated activities	-0,011	-0,466	0,727
Gender (female)	-0,025	-0,349	0,727
Age	0,019	6,408	0,000
Vocational diploma	-0,094	-1,291	0,197

N: 610

R²: 0,097

df: 14

Environmental features have limited explanatory power. Our results demonstrate that some environmental factors do influence employees' commitment. When uncertainty conditions are beyond the control of management (*general* uncertainty), employees seem to rally round the organization, maybe to fence off a real or perceived threat. However, people having firm specific skills and knowledge are more willing to jump the ship under conditions of high uncertainty (general uncertainty and human asset

specificity combined). Labor market uncertainties point in the same direction.

The extent of internal training needed (requirements for human asset specificity) to execute jobs in accordance to expectations from management, does not seem to influence commitment levels, which is rather surprising. If the organization offers training and learning opportunities necessary for their employees to perform in accordance with expectations, higher commitment is assumed. However, this industry does not enjoy the best reputation of willingness to invest in their employees, implying that investments in skills and knowledge may be accounted for by the employees themselves. The bulk of the training takes place in the workplace, either through internal courses, mentoring or on-the-job training¹⁸. Only one of four hotels grant their employees paid leave for further education. Employees feeling that they carry the main burden of necessary competence investments will not reciprocate with commitment to the organization.

6.12.5 Organizational commitment and organizational variables.

Next we move from the market to the inside of the organization.

¹⁸ Documented in a report called "Undersøkelse om kompetanseutvikling" from MMI on behalf of RBL (The Association of Hospitality Industry), May 1997

Table 6.27: Effect of organizational variables on organizational commitment (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,094	-1,314	0,189
Proportion full-time permanent employees in department	0,286	1,412	0,159
Age of hotel	-0,001	-0,718	0,473
Conflict level	-0,070	-1,313	0,190
Union member	-0,017	-0,286	0,775
Actual promotion	0,058	0,926	0,355
Wages above market	0,083	4,530	0,001
Individual promotion opportunities	0,006	0,357	0,721
Seniority based wage increases	0,064	3,826	0,001
General promotion opportunities	0,100	4,994	0,001
Part of owner-integrated chain	-0,196	-2,776	0,006
Gender (female)	-0,014	-0,212	0,832
Age	0,017	5,875	0,001
Vocational diploma	-0,042	-0,620	0,535

N: 614
R²: 0,225
df: 14

Organizational variables move closer in on the employees than do the features of environments and markets. Several indicators of FILMs serve as commitment-enhancing tools. This result confirms Kalleberg's (1996) argument that "*FILMs have important incentive effects in that they make it individually rational to exhibit certain attitudes and behaviors that permit an individual to maximize expected lifetime earnings and other job rewards*".

Remuneration above market levels apparently pays off in the form of higher organizational commitment. Above market earnings indicate that the employee is

highly valued by the organization, which is reciprocated by higher commitment levels. General human resource policies to support promotion from within, and potential for obtaining wage increases based on seniority with the firm, both enhance the level of commitment. Recall that both of these measures are assumed to capture *general* features of the organization's human resource policy, they do not indicate whether or not the *individual* employee has experienced promotions or wage increases based on seniority. These results also seem to be in line with Kalleberg and Mastekaasa's (1994) analysis documenting that FILMs are related on a bivariate level to organizational commitment.

Surprisingly, employees perceiving that they do have a fair chance of being promoted in their current job, are not more committed than others. Nor having achieved a promotion is demonstrated to elevate the commitment to the firm. *General* promotion and wage increase opportunities, assumed to be available for *all* members of the organization, are documented to have significant commitment-enhancing effect. The result presumably demonstrates the impact of perceived fairness and community at the workplace.

The total assessment of these results is indicative of an internal atmosphere where human resource decisions arbitrarily are taken by the manager, without acceptance by the organization on the whole. Few hotels have established formalized rules for promotions. Thus it is impossible for the employees in advance to know the requirements for upward mobility. The union representatives claim that internal recruitment as a rule is determined by management alone, without being formalized by agreed upon rules. The decision on whom achieves promotion is an integral part of management's discretionary and sometimes arbitrary power.

In other industries management and the union in a joint effort set up written rules which govern the pattern of promotion practices. Such a policy adds to bureaucracy, but reduces the sense of arbitrariness and enhances the sense of fairness and legitimacy at the workplace. Misjudged internal recruitment is often associated by envy from colleagues, leading to embarrassment for the employee having been promoted.

Employees in hotels being part of an owner-integrated chain are less committed. Generally, they may feel alienated from the organization's mission, as often is the case in larger organizations. In addition, management typically have greater difficulties in communicating goals and visions to every corner of a larger firm, especially across establishments. High turnover of top managers in recent years adds to the problem. Interestingly, on the average top managers in owner-integrated hotels have held that position for 3,75 years, compared to the 8,2 years of their colleagues in independent hotels and voluntary chains¹⁹. Reflected in the lower commitment is probably also the fact that employees working for owner-integrated firms seem to last for a shorter period than their colleagues in other hotels. The average seniority for the latter group is 6,9 years, as compared to 4,9 years in the former²⁰. This occurs despite the fact that employees in owner-integrated hotels more often enjoy full-time permanent employment contracts.

It is critical for multiple service sites to establish employee loyalty to the organization, so management may obtain acceptance from employees to be moved as demand shifts or as vacancies arise in different locations. Without such an acceptance, the risk of offering permanent contracts is not alleviated.

Conflicts in the organization tend to reduce commitment, as seems intuitively sensible. The correlation turns significant in the all-inclusive model presented in section 6.12.7. At the bivariate level, union members are somewhat less committed than non-members²¹. However, the association disappears in this multivariate analysis. Union members may be obliged to share their loyalty with the union, as it is assumed that membership or affiliations with other organizations will compete for the person's commitment.

¹⁹ The difference is significant at the 0,012 level (2-tailed)

²⁰ The difference is significant at the 0,035 level (2-tailed)

²¹ The bivariate correlation is negative and significant at the 0,05 level

6.12.6 Organizational commitment and job characteristics

From a discussion of the organization, we next zoom in on the characteristics of the job held by the individual employee.

Table 6.28: Effect of job characteristics on organizational commitment (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,073	-1,014	0,311
Proportion full-time permanent employees in department	0,101	0,539	0,590
Measurability	0,186	6,803	0,000
Timely customer service specificity	0,214	2,722	0,007
Technical competencies	-0,054	-2,159	0,031
Strategic and cultural competencies	0,074	2,725	0,007
Industry specificity	0,026	1,760	0,079
Gender (female)	-0,035	-0,525	0,600
Age	0,016	5,521	0,000
Vocational diploma	-0,131	-1,883	0,060

N: 601, R²: 0,157, df: 10

A number of job characteristics are commitment-enhancing. Measurable jobs improve organizational commitment. Jobs that are easy to measure may give the incumbent quick feedback on the quality of the performance. For many employees well-defined jobs are advantageous because it is straightforward to decide whether the job is done or not. Ambiguous activities may be intimidating for some employees, especially with arbitrary managers in charge. The “zone of indifference” associated with employment contracts may be challenged too often, again stretching the legitimacy of management in the workplace. Generally, measurability may foster relative predictability and reduce uncertainties, which in turn facilitates both interaction among employees and improved employee-employer relations.

Direct customer contact (timely customer service specificity) seems to go hand in hand with committed employees. This result is good news for management. Opportunistic behavior from customer contact people may produce disastrous consequences for the firm. Poor quality in encounters with the guests will soon reduce the guests' loyalty to the hotel, and ruin the reputation of the organization. Organizational commitment not only implies loyal employees, they are also willing to put in additional effort. These data demonstrate that such efforts are directed towards the guests, in which case, employee behavior will rather improve the reputation of the corporation and lead to reciprocal commitment from the guests. The result is furthermore indicative of a truly service minded staff. Having people with the right mind-sets in customer contact positions, is of vital importance for service companies. The union representatives confirm these attitudes, especially in the reception where a bulk of work is carried out without payment.

Employees carrying out activities that require technical competencies tend to be less committed to the workplace. Recall that the term technical competencies attempts to capture jobs that are both task and firm specific. They include skills and knowledge related to administration, operation and understanding of technology, routines and procedures specific to the firm. In hotels these competencies will include the receptionist's use and knowledge of the booking and pricing system, housekeeping's use of environmental friendly detergents, the janitors maintenance and daily problem solving etc. Technical, task specific competencies are more easily transferred to competing firms in the same industry than strategic and cultural competencies, a fact that may explain the lower commitment to the focal firm.

Activities requiring strategic and cultural competencies, on the other hand, are strongly associated with highly committed workers. These competencies are specific to the firm, but task non-specific. It is assumed that these skills are hardest or most costly to copy for competitors. Copycats will be tempted to lure these employees over the fence. Those attempts will prove to be all the more difficult since the people carrying these competencies are committed to the focal organization. Examples of strategic and cultural competencies include knowledge of the firm's strategy and goals, its organizational culture: history, norms and ethical standards, and skills in utilizing the internal, informal networks.

Jobs requiring industry specific competencies tend to be carried out by committed workers. These skills and type of knowledge are easily transferable to competing firms in the same industry. As long as the employees carrying them are committed to the focal organization, the propensity for transfers, and hence imitation from the receiving firm, is reduced. Fostering employees committed to the firm, is assumed to be an efficient and viable mechanism to reduce competitors' opportunities to successfully imitate competitive advantages. Employees carrying firm specific skills are certainly candidates for constituting a lasting basis for such advantages. However, a warning is warranted. The optimism should not be stretched too far. As we recall from our discussion of the three dimensions constituting the concept of organizational commitment (Table 6.24), the score on continued membership in the organization is generally low. We have also witnessed that people holding firm specific competencies may jump the ship in tight labor markets.

The results reported here should generally be encouraging information for management and employees. Management may influence organization and job related factors through organizational development, job designs and empowerment. The tables above may serve as guidelines for managers and employees in their efforts to build and sustain commitment to the organization. Evaluated as groups of variables, organization level features are most pertinent as building-modules for organizational commitment, with job characteristics as an influential runner-up²².

6.12.7 Major predictors of organizational commitment

From the pool of variables introduced in the previous chapters, the model below is constructed on the basis of the statistically significant determinants of organizational commitment. All the variables have been tested in the same model, removing one and one variable according to significance levels. The variables with the weakest impact on organizational commitment were removed first. The effect of employment relations on organizational commitment, has been the initial and main focus. Consequently, the two

²² The R² statistic is 0,225 and 0,157 for the organization- and job-related variables, respectively. In comparison, environmental variables score 0,097.

variables “permanent full-time contracts” and “Proportion of full-timers in the department” have been added.

Table 6.29: Major predictors of organizational commitment

	<i>B</i>	<i>t</i>	<i>Sig</i>
Employment relations:			
Permanent full-time contracts	-0,080	-1,237	0,216
Proportion permanent full-timers in the department.	0,281	1,498	0,135
Individual (control) variables:			
Age	0,016	5,584	0,000
Environmental variables:			
General uncertainty	0,114	2,720	0,007
General uncertainty and human asset specificity combined	-0,023	-3,453	0,001
Organizational variables:			
Part of owner integrated chain	-0,144	-2,234	0,026
Organizational conflict	-0,101	-2,011	0,045
Seniority-based wage increases	0,058	3,564	0,001
General internal promotion opportunities	0,084	4,201	0,001
Job characteristics:			
Measurability	0,142	5,089	0,001
Human asset specificity	0,071	3,336	0,001
Timely customer service specificity	0,217	2,819	0,005
Technical competencies	-0,055	-2,065	0,039
Strategic and cultural competencies	0,062	2,250	0,025

N: 583, R²: 0,250, df: 13

The table fails to report on any decisive conclusion as to the association between employment relations and organizational commitment. If anything, employees with permanent full-time employment relations with hotels seem less committed to their workplace than their colleagues with flexible contracts. The direction of the relation has been consistent throughout the examination. This unexpected result of no positive association deserves a far more thorough treatment than this study makes possible.

However, some indications are offered by studying the three dimensions of commitment individually. A comparison of the mean scores of the three dimensions, illustrate that the full-timers are more inclined to accept the values and goals of the organization, but are less interested in continued membership than their colleagues. The union representatives indicate that the bulk of permanent employees are exploited and exhausted through the daily pressure for increased productivity. They may be right. The high numbers of turnover may support their view. Suffice it to say that a considerable potential for managerial improvement is uncovered. By providing employment security management has not succeeded in inducing long-term commitment. The result is strongly indicative of human resource policies with no coherent content and direction. The full potential of permanent employees is not utilized. Regardless of explanation, the psychological employment contract between the hotel and the permanent full-time employee is imbalanced, resulting in lower commitment.

This statement is further supported by the fact that employees working in departments with a higher proportion of full-time permanent colleagues, seem to display more commitment to the workplace. Larger proportions, or certain minimum levels, of full-timers constitute necessary conditions for infusing employees with a spirit of community and a sense of belonging. It may be conceived as a structure facilitating integration and team-building within and across departments. A larger share of full-time permanent employees signals that management has a long-term perspective and commitment to their strategies.

