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Deposited in *Repositório ISCTE-IUL*:

2021-09-01

Deposited version:

Accepted Version

Peer-review status of attached file:

Peer-reviewed

Citation for published item:

Dias, Á., Ferreira, R. & Garrido, F. M. (2021). Exploratory study on the professional situation of hotel directors. *International Journal of Services, Economics and Management*. 12 (2), 128-148

Further information on publisher's website:

[10.1504/IJSEM.2020.10036272](https://doi.org/10.1504/IJSEM.2020.10036272)

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# Exploratory study on the professional situation of Hotel Directors

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## **Abstract:**

This study evaluates the professional Situation of the Hotel Managers, through the remuneration paid and if this remuneration it's only a monthly wage or there are other types of benefits. Regarding the remuneration indexed to objectives, from the people consulted in this study, the conclusion is that it's still not a generalized practise in the hotel industry. Adding to that, we found that between women and men who are in the same profession as hotel managers, generally speaking there are more men. This study was carried out with hotel Managers affiliated to the “*Associação de Directores de Hotéis de Portugal*”. The results show that the average income is about 35,000 euros per year, corresponding to a gross monthly salary of 2,961.89 euros. People working in countries outside the EU earn better salaries than people working in Portugal. It was found that, although the profession is predominantly male, there were no changes in gross income when compared to the gender level. Most respondents (51.5%) do not receive any annual performance awards.

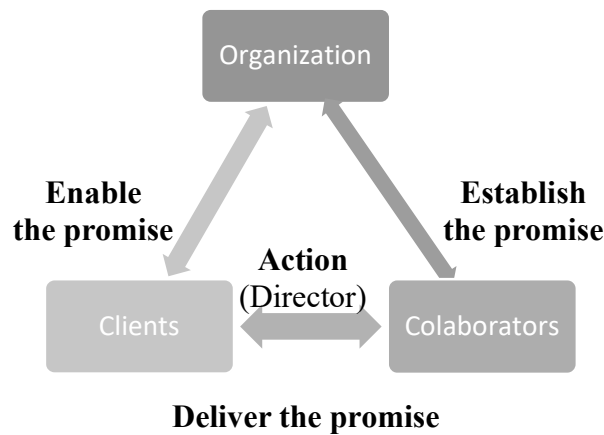
Keywords: Hotel Manager; Professional Status, Remuneration, Performance Rewards;

## **1. INTRODUCTION**

The growth that the tourism sector has experienced, both in Portugal and worldwide, has led to an increase in demand for human resources. However, in addition to labour shortages, the problem is aggravated by a lack of skilled labour. In this context, when recruiting and selecting employees, organisations should previously define the skills profile adjusted to the job, so that this adjustment allows hiring human resources with knowledge and skills appropriate to the desired profile, this process is transversal to all the functions of the units, especially in the functions of hotel management. Today, the Hotel Director plays an important role in making the connection between what is intended by the administration and the management of the employees' skills, and to adequate themselves to customers' needs and the requirements that the organisation must meet in order to respond in accordance with their wishes, needs and expectations.

In the service triangle of "Zeithaml, Valarie A. and Bitner, Mary Jo (1996) Services Marketing, p. 23 and Irons, Ken (1995) Managing Service Companies: Strategies for Success, Cambridge, p.14. This demonstrates the complexity of coordinating the various interests at stake.

**FIGURE 1 - The Services Triangle**



Source: Adapted from Zeithaml et al. (1996).

### **1.1. Contribution**

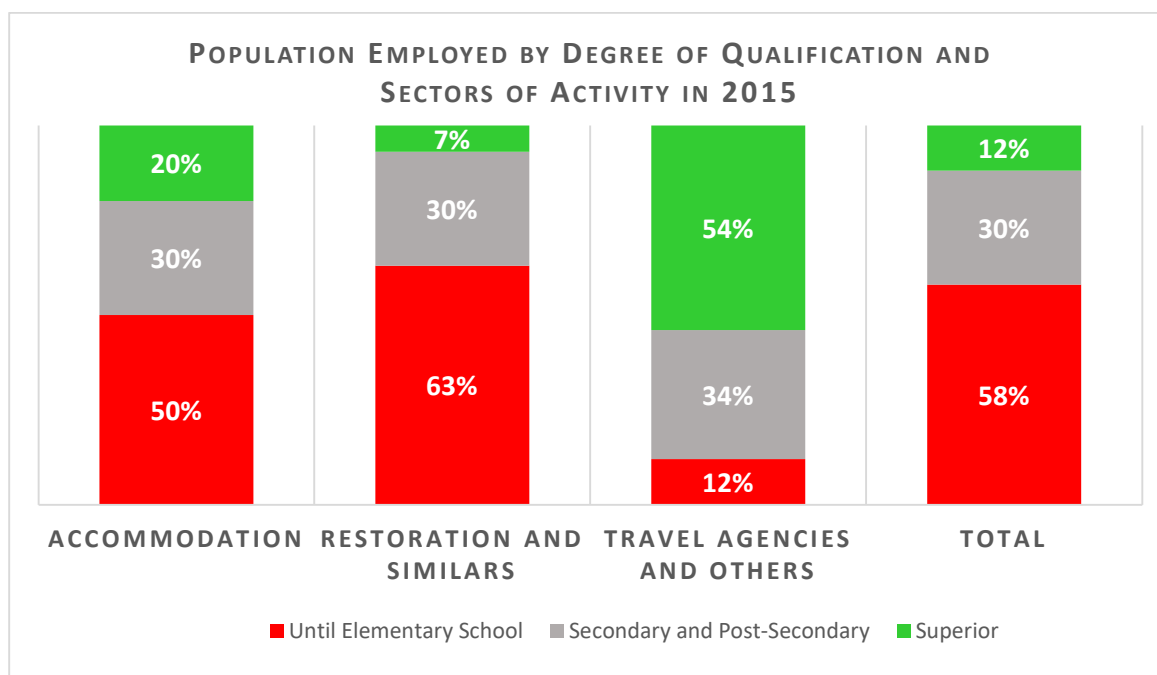
Previous research was centered in other human management topic such as, job satisfaction and organizational commitment (Gunlu, Aksarayli & Perçin, 2010), environmental management attitudes (Kirk, 1998), turnover intentions (Carbery, Garavan, O'Brien & McDonnell, 2003), career strategies (Johns, Teare, Akrivos, Ladkin & Reklitis, 2007), or work-family dynamics (Mulvaney, O'neill, Cleveland & Crouter, 2007). Although, research centered on hotel directors salaries and remunerations is still underexplored. As such, this article has two objectives. First, to contribute to the literature by exploring the hotel director situation regarding the function remuneration level. Second, this article also aims to contribute to existing knowledge on hotel director management by analyzing the situation of these professionals regarding fixed monthly salary and other types of benefits.

