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during a Recessionary Period

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Abstract

Cost-Effective Training and Development Programs in the Hotel Industry
during a Recessionary Period

by

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Training and development are essential in providing employees with the right skills for their present and future jobs. The world today is constantly evolving, with customers demanding more, which in turn adds pressure to companies and their employees. Therefore, in times of recessions, decreasing the budgets of training programs is a way for companies in all industries to manage and minimize their financial losses. The purpose of this paper is to identify the different techniques that the hotel industry could use to maintain the training and development of their employees during an economic recession. This paper will also look at the literature supporting the cost-effective practices of training and development and the methods used to evaluate training programs. In concluding the paper, a set of general recommendations is suggested for the hotel industry and the human resources department when developing cost-effective training programs.

Keywords: training, development, economic recession

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Part One

Introduction

Training and development are essential in providing employees with the right skills for their present and future jobs. The world today is constantly evolving, with customers demanding more, which in turn adds pressure to companies and their employees. Therefore, in times of recessions, decreasing the budgets of training programs is a way for companies in all industries to manage and minimize their financial losses. This is especially true in the hotel industry where the industry can be affected a variety of external factors that the hotel management are unable to control. The types of factors include those from the physical environment such as natural disasters and technological failures, and those from the human or social environment such as confrontations and malevolence (Stafford, Yu & Armoo, 2002, p. 29).

The purpose of this paper is to identify the different techniques that the hotel industry could use to maintain the training and development of their employees during an economic recession. This paper will also look at the literature supporting the cost-effective practices of training and development and the methods used to evaluate training programs. Hopefully the information compiled in this paper will provide the hotel industry with the guidelines needed to develop cost-effective training programs whilst still being able to provide a high quality of service when dealing with customers.

Justification

Training has become an increasingly critical area of management for companies to enhance service quality, reduce labor costs, and increase productivity (Enz & Siguaw, 2000 Feb, p. 52). Training and development programs can also promote teamwork, improve staff attitudes and self-awareness (Conrade, Woods & Ninemeier, 1994, p. 17). Companies must therefore focus on these different aspects in order to maintain a competitive edge in their respective industries. The American Society for Training and Development (ASTD) recommends companies spend 4% of their payroll on training their staff (Conrade, Woods & Ninemeier, 1994, p. 16). However, a survey conducted with hotel companies showed that only 23% of the respondents spend more than 1% of payroll on training (Conrade, Woods & Ninemeier, 1994, p. 20).

With the economic recession in recent months, companies find themselves with diminishing budgets and are struggling on ways in which to keep themselves afloat. During such times, training and development programs are usually found by the wayside. However, companies should remember that training begins once an employee joins the company and should continue throughout their tenure with the company. Training can also be provided by everyone; all employees are potential instructors and students. Studies have shown that training has been linked to improved self-esteem, reduced turnover, better product and service consistency, higher guest satisfaction, reduced business costs, the use of new technology, greater ability to meet the needs of a target market, more qualified employees, increased self-awareness, improved attitude, more teamwork, greater job satisfaction and greater organizational commitment (Roehl & Swerdlow, 1999, p. 176). Furthermore, "training therefore can neither be

carried out in isolation from strategic business planning nor be disconnected from an

organization's product, its market situation, or management of its corporate identity" (Haywood,

1992, p. 49).

Constraints and Limitations

The focus of this paper will be on suggestions for training programs within the hotel

industry. One must note that the majority of the research regarding specific training and

development programs is from other industries such as telecommunications or information

technology. The information gathered and discerned in this paper can be adapted for the hotel

industry's specific needs. Since all employees need training and development no matter what

industry they are in, other industries' insights may offer new perspectives to the hotel industry.

Another constraint in this paper is the term training to encompass both training and

development. Training is the activities that are designed to provide learners with the knowledge

and skills needed for their present jobs whereas development is the learning that goes beyond

today's job and has a more long-term focus (Mondy, 2008, p. 200). Although training and

development usually go hand in hand, they differ in that training can be done by all staff,

whereas development is usually undertaken by the trainee's supervisors or managers. Training

also tends to be more specific while development looks more at the long-term professional goals.