The tools for improved commitment are at hand. General internal promotion opportunities and seniority-based wage increases, both central aspects of a firm internal labor market, are both commitment-enhancing. Wage systems based on seniority may have faded from fashion lately, displaced by more performance-related systems. Without

indulging in detail, introduction of the latter requires transparent procedures to gain acceptance and legitimacy among co-workers. The distribution of wage increases are often arbitrary, however, leaving room for speculations and envy²³. Apparently, wage policies including seniority as an important element is instrumental in building a sense of community, a premise for organizational commitment. Compensation systems that pay people more equally or on a transparent, legitimate basis, and thereby de-emphasize the importance and salience of solely working for money, are consistent with building stronger commitment to and interest in the firm and the job. It appears that changing the way employees are *treated* may boost commitment more than changing the way they are paid.

Managers of owner-integrated chains face the biggest challenge, employees working for these chain-hotels display less commitment. Chains should have the best opportunities to build FILMs as part of the human resource strategy of the chain. The result is not surprising. A large number of hotels have shifted chain affiliation the past 2-3 years, which certainly have human resource policy implications. Organizational conflicts are detrimental to commitment building. Managed correctly, conflicts may be constructive. The present observations give us reason to believe, however, that conflicts lead to an atmosphere of distrust and adversarial relations, thus reducing the employees' commitment to the organization.

Not surprisingly, requirements that people meet in their jobs, influence their level of commitment. People holding positions that require firm specific training display higher level of commitment to the workplace²⁴, a result which is further supported by the fact that activities claiming strategic and cultural competencies are commitment-enhancing. Guests and customers enjoy the benefit from being served by committed people, a fact that certainly also serves the interest of the employer. Measurable jobs enhance the commitment to the organization. Transparent jobs can be objectively

²³ Personal conversations with a large number of employees in the industry.

²⁴ Note that the correlation is strongly significant, as opposed to the one documented in the analysis of job characteristics alone.

assessed, and systems for formal or informal relevant feedback on performance and quality is facilitated. This leaves us with the technical competencies, which are associated with lower level of commitment. The result breaks up the rather coherent picture that emerged above, except that jobs claiming high task specific competencies may be repetitive in the long run, thus reducing the employee's willingness to make additional efforts on behalf of the organization. Contrary to the jobs requiring strategic and cultural competencies, high task specificity may fail to convey the sense of citizenship and community referred to above. The talent and expertise of the employee may be linked to the specific job, not the organization as a whole. The commitment may be directed to the professionalism of the job, regardless of the organization in which it happens to be embedded.

In conclusion, organizational commitment can be built and developed through organizational development and conscious job design. The employees' perception of fairness and community at the workplace seem to have great impact. Managers are well advised to promote a positive interpersonal climate, and to foster an internal organizational culture of legitimacy and just processes. Procedures for promotion and internal careers should be clearly spelled out, to avoid subjective, arbitrary decisions and manipulations.

6.13 Learning climate

The employment relation is not only a governance structure that protects and preserves firm specific skills. It is also a structure that facilitates the necessary training for specific skills and knowledge transfer. Most knowledge and skills are acquired in on-the-job training conducted by fellow colleagues. Employees enjoying a permanent full-time job are assumed to experience and benefit from a more viable and sustainable learning climate. A full-time job will facilitate formal and informal on-the-job training and learning-by-doing for the simple reason that more time is spent on the job, and comprehensive interaction patterns with colleagues develop. In addition, people with a long-term perspective on their employment relation, are assumed to be more motivated to learn, and to stay on top of the present and future job requirements. Thus, we propose:

Hypothesis 22: Permanent full-time employees are experiencing a more positive learning climate than flexible workers.

Before moving on to a further examination, the level of learning climate as perceived by the respective employment relations is presented:

Table 6.30: Employment relations and learning climate

	Mean	SD	N
Permanent full-time	4,09	0,99	472
Permanent part-time	4,03	1,14	109
Temporary full-time	4,29	0,78	33
Temporary part-time	3,58	0,84	8
Extra helpers	3,87	0,89	32
Total	4,07	1,00	654

Learning climate is a multidimensional construct, and the scale attempts to tap aspects of management relations and style, empowerment and autonomy, opportunities to

develop, learning by doing, and opportunities of knowledge sharing through teams.

Somewhat surprisingly, learning opportunities are better facilitated for temporary than for permanent full-time employees. As expected, on the other hand, those with a peripheral relation to the organization, experience a less encouraging learning climate. It was anticipated that firms allocate more training resources in favor of their core workers with full time permanent contracts. Hotel managers do not seem to exploit the learning potential in their permanent staff. On the other hand, supposing that temporary full-timers aspire to permanent jobs within the company, creating a well-functioning learning climate for this group may represent a sound investment. Recall that the temporary full-timers also are more committed to the organization. Organizational commitment and learning opportunities seem to go hand in hand. The results may indicate that temporary workers on a contract of apprenticeship with the firm, find the learning opportunities satisfactory.

The further examination of learning climate will be discussed in the same manner as the previous examination on predictors of organizational commitment. Learning climate is assumed to be related to the employment relation both at the individual (ER) and departmental level (propful), the individual (control) variables gender, age and education, environmental variables, organizational variables and job characteristics. In other words, we seek determinants among the same dimensions used in our examination of antecedents to employment relations. The general model is as follows:

$$LC = a + b*ER + c*propful + d*ind.var. + e*env.var. + f*org.var. + g*job char.$$

As will be noted in our presentation below, organizational commitment has been included in the organizational variables²⁵.

²⁵ Organizational commitment is principally an individual level variable. Since individual variables are used as control variables, the OC variable has been included in the group of organizational dimensions.

6.13.1 Employment relations and learning climate

We first explicate the impact of employment relations and the individual control variables. Recall that learning climate encompasses a supportive management style, empowerment and autonomy, opportunities to develop and learning-by-doing, and knowledge sharing between colleagues.

Table 6.31: Employment relations, control variables and learning climate

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,072	-0,756	0,450
Proportion full-time permanent employees in department	0,408	1,562	0,119
Gender (female)	-0,101	-1,112	0,266
Age	0,006	1,534	0,126
Vocational diploma	0,040	0,436	0,663

N: 607, R²: 0,010, df:5

A higher proportion of full-time permanent employees serves to stimulate the learning climate in the department. This feature will be further discussed in later chapters (6.13.3 and 6.13.5), where statistically significant relations are documented. On the other hand, this is not to say that individuals holding full-time permanent employment contracts meet a more inspiring learning climate than flexible workers. They do not. No discernible difference between full-timers and flexible workers are detected. The distribution of means across all employment relations in Table 6.30 documents that permanent full-timers do experience a somewhat more benevolent learning climate. However, when controlled for gender, age and vocational education, the association disappears.

The individual variables seem to have only minor impact. If anything, female employees seem to meet a somewhat less benevolent learning climate. Throughout the examination, a slight negative, but never statistically significant association is detected. Formal education seems to make no difference. The perception of an encouraging learning climate may seem to increase with age. However, further

analysis testifies to the opposite conclusion, as documented in Table 6.35: Major predictors of learning climate.

6.13.2 Learning climate and environmental variables

We first turn to the environmental or market variables. The economic and institutional variables used in connection with the examination of employment relations are included.

Table 6.32: Effect of environmental variables on learning climate (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Variability in demand	1,105	2,293	0,022
General uncertainty	-0,019	-0,275	0,784
Strategic uncertainty	-0,022	-0,283	0,777
Labor market uncertainty	-0,069	-0,838	0,402
Human asset specificity	0,093	1,537	0,125
General uncertainty and human asset specificity combined	-0,009	-0,879	0,380
Strategic uncertainty and human asset specificity combined	-0,010	-0,895	0,371
Labor market uncertainty and human asset specificity combined	-0,006	-0,521	0,603
Regulated activities	-0,048	-1,540	0,124
Gender (female)	-0,066	-0,722	0,470
Age	0,004	1,047	0,296
Vocational diploma	0,044	0,466	0,641

N: 572, R²: 0,036, df: 12

Environmental variables have next to negligible influence on the learning climate. Management's perceptions of uncertainties in the product and labor markets have no impact on the learning climate. Recall that labor market uncertainty may be

interpreted as a tight labor market, as management testifies to difficulties in recruiting and retaining qualified people. Building a satisfactory internal learning climate should be a viable strategy to retain qualified employees. A reputation of superior learning opportunities could also improve the organization's capacity to recruit people. Apparently, these opportunities are not utilized by hotel managers. These results coincide with Nordhaug and Gooderham's (1996) survey of Norwegian industries. Their material documents a rather persistent low level of investments in internal and external training in the hotel and restaurant industry. A shift of focus may be under way, however, as hotel managers expect a much stronger increase in external training over the next 4-5 years than managers from other industries.

Greater variability in demand seems to foster a constructive learning climate. Recall that this measure represents large variation in the occupancy rates of the hotel, which may produce a necessary slack in the organization. These periods may be transformed into learning sessions.

The indication that employees carrying out regulated activities tend to perceive the learning climate in negative terms, is expected. Management will have difficulties embracing a long-term view of regulated activities, since unpredictable changes may occur, making learning investments obsolete. Admittedly, the correlation is not significant.

6.13.3 Learning climate and organizational variables.

Next we move from the market to the interior of the organization. As a group, organization-related dimensions are the most influential determinants of learning climate. Departments populated by higher proportions of full-time workers, are more efficient in facilitating learning climates. This is not to say that individuals holding full-time permanent employment contracts meet a more inspiring learning climate than flexible workers. They do not. No discernible difference between full-timers and flexible workers is detected.

Table 6.33: Effect of organizational variables on learning climate (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Individual full-time permanent employment contract	-0,017	-0,209	0,835
Proportion full-time permanent employees in department	0,502	2,211	0,027
Age of hotel	-0,001	-1,243	0,215
Conflict level	-0,134	-2,252	0,025
Union member	-0,174	-2,574	0,010
Actual promotion	0,327	4,705	0,000
Wages above market	0,077	3,696	0,000
Individual promotion opportunities	0,032	1,669	0,096
Seniority based wage increases	0,094	4,984	0,000
General promotion opportunities	0,061	2,659	0,008
Part of integrated chain	-0,257	-3,243	0,001
Organizational commitment	0,572	11,725	0,000
Gender (female)	-0,033	-0,451	0,653
Age	-0,004	-1,233	0,218
Vocational diploma	0,182	2,400	0,017

N: 533, R²: 0,459, df: 15

When the organization is more densely populated with full-timers, all employees, regardless of employment contract, meet more supportive managers that practice empowerment and grant them autonomy. Knowledge sharing between colleagues, a precondition for daily learning at the work place, is not feasible if the work environment is characterized by people that come and go with the guests. There are no time and room for collegial communication and reflection. The managerial style in organizations dominated by flexible workers has a tendency to be short-sighted and often focused on cost-reductions alone (Pfeffer, 1994). Much time and administrative

resources are used to get the right number in and out of the organization, instead of allocating resources to build new skills and expand the knowledge of the employees.

In labor markets, as in other markets, there is a tendency to get what you pay for. If you want to recruit outstanding people, and want them to stay with the organization and learn, paying more certainly is helpful. Higher wages send a message to the labor market that the firm values its people. Such a signal will most likely attract more applicants, permitting the organization to be more selective in its hiring. This selectivity helps in identifying those recruits that are going to be trainable and committed to the organization.

The hospitality industry is labor and people intensive. By labor intensive we mean that labor costs constitute a large proportion of total operating expenditures. People intensive organizations are highly dependent on their people in their value creating operations. Especially in labor intensive industries, solid arguments can be raised to economize by paying lower wages under the assumption that lower wages equal lower labor costs. This is not necessarily the case, however, as labor costs are affected not only by what people are paid, but by how productive they are. Employees benefiting from above-market wages are more committed to the organization (Table 6.27) and more willing to learn, which strongly indicates that higher wages are beneficial not only to the employee, but to the organization as well.

All the other features of FILMs also support a healthy and vigorous learning climate. Promoted employees assess the learning opportunities positively. A promotion may be the result of an exploitation of the training possibilities that the organization formally and informally offers. Even if the facilities and opportunities for internal learning and competence-development are equally distributed among the colleagues, the employee's *ability* to utilize the available opportunities are unevenly distributed. Individual and general promotion opportunities are also highly supportive of the learning climate. So is an incentive system with elements of seniority-based wages.

In regard to *individual* acquisition of knowledge and skills, seniority-based career systems are probably the least efficient ones, as the sole criterion for promotion or wage increase is the number of years being employed with the firm. In principle,

length of tenure is used as a proxy or equivalent for the amount of firm specific experience (Nordhaug, 1993). There is no particular incentive for employees to expand their own competence foundation, as the promotion decision is left unaffected. On the other hand, application of the seniority principle is assumed to have a positive influence on the amount of competence transfer between colleagues. Nobody will have a career-related interest in withholding skills and knowledge from other employees in the firm.

6.13.4 Learning climate and job characteristics

From a discussion of the organization, we next zoom in on the characteristics of the job that the individual employee holds.

Table 6.34: Effect of job characteristics on learning climate (multivariate analysis)

	<i>B</i>	<i>t</i>	<i>Sig</i>
Measurability	0,292	8,218	0,000
Timely customer service specificity	0,155	1,516	0,130
Technical competencies	-0,034	-1,034	0,302
Strategic and cultural competencies	0,099	2,780	0,006
Industry specificity	0,062	3,211	0,001
Gender (female)	-0,030	-0,345	0,730
Age	-0,002	-0,452	0,651
Vocational diploma	-0,066	-0,747	0,456

N: 629, R²: 0,122, df: 8

Easily measurable jobs improve the learning climate. People holding transparent jobs perceive of the learning climate in positive terms. Job designs are constantly adjusted to new realities and quality standards. Implementation of new skills and procedures are evidently facilitated by job designs that are not too complicated. If people are expected to shift to new tasks readily, the design of those activities has to be straightforward enough so they can be learned quickly. Newcomers will also be able

to pick up the required skill and knowledge when jobs are simple and well-defined. In an industry with high turnover, this point should not be undervalued.