Furthermore, this study is also important in the hotel management practice, especially given the period of growth that tourism and hospitality have experienced in recent years. In it, we will highlight the important role of the hotel director and the effect that deregulation with the revocation of Law No. 271/82, which regulated access to the exercise of the function of Hotel Director and which was replaced by Law 228/2009 and later with the amendment to Article 47, paragraph 2, which regulates the operational responsibility of five, four and three star hotel enterprises, had in this area of activity. And what is the current situation in Portugal.

Let us not forget that, even though hotel directors are the top of the pyramid, they are still a human resource of the firm. Human resources are often used to demonstrate the success of Tourism and Hospitality, but it is agreed that care for people was not and is not a major concern of the sector, Bilhim (2007) stated that people were at the base of the firm knowledge. But is this problem compatible with the shortage of labour in the sector? This issue was debated in the closing stages of the Horeca Congress in 2002, alerting to the lack of manpower that was already a reality, both in number and in terms of qualification. Fifteen years on, however, the problem remains.

According to Turismo de Portugal (2018), the sector has 58% of employees who are undifferentiated with basic education as their training, 30% with secondary and post-secondary education and only 12% with higher education, as shown in Figure 2. This situation is even more serious in the area of restaurants, in which more than 63% of workers have only received basic education. On the other hand, there are the travel agencies in which 54% of their workers hold a university diploma.

Figure 2 - Levels of Qualifications | *Figure 1 - Qualifications Levels*



Source: Adapted from Tourism of Portugal (2018)

Human resources training in the tourism, hotel and restaurant areas are recent. They date back to 1957, with the inauguration of the first school Lisbon School of Hospitality and Tourism. The first Bachelor degree in Hotel Management was granted in the late 1980's, more precisely in 1989, with the inauguration of the Higher International Polytechnic Institute (Instituto Superior Politécnico Internacional). In Table 1 we can see the evolution of the referred to situation.

**TABLE I - DATES OF THE OPENING OF SOME HOTEL AND PROFESSIONAL TOURISM SCHOOLS AND UNIVERSITIES OPERATING IN PORTUGAL**

<b>Training in Hospitality and Tourism in Public Education:</b>	
1957	Lisbon School of Hospitality and Tourism;
1965	National Tourist and Hotel Training Centre;
1979	The designation changed to Instituto Nacional de Formação Turística (INFT);
2001	Changed the designation to INFTUR;
2007	The EHT network is part of the Turismo de Portugal;
<b>Training in Hospitality and Tourism in Private Education:</b>	
1963/64	Instituto de Novas Profissões and the Instituto Superior de Língua e Administração de Lisboa;

<b>Private Higher Education:</b>	
1989/90	Tourism and Hotel Management of the International Higher Polytechnic Institute (Lisbon);
<b>Public Higher Education:</b>	
1998/99	Two step degree;
1994	School of Management, Hospitality and Tourism (Faro) of the University of Algarve;
1991	Estoril Higher School of Hospitality and Tourism (Hotel Management and Management);
2004	Superior School of Tourism and Hospitality of Seia;
2005	School of Management of Idanha-a-Nova;
2001	Escola Superior de Turismo e Tecnologia do Mar;
2005	School of Industrial and Management Studies of the Polytechnic Institute of Porto

## 1.2. Tourism in Portugal

In its 2011 April bulletin, Panorama of International Tourism, the World Tourism Organization (UNWTO, 2019) asserted that the growth in tourism was consolidated despite crises and difficulties experienced in several countries, and that tourism should be considered as a strategic vector in different national policies, according to the words of the UNWTO Secretary General, Taleb Rifai (UNWTO World Tourism Barometer, 2011) "*Tourism can play a key role in terms of economic growth and development, especially at a time when most countries in Europe and North America are struggling to achieve economic recovery and create jobs.*".