The trainer will teach specific skills and knowledge to the trainee in order to obtain specific goals

for their present position. During the development process, staff will meet with their supervisor

and or manager to discuss their strengths and weaknesses, and how to improve work

performances to help expand and broaden their current career path. Although there is a

difference between training and development, for an ease in discussion this paper will combine

the two types of programs as the literature reviewed also combines the two programs together.

Conclusion to Part One

This paper will review the different techniques that the hotel industry could use to

maintain training programs during a recessionary period. This paper will also look at the

literature supporting the cost-effective practices of training and the methods used to evaluate the

training programs. Although a company may decide to reduce certain programs to meet

budgetary constraints, this paper hopes to show that training and development are important

contributing factors to an organization's success.

Glossary

Training – A process dealing primarily with transferring or obtaining knowledge, attitudes and skills needed to carry out a specific activity or task (Society for Human Resource Management [SHRM] glossary).

Needs Assessment – Also known as needs analysis; a method of analyzing how employee skill deficits can be addressed through current or future training and professional development programs, as well as determining the types of training/development programs required and how to prioritize training/development (SHRM glossary). Needs assessment is also the identification of the gap(s) between optimal performance and actual performance (Breiter & Woods, 1997, p 88).

Total Quality Management (TQM) – A structured system that satisfies internal and external customers and suppliers by integrating the business environment, continuous improvement and breakthroughs with development, improvement and maintenance cycles (SHRM glossary).

Return on Investment (ROI) – A ratio of the benefit or profit derived from a specific investment compared to the cost of the investment itself (SHRM glossary).

Part Two

Introduction

As mentioned in the previous section, training and development are integral to a company's growth and success. Companies can however under-train their employees by being unwilling to take the time to explain new staff tasks that need to performed. When this unwillingness occurs, Ryan (2008) states that three scenarios may take place – the employee will not be able to help a client the way they should, the client will be left unsatisfied by the company's service level, and lastly the employee will become frustrated by the company and his or her service level will drop to a minimum.

Studies have shown that training programs increase employee satisfaction, employee morale and employee retention, and decreases turnover and hiring rates (*HR Focus*, 2005, p. 11). Training has been shown to improve knowledge and in turn knowledge improves the delivery of hospitality business-related activities (Harris, 2007, p. 487). Daniels (2008) mentions in her article that in the current economic situation, companies may be tempted to cut their training budgets, but they should not however abandon training. Companies should instead use this situation as an opportunity

> because training boosts morale and commitment by showing employees they are a valued and important resource. The training itself provides skills and enthusiasm to help participants provide amazing customer service. Great customer experiences lead to brand loyalty. Skills training that equips employees with the tools to increase customer loyalty is not overhead, a cost, or a frill (Daniels, 2008).

In fact, training is important as it is part of the service quality that drives the performance of

hotels (Wilkins, Merrilees & Herington, 2007, p. 851). Chow, Haddad and Singh (2007) found

in their study of 46 hotels in San Diego that by providing training and development, the hotels'

employee morale, productivity and job satisfaction improved, which in turn can improve

managers' morale (p. 82).

Literature Review

Why Companies should Retain Training Programs during a Recessionary Period

During unpredictable financial situations, companies begin to reduce programs to ease

budget constraints. Usually at this point training programs are reduced or eliminated. For

instance, some companies have a chronic fear of staff mobility and turnover; therefore efforts to

develop staff are seen as a largely wasted investment (Butcher, Sparks & McColl-Kennedy,

2009, p. 389). However, reducing or eliminating training programs can be detrimental in the

future when companies have recovered; organizations that had cut costs during the 2000

recession eliminated the very programs that provided the training and programs necessary for

developing leaders and found it would take at least three years to rebuild their internal expertise

and strategic capabilities (Kristick, 2009, p. 50).

Experts agree that training programs are essential to the success of all companies.

Studies have shown that training has been linked to improved self-esteem, reduced turnover,

better product and service consistency, higher guest satisfaction, reduced business costs, the use

of new technology, greater ability to meet the needs of a target market, more qualified

employees, increased self-awareness, improved attitude, more teamwork, greater job satisfaction

and greater organizational commitment (Roehl & Swerdlow, 1999, p. 176).