In their perception of the organization's learning climate, people holding technical-oriented jobs deviate from their colleagues occupying jobs requiring strategic and cultural competencies. The latter group experiences a positive learning climate, in contrast to the former. Recall that technical competencies imply high levels of task specificity. These jobs may be rigidly defined, making it useless to pursue further training, as the room for learning-by-doing becomes very limited. Narrowly defined and task specific jobs may be accompanied by solid barriers between the respective professionals (chefs, waiters, bartenders etc.) reducing the speed of, and willingness to share information across departments and status levels.

Higher levels of industry specificity goes hand in hand with learning opportunities and motivation. Employees having tasks that require industry specific education and relevant work experience are met with further learning opportunities within the firm. This is good news for those concerned, and for the organization as a whole. These results also fit a another interpretation in accordance with experiences in other educational fields: those that already have, are being bestowed with more. The conclusion is coined the "Iron Law of Competence Development" (Nordhaug and Gooderham, 1996). The interpretation is not straightforward, however. Recall from Table 6.32 that we found no significant relation between *firm* specific human assets and learning climate. Neither did we uncover a positive correlation to formal education as evidenced by holding a vocational diploma.

The results reported here should be encouraging information for management and employees. Management may influence organization and job related factors through organizational development, job designs and empowerment. Infusing the employees with commitment to the organization is a superior tool for developing a constructive learning climate, and vice versa. The tables above may serve as guidelines for managers and employees in the efforts to build and sustain a stimulating learning climate. In parallel with organizational commitment, assessed as groups of variables, organization level features are most pertinent as building modules for the internal

learning climate, with job characteristics as an influential runner-up²⁶.

6.13.5 Major determinants of Learning climate

From the pool of variables introduced in the previous chapters, the model below is constructed on the basis of the statistically significant determinants of learning climate. As with the discussion on organizational commitment, all variables were included in the model and then stepwise removed on the basis of influence. The variables without significance were removed first.

The effect of employment relations on learning climate, has been a major focus. It turns out that the “Proportion of full-timers in the department” indeed has a significant and positive impact on learning climate. Consequently, it has not been added in an extra run, the way it was done in the modelling of organizational commitment. The individual-level measure has been removed as it has no effect on learning climate²⁷.

Higher proportions of full-time permanent employees bestow the organization with a supportive learning climate. If competitive success is achieved through people - if the work force is, indeed, an increasingly important source of competitive advantage - then it is important to build a work force that has the ability to achieve competitive success, and that cannot be readily duplicated by others. Distinctive capabilities, skills and knowledge that are hard to copy or imitate by others, must necessarily reside in those teams of employees that have a long-term perspective on their relation with the organization. Outside contractors will in principle work for anyone, and have little reason to invest in firm specific human capital.

²⁶ The R² statistic is 0,459 and 0,122 for the organization- and job-related variables, respectively. In comparison, environmental variables score 0,036.

²⁷ t: 0,211, sig. 0,833

Table 6.35: Major predictors of learning climate

	<i>B</i>	<i>t</i>	<i>Sig</i>
Employment relations:			
Proportion permanent full-timers in the department.	0,798	3,187	0,0015
Individual (control) variables:			
Age	-0,007	-2,256	0,0245
Environmental variables			
Variability in demand	0,076	2,920	0,0037
Organizational variables:			
Member of owner integrated chain	-0,170	-2,367	0,0183
Organizational conflict	-0,222	-3,556	0,0004
Seniority-based wage increases	0,082	4,386	0,0000
General internal promotion opportunities	0,051	2,267	0,0238
Actual promotion	0,324	4,746	0,0000
Wage above market level	0,081	3,969	0,0001
Organizational commitment	0,538	10,995	0,0000
Union member	-0,176	-2,651	0,0083
Job characteristics			
Measurability	0,122	3,814	0,0002
Industry specificity	0,046	3,046	0,0024

N: 529, R^2 : 0,479, df: 29

Departments with higher proportions of full-timers meet the condition for stable networks of relationships, shared understandings and codes, potent aspects of a learning climate where information may flow freely. Groups or networks of full-timers lay the foundation for internal organizational “atmospheres” (Williamson, 1975) or “cultures” which make substantial contributions to learning activities. Paradoxically, at the individual level the fact that the employee holds a permanent job and hence job security,

has no impact on their assessment of the learning opportunities. From a managerial and strategic point of view, the learning potential in permanent employees, seems under-utilized.

We have seen that organizational commitment increases with age. These people, however, face a less positive learning climate. The hospitality industry has a young “image”, which may signal negative attitudes toward senior colleagues and their learning potential. People seldom grow old in this industry, so we are talking about a considerable group of middle aged persons, often with long seniority and industry specific competencies. It seems like we have identified yet another group whose talents and further potential are under-valued.

Seasonally generated and other forms of variability in demand seem to improve the learning climate. Variability in demand may give room for temporary slack in the organization, which may be utilized for training. Slack will arise when the organization predominantly is inhabited by full-timers. In periods with below normal number of visitors, the restaurant manager may inform the servants on the novel wine list, the chefs have time to inspire the cooks to excel in creative menus, receptionists share their knowledge and test the improved booking system, and so forth. Demand shifts may necessitate more extensive or more numerous adjustments to the market. A learning organization is a good starting point for such challenges.

Continuous learning and knowledge accumulation depend on the sense of ownership derived from the incentive systems, on the pride of accomplishment gained from special educational systems, on values embedded in policies and managerial processes, as well as on specific technical skills. Hotels being members of owner-integrated chains still have a long and winding road to go in these respects. Evidently, policies and managerial systems are not in place. Again, we point to a formidable, under-utilized potential, as integrated hotel chains may develop and implement superior human resource policies, in which FILMs should be included.

A learning climate facilitating continuous education and upgrading of skills is attractive only if employees are carefully selected for their willingness to learn. These talents are best nurtured when interconnected to firm internal labor markets (FILMs). FILMs are

efficient as incentive systems for continuous learning and lower the risks of well-educated employees leaving the organization. Retaining the most skillful and knowledgeable employees constitute a viable and sustainable basis for building core capabilities and competitive advantage.

All the features of FILMs effectively nurture a constructive learning climate. Seniority-based wage increases and the proliferation of internal promotion opportunities, enhance the learning climate. Peers being promoted and enjoying wages above the market level, face a more constructive learning climate. Investments in employees in the form of promotions and above normal wages thus seem to pay off. Managers in the hospitality industry argue that competitive success is achieved through qualified people. If that attitude is to be conveyed across the entire organization, then building a FILM is an efficient tool.

Organizational conflicts do not team up with a learning climate. Conflicts in this industry seem to be destructive. We have pointed to histories in the near past of this industry that do not promote cooperation and trustful employment relations. These histories may still be a vital part of the consciousness of organizations in this industry. Any reminder evokes strong emotions that block for constructive exploitation of conflicts. This situation, admittedly somewhat speculative, may also have a bearing on the fact that union members face less encouraging learning climates, as union members may more often be involved in conflicts in their efforts to improve working conditions.

Organizational commitment and learning climate go hand in hand. A third factor, features of FILMs accessible to all employees, supports both. Developing and implementing human resource policies in which an internal labor market is an integrated element, enhance the learning climate and turn employees into loyal members of the organization. When people experience a working environment where their full potentials can be put into productive use for their employer and teams of peers, combined with opportunities to continuously nurture their intellectual and practical potential, a sense of shared and mutual purpose is developed. The propensity to stay with the firm increases, thus also enhancing the organization's possibilities to harvest from their investments in people and human resource policies.

*The great end of knowledge
is not knowledge but action.*

Thomas Henry Huxley

7. Discussion and implications

7.1 Introduction

This study has aimed at testing how a blend of economic and sociological organization theories can inform us on the efficiency and politics of a range of employment relations. Managers configure their employment relations to serve market needs and satisfy different stakeholders like owners, employees and government regulators.

Theory testing has been a main concern as we through competing hypotheses have attempted to uncover relevant theories' ability to explain observed phenomena.

Some studies have attempted to predict the use of temporary workers (Abraham, 1988) and the use of independent contractors (Abraham and Taylor, 1990; Harrison and Kelley, 1991). These studies focus on antecedents of one type of employment contract, and do not attempt to explain managers choice between the options available to them. This paper introduces six such options, all relevant in an empirical setting, and seek to explain how and why organizations structure their employment relations the way they do. Thus, our research has a more encompassing perspective than previous work.

7.2 Limitations of the study

A single-industry design is both a strength and a weakness. This is best exemplified by the use of extra helpers documented in detail in the present work. A thorough description and close examination of this phenomenon has been facilitated through industry-specific questionnaires and interviews. Is this hybrid form for organization this particular industry's idiosyncratic solution to the need for flexibility and

efficiency, or do we find corresponding patterns in other industries as well?

A limitation of this study is the lack of explicit ties to distinctive corporate or firm strategies. In the introductory chapter we posited that “*what we so far do not know, is how these differentiated strategies relate to our six discrete forms of employment relations*”. Unfortunately, we are still ignorant at this point. Do establishments pursuing cost leadership systematically differ in their use of employment contracts compared to organizations favoring differentiation strategies (Porter, 1980)? Are competitive strategies accompanied by other employment contracts than cooperative strategies? Both from a theoretical and managerial point of view, these issues deserve priority on the future research agenda. A related point is the consequences on human resource strategy of the emerging owner-integrated chains, an issue that only partially is examined in this study.

Scarce theoretical background has been offered for the hypotheses on organizational commitment and learning climate. From a vantage point of theory testing, that is not satisfactory. The examination of the relationship between employment relations and organizational commitment and learning climate has primarily been driven by the interesting empirical results. An additional feature has been the inclusion of the other predictors, recruited from the analysis of determinants of employment relations.

Critics will invoke a more stringent conceptualization and use of analysis levels, and rightly so. Individual and organization level variables are somewhat mixed. Some of the organization variables may be conceptualized as individual level features. The major bulk of analysis is carried out at the individual level with environmental and organizational variables as influential contexts.

As explicated in chapter 4.3, the sampling technique has a considerable potential for improvement. All hotels included have information from both management and employees. In all cases the top manager him-/herself has filled in the questionnaire which clearly benefits the reliability of the information. On the other hand, the information from the employees may not be representative. There are several threats to the validity and reliability of the data. Some of them have been pointed out already. In chapter 5.2 we discussed the possible bias of the low number and selection of the

extra helpers. Since the selection of the sample is non-random, potential bias cannot be ruled out. The requirement of at least a 50% position is another reminder of caution in tempting generalizations. Another limitation is the lack of outsourced workers and representatives from temps agencies. The researcher cannot take the entire blame, as the empirical facts tell us they are far between. On the other hand, by another design for data collection, including a considerable direct involvement from the researcher, data from these groups, albeit small, could have been obtained.

7.3 Methodological implications

The methodological strength is related to the combination of determinants at four levels. Contrary to most studies the data collection is based on two major sources: management and the employees in the same establishment. The two main sources of data have not only been integrated, but supplemented with lengthy interviews of eight top managers and two representatives from the union. They have been interviewed to gain a better understanding of and a feel for the complex processes and rationalities behind the data. This study has also taken advantage from a previous pilot study of the same industry covering some of the same issues as examined here (Gjelsvik, 1994). This triangulation of methods, with some longitudinal perspectives, makes us rather confident in drawing conclusions on how the use of contingent workers have changed over the past 3-4 years.

Some of the methodological weaknesses are discussed in the previous chapter. The fact that we failed to reveal a coherent pattern between the use of FILMs and employment relations, raises some additional, general doubts. If no association indeed exists, that's fine as to methodology. However, an alternative explanation challenges the method employed: significant associations may be disguised by the dichotomous variable of employment relations. Priorities often foster dilemmas of this character. Since priorities were given to the examination of predictors to full-time permanent employees, determinants of the alternative connections to the firm, especially part-timers and extra-helpers, have been downplayed.

The issue of construct validity is pertinent, as referred to in chapter 4.1. The measures of "technical" and "cultural and strategic" competencies need to be refined. A factor

analysis of a pool of items failed to produce a coherent scale of internally consistent items, leaving us with single-item measures (chapter 5.5). The concepts proved to be influential predictors of organizational commitment and learning climate. In future assessments of efficient tools for knowledge management, these constructs seem viable, and should be further elaborated and tested. As with many methodological innovations, the danger lies in mistaking a starting point for the end of the theoretical road.

7.4 Theoretical implications

The theoretical contribution consists of the analysis of relations between establishments and employees from differing perspectives and traditions. The combination of economic and sociological variables is very explicit, and the whole range of employment contracts were introduced. Prior research has focused on one or two types of contracts, as has been done on externalization of employment (Davis-Blake and Uzzu, 1993). However, research on organizations has not recognized the full range of options along the continuum of employment relations presented here. Therefore, the question of why some employment practices rather than others are preferred in particular contexts and time periods, is seldom addressed (Pfeffer and Baron, 1988). The fact that few instances of externalization were documented in this industry should not discourage research focusing on all relevant employment contracts.