In 2016 there were 1,235.2 million international tourist arrivals worldwide, an increase of 3.9% compared to the previous year. Europe received half the tourists. Together with the Asia-Pacific region (25%), they accounted for 75% of the flow of tourists. 16% of tourists arrived in the Americas, 5% in Africa and 4% in the Middle East.

In recent years, tourism in Portugal has undergone a number of changes that have made it increasingly complex and difficult to analyse. These changes are due to the fact that demand is more diversified and therefore an adequacy of the services provided by the supply side is necessary.

Portugal has always proved to be one of the safest destinations in Europe. Lisbon and Cascais were the initial centres of tourism, which were later joined by the Algarve and Madeira Island, and the whole country now enjoys a high level of prestige throughout the world.

"Today, more than 13 million tourists travel the 1000 km of coastline, visit the many places considered World Heritage, cross the plains of the Alentejo, climb the Serra da Estrela, climb the River Douro, dive the beaches of the Algarve, or enchant themselves in the Azores. (Tourism in Portugal - published by APT.pt on 06.02.10).

In 2016, the Algarve, the Lisbon region, Cascais and Sintra, Madeira and Porto led the ranking of national destinations, where culture, sun and beach, entertainment, nature and gastronomy are the strong points of the attractiveness of Portuguese tourism.

As in world terms, tourism is one of the most important activities of the Portuguese economy. According to the 2017 report of the World Travel and Tourism Council (WTTC, 2017), which brings together companies from all over the world, the direct contribution of tourism to the Portuguese GDP should continue to increase from 11.3 billion euros (6.4% of GDP in 2015) to 11.7 billion already this year, demonstrating the dynamics of business in airlines, travel agencies, hotels and other services. WTTC (2017) forecasts for Portugal point towards a continuous development until 2026, a year in which the sector should have a significant portion of 7.3% of the GDP, equivalent to 14.6 billion euros and is among the 15 countries with the highest demand in the world.

To corroborate and clearly demonstrate the importance of focusing on this sector, in Table II we will show the expansion in the number of hotels according to information supplied by the INE (National Statistics Institute), from 2010 to 2017. This data shows that in a span of 7 years, there was an increase in the number of hotels by 51 units, which means an estimated rise in 2%.

Surprisingly, in the Alentejo and Madeira regions, there was a decrease in the number of accommodation units. However, as would be expected, Table III shows that, due to the increase in the number of hotel units and number of rooms on offer, this growth is not directly proportional to the number of guests accommodated, meaning that occupancy rates in 2009 and 2010 fell by around 6% in absolute value of the traditional hotel rates.

Table II - Hotel Establishments | *Table II - Hotel Establishments*

No. Establishments	2010	2011	2012	2013	2014	2015	2016	2017
North	441	453	463	450	457	458	457	455
Plant	418	414	419	416	420	422	431	437
Lisbon	313	311	322	327	338	337	332	348
Alentejo	157	158	155	147	150	146	146	145
Algarve	412	416	428	425	434	420	419	425
Autonomous Region of the Azores	82	80	79	80	82	84	87	93
Autonomous Region of Madeira	188	187	162	163	160	161	160	159

Values: No. of establishments; Unit of measure: Unit - 2010 to 2015 Definitive data; 2016 and 2017 Provisional; Formula: Value;  
Source: INE- Instituto Nacional de Estatística

Table III - Occupancy Rate of Hotel Establishments | *Table III - Room Occupancy Rate of Hotel Establishments*

Room Occupancy Rates													
	Type	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Hotels	53,3%	53,5%	56,5%	58,7%	56,3%	51,2%	51,1%	51,9%	50,9%	52,3%	55,8%	60,3%	62,9%
5*	52,0%	52,2%	57,3%	58,7%	53,2%	44,3%	49,1%	52,2%	54,7%	55,8%	60,2%	65,3%	66,7%
4*	55,3%	56,0%	60,2%	63,0%	60,0%	54,1%	52,9%	54,4%	53,5%	55,6%	59,2%	62,8%	65,7%
3*	52,0%	51,2%	52,6%	53,5%	53,8%	51,1%	50,3%	49,3%	46,2%	46,6%	48,6%	53,4%	56,0%
2*	50,9%	51,5%	48,3%	52,5%	49,3%	49,0%	48,0%	47,0%	44,1%	59,7%	49,7%	54,7%	58,2%
1*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	39,1%	39,2%	48,1%	48,1%	48,8%	49,6%
Hotels-Apartments	57,0%	61,5%	62,9%	63,2%	62,8%	55,7%	53,8%	57,6%	57,8%	66,1%	66,1%	66,9%	70,8%
Inns	48,2%	51,3%	51,6%	50,2%	49,7%	44,4%	44,4%	47,2%	42,6%	49,5%	49,5%	53,4%	55,6%
Total Global	54,0%	55,1%	57,3%	59,0%	57,1%	51,5%	51,4%	52,3%	51,3%	56,6%	56,6%	60,7%	63,4%

Source: Turismo de Portugal02/10/2017n  
.a. not available



**2. HOTEL DIRECTORS IN PORTUGAL**

Investing in people is one of the priorities of the national tourism strategy until 2027. The objective of Turismo de Portugal is to double the level of secondary and post-secondary education in tourism, from 30% to 60%. To this end, in the last school year, it launched a new programme called Tourism Training Talent, which was recently recognised internationally. The educational model focuses its intervention on four fundamental pillars and several lines of action: the talent of people, the development of skills, innovation and internationalisation of tourism professionals, as the basis for the success of the sector in Portugal (Mateus, 2018). According to Turismo de Portugal (2018), the estimates of employment in tourism in Portugal point to a very significant growth (19.6%) by 2025, almost 10 times more than the expected increase in employment in the national economy as a whole. In this scenario, in 2025, tourism will contribute 7.3% of total employment in Portugal.