       Training has also been shown to attract new employees (Conrade, Woods & Ninemeier,

1994, p. 17). Walsh and Taylor (2007) suggest that

> individuals can become emotionally or economically committed to their companies; those
>
> who are emotionally committed are loyal to their organizations and identify with its goals
>
> and missions, while those who are economically committed engage in a resource
>
> exchange with their organization (p. 165).

Ely (2009) found training to be a competitive edge and lead to better employee retention. Firms

undertaking higher levels of training also had a positive attitude that training leads to success;

they had integrated training as a part of strategy, adopted training that is very practical rather

than theoretical; and acknowledged the importance of strategic role for training (Butcher, Sparks

& McColl-Kennedy, 2009, p. 389-90). Roehl and Swerdlow (1999) also found that there was a

positive relation between morale, perception of supervisor quality, and awareness of rules

regardless of tenure of employees in the organization (p. 190). Furthermore, a major purpose of

training is to help a company compete more effectively in its present situation and in the future;

training cannot be isolated from strategic business planning or disconnected from the company's

product, its market situation, or management of its corporate identity (Haywood, 1992, p. 49).

Continuous training can also make knowledge, skills and behaviors a working part of a person's

day (Ely, 2009).

Haywood (1992) developed an eight characteristic model for effective training, in which the focus should be on developing a shared mind-set to build organizational capability through people. First, companies should view their employees as their most important asset and the employees all have the potential to make great contributions to their company's success. Second, companies should fully commit to employee education, training and development, equality, involvement, and offer extensive opportunities. Third, training programs should be linked to the company's strategic planning, product market, corporate identity, and corporate value systems. Fourth, effective training programs should allow employees to incorporate their newly learned knowledge, skills or behaviors into their daily operations. Fifth, effective training programs should be aware and understand the company's current and future business concerns that will help keep the company competitive. Sixth, companies should develop realistic and achievable goals for training in effecting and implementing change, as well as identifying who should be trained, where, when and at what cost. Seventh, training specifications should be developed so training methods can correspond to company requirements, as well as to select trainers and to sequence training. Lastly, a training evaluation should be created to measure and communicate the effectiveness of training and to assess the commitment of all participants (Haywood, 1992, p. 51).

When training programs are reduced, there are consequences that affect employees and companies gradually. For example, in the hotel industry cutbacks can be seen in the following examples: hotel trainer positions are either unfilled or eliminated, budgeted training hours are cut back, new hires covering shifts before they are properly trained, lack of access to training resources (Kennedy, 2009, Mar). An indirect consequence of reducing training programs is

employee turnover; turnover seems to contribute to a reduction in service quality and a sense of

burnout, particularly for front-line supervisors who are involved in firefighting when their

departments are staffed with inexperienced employees (Hinkin & Tracey, 2000, p. 20).

Another consequence of reducing training programs is morale. Chow, Haddad and Singh

(2007) found in their study of 46 hotels in San Diego that by providing training and

development, the hotels' employee morale, productivity, and satisfaction improved, which in

turn can improve managers' morale (p. 82). These results suggest that by reducing training

programs, employee morale, productivity, and satisfaction will be negatively affected, thus

affecting the company's performance and customer experience. As Enz and Siguaw (2000, Oct)

point out, if companies "continue to focus on cost reductions as a measure of job performance,

the signal sent to employees is one that encourages scrimping on guest services and amenities,

not one of satisfying guests' needs" (p. 29).

When employees are unhappy in their jobs, their dissatisfaction is often directed at

customers. The hotel industry in particular depends heavily on its service quality; as Wilkins,

Merrilees and Herington (2007) point out "perceived service quality derives from the individual

service encounter between the customer and the service provider, during which the customer

evaluates quality and develops satisfaction or dissatisfaction" (p. 841). Thus, if training

programs can help alleviate some of the dissatisfaction that employees face in their jobs,

companies should try to continue training programs rather than eliminating them completely.