Most of what we know about flexible work comes from surveys of individual labor force members (Kalleberg, et.al., 1996). These studies enable us to document the characteristics and experiences of part-time and other flexible workers. A serious limitation, however, is their silence on what kind of organizations and firms in which flexible employment occurs. Economic action is socially situated and cannot be explained by reference to individual motives and characteristics alone. It is embedded in ongoing networks of personal and collegial relationships rather than being carried out by atomized actors. Employment relations are both a *product* of such embeddedness and a *premise* for all actors involved. Employment relations are shaped by efficiency considerations, power structures and market and institutional

environments. In turn employment relations may strongly influence or predict features important to firms and their members. An example is the documentation of the influence permanent full-time employees have on the learning climate in the organization.

In addition to firm level variables, job characteristics have been a major focus. The standard neoclassical theory of production gives no explicit role to jobs. Firms hire labor, combine it with capital, and produce output. This traditional view contrasts sharply with the way managers view the firm. In contrast, human resource managers think in terms of jobs, and how they relate to each other. Human capital theory focuses on general and specific skills held by the individual. According to this view, workers invest in human capital, which augments their productivity and makes them more attractive to the firm. Their wages and other benefits increase as a result. Employees carry their skills to the workplace, however, attention must therefore be paid to the fit between employees, job characteristics and their respective workplace. We have documented that job characteristics are among the dominant factors that explain not only the type of employment contract offered but the quality of learning opportunities as well. Investigators who fault neoclassical economics for assuming an overly homogeneous labor market should not themselves simply transfer those assumptions of homogeneity to the organization.

We argue that the concepts of general and specific skills originated from human capital theory could be further developed in combination with job requirements. A job may be defined as an investment opportunity. Some jobs offer greater opportunities for advancement than others, in large part because they are associated with more training than other jobs. As documented in this study, jobs vary in their requirements to industry specific competencies, and to firm specific competencies (timely customer service specificity, strategic and cultural competencies, and technical competencies). The placement of jobs in departments and hierarchical levels also makes a big difference. Again, the advantages of combining economic and sociological theories are documented. If jobs are important, then assignment to a particular job affects a given individual's wealth and opportunities. If job characteristics matter, then knowledge of all the relevant individual characteristics is insufficient in explaining

individuals' positions in the labor market.

This study permits us to examine how the employment relations are associated with particular organizational structures and social processes. We also incorporate vital competitive and institutional environmental factors like product-markets, labor markets, industrial structure and government regulations. The results indicate that this strategy indeed was successful. The model containing the significant determinants of employment relations (Table 6.21), draws predictors from all levels of analysis: environmental, organizational, individual as well as job-related variables.

Furthermore, the variables are derived from the whole array of theoretical perspectives employed in the study. The environmental variables and the dimensions of job characteristics are mostly derived from transaction cost economics. The organizational explanands are a blend of institutional, resource dependency and power and bureaucratic control generated variables. Recall that these variables were included in the model on the basis of their significance, not manipulated by the researcher. In a sense then, the model and its variables speak for itself, independent of the researcher, and testifies to the impact of theoretical cross-fertilization.

Compared to prior studies, this endeavor focuses on task related characteristics. The fact that we concentrate on one industry, allows us to describe tasks in greater detail. The one-industry approach also offers greater opportunities to go in greater depth into variations at the level of department. Departments vary as to tasks, degree of customer contact, regulations, and human asset investments, all relevant features that may explain differences in employment practices. By concentrating on one industry, we avoid confounding factors, thus improving the internal validity. Development of more precise measures of pertinent organizational, industrial and environmental variables are also facilitated by the single industry design. Surveys of a large number of differentiated industries necessarily contain summary measures of context in that they must obtain measures applicable to all kinds of organizations.

7.5. Managerial implications

The use of sociological and economic theories to explain how differentiated employment relations and governance structures may be integrated with human

resource policies and market strategies, should find its parallel in practice. Too often in the past, economists and human resource people in organizations have communicated poorly, and sometimes been at odds with each other. Economists have been preoccupied with financial measures alone, and ignored the profit potential of economizing on transaction costs by evaluating alternative governance structures and employment practices. Neither have economists been involved in the potential for increased sales through a coherent human resource development. This study indicates that management, economists and human resource developers have a substantial common agenda that should be addressed.

In a competitive product and labor market, human resources should be developed to meet increased expectations both from guests and present and potential employees. Particularly, management should invest more in firm specific competencies that are difficult to imitate and transfer to competitors. We have introduced and explicated various concepts of competencies that managers and employees may use to leverage their understanding of competencies and how they may be categorized. Apparently, firm specific and task non-specific competencies are impossible to imitate and successfully transfer to other organizations. Our term “strategic and cultural competencies” represents an effort to inform managers to further enhance and develop such resources.

Managers cannot afford to be naive as to the priorities of competence development and training investments. They should not be pushed around by well-meaning human resource protagonists. Investments in training and other human resource policies may easily be competed away by continued high turnover of personnel. The next important issue is therefore how to safeguard these investments. The yield of these investments should meet the same requirements as alternative investments. We have learned that committed employees are loyal to the values and goals of the firm, and are willing to make extra efforts to make it succeed. Committed people have a higher propensity to stay on with the firm, thus making a satisfactory yield from training investments plausible. We have documented, however, that full-timers are not inclined to stay on with the firm, thus making investments in human assets risky. An introduction of firm internal labor markets would improve the propensity of employees to prefer continued

membership in the organization. Evidently a large untapped potential for improvement exists, particularly in the emerging owner-integrated chains. These recently established chains may have much to gain by moving from an ad-hoc human relation policy to a long-term and goal-oriented development and management of knowledge and skills.

A higher proportion of permanent full-time employees in the department increase the organizational commitment, as does several elements of FILMs. Seniority-based wage increases and general internal promotion opportunities boost the commitment to the organization. Employees holding measurable jobs are also more committed to the firm.

These results are striking. *General* internal promotion opportunities should be contrasted with human resource policies that are reserved for the few, leaving the career opportunities for the individual open for arbitrary management decisions. Commitment is generated from a sense of organizational and managerial fairness and community, which cannot be combined with arbitrariness. Promotions should be accessible for all workers as part of the organizational and social community. The apprehension for arbitrariness and manipulation explains why seniority-based wage increases and measurable jobs enhance commitment: they both reduce the potential for arbitrary and high-handed managers to use their discretionary power. Managers should more explicitly develop career and promotion patterns. Employees have a legitimate need to know the rules in advance, and feel confident that the rules will be followed.

These results remind us of the essence of Weber's arguments for bureaucracy: a legitimate organization where people can know what to expect. A recommendation of more bureaucratic employment relations will hardly be met with applause from managers. However, bureaucracy has the potential of both to create dependence on, and to liberate workers from the arbitrary decisions of managers and supervisors. Today, the unions are not involved in developing initiatives for training and competence building. They should. Constructive union involvement could be instrumental in bringing more energy and fairness into the human resource policies.

Measurability, seniority-based wage increases and general promotion opportunities also support a constructive learning climate in the organization, in addition to commitment which by far is the most significant factor enhancing the learning climate. Having successfully obtained a positive learning climate, managers possess a potent tool for maintaining and building superior skills and knowledge. Our results seem to indicate a coherent and successful strategy as follows: An organization with a large share of full-time permanent employees should be encouraged and stimulated by the establishment of firm internal labor markets. The existence of FILMs produce loyalty, dedication, or willingness to expend extra effort on behalf of the organization, in other words a committed staff. Organizational commitment fosters a productive learning climate which enables the firm to build superior competencies. Hotels offering training and learning opportunities will gain a favorable reputation in the labor market, thus improving their chances of recruiting and retaining the best people in the industry.

7.6 Suggestions for future research

This study has documented an extensive use of flexible employment contracts. Surprisingly, contrary to common beliefs and prior studies (Pfeffer, 1994; Kalleberg et al., 1996), in this industry flexible workers are just as committed to the firm as employees possessing a permanent contract. This contra-intuitive result deserves further research, and explanations should be sought both at the individual and at the organizational, structural level. The time is ripe for comparative, cross-industrial research.

As documented, extra helpers (on-call workers) are commonly used in the context of the hospitality industry. They provide their employers with a highly flexible and cost-effective buffer to variations in demand, thus bearing the main risk of fluctuations in demand for services and products in their respective organizations. Do they take on this risk voluntarily, or can it mainly be explained by their weak bargaining position? What are the individual welfare consequences? Do these jobs represent an entrance to permanent jobs, or are they doomed to be marginalized?

Cross-sectional studies of the kind presented here should be supplemented by

longitudinal examinations of the processes discussed. Over time, does the introduction and further development of FILMs really function as a commitment-enhancing tool, leading to a sustainable and effective learning climate? Not only do *FILMs* influence the employers potential of retaining skilled people, *the recruitment process* may also play a decisive role. Managers and employees were both asked how they recruit/were recruited to the jobs and positions in the organizations. This information is under-utilized in the present study. Job seeker and employer do not typically encounter one another as strangers. A considerable amount of recruitment occurs through networks. Understanding how these networks of access and opportunities are linked to labor market outcomes like the quality and duration of employment relations, is a cutting-edge research topic in both sociology and economics (Montgomery, 1992). Networks are resources, and like so many resources, networks are not distributed evenly in society.

The effects of environmental variables on how managers configure the organization's employment contracts seem limited. The reason may well be that environmental predictors are too macro to affect employment relations directly. Further research should examine whether environmental and market variables affect the organization- and job-level variables. In that case, one could argue that the environmental variables indeed do affect the way employment contracts are being used, but indirectly via the organization- and job-related variables.

Too late in the work process, I became aware of the fact that this industry employs a substantial number of non-Europeans. It is of considerable practical and political interest to document their formal employment relations, how they are integrated into the work community, their positions in career ladders, their relative accessibility to formal and informal knowledge expanding activities etc. At a more macro level, the hospitality industry represents an entrance port for non-Europeans to the Norwegian labor market. Is the threshold into an industry which by nature is international lower than in comparative industries? Referring to the discussion above, how is their access to and position in relevant networks?

In an industry where women constitute the majority of employees, gender-related career and mobility patterns should be further explored. The present design allows for

extensive studies of gender differences, as a large number of relevant job characteristics and organizational phenomena can be controlled for.

Generally, the differentiated use of employment relations, efforts to enhance organizational commitment and efficient implementation of human resource policies, can be conceived of as safeguarding mechanisms for investments in firm specific human assets. Successful developments of such assets by means of a well-functioning learning climate, may create a sustainable basis for competitive advantage. Studies of these processes would be improved if more explicitly connected to theories of strategy. The resource based perspective of strategy (Barney, 1991; Wernerfelt, 1984), especially the “dynamic capabilities” strand developed by Teece, Pisano and Shuen (1997) provides concepts that relate to the development and safeguarding of competencies. A combination of institutional and resource-based views may also prove successful (Gjelsvik, 1993 ; Oliver, 1997). A further integration of organization theory and establishment level theories of strategy would mutually fertilize each other, both as a research agenda and as management tools.

The study of employment relations is exciting because they exist in the intersection of the calculating homo oeconomicus and the altruistic, community oriented human being. Both actors strive to reduce uncertainty and add value for their constituents, but by different means. These ways lead to the crossroads of economics and sociology.

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Appendix 1: Full correlation matrices

Appendix 1: Full correlation matrices

Below the full correlation matrices are presented. First the associations of the three respective dependent variables and the control variables are presented. Next the predictors of the three dependent variables are documented. With few exceptions, the predictors are the same for the three dependent variables, they are therefore presented only once. At the end, the entire table of predictors of permanent employment contracts is documented (logistic regression).