We can clearly see in the 2027 Strategy (Turismo de Portugal, 2018, p. 57) how government views the importance of human resources.

Prestigious professions in tourism and critical mass adapted to market needs and promoting gender and opportunity equality:

- Bi-annual program for surveying training needs in tourism, involving different partners, namely educational institutions, associations, and business entities, in coordination with the System for Anticipating Qualification Needs (SANQ).
- Courses, training and capacity-building actions aimed at qualifying human resources in Tourism, adapted to demand and in areas that respond to the needs of companies.
- Actions for the recognition, validation and certification of competences of professionals in the Tourism area, in articulation with specific programs such as the Qualifica Program.

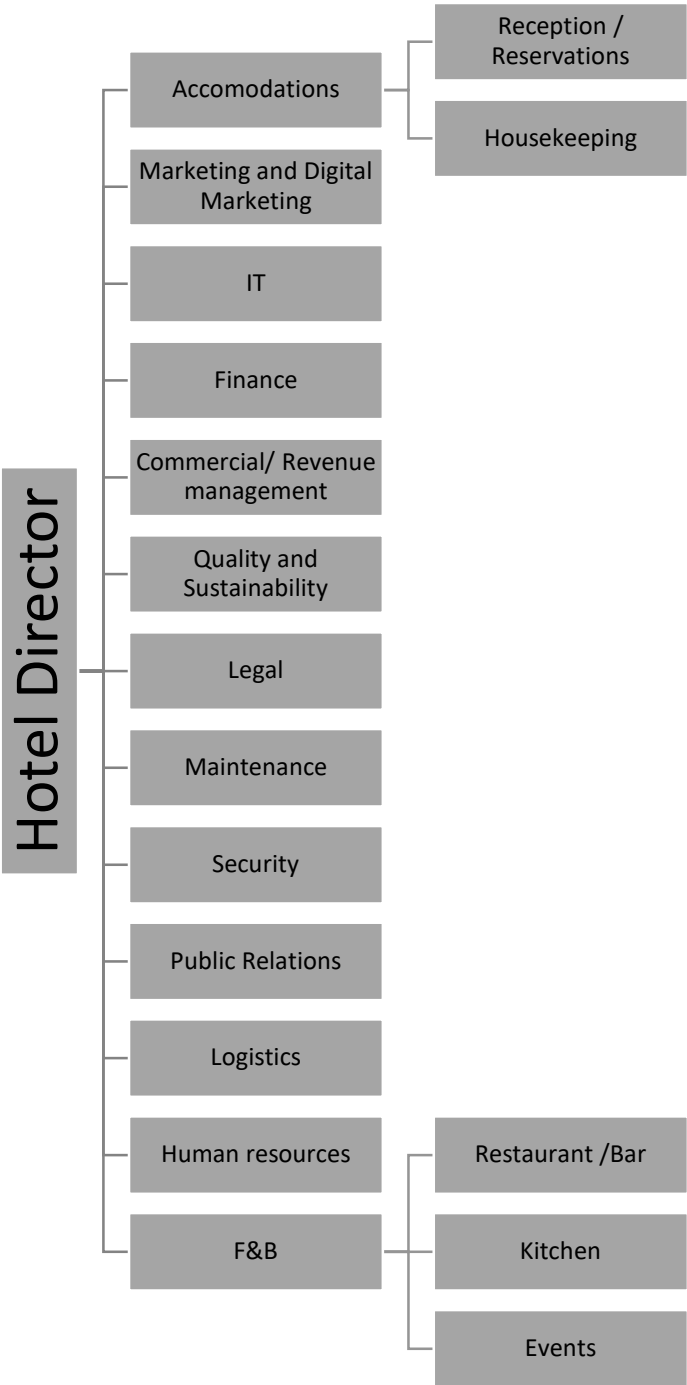
<ul style="list-style-type: none"> <li>• Self-employment job creation projects and actions to retrain skills for the tourism of unemployed people, in partnership with the vocational education and training network (Employment and Vocational Training Institute Centres, I.P., and Professional Schools).</li> </ul>
<ul style="list-style-type: none"> <li>• Initiatives to promote and enhance the tourism professions, including the promotion of gender equality and opportunities.</li> </ul>
<ul style="list-style-type: none"> <li>• Dynamisation of the Schools of Hospitality and Tourism of the Tourism of Portugal as specialized centres of training in tourism, entrepreneurship and with international vocation.</li> </ul>
<ul style="list-style-type: none"> <li>• Inclusion of the Human Resources dimension as a valuable element in the classification system of tourism enterprises.</li> </ul>
<p>Ensure the transfer of knowledge from educational institutions and research centres to enterprises</p>
<ul style="list-style-type: none"> <li>• Research projects applied to tourism that promote the transfer of knowledge to businesses, with a view to the economic valorisation of knowledge.</li> </ul>
<ul style="list-style-type: none"> <li>• Open Kitchen Labs - opening of the Schools of Hospitality and Tourism to companies and startups for testing products and fostering creativity and innovation in gastronomy and restaurants.</li> </ul>
<ul style="list-style-type: none"> <li>• Dynamisation of an ecosystem of continuous innovation in tourism and of international reference, which includes the creation of a Tourism Innovation Centre based on a partnership between Turismo de Portugal, associative structures, companies, entities of the entrepreneurial ecosystem and creative industries and technological partners.</li> </ul>