A. Bivariate correlation matrix full-time employment relation and control variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	FULLTIME	GENDER	AGE	VOCAEDU
FULLTIME	1,0000 (0) P= ,	-,2074 (657) P= ,000	,0898 (657) P= ,021	,1844 (657) P= ,000
GENDER	-,2074 (657) P= ,000	1,0000 (0) P= ,	,0215 (657) P= ,582	-,2674 (657) P= ,000
AGE	,0898 (657) P= ,021	,0215 (657) P= ,582	1,0000 (0) P= ,	,0095 (657) P= ,807
VOCAEDU	,1844 (657) P= ,000	-,2674 (657) P= ,000	,0095 (657) P= ,807	1,0000 (0) P= ,

(Coefficient / (D.F.) / 2-tailed Significance)

B. Bivariate correlation matrix for Organizational Commitment and control variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	COMMIT	FULLTIME	HOPROFUL	GENDER	AGE	VOCAEDU
COMMIT	1,0000 (0) P= ,	-,0289 (609) P= ,476	,0143 (609) P= ,724	,0077 (609) P= ,848	,2509 (609) P= ,000	-,0489 (609) P= ,227
FULLTIME	-,0289 (609) P= ,476	1,0000 (0) P= ,	,1608 (609) P= ,000	-,2181 (609) P= ,000	,1036 (609) P= ,010	,1802 (609) P= ,000
HOPROFUL	,0143 (609) P= ,724	,1608 (609) P= ,000	1,0000 (0) P= ,	-,0334 (609) P= ,409	-,0372 (609) P= ,359	,0030 (609) P= ,941
GENDER	,0077 (609) P= ,848	-,2181 (609) P= ,000	-,0334 (609) P= ,409	1,0000 (0) P= ,	,0047 (609) P= ,908	-,2919 (609) P= ,000
AGE	,2509 (609) P= ,000	,1036 (609) P= ,010	-,0372 (609) P= ,359	,0047 (609) P= ,908	1,0000 (0) P= ,	,0190 (609) P= ,639

(Coefficient / (D.F.) / 2-tailed Significance)

" , " is printed if a coefficient cannot be computed

C. Bivariate correlation matrix for Learning climate and control variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	LÆRKLIMA	FULLTIME	HOPROFUL	VAR03	VAR04	FAGBREV
LÆRKLIMA	1,0000 (0) P= ,	-,0016 (605) P= ,968	,0584 (605) P= ,151	-,0487 (605) P= ,231	,0572 (605) P= ,159	,0271 (605) P= ,505
FULLTIME	-,0016 (605) P= ,968	1,0000 (0) P= ,	,1553 (605) P= ,000	-,2189 (605) P= ,000	,1079 (605) P= ,008	,1831 (605) P= ,000
HOPROFUL	,0584 (605) P= ,151	,1553 (605) P= ,000	1,0000 (0) P= ,	-,0341 (605) P= ,401	-,0387 (605) P= ,342	-,0079 (605) P= ,845
GENDER	-,0487 (605) P= ,231	-,2189 (605) P= ,000	-,0341 (605) P= ,401	1,0000 (0) P= ,	-,0036 (605) P= ,929	-,2904 (605) P= ,000
AGE	,0572 (605) P= ,159	,1079 (605) P= ,008	-,0387 (605) P= ,342	-,0036 (605) P= ,929	1,0000 (0) P= ,	,0154 (605) P= ,705
VOCAEDU	,0271 (605) P= ,505	,1831 (605) P= ,000	-,0079 (605) P= ,845	-,2904 (605) P= ,000	,0154 (605) P= ,705	1,0000 (0) P= ,

(Coefficient / (D.F.) / 2-tailed Significance)

D. Bivariate correlation matrix for environmental variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	FULLTIME	HOPROFUL	LG10BELD	HOUNCGEN	HOUNCSTR	HOUNCLAB
FULLTIME	1,0000 (0) P= ,	,1550 (571) P= ,000	-,0115 (571) P= ,784	-,0641 (571) P= ,125	-,0635 (571) P= ,129	,0386 (571) P= ,357
HOPROFUL	,1550 (571) P= ,000	1,0000 (0) P= ,	-,2467 (571) P= ,000	-,2441 (571) P= ,000	-,3344 (571) P= ,000	,0661 (571) P= ,114
LG10BELD	-,0115 (571) P= ,784	-,2467 (571) P= ,000	1,0000 (0) P= ,	,2539 (571) P= ,000	,6816 (571) P= ,000	-,0022 (571) P= ,959
HOUNCGEN	-,0641 (571) P= ,125	-,2441 (571) P= ,000	,2539 (571) P= ,000	1,0000 (0) P= ,	,3862 (571) P= ,000	,3033 (571) P= ,000
HOUNCSTR	-,0635 (571) P= ,129	-,3344 (571) P= ,000	,6816 (571) P= ,000	,3862 (571) P= ,000	1,0000 (0) P= ,	,1180 (571) P= ,005
HOUNCLAB	,0386 (571) P= ,357	,0661 (571) P= ,114	-,0022 (571) P= ,959	,3033 (571) P= ,000	,1180 (571) P= ,005	1,0000 (0) P= ,
HUMASS	,1098 (571) P= ,009	-,0685 (571) P= ,101	,0511 (571) P= ,222	,0323 (571) P= ,440	,0061 (571) P= ,884	,0005 (571) P= ,990
UNCGENHU	,0874 (571) P= ,036	-,1293 (571) P= ,002	,1019 (571) P= ,015	,2958 (571) P= ,000	,0853 (571) P= ,041	,0807 (571) P= ,054
UNCSTRHU	,0947 (571) P= ,023	-,1351 (571) P= ,001	,1849 (571) P= ,000	,0983 (571) P= ,019	,2204 (571) P= ,000	,0256 (571) P= ,541
UNCLABHU	,1168 (571) P= ,005	-,0622 (571) P= ,137	,0443 (571) P= ,290	,0877 (571) P= ,036	,0269 (571) P= ,520	,2156 (571) P= ,000
REGULAT	,0049 (571) P= ,907	,0394 (571) P= ,346	-,2399 (571) P= ,000	-,2894 (571) P= ,000	-,2273 (571) P= ,000	-,1049 (571) P= ,012
GENDER	-,2146 (571) P= ,000	-,0474 (571) P= ,257	-,0198 (571) P= ,637	-,0113 (571) P= ,788	-,0083 (571) P= ,844	,0147 (571) P= ,725
AGE	,0990 (571) P= ,018	-,0442 (571) P= ,291	-,0271 (571) P= ,517	,0033 (571) P= ,937	,0141 (571) P= ,737	,0078 (571) P= ,853
VOCAEDU	,1865 (571) P= ,000	-,0168 (571) P= ,688	-,0097 (571) P= ,817	-,0158 (571) P= ,706	-,0030 (571) P= ,943	,0068 (571) P= ,870

	HUMASS	UNCGENHU	UNCSTRHU	UNCLABHU	REGULAT	GENDER
FULLTIME	,1098 (571) P= ,009	,0874 (571) P= ,036	,0947 (571) P= ,023	,1168 (571) P= ,005	,0049 (571) P= ,907	-,2146 (571) P= ,000
HOPROFUL	-,0685 (571) P= ,101	-,1293 (571) P= ,002	-,1351 (571) P= ,001	-,0622 (571) P= ,137	,0394 (571) P= ,346	-,0474 (571) P= ,257
LG10BELD	,0511 (571) P= ,222	,1019 (571) P= ,015	,1849 (571) P= ,000	,0443 (571) P= ,290	-,2399 (571) P= ,000	-,0198 (571) P= ,637
HOUNCGEN	,0323 (571) P= ,440	,2958 (571) P= ,000	,0983 (571) P= ,019	,0877 (571) P= ,036	-,2894 (571) P= ,000	-,0113 (571) P= ,788
HOUNCSTR	,0061 (571) P= ,884	,0853 (571) P= ,041	,2204 (571) P= ,000	,0269 (571) P= ,520	-,2273 (571) P= ,000	-,0083 (571) P= ,844
HOUNCLAB	,0005 (571) P= ,990	,0807 (571) P= ,054	,0256 (571) P= ,541	,2156 (571) P= ,000	-,1049 (571) P= ,012	,0147 (571) P= ,725
HUMASS	1,0000 (0) P= ,	,9272 (571) P= ,000	,9540 (571) P= ,000	,9557 (571) P= ,000	,0403 (571) P= ,336	-,0562 (571) P= ,179
UNCGENHU	,9272 (571) P= ,000	1,0000 (0) P= ,	,9136 (571) P= ,000	,9115 (571) P= ,000	-,0353 (571) P= ,399	-,0397 (571) P= ,343
UNCSTRHU	,9540 (571) P= ,000	,9136 (571) P= ,000	1,0000 (0) P= ,	,9161 (571) P= ,000	,0032 (571) P= ,939	-,0524 (571) P= ,210
UNCLABHU	,9557 (571) P= ,000	,9115 (571) P= ,000	,9161 (571) P= ,000	1,0000 (0) P= ,	,0296 (571) P= ,480	-,0457 (571) P= ,275
REGULAT	,0403 (571) P= ,336	-,0353 (571) P= ,399	,0032 (571) P= ,939	,0296 (571) P= ,480	1,0000 (0) P= ,	-,0284 (571) P= ,498
GENDER	-,0562 (571) P= ,179	-,0397 (571) P= ,343	-,0524 (571) P= ,210	-,0457 (571) P= ,275	-,0284 (571) P= ,498	1,0000 (0) P= ,
AGE	,1375 (571) P= ,001	,1179 (571) P= ,005	,1442 (571) P= ,001	,1177 (571) P= ,005	-,0114 (571) P= ,786	,0150 (571) P= ,721
VOCAEDU	,1687 (571) P= ,000	,1491 (571) P= ,000	,1677 (571) P= ,000	,1593 (571) P= ,000	,1223 (571) P= ,003	-,2924 (571) P= ,000

(Coefficient / (D.F.) / 2-tailed Significance)

" , " is printed if a coefficient cannot be computed

E. Bivariate correlation matrix for organizational variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	FULLTIME	HOPROFUL	HOTALDER	HOKONFLI	UNION	ACTPROM
FULLTIME	1,0000 (0) P= ,	,1554 (545) P= ,000	,1085 (545) P= ,011	,0459 (545) P= ,284	-,0814 (545) P= ,057	,1051 (545) P= ,014
HOPROFUL	,1554 (545) P= ,000	1,0000 (0) P= ,	,2391 (545) P= ,000	,1877 (545) P= ,000	-,2463 (545) P= ,000	,0030 (545) P= ,944
HOTALDER	,1085 (545) P= ,011	,2391 (545) P= ,000	1,0000 (0) P= ,	,1726 (545) P= ,000	-,1876 (545) P= ,000	-,0092 (545) P= ,830
HOKONFLI	,0459 (545) P= ,284	,1877 (545) P= ,000	,1726 (545) P= ,000	1,0000 (0) P= ,	-,0028 (545) P= ,947	-,0961 (545) P= ,025
UNION	-,0814 (545) P= ,057	-,2463 (545) P= ,000	-,1876 (545) P= ,000	-,0028 (545) P= ,947	1,0000 (0) P= ,	-,0034 (545) P= ,937
ACTPROM	,1051 (545) P= ,014	,0030 (545) P= ,944	-,0092 (545) P= ,830	-,0961 (545) P= ,025	-,0034 (545) P= ,937	1,0000 (0) P= ,
WAGE	,0039 (545) P= ,927	-,0193 (545) P= ,652	-,0322 (545) P= ,453	-,1560 (545) P= ,000	-,1056 (545) P= ,013	,0562 (545) P= ,190
INDPROM	,0077 (545) P= ,858	,0545 (545) P= ,203	-,0338 (545) P= ,431	,0145 (545) P= ,736	-,0727 (545) P= ,090	,1365 (545) P= ,001
SENBASE	-,0195 (545) P= ,649	-,0253 (545) P= ,554	-,0452 (545) P= ,291	-,1208 (545) P= ,005	-,0325 (545) P= ,448	,1324 (545) P= ,002
GENPROM	-,0957 (545) P= ,025	-,0065 (545) P= ,879	-,0592 (545) P= ,167	-,1291 (545) P= ,002	,0028 (545) P= ,948	,1135 (545) P= ,008
HOTKJEDE	,0306 (545) P= ,475	,0954 (545) P= ,026	-,3581 (545) P= ,000	,0062 (545) P= ,884	,2391 (545) P= ,000	-,0047 (545) P= ,912
GENDER	-,2150 (545) P= ,000	-,0152 (545) P= ,723	-,0215 (545) P= ,616	-,0531 (545) P= ,215	-,0616 (545) P= ,150	-,0521 (545) P= ,224
AGE	,1153 (545) P= ,007	-,0427 (545) P= ,319	,0868 (545) P= ,042	,0433 (545) P= ,312	,0802 (545) P= ,061	,0642 (545) P= ,134
VOCAEDU	,1945 (545) P= ,000	,0000 (545) P= ,999	,0823 (545) P= ,054	,0945 (545) P= ,027	,0553 (545) P= ,196	,0325 (545) P= ,448

	WAGE	INDPROM	SENBASE	GENPROM	HOTKJEDE	GENDER
FULLTIME	,0039 (545) P= ,927	,0077 (545) P= ,858	-,0195 (545) P= ,649	-,0957 (545) P= ,025	,0306 (545) P= ,475	-,2150 (545) P= ,000
HOPROFUL	-,0193 (545) P= ,652	,0545 (545) P= ,203	-,0253 (545) P= ,554	-,0065 (545) P= ,879	,0954 (545) P= ,026	-,0152 (545) P= ,723
HOTALDER	-,0322 (545) P= ,453	-,0338 (545) P= ,431	-,0452 (545) P= ,291	-,0592 (545) P= ,167	-,3581 (545) P= ,000	-,0215 (545) P= ,616
HOKONFLI	-,1560 (545) P= ,000	,0145 (545) P= ,736	-,1208 (545) P= ,005	-,1291 (545) P= ,002	,0062 (545) P= ,884	-,0531 (545) P= ,215
UNION	-,1056 (545) P= ,013	-,0727 (545) P= ,090	-,0325 (545) P= ,448	,0028 (545) P= ,948	,2391 (545) P= ,000	-,0616 (545) P= ,150
ACTPROM	,0562 (545) P= ,190	,1365 (545) P= ,001	,1324 (545) P= ,002	,1135 (545) P= ,008	-,0047 (545) P= ,912	-,0521 (545) P= ,224
WAGE	1,0000 (0) P= ,	,1171 (545) P= ,006	-,0179 (545) P= ,676	,0663 (545) P= ,121	-,0659 (545) P= ,124	-,0527 (545) P= ,218
INDPROM	,1171 (545) P= ,006	1,0000 (0) P= ,	-,0092 (545) P= ,830	,0378 (545) P= ,378	,0928 (545) P= ,030	-,0193 (545) P= ,653
SENBASE	-,0179 (545) P= ,676	-,0092 (545) P= ,830	1,0000 (0) P= ,	,2733 (545) P= ,000	-,0181 (545) P= ,672	-,0121 (545) P= ,777
GENPROM	,0663 (545) P= ,121	,0378 (545) P= ,378	,2733 (545) P= ,000	1,0000 (0) P= ,	,0014 (545) P= ,974	,0101 (545) P= ,813
HOTKJEDE	-,0659 (545) P= ,124	,0928 (545) P= ,030	-,0181 (545) P= ,672	,0014 (545) P= ,974	1,0000 (0) P= ,	-,0554 (545) P= ,196
GENDER	-,0527 (545) P= ,218	-,0193 (545) P= ,653	-,0121 (545) P= ,777	,0101 (545) P= ,813	-,0554 (545) P= ,196	1,0000 (0) P= ,
AGE	,0591 (545) P= ,168	-,1181 (545) P= ,006	-,0887 (545) P= ,038	,0548 (545) P= ,201	-,0701 (545) P= ,101	-,0085 (545) P= ,843
VOCAEDU	,0318 (545) P= ,458	-,0344 (545) P= ,422	-,0333 (545) P= ,437	-,0260 (545) P= ,544	,0241 (545) P= ,573	-,3216 (545) P= ,000