Source: Adapted from Tourism of Portugal (2018), p.57

These figures can only be sustainable if the units are managed in an increasingly technical and professional manner.

Figure 3 shows the various skills and responsibilities that this function requires.

**FIGURE 3 - COMPETENCIES AND RESPONSIBILITIES OF THE HOTEL DIRECTOR**



**2.1. Staff motivation**

Motivation of the companies’ personnel in this sphere and especially of those working for tourism and restaurants should be taken into consideration.

Several authors have investigated the importance of motivation over the years. Sturman and Ford (2011, p.3) stated that "since quality and values are defined by the customer, the employees who provide the experience to the guests should not only be well treated but also highly motivated because this is in line with the values and quality that the guest idealizes and do it constantly". In this sense, Senyuçel (2009, p.23) is clear when he states "the economy depends on maintaining the motivation and compliance of employees and their increasing performance at work". Costa, succinctly and quoting another researcher, identifies well, in a single sentence, the importance of motivation and the link to quality. In a brief quote of Balanza (2000, p.121) Costa (2012, p.47) sums up the importance of motivation allied to quality, very well, in a single sentence "there is no quality without well trained, motivated and well led human resources".

Low wages are also a problem pointed out by Turismo de Portugal (2018) in the 2027 Strategy, which states that average wages are 33% below the value of the rest of the economy, but more specifically, according to PORDATA 2018 data, the average wage for tourism is €690.50, while in other sectors of the economy it is €924.90.

### **3. THEORETICAL FRAMEWORK**

According to Almeida, "Tourism is a reality fully rooted in society and the world, being one of the areas that have evolved most, contributing to the economic and cultural development of several regions. It is considered an interdisciplinary object of study, motivating the interest and desire of the most diverse sectors of activity, being a very wide, complex and multifaceted area, with different approaches to study, each one adapted to a different task or objective. Tourism presents a multidisciplinary nature of interconnected sciences, presenting several scientific branches that associate and that cross information, in order to establish explanatory concepts of this natural phenomenon" (Almeida, 2003, p.45).

In 2014, Roque (2014) defined tourism as: "...Tourism is an activity that is characterized by respect and difference. In tourism, the most specific and particular individuals find their place because there is no room for discrimination here. That's why the tourism industry is also considered to be the peace industry..." (p. 122).

According to Kotler (2002), the main factors of a tourist destination are the existing tourist resources, considered as the set of natural, cultural, artistic, historical or technological elements that generate a tourist attraction; the infrastructure, i.e., the set of buildings and equipment required by the development of human activities of residents and visitors at the site, as well as those resulting from the relations of this location with the outside; facilities, which are the facilities necessary to accommodate, maintain and occupy tourists' leisure time, such as accommodation, catering, entertainment, congress centers, shops, local transport and other services; reception and culture, in particular the spirit, attitudes and behaviour towards visitors, as well as cultural events; and, finally, accessibility, i.e. external means of transport, including services and the related tariffs.

Several authors emphasize the importance of human resources as a differentiating factor from qualified market supply (e.g. Dias et al., 2020b). It is through knowledge and its management that companies can create advantages that are difficult to imitate, that differentiate them from their competitors and lead them to success. To be more effective, they must rationalise available resources, improve productivity and be more competitive. It is essential that organizations carry out a good knowledge management, or better, of the processes related to it. The dynamism and agility required to maintain the competitiveness of companies are only possible if they are compatible with a full and active organizational memory, where knowledge is created, flows and grows naturally. People have also become aware that they have to continually invest in their training and in the creation and development of new skills, otherwise they are excluded. The organizations also realized that, in order to be successful,

they should take advantage of the knowledge of each employee and incorporate it into the organizational memory adopting a new business culture and making use of new tools to convert tacit knowledge into explicit knowledge (Ambrose, 2013).

Managers in the tourism sector, and in particular in the hotel sector, should always keep in mind the concern for the quality of the products and services marketed. A better understanding of quality is fundamental to having a strategic and competitive vision. Deming (1990), considers quality as the satisfaction of customer needs and equates good quality of services with low service variability. Thus, the definition of quality depends on the context in which it is produced and has different interpretations according to each person's notion. Quality thus requires that the system is geared towards satisfying the needs of consumers and that work processes are carried out on the basis of an attitude of continuous improvement, with a basis of objectivity, the results of which should be transferred to the customers.

Cosby (1992) considers quality to be a compliance with established specifications to meet customer needs and the system is built through the participation of the entire organization to meet the quality objectives, firmly established, periodically evaluated with reliable data on costs as indicators of the need to concentrate efforts.

However, the definition of quality goes beyond satisfying customer needs, with the aim of overcoming them, given that expectations are often not yet formulated. Thus, they will be responsible for the quality, all the elements that participate, directly or indirectly, in the production of a good or service (Cardoso, 2005), including the professionals, customers and other actors involved in the production of the service. In general, services depend on direct personal interaction between customers and employees. The nature of these interactions strongly influences the customer's perception of service quality.

Customers often judge the quality of the service they receive by the assessment of the people providing the service. Therefore, the quality of the service is the way in which it is perceived

by guests and can be defined as the discrepancy between their expectations and their wishes and perceptions. These are the principles of Zeithalm, Parasuraman and Berry's ServQual model (1990). According to these authors, although total quality principles are useful for assessing the quality of the production of goods, they are insufficient for understanding the quality of service, since products and services differ in the way they are produced, consumed and evaluated. The services are intangible, based on previous experience and are heterogeneous. All these aspects are important for the hotel sector. For this reason, service companies make a considerable effort in recruiting, training and motivating their employees, although not exclusively, those who are in direct contact with the client. In hospitality, more than product/service and institution, the most relevant aspects that the customer analyses at the time of choice are empathy, trust, knowledge of the customer, courtesy, responsiveness, reliability of the service or even tangible aspects, such as personal image and physical aspects. All this reinforces the strategic importance of human resources.

Quality of service, as defined by customers, is essential for product or service differentiation and can increase customer loyalty and loyalty. The path lies in the development of knowledge and skills, innovating and discovering new value-added services for the client, ensuring a distinctive performance in relation to competitors. However, this reasoning may not be valid. In his master's thesis, Jesus (2013) argues that the quality of services influences satisfaction, but that quality in hospitality is not synonymous with loyalty and perceived that satisfaction can result in loyalty to the organization.

According to Bilhim (2007), taking into account that hospitality is an intensive activity in human capital and especially in the knowledge held by employees, it is very difficult to codify and control it, as there is a critical need to identify the impact of intellectual performance and its support mechanisms on value creation.

Hotels have many details that must be considered when formulating a strategy to generate competitive advantages, such as the importance of people. While innovation, design, technology and amenities are always important, nothing is closer to the customer than service personnel to deliver what Michael Porter defines as a true competitive advantage: the ability to generate revenues for which customers are willing to pay more, revenues that have high added value and are difficult to imitate (Talbot, 2006).

We are currently witnessing a strong global competitiveness and high levels of consumer demand, which will lead to changes in organisational cultures, causing the abandonment of paternalistic cultures, and we will see the emergence of new values, oriented towards results and the creation of value for the shareholder. This will lead to a reformulation of the jobs and skills of workers. Globalisation stimulates increasing mobility and if we are not able to keep our employees at least we have the return from investment in human capital. In order to avoid the cyclical trend of abandonment in very active labour markets, organisations should offer incentives to stay in the firm and ensure that workers do not accept the proposals of the talent scouts. It is usually the wrong strategies that are used to retain people, focusing on money rather than other intangible factors. Dissatisfaction, itself, is insufficient to lead workers to want to leave. It is necessary there be more appealing options (appreciation of the new position) to break with the links of the previous compromise.

Companies in the tourism, hotel and restaurant sectors should start to attribute more significance to creative and farsighted talents to distinguish themselves, to innovate and break away from routine. They must try new things, experiment, take risks in making calculated mistakes and learn from them (Lamelas, 2008, p.77).

The profile of clients is constantly evolving and changing, along with society itself, generating new mentalities, new ways of life, different needs. Technological evolution and



globalization itself lead and will lead to an increasingly demanding customer market. (Tschohl, 2001).

Training should also be common practice to accompany the growth of the sector. The progress of tourism adjusted to the increase in professionalism of those in this segment plays a part in preventing higher education institutions from responding to the needs and opportunities created by employers in the tourism sector.

According to Davenport (2007), no organisation should keep from investing in vocational training for fearing that, in increasing their employees' knowledge and skills might eventually benefit other enterprises. That would be the same as saying that a sports organization might not train their players for fear they might sign a contract with another club the following season. It is preferable the players be well trained so they can win the championship and thus want to stay in a victorious team.

So as training be progressively more accepted as important, it should be adapted to the employability of the trainee and to the satisfaction of the market requirements. Portugal has already been awarded "Best Tourist Destination in the World", according to the World Travel Awards, and the teaching model that it follows to qualify professionals in the sector is now also among the best in the world. The World Tourism Organization (WTO, 2019), the United Nations agency responsible for the sector's sustainability, recognised in January 2018 the training project for Portugal's tourism schools - Tourism Training Talent - as the best in the category of Innovation and Public Policies, highlighting it for its example of training future generations of human resources in the sector (Mateus, 2018).

According to Turismo de Portugal, in the study "Accessible Tourism in Europe", 2014 the international recognition of Portugal as a tourist destination is based, in a significant way, on the reception and hospitality provided to tourists, as shown, in a systematic way, by the results of the "Annual Tourist Satisfaction Surveys". It is in the reinforcement of these

intrinsic values to the destination Portugal that the approach of Accessibility - Accessible Tourism for All fits. This approach contributes not only to reinforce these values but also to differentiate and diversify the offer and attract new market segments.