F. Bivariate correlation matrix for job characteristic variables

- - - C O R R E L A T I O N C O E F F I C I E N T S - - -

	FULLTIME	HOPROFUL	MEASURAB	TIMECOMP	TECHCOMP	STRACOMP
FULLTIME	1,0000 (0) P= ,	,1692 (609) P= ,000	-,0738 (609) P= ,068	-,0968 (609) P= ,017	,0228 (609) P= ,573	,0210 (609) P= ,604
HOPROFUL	,1692 (609) P= ,000	1,0000 (0) P= ,	,0136 (609) P= ,737	-,0286 (609) P= ,480	,0404 (609) P= ,318	,0464 (609) P= ,252
MEASURAB	-,0738 (609) P= ,068	,0136 (609) P= ,737	1,0000 (0) P= ,	-,1567 (609) P= ,000	-,0212 (609) P= ,601	-,0166 (609) P= ,681
TIMECOMP	-,0968 (609) P= ,017	-,0286 (609) P= ,480	-,1567 (609) P= ,000	1,0000 (0) P= ,	,0488 (609) P= ,229	-,0142 (609) P= ,726
TECHCOMP	,0228 (609) P= ,573	,0404 (609) P= ,318	-,0212 (609) P= ,601	,0488 (609) P= ,229	1,0000 (0) P= ,	,6126 (609) P= ,000
STRACOMP	,0210 (609) P= ,604	,0464 (609) P= ,252	-,0166 (609) P= ,681	-,0142 (609) P= ,726	,6126 (609) P= ,000	1,0000 (0) P= ,
INDSPEC	,2185 (609) P= ,000	-,0126 (609) P= ,757	-,0102 (609) P= ,801	,0033 (609) P= ,935	,0302 (609) P= ,457	,0285 (609) P= ,481
GENDER	-,2136 (609) P= ,000	-,0397 (609) P= ,327	,0222 (609) P= ,584	,1430 (609) P= ,000	-,1045 (609) P= ,010	-,1113 (609) P= ,006
AGE	,1245 (609) P= ,002	-,0300 (609) P= ,459	,1064 (609) P= ,009	-,0918 (609) P= ,023	-,0544 (609) P= ,179	,0196 (609) P= ,629
VOCAEDU	,1859 (609) P= ,000	-,0025 (609) P= ,951	,0003 (609) P= ,993	,0008 (609) P= ,985	,0256 (609) P= ,527	,0148 (609) P= ,715

	INDSPEC	GENDER	AGE	VOCAEDU
FULLTIME	,2185 (609) P= ,000	-,2136 (609) P= ,000	,1245 (609) P= ,002	,1859 (609) P= ,000
HOPROFUL	-,0126 (609) P= ,757	-,0397 (609) P= ,327	-,0300 (609) P= ,459	-,0025 (609) P= ,951
MEASURAB	-,0102 (609) P= ,801	,0222 (609) P= ,584	,1064 (609) P= ,009	,0003 (609) P= ,993
TIMESPEC	,0033 (609) P= ,935	,1430 (609) P= ,000	-,0918 (609) P= ,023	,0008 (609) P= ,985
TECHCOMP	,0302 (609) P= ,457	-,1045 (609) P= ,010	-,0544 (609) P= ,179	,0256 (609) P= ,527
STRACOMP	,0285 (609) P= ,481	-,1113 (609) P= ,006	,0196 (609) P= ,629	,0148 (609) P= ,715
INDSPEC	1,0000 (0) P= ,	-,2585 (609) P= ,000	,2324 (609) P= ,000	,3862 (609) P= ,000
GENDER	-,2585 (609) P= ,000	1,0000 (0) P= ,	,0003 (609) P= ,994	-,2814 (609) P= ,000
AGE	,2324 (609) P= ,000	,0003 (609) P= ,994	1,0000 (0) P= ,	,0180 (609) P= ,657
VOCAEDU	,3862 (609) P= ,000	-,2814 (609) P= ,000	,0180 (609) P= ,657	1,0000 (0) P= ,

(Coefficient / (D.F.) / 2-tailed Significance)

" , " is printed if a coefficient cannot be computed

G. Logistic regression, entire table of predictors of permanent employment contracts

----- Variables in the Equation -----

Variable	B	S.E.	Wald	df	Sig	R	Exp (B)
LG10BELD	3,5629	1,7028	4,3782	1	,0364	,0625	35,2661
HOUNCGEN	-,2804	,2115	1,7577	1	,1849	,0000	,7555
HOUNCSTR	-,0898	,2666	,1135	1	,7362	,0000	,9141
HOUNCLAB	-,1289	,2616	,2429	1	,6221	,0000	,8790
INDSPEC	,1969	,0790	6,2178	1	,0126	,0832	1,2177
UNCGENHU	-,0104	,0363	,0818	1	,7749	,0000	,9897
UNCSTRHU	-,0017	,0305	,0030	1	,9563	,0000	,9983
UNCLABHU	,0606	,0448	1,8312	1	,1760	,0000	1,0625
REGULAT	-,0703	,1001	,4929	1	,4826	,0000	,9321
HOTALDER	,0041	,0041	1,0280	1	,3106	,0000	1,0042
HOKONFLI	-,0772	,2712	,0812	1	,7757	,0000	,9257
UNION	-,0276	,0085	10,4364	1	,0012	-,1176	,9728
ACTPROM	,4459	,2529	3,1100	1	,0778	,0427	1,5619
WAGE	,0424	,0677	,3916	1	,5315	,0000	1,0433
SENBASE	,0566	,0698	,6570	1	,4176	,0000	1,0582
GENPROM	-,1865	,0817	5,2063	1	,0225	-,0725	,8299
HOTKJEDE	1,0113	,3340	9,1696	1	,0025	,1084	2,7492
MEASURAB	-,3110	,1204	6,6725	1	,0098	-,0875	,7327
TECHCOMP	-,2299	,1301	3,1227	1	,0772	-,0429	,7946
STRACOMP	,0909	,1242	,5355	1	,4643	,0000	1,0952
TIMECOMP	-,6001	,3899	2,3685	1	,1238	-,0246	,5487
HUMASS	-,1674	,1820	,8460	1	,3577	,0000	,8459
VOCAEDU	,9419	,3267	8,3124	1	,0039	,1018	2,5650
AGE	,0350	,0124	7,9619	1	,0048	,0989	1,0357
GENDER	-,7252	,2878	6,3501	1	,0117	-,0845	,4842
DUMBAR (1)	-,7750	,7696	1,0141	1	,3139	,0000	,4607
DUMKURS (1)	-,1180	,5355	,0485	1	,8256	,0000	,8887
DUMRES (1)	-,2256	,4481	,2535	1	,6146	,0000	,7980
DUMREST (1)	-,6189	,4296	2,0758	1	,1497	-,0111	,5385
DUMROM (1)	-,7399	,4697	2,4820	1	,1152	-,0281	,4771
Constant	-,6075	2,9755	,0417	1	,8382		

Appendix 2: Questionnaire for managers

Kompetanseutvikling i norske hotell

Dette spørreskjemaet er et viktig ledd i en større undersøkelse som skal kartlegge kompetanseutvikling, læringsmiljø, ansettelsesformer og samarbeidsforhold i norske hoteller. Et sentralt punkt er også medarbeidernes motivasjon for å "stå på" for hotellets gjester og hotellets målsettinger.

Undersøkelsen gjennomføres av Rogalandsforskning ved undertegnede, i samarbeid med Norges Handelshøyskole og Norsk Hotellhøgskole. Undersøkelsen er utarbeidet spesielt for hotellnæringen, og er utviklet i samarbeid med ledere i bransjen. Den støttes både av RBL og Hotell- og restaurantarbeiderforbundet.

For å få pålitelige resultater er vi avhengige av din medvirkning. Vi håper derfor du vil hjelpe oss til å samle inn så nøyaktige opplysninger som mulig. Det er viktig at du svarer på alle spørsmålene. Kryss av eller sett ring rundt det alternativet som passer best..

Du vil få den ferdige samlerapporten som vil dekke ca 30 hotell, slik at du kan sammenligne dine svar med et gjennomsnitt av byhotell i Norge. Det utfylte spørreskjemaet vil bli behandlet konfidensielt. Ingen av opplysningene vil kunne bli ført tilbake til deg.

På forhånd tusen takk for hjelpen!

Martin Gjelsvik
Direktør/Forskningssjef

Om hotellet

Vi starter med noen generelle spørsmål om hotellet: (dersom hotellet er organisert i et driftsselskap og et eiendomsselskap, svar ut fra driftsselskapet)

1. Hotellets navn: _____
2. Etableringsår: _____
3. Antall ansatte 31.12.96: _____ 31.12.95 _____
4. Antall årsverk 31.12.96: _____ 31.12.95 _____
5. Omsetning 1996 (ekskl. mva): _____ (i tusen kr) 1995: _____
6. Hvilken eierform har hotellet? (kryss av)
 - personlig eid firma _____
 - børsnotert aksjeselskap _____
 - annet aksjeselskap/andelslag e.l. _____
 - stiftelse _____
 - offentlig eid _____
 - interesseorganisasjon _____
 - annet, spesifiser _____
7. Er hotellet knyttet til kjede? (kryss av)
 - nei _____
 - ja, medlem av frivillig kjede _____ (Navn: _____)
 - ja, del av eierintegrert kjede _____ (Navn: _____)
8. I hvilket år overtok du lederansvaret for hotellet? _____

Om hotellets konkurranse og markedsforhold

9. Det er vanlig å dele inn markedet i fire hovedkategorier: forretningsreisemarkedet (individuell reisende), kurs- og konferansemarkedet, ferie og fritid, samt lokalmarkedet.

Hvordan fordelte omsetningen seg (i prosent) på de fire markedene i 1996?

- forretningsreisemarkedet	_____%
- kurs- og konferansemarkedet	_____%
- ferie og fritid	_____%
- lokalmarkedet	_____%
SUM	<u>100 %</u>

10. Hvordan vil du beskrive hotellets konkurranse- og markedsforhold? Velg et alternativ mellom 1 (helt uenig) og 6 (helt enig) for hver påstand.