According to the forecasts of the World Tourism Organization (WTO, 2019), the number of international tourists in 2020 will be approximately 1.6 billion.

The tourism and hospitality sector, due to its strong competitiveness between several national and international markets, feels obliged to be in a constant innovation (Dias et al, 2020a). According to Calisto (2017), innovation is characterised by its interdisciplinary nature and with multiple possible approaches and may be aggregated to the processes and models of service quality improvement.

Innovation in the tourism, hospitality and catering industry is still poorly addressed, but according to some authors who have been writing on the subject, three lines of thought can be found: The first identifies critical procedures for developing hospitality innovation (e.g., Jones, 1996; Ottenbacher and Harrington, 2007, 2009), the second focuses on developing a typology for hospitality innovation (e.g., Chan et al, 1998; Orfila-Sintes and Mattsson, 2009; Ottenbacher, 2007; Victorino, Verma, Plaschka and Dev, 2005), and the third research factors that may enhance hospitality innovation (e.g., Hjalager, 2002; Ottenbacher and Gnoth, 2005; Ottenbacher, 2007). However, it is predictable that without good and motivated human resources we will not achieve our goals.

The evolution of approaches to the concept of innovation has been very great since the end of the last century. According to Calisto (2017 p.121) "However, for a long time, services were considered to be non-innovative or technologically underdeveloped. Until the 1990s, services were considered as mere positive adopters of technology developed by the manufacturing industry. Throughout the 1990s, and in the run-up to the 21st century, it became increasingly clear that this vision was at best a simplification. The fact that in 2006 the Competitiveness

Council of the European Union identified services and non-technological innovation as a strategic priority also contributed to this development'.

#### **4. RESEARCH PROBLEM AND METHODOLOGY**

With the current expansion of the hotel industry, there is broader concern with the viability of investments and this is not surprising, because there is a lack of skilled labour, which causes a foreseeable increase in costs. In this situation, hotels have paid more attention to the need to adequate management of their human resources.

The existing professional situation of Hotel Directors in Portugal, especially their attitude towards employment, salaries, characterization of employee, among other factors, considering the responsibilities inherent to each of these functions, distinguish them from country to country.

In this descriptive study we used a set of trend and dispersion measures that characterize the variables under analysis "per se".

The sample used was extracted from the ADHP database in a simple random way using the Excel function (Aliatorioentre).

In this way we can ensure that these results are relevant to the characterization of the ADHP's partner hotel director, and can thus be generalized to this universe.

##### **4.1. SAMPLE CHARACTERISATION, EXPOSURE AND ANALYSIS OF RESULTS**

A total of 154 ADHP members were interviewed between 1 November 2018 and 20 January 2019, through an online questionnaire. Table I describes the sample.

It was chosen to use various central tendency and dispersion measures.

**TABLE 1 - AGE OF RESPONDENT ADHP PARTNERS**

Age		
N	Valid	153
	Missing	1
Average		50,58
Standard Deviation		10,415
Minimum		29
Maximum		77
Percentiles	25	42,00
	50	50,00
	75	57,50

Of the 154 respondents, only 36 (23.4%) were female, which reflects the fact that the position of hotel director is usually held by male persons.

**TABLE 2 - GENDER**

Gender					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Female	36	23,4	23,4	23,4
	Male	118	76,6	76,6	100,0
Total		154	100,0	100,0	

When asked about the current professional situation (at the time they answered the survey) 132 declared to be employed and 22 (14%) were unemployed.

**TABLE 3 - PROFESSIONAL SITUATION**

What is your current professional situation? (at the time of answering this questionnaire)					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Unemployed	22	14,3	14,3	14,3
	Employee	132	85,7	85,7	100,0
Total		154	100,0	100,0	

The various measures of central tendency and dispersion were chosen.

**TABLE 4 - WORKING TIME**

<b>Statistics</b>		
<u>How long have you worked (years)?</u>		
N	Valid	132
	Missing	22
Average		28,28
Standard Deviation		11,120
Minimum		1
Maximum		61
Percentiles	25	20,00
	50	28,00
	75	34,75

Around 96% of the professional activity was carried out in Portugal and the remaining 6 people (4.5%) worked in another country outside the European Union.

**TABLE 5 – PLACE OF PROFESSIONAL ACTIVITY**

<b>Where do you work?</b>					
		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	In Portugal	126	81,8	95,5	95,5
	Other country outside the EU	6	3,9	4,5	100,0
	Total	132	85,7	100,0	
Missing	System	22	14,3		
<b>Total</b>		<b>154</b>	<b>100,0</b>		

No answers were obtained for respondents working in European Union countries.

## 5. RESULTS AND DISCUSSION

### 5.1. Hotel directors professional situation

**TABLE 6 - LABORAL RELATIONSHIP**

**What is the type of employment relationship?**

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Employee	111	72,1	86,7	86,7
	Self-employed person	17	11,0	13,3	100,0
	Total	128	83,1	100,0	
Missing	System	26	16,9		
Total		154	100,0		

The type of employment contract (86.7%) has an open-ended contract.

**TABLE 7 - TYPE OF CONTRACT**

**Type of contract**

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Permanent contract	110	71,4	85,3	85,3
	Fixed-term contract	16	10,4	12,4	97,7
	Provision of services ("Green Receipt")	3	1,9	2,3	100,0
	Total	129	83,8	100,0	
Missing	System	25	16,2		
Total		154	100,0		

The responses at the level of the type of contract are not consistent with the data obtained for the type of employment contract, as contracts (open-ended or fixed-term) are higher than the number of employees.

**TABLE 8 - TYPE OF MANAGEMENT**

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	Independent unit	59	38,3	44,7	44,7
	Belongs to national hotel group	55	35,7	41,7	86,4
	Belongs to the international chain	10	6,5	7,6	93,9
	None of the above	8	5,2	6,1	100,0
	Total	132	85,7	100,0	
Missing	System	22	14,3		
Total		154	100,0		

The units in which the 132 respondents were working belonged to independent units (44.7%) or an international hotel group (41.7%).

**TABLE 9- GROSS ANNUAL AVERAGE INCOME**

What is the average gross annual income? (salary and other benefits)		
N	Valid	129
	Missing	25
	Average	35542,64
	Average Standard Error	1131,064
	Average	35000,00
	Standard Deviation	12846,416
	Minimum	7000
	Maximum	49000
Percentiles	25	26250,00
	50	35000,00
	75	49000,00

The average gross income is around 35,500 euros per year.

**TABLE 10- ANNUAL PERFORMANCE PRIZE****Do you receive an annual performance award?**

		Frequency	Percentage	Valid percentage	Cumulative percentage
Valid	No	68	44,2	51,5	51,5
	Yes	64	41,6	48,5	100,0
	Total	132	85,7	100,0	
Missing	System	22	14,3		
Total		154	100,0		

More than half of the respondents (51.5%) do not receive any annual performance bonuses.

In addition, some inferential statistical tests were performed, namely correlation tests and differences tests.

**TABLE 11-CORRELATIONS****Correlations**

	Age	What is the average gross annual income? (salary and other benefits)
Age		,045
What is the average gross annual income? (salary and other benefits)	,045	

According to table number XI, the probability of significance is 0.612,  $p \geq 0.05$ , this result has no statistical relationship between age and average net income.



**TABLE 12 - MANN-WHITNEY TEST**

What is the average gross annual income? (salary and other benefits)	
U of Mann-Whitney	223,000
Wilcoxon W	7849,000
Z	-1,708
Assint. Significance (Bilateral)	,088

According to table number XII, the probability of significance is 0.088,  $p \leq 0.1$ , which means that in other countries outside the EU it offers higher annual average income than in Portugal.

**TABLE 13- MANN-WHITNEY TEST**

Posts				
Where do you work?		N	Average Sorting	Sum of ordinances
What is the average gross annual income? (salary and other benefits)	In Portugal	123	63,81	7849,00
	Other country outside the EU	6	89,33	536,00
	Total	129		

**TABLE 14- T TEST**

Group statistics					
Gender		N	Average	Standard Deviation	Average Standard Error
What is the average gross annual income? (salary and other benefits)	Female	29	33310,34	12065,420	2240,492
	Male	100	36190,00	13050,558	1305,056

According to table 15, the probability is 0.290,  $p \geq 0.05$ , which means that in this profession there are no significant statistical differences in the gross annual average income when comparing female and male gender.

## **5.2. Research implications**

This article has several contributions to existing knowledge about hotel directors' professional situation. As previously indicated, existing research is centered in other human resources management variables. This study explores an underexplored area related with the remuneration and contractual variables. Furthermore, these kinds of professionals are rather reserved, especially with regard to remuneration and contracts, and it is difficult to obtain a sample such as that achieved in this study. For this reason, according to our best knowledge, this article is the first to present values of remuneration and contractual situation. The disclosure of these results helps other researchers to make comparative studies and to identify remuneration policies based on more concrete data.

## **6. CONCLUSIONS**

Of the 154 members surveyed at ADHP, the average age was 50.58 years of age. Only 36 (23.4%) were female, which reflects the fact that the position of hotel director is usually held by male persons. When asked about the current professional situation (at the time they responded to the survey), 132 (85.7%) were employed and the rest were unemployed.

Of the 132 respondents who were working, on average, they had been working for about 28 years. Around 96% of the people carried out their professional activity in Portugal, 44.7% of them in independent units and 41.74% in national hotel groups. No answers were obtained for respondents working in European Union countries. Most of them were employed (86.7%) under an open-ended contract (85.3%).

The average income is around 35,000 euros per year, which corresponds to a gross monthly salary of 2,961.89 Euros. People working in countries outside the EU earn better wages than people working in Portugal, which is understandable. It was interesting to note that although the profession is eminently male, there were no variations in gross income when compared to

the gender level. The majority of respondents (51.5%) do not receive any annual performance bonuses.

This article also presents some limitations and suggestions for future research. First, although the sample of 154 respondents was found to be adequate to the study objectives, an international sample could permit the use of other statistical tools. As such, future research should explore moderate variables like gender, age or experience. Second, the cultural dimensions were not explored in this study, due to the national nature of the sample. Again, an international sample could help researchers in exploring the cultural differences among countries or world regions. Third, this article objectives does not consider other variables commonly used in human resource management. This opens up interesting avenues for research, namely crossing the salary and contractual variables used in this study with others such as motivation, commitment or satisfaction.

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