	Helt uenig			Helt enig		
A. Det er klare <i>sesongsvingninger</i> i etterspørselen etter våre tjenester	1	2	3	4	5	6
B. Etterspørselen etter våre tjenester varierer sterkt <i>fra år til år</i>	1	2	3	4	5	6
C. Offentlige reguleringer og påbud er lite forutsigbare	1	2	3	4	5	6
D. Konkurransen har økt sterkt de siste tre-fire årene	1	2	3	4	5	6
E. Vi er meget usikre på våre konkurrenters strategier de nærmeste årene	1	2	3	4	5	6
F. Offentlige reguleringer og påbud påvirker oss lite	1	2	3	4	5	6
G. Omstruktureringen av bransjen får stor innvirkning for vårt hotell	1	2	3	4	5	6
H. Det er enkelt å få tak i kvalifiserte medarbeidere	1	2	3	4	5	6
I. Det er vanskelig å beholde kvalifiserte medarbeidere	1	2	3	4	5	6

Økonomi og resultater

11. Hvilken *betydning* mener du følgende faktorer har for hotellets inntjening:

	ingen			helt avgjørende		
A. Offentlige påbud og reguleringer	1	2	3	4	5	6
B. Ledelsens strategiske valg (markeder, produkter og tjenester)	1	2	3	4	5	6
C. De ansattes kompetanse	1	2	3	4	5	6
D. Konkurransforholdene i bransjen	1	2	3	4	5	6
E. Hotellets renommé	1	2	3	4	5	6
F. De ansattes motivasjon og oppslutning om hotellets mål	1	2	3	4	5	6

12. Sammenlignet med bransjegjennomsnittet, hvordan vil du anslå hotellets resultater/situasjon de tre siste årene langs følgende dimensjoner:

	mye dårligere					mye bedre	
a) Lønnsomhet	1	2	3	4	5	6	7
b) Beleggsprosent	1	2	3	4	5	6	7
c) Omsetningsvekst	1	2	3	4	5	6	7
d) Kvaliteten på produkter og tjenester	1	2	3	4	5	6	7
e) Kostnadseffektive interne rutiner og prosesser	1	2	3	4	5	6	7
f) Langsiktige gjesterelasjoner	1	2	3	4	5	6	7
g) Evnen til å rekruttere kompetente medarbeidere	1	2	3	4	5	6	7
h) Evnen til å beholde kompetente medarbeidere	1	2	3	4	5	6	7
i) Kundetilfredsstillelse	1	2	3	4	5	6	7
j) Hotellets omdømme i viktige målgrupper	1	2	3	4	5	6	7

13. Hva var hotellets gjennomsnittlige beleggsprosent i 1996: _____ i 1995: _____

14. Beleggsprosenten varierer gjennom året. Hva var laveste og høyeste månedsgjennomsnitt i 1996? Lavest: _____ Høyest: _____

Lover og reguleringer

15. Hvilke konsekvenser for ditt hotell har Arbeidsmiljølovens regler om midlertidige ansettelser?

	Helt uenig					Helt enig
A. Endringene gjør det vanskeligere for oss å benytte midlertidige ansettelser	1	2	3	4	5	6
B. Vi vil i større grad tilby fast ansettelse	1	2	3	4	5	6
C. Vi vil i større grad benytte innleid arbeidskraft	1	2	3	4	5	6
D. Vi vil i større grad bruke underleverandører	1	2	3	4	5	6
E. Vi vurderer å sette ut oppgaver til andre (outsourcing)	1	2	3	4	5	6
F. Vi benytter oss mer av overtid/ekstrahjelp	1	2	3	4	5	6

16. Vi har god kjennskap til Arbeidsmiljølovens nye bestemmelser om midlertidige ansettelser

	1	2	3	4	5	6
--	---	---	---	---	---	---

17. Overenskomstens §6 (forskrift om prosentlønnen personale) legger reelle begrensninger på min handlefrihet som leder

	1	2	3	4	5	6
--	---	---	---	---	---	---

Forholdet til de ansatte

18. Hvordan vil du beskrive forholdet mellom de ansatte og ledelsen? Preges forholdet av:

	Helt uenig			Helt enig		
A. felles forståelse av hotellets krav til inntjening og andre sentrale utfordringer?	1	2	3	4	5	6
B. personlige motsetninger?	1	2	3	4	5	6
C. konflikter i lønsspørsmål?	1	2	3	4	5	6
D. uenighet når det gjelder ansettelse eller oppsigelser?	1	2	3	4	5	6
E. uenighet om behovet for fleksibilitet i forhold til arbeidsfordeling?	1	2	3	4	5	6
F. felles forståelse for gjestebehandling og servicenivå?	1	2	3	4	5	6
G. at ansatte gjerne påtar seg oppgaver ut over egen stillingsbeskrivelse?	1	2	3	4	5	6

19. Hvordan er forholdet til arbeidstakerorganisasjonen/fagforeningen ved hotellet?

	Helt uenig			Helt enig		
A. Det er store motsetninger i sentrale spørsmål	1	2	3	4	5	6
B. Vi jobber meget konstruktivt sammen	1	2	3	4	5	6
C. Hotellet kunne vært drevet mer lønnsomt med ikke-organiserte	1	2	3	4	5	6
D. Viktige spørsmål tas alltid opp med fagforeningen	1	2	3	4	5	6

20. Hvor stor andel av de ansatte i hotellet er fagorganisert? _____%

21. Ta stilling til følgende påstander:

	Helt uenig			Helt enig		
A. Vi ønsker primært å standardisere våre tjenester for å spare kostnader	1	2	3	4	5	6
B. Det går ut på det samme om medarbeiderne lærer opp i dette hotellet eller i andre hotell- og restaurantbedrifter	1	2	3	4	5	6
C. Våre ansatte skal oppfylle gjestens krav, selv om det på kort sikt kan gå ut over økonomien	1	2	3	4	5	6
D. Vi satser på unike produkter og tjenester til utvalgte kundesegmenter	1	2	3	4	5	6
E. Vi betaler aldri våre ansatte mer enn tariff-/markedslønn	1	2	3	4	5	6
F. Vi har personalsystem som gir oversikt over de ansattes lønns- og karriereutvikling over tid	1	2	3	4	5	6
G. I praktisk personalpolitikk skiller vi mellom fast ansatte og deltids- /midlertidig ansatte	1	2	3	4	5	6

H. Vi fører en langsiktig personalpolitikk for å styrke
vår kompetanse på alle nivåer

1 2 3 4 5 6

Om hotellets organisering

22. Hvor mange avdelingsledere har hotellet?

(eks: kjøkkensjef, restaurantsjef, resepsjonssjef m.v.) _____

23. Hvor mange ledernivåer finnes i hotellet?

(Eks: daglig leder, kjøkkensjef, kokk utgjør 3 nivåer) _____

24. I alminnelighet, hvor håndteres gjesteklager?

Sett ett kryss

- av den som får klagen _____
- i den avdeling klagen oppstår/rapporteres til _____
- av deg selv _____
- annet, spesifiser: _____

25. Er du eier, medeier eller ansatt uten eierinteresser i dette hotellet? (Sett ett kryss)

- majoritetseier _____
- medeier _____
- ansatt uten eierinteresser _____

Ansettelsesforhold

De oppgavene som skal til for å produsere tjenestene med rett kvalitet og til rett tid kan utføres av hotellets egne ansatte, ved bruk av innleid arbeidskraft, underleverandører, konsulent- eller servicefirma m.v. Vi vil gjerne ha opplysninger om hvilke tilknytningsformer de ansatte har til hotellet. Vi skiller mellom fem former:

A. Fast ansettelse på fulltid:

Medarbeideren har et ansettelsesforhold til hotellet som ikke er avgrenset i tid. Omfatter heltidsansatte (ansatte med 35,5 eller 37,5 timer)

B. Fast ansettelse på deltid: Medarbeidere som står på vaktliste, men ikke er beskjeftiget full daglig eller ukentlig arbeidstid

C. Ekstrahjelp: Medarbeider som tilkalles etter behov uten fast vaktliste

D. Tidsavgrenset ansettelse:

Medarbeideren har et ansettelsesforhold til hotellet for en avgrenset periode (midlertidige ansettelser, arbeidsmarkedstiltak, lærlinger m.v.)

E. Innleie:

Medarbeideren er leid inn fra et annet firma. Hotellet kjøper "retten til å disponere" vedkommende for en bestemt periode. Din bedrift er ansvarlig for organisering og ledelse av medarbeideren, mens bedriften som leier ut arbeidstaker er arbeidsgiver. Medarbeideren kan være leid inn fra utleiefirma, vikarbyrå eller annen bedrift.

F. Underleverandør/tjenesteleverandør

En annen bedrift eller selvstendig næringsdrivende har ansvaret for å levere tjenester til ditt hotell. Det er et kontraktsforhold mellom din bedrift og en underleverandør eller tjeneste-

leverandør. Omfatter kjøp av tjenester på faste kontrakter for spesifiserte arbeidsoppgaver (eks.: renhold, vaskeri) hvor arbeidstakeren fysisk utfører arbeidet i hotellet. Omfatter også de tilfeller hvor f.eks. restaurantdriften er satt ut til andre, også til tidligere ansatte i hotellet.

26. Vi er interessert i den *samlede personellinnsats* i de aktivitetene som er nevnt nedenfor, både egne ansatte, innleide arbeidstakere og eksterne leverandører/tjenesteytere. Ta med alle funksjoner som inngår i det du oppfatter som ditt hotellkonsept. Vennligst anslå *antallet* slik disse fordeler seg på de ulike stillingskategoriene (ta bare med antall ansatte som har mer enn halv stilling):

	Hotellets fast ansatte (fulltid)	Hotellets fast ansatte (deltid)	Ekstrahjelp	Midlertidig ansatte i hotellet	Innleid fra utleiefirma, vikarbyrå	Tjenesteleverandør	Sum
restaurant							
kjøkken							
romavdeling							
resepsjon							
kurs- og konferanseavd.							
bar, pub, nattklubb							
kafeteria, frokostsal							
markedsføring, salg							
økonomi, regnskap							
personalavd							
andre stabs- og støtteavd.							

Om de enkelte avdelinger i hotellet

Vi skal nå gå noe nærmere inn på de ulike avdelinger og funksjoner i hotellet. Du benytter deg av skalaen fra 1 til 6, hvor 1 er helt uenig, 2 er stor sett uenig, 3 litt uenig, 4 litt enig, 5 stor sett enig, og 6 er helt enig. Du setter inn det tallet som best gir uttrykk for din mening. Fyll ut for de avdelingene som finnes på hotellet.

27. Ta stilling til følgende påstander om oppgavene for de respektive avdelinger og arbeidsområder:

	Rest og kjøkken	Resepsjon	Rom	Kurs og konf	pub natt-klubb	stabs- og støtte
A. Avdelingen har liten betydning for hotellets lønnsomhet						
B. Avdelingen har liten betydning for kundetilfredshet						
C. Det finnes servicebyråer eller leverandører som kan påta seg disse arbeidsoppgavene						
D. Disse oppgavene krever meget god kjennskap til våre menyer, gjester og arbeidsprosesser						
E. Disse oppgavene krever meget god kjennskap til vår særegne bedriftskultur og lederstil						
F. For å utføre disse oppgavene i tråd med vår strategi kreves lang intern opplæring						
G. Dårlig utført arbeid i denne avdelingen vil raskt ødelegge vårt omdømme i markedet						
H. Ansatte i denne avdelingen skal utvikle unike, langvarige gjesterelasjoner						
I. Avdelingen har stor betydning for gjestens totalopplevelse						
J. Virksomheten i avdelingen er lite berørt av Arbeidsmiljøloven og andre off. reguleringer						

28. Hvis noen av arbeidsoppgavene i de forskjellige avdelingene/funksjonene blir utført av innleid arbeidskraft eller er satt ut til andre bedrifter, ta stilling til følgende påstander om årsaker til dette (hvis ikke, gå videre til spørsmål 30). Som foran vil vi at du benytter deg av skalaen fra 1 til 6, hvor 1 er helt uenig, 2 er stor sett uenig, 3 litt uenig, 4 litt enig, 5 stor sett enig, og 6 er helt enig. Du setter inn det tallet som best gir uttrykk for din mening.:

	Rest og kjøkken	Resepsjon	Rom	Kurs og konf	pub natt-klubb	stabs- og støtte
A. Våre ansatte mangler <i>spesialkompetanse</i> til å utføre oppgavene						
B. Vi har for liten <i>kapasitet</i> til å utføre disse aktivitetene selv						
C. Bruk av eksterne leverandører gjør det lettere å tilpasse oss <i>svingninger i etterspørselen</i>						
D. Det er <i>billigere</i> å bruke eksterne leverandører enn egne ansatte						
E. Eksterne leverandører sikrer høyere <i>kvalitet</i> i utførelsen av oppgavene						
F. Eksterne leverandører sikrer oss tilgang til <i>ny kompetanse</i> og teknologisk utvikling						
G. Vi unngår problematikken rundt §6 (forskrift om prosentlønnen personale)						
H. Annet, spesifiser						

29.Hvis noen av disse arbeidsoppgavene blir utført av innleide arbeidstakere eller er satt ut til andre bedrifter, vil vi gjerne at du tar stilling til følgende om den viktigste kontraktspartneren. Som ovenfor bruker du skalaen fra 1 til 6:

	Rest og kjøkken	Resepsjon	Rom	Kurs og konf	pub nattklubb	stabs- og støtte
A. Vi har hatt et langvarig og tillitsfullt forhold						
B. Avtalene er av kortsiktig karakter						
C. Kontraktspartneren er helt innforstått med våre strategier						
D. Det er enkelt å bytte kontraktspartner med de samme kvaliteter og priser						
E. Det tar lang tid for partneren og hans ansatte å lære seg våre rutiner						
F. Partneren er meget fleksibel og lydhør overfor våre behov						

30.Hvilke(n) framgangsmåte(r) ble brukt ved forrige ansettelse i de respektive avdelingen (kryss av for de avdelinger du har i hotellet. Du kan sette flere kryss for hver avdeling, hvis du har brukt flere framgangsmåter)

	Restaurant	Kjøkken	Resepsjon	Rom	Kurs og konf	Pub nattklubb	Stabs og støtte
A. annonsering i aviser/fagblad							
B.kontakt med arbeidsformidlingen							
C. intern utlysning							
D.henvendelse til ansatt i hotellet							
E. henvendte meg til tidligere ansatte							
F. henvendte meg til venner og bekjente i bransjen							
G. bruk av ekstern konsulenthjelp							
H. annet, spesifiser							

31.Hvilken avlønningsform brukes i de respektive avdelinger? Får de fleste sin lønn *helt eller delvis* i form av (kryss av for de avdelinger du har i hotellet):

	Restaurant	Kjøkken	Resepsjon	Rom	Kurs og konf	Pub nattklubb	Stabs og støtte
Fast lønn							
Prosentlønn							
Tips							
Akkord (pr stk betaling)							
Bonus							
Provisjoner (av salg)							
Overskuddsdeling							
Annet (spesifiser)							

32.Hvor mange års *bransjerelatert* utdanning og yrkeserfaring krever du jevnt over for

nyansatte

servitører _____ år

kokker _____ år

i resepsjonen _____ år

i romavdelingen _____ år

i kurs- og konferanseavdelingen _____ år

i bar, pub, nattklubb _____ år

i stabs- og støttefunksjoner _____ år

avdelingsledere _____ år

Appendix 3: Questionnaire for employees

Spørreundersøkelse i norske hotell

Dette spørreskjemaet er et viktig ledd i en større undersøkelse som skal kartlegge kompetanseutvikling, læringsmiljø, ansettelsesformer og samarbeidsforhold i norske hoteller. Undersøkelsen gjennomføres av Rogalandforskning ved undertegnede.

Din arbeidsplass er trukket til å være med på undersøkelsen. For å få pålitelige resultater er vi avhengige av din medvirkning. Vi håper derfor du vil hjelpe oss til å samle inn så nøyaktige opplysninger som mulig. På de neste sidene finner du spørsmål og påstander som vi ber deg om å besvare så nøyaktig du kan. Les spørsmålene nøye og forsøk å beskrive det som passer best for deg og dine meninger. Det er viktig at du svarer på alle spørsmålene.

Kryss av eller sett ring rundt det alternativet som passer best. Hvis du har flere jobber ved hotellet, vennligst svar ut fra den jobben som du bruker mest tid på. Dersom du har en annen arbeidsgiver enn hotellet, ber vi deg likevel svare om forholdene ved hotellet.

Det utfylte spørreskjemaet vil bli behandlet konfidensielt. Ingen av opplysningene vil kunne bli ført tilbake til deg.

På forhånd tusen takk for hjelpen!

Stavanger, april 1997

Martin Gjelsvik
Forskingssjef
RF-Rogalandforskning

Ansettelsesforholdet

9. Hva slags ansettelsesforhold har du til hotellet? (Sett ett kryss)
- a) fast ansettelse, heltid _____
 - b) fast ansettelse, deltid _____
 - c) ekstrahjelp _____
 - d) midlertidig ansettelse, heltid _____
 - e) midlertidig ansettelse, deltid _____
 - f) innleid fra annet firma (vikarbyrå, utleiefirma) _____
 - g) selvstendig næringsdrivende/konsulent _____
 - h) ansatt i annet firma (renholdsbedrift etc.) _____
10. Har du en formell ansettelseskontrakt? Ja _____ Nei _____
11. Har du det *ansettelsesforhold* du selv ønsker? Ja _____ Nei _____
12. Dersom nei, hvilket ansettelsesforhold ønsker du? _____
13. På hvilken måte ble du ansatt i det hotellet du arbeider i nå? (Sett ett kryss)
- A. søkte på annonse, på eget initiativ _____
 - B. søkte på annonse, på oppfordring fra arbeidsgiver _____
 - C. fikk henvendelse fra arbeidsgiver _____
 - D. henvendte meg til arbeidsgiver (walk in) _____
 - E. gjennom arbeidsformidlingen/rådgiver o.l. _____
 - F. gjennom kjente _____
 - G. annet, spesifiser: _____
14. Hvilken arbeidstidsordning har du?
- A. fast arbeidstid _____
 - B. fast skiftordning (rullerende vaktliste) _____
 - C. variabel - vaktlisten endres fra uke til uke _____
 - D. variabel - antall timer varierer fra uke til uke (eks: ekstrahjelp) _____
15. Har du den *arbeidstidsordning* du ønsker? Ja _____ Nei _____
16. Hvis nei, hvilken arbeidstidsordning ønsker du? _____
17. Har du en stillingsbeskrivelse? Ja _____ Nei _____
18. Dersom ja, hvordan er stillingsbeskrivelsen din: (kryss av for det som passer best)
- den gir en detaljert beskrivelse av mine arbeidsoppgaver _____
 - den gir en grov beskrivelse av de viktigste arbeidsoppgavene _____
 - den gir stor frihet til selv å definere arbeidsoppgavene _____
19. Henvises det ofte til stillingsbeskrivelsen i det daglige eller ved uenighet om arbeidsoppgaver og arbeidsdeling? Ja _____ Nei _____

20. Hvor lang oppsigelsestid har du? (Sett ett kryss)

- a) ingen _____
- b) 1 - 14 dager _____
- c) 2 uker - 1 måned _____
- d) 1 - 3 mnd _____
- e) over 3 måneder _____

Selve jobben

21. I hvor stor grad har du kontakt med gjestene? (Sett ett kryss)

- nesten hele tiden _____
- omtrent $\frac{3}{4}$ av tiden _____
- omtrent $\frac{1}{2}$ av tiden _____
- omtrent $\frac{1}{4}$ av tiden _____
- sjelden _____
- aldri _____

Nedenfor følger en rekke påstander vi ber deg ta stilling til. Vi vil at du bruker skalaen fra 1 til 6, hvor 1 er helt uenig, 2 er stor sett uenig, 3 litt uenig, 4 litt enig, 5 stor sett enig, og 6 er helt enig.

22. Hva synes du om selve jobben? Sett ring rundt den beskrivelsen som passer best:

	helt uenig			helt enig		
A. Jeg får brukt min kompetanse i jobben	1	2	3	4	5	6
B. Jobben er ikke særlig utfordrende	1	2	3	4	5	6
C. Jobben er svært meningsfull for meg	1	2	3	4	5	6
D. Det er lett å se resultatene av arbeidet mitt	1	2	3	4	5	6
E. Å tilfredsstille gjestene er en stor belønning i seg selv	1	2	3	4	5	6

23. Ta stilling til følgende forhold om jobben din i hotellet. Sett ring rundt den beskrivelsen som passer best:

	helt uenig			helt enig		
a) I kontakt med gjesten, forventer ledelsen at jeg selv tar beslutninger for å gjøre gjesten fornøyd	1	2	3	4	5	6
b) Jeg bruker ofte eget skjønn og vurderingsevne i jobben	1	2	3	4	5	6
c) Ofte hjelper de ansatte hverandre, også over avdelingsgrenser	1	2	3	4	5	6
d) Jobben min krever mye teamarbeid	1	2	3	4	5	6
e) Ansatte flyttes ofte til andre deler av hotellet med nye arbeids- og ansvarsområder	1	2	3	4	5	6
f) Jeg vet at min person betyr mye for gjestens gjenkjøp	1	2	3	4	5	6
g) Jobben min i dette hotellet er bedre betalt enn tilsvarende jobb i andre hotell	1	2	3	4	5	6

24. Ta stilling til følgende forhold om jobben din:

	helt uenig				helt enig	
A. Min nærmeste overordnede kan lett måle og vurdere min <i>arbeidsinnsats</i>	1	2	3	4	5	6
B. Min nærmeste overordnede kan lett måle <i>resultatene</i> av hvor mye jeg har gjort i løpet av en uke	1	2	3	4	5	6
C. Min nærmeste overordnede kan lett vurdere <i>kvaliteten</i> på arbeidet mitt	1	2	3	4	5	6

25. Vi vil gjerne at du beskriver samarbeidsforholdene ved hotellet.

	svært dårlig				svært godt	
a) Hvordan er forholdet mellom <i>ledelsen og ansatte</i> på hotellet?	1	2	3	4	5	6
b) Hvordan er forholdet mellom deg og nærmeste overordnet?	1	2	3	4	5	6
c) Hvordan er forholdet mellom de ansatte på din avdeling?	1	2	3	4	5	6
d) Hvordan er forholdet mellom de ansatte på din avdeling og ansatte i andre avdelinger på hotellet?	1	2	3	4	5	6
e) hvordan vil du beskrive forholdet mellom ansatte og gjestene	1	2	3	4	5	6

26. Hvor mange års *bransjerettet utdanning og relevant yrkespraksis* til sammen mener du kreves for å utføre den jobben du nå har? _____År

27. Tenk deg en person med omlag samme utdanning og generelle yrkespraksis som du selv har, men uten din erfaring *i denne jobben*, omtrent hvor lang tid ville det ta å lære opp vedkommende person til å utføre jobben din i tråd med ledelsens forventninger? _____ måneder

28. Har det på hotellet i løpet av de to siste åra vært

	ofte	noen ganger	aldri	vet ikke
a) sitt-ned aksjoner i forbindelse med lønns- og arbeidsforhold	1	2	3	9
b) «gå-sakte» aksjoner eller «arbeid etter boka»	1	2	3	9
c) overtidsnekt	1	2	3	9
d) ordrenekt	1	2	3	9
e) andre former for konflikt i forbindelse med lønns- og arbeidsforhold	1	2	3	9

29. Ta stilling til følgende utsagn:

	helt uenig					helt enig
A. Jeg er stolt over å jobbe for dette hotellet	1	2	3	4	5	6
B. Jeg er villig til å stå på ekstra for at hotellet skal nå sine mål	1	2	3	4	5	6
C. Jeg ville godta nesten hvilken som helst jobb for å kunne fortsette i dette hotellet	1	2	3	4	5	6
D. Jeg føler svært liten tilknytning til dette hotellet	1	2	3	4	5	6
E. Selv om jeg skulle få bedre lønn i en annen jobb, ville jeg bli værende ved dette hotellet.	1	2	3	4	5	6
F. Jeg slutter helt og fullt opp om de verdier dette hotellet står for	1	2	3	4	5	6
G. Jeg vil uten videre anbefale en venn eller venninne å ta jobb i dette hotellet	1	2	3	4	5	6
H. Vi har en fin bedriftskultur på vår avdeling hvor alle jobber sammen mot et felles mål	1	2	3	4	5	6

Opplæring og læringsklima

30. Ta stilling til følgende påstander om hotellets opplæring:

	helt uenig					helt enig
a) Det meste av det jeg lærer her, er tilpasset <i>dette</i> hotellet.	1	2	3	4	5	6
b) Forholdene legges godt til rette for at jeg skal bruke og videreutvikle mine evner og anlegg i dette hotellet	1	2	3	4	5	6
c) Det tilbys jevnlig intern opplæring for at vi skal kunne videreutvikle oss i bedriften	1	2	3	4	5	6
d) Jeg deltar gjerne i kurs og opplærings-tiltak som bedriften arrangerer	1	2	3	4	5	6
e) Jeg deltar gjerne, også uten betaling, i kurs og opplæringstiltak som bedriften arrangerer	1	2	3	4	5	6
f) Det jeg lærer i denne jobben kan uten videre brukes i andre hotell	1	2	3	4	5	6

31. Vi vil gjerne stille noen spørsmål om andre læringsmuligheter i hotellet.

helt uenig

helt enig

a) De ansattes forslag til forbedringer blir satt pris på av ledelsen	1	2	3	4	5	6
b) Vi blir oppmuntret til å ta ansvar for egen kompetanseutvikling	1	2	3	4	5	6
c) De som utvider sin egen kompetanse får anerkjennelse fra ledelsen	1	2	3	4	5	6
d) Jeg får anledning til å sette meg inn i nye arbeidsoppgaver	1	2	3	4	5	6
e) Vi har et ord med i laget med hensyn til hvordan ting skal gjøres	1	2	3	4	5	6
f) Min nærmeste overordnede vil at jeg skal lykkes	1	2	3	4	5	6
g) Vi har få muligheter til å diskutere hvordan hotellets strategi skal gjennomføres	1	2	3	4	5	6
h) Vi deler våre kunnskaper og ferdigheter med hverandre	1	2	3	4	5	6
i) For å bli bedre er det tillatt å prøve og feile	1	2	3	4	5	6

Lønn

32. Hvilke(n) lønnsordning(er) har du?

	Sett kryss
Fast lønn	<input type="checkbox"/>
Prosentlønn	<input type="checkbox"/>
Tips	<input type="checkbox"/>
Akkord	<input type="checkbox"/>
Provisjoner	<input type="checkbox"/>
Bonus	<input type="checkbox"/>
Overskuddsdeling	<input type="checkbox"/>
Annen ordning	<input type="checkbox"/>

33. Dersom du også har andre ordninger enn fast lønn, er beløpet bare bestemt av din egen innsats, eller virker også dine kollegers innsats inn?

- a) bare egen innsats
- b) også kollegers innsats virker inn

Forfremmelser

34. Ta stilling til følgende beskrivelser av mulighetene for forfremmelser i hotellet:

	helt uenig				helt enig	
a) Ansatte i min type stilling eller arbeid har få muligheter til å bli forfremmet til en stilling med bedre lønn eller mer ansvar	1	2	3	4	5	6
b) Jeg regner med å få opprykk eller forfremmelse i dette hotellet i løpet av de nærmeste to årene	1	2	3	4	5	6
c) De som ikke blir forfremmet til en ny stilling kan få lønnsopprykk når de har vært en viss tid i jobben, dvs. på grunnlag av ansiennitet	1	2	3	4	5	6
d) Som regel er det hotellets egne ansatte som forfremmes til ledige stillinger	1	2	3	4	5	6

35. Har du selv blitt forfremmet/fått opprykk til en stilling med høyere lønn eller større ansvar i hotellet? Ja ___ Nei ___

36. Så vil vi stille et par spørsmål om jobbmulighetene utenfor dette hotellet. Ta stilling til påstandene:

	helt uenig				helt enig	
a) Det er ikke noe problem å få en tilsvarende eller bedre jobb enn den jeg har i dag	1	2	3	4	5	6
b) Det er enkelt å få jobb i en annen bedrift uten å flytte	1	2	3	4	5	6
c) Det er lett å få tilsvarende jobb uten å gå ned i lønn	1	2	3	4	5	6

Mange takk for hjelpen!