Types of Cost-Effective Training Programs

While many of the following examples of training programs are from industries ranging from telecommunications to airlines, the programs can be effective in any company from any industry. Successful training programs can cultivate existing talent, improve employee satisfaction, help plan ahead for succession, act on performance reviews, and help gain talent viability (Kristick, 2009, p. 51-52). Companies at this point will need to remember that adapting new training programs is a form of change and try to get people to choose this change rather than resist it (Steinburg, 1992, p. 28). Companies should also look closely at its system, attitude, knowledge, and skill; companies should ask themselves if they monitor and encourage change, if their employees want change, if their employees know how to implement the change, and whether the employees are able to execute the change correctly (Maister, 2008, p. 56).

Although training budgets have been reduced since the economic recession in 2008, a recent ASTD study has found that the remaining training programs emphasized leadership development, and soft skills such as listening and motivational skills (Paradise & Mosley, 2009, p. 47-48). Traditional training methods may not be applicable since

> with the breakdown of corporate America brought on by lax government oversight, ineffective business decisions, poor risk management, and a lack of corporate responsibility and executive-level accountability, it is clear that a return to business as most of us have known it is neither possible nor even advisable (Kristick, 2009, p. 51).

Thus, to incorporate cost-effective training programs during a recessionary period, departments could look carefully at the specific training topics when the training is necessary and discuss how to integrate training's ideas into their practices (Maister, 2008, p. 58). For example, Southwest Airlines targeted training for front-level employees after 9/11 and developed leadership training

initiatives that were more interactive with shared experiences instead of using the classroom

(Taylor, 2003, p. 30). At Viacom, trainers developed the Managers' Toolkit, a selection of

courses offered to their executives, as well as speaker series with heads from different arms of

Viacom discussing their experiences and expertise (Taylor, 2003, p. 31).

Another technique that the hotel industry can incorporate into their existing training

program is to change from a traditional classroom approach to a more technology-based

approach. With technological advances, instructor-led training can become more digital and

interactive as Fink (2008) recommends. Cutting costs does not mean that training needs to be

cut; if a company invests in technology wisely, the material can be captured and distributed to a

wider audience at a reduced cost (Laff, 2008, p. 47). For instance, when a food service and

transportation company cut its training staff by half while preparing for a company-wide

supervisory training session, the remaining training staff changed its classroom training to an e-

learning method (Piskurich, 2009 p. 96). The company found several months later when all the

participants completed the modules that the new training to be satisfactory and successful.

Another company, NetApp, a computer storage and data management company, restructured

their training seminar so that their training sessions were taped and allowed the attendees to

listen to the presenters online instead, condensing three weeks of learning into one week (Laff,

2008, p. 47). Princess Cruises amended their English as a Second Language (ESL) program by

having certified ESL instructors from an accredited university develop a more in-depth

immersion program for the cruise trainers (Weinstein, 2009, p. 103).

The hotel industry could also look at companies in other regions to incorporate new

training approaches for cost-effective benefits. For example, Japanese companies have been

respected for their significant and long-term commitment in employee development (McMurrer
& Van Buren, 1999, p. 43). One training technique in particular that hotel companies could take
from their Japanese counterparts is the use of one-on-one mentorship. In Japan, companies use
one-on-one training with a designated mentor or elder that is conducted under the direction of an
employee's manager or supervisor, neither of whom is considered part of the training staff
(McMurrer & Van Buren, 1999, p. 46). As a result, Japanese companies have fewer formal
trainers but the average employee-to-trainer ratio is higher. In the hotel industry, companies
such as the Four Seasons Hotels and Resorts and Coastal Hotel Group also use skilled employees
to train newcomers (Enz & Siguaw, 2000, Feb, p. 54). The Coastal Hotel Group uses a buddy
system for training employees, whereby existing properties would send employee trainers to
newly acquired properties to train them with the requisite knowledge and skills. At Four Seasons
properties, certain employees are chosen to become designated trainers in their respective
departments and are trained by the human resources department to follow a carefully structured
teaching and coaching program. The designated trainers will then conduct customized training
with peers and colleagues within their departments.

For a more specific training method, companies in the hotel industry can also amend
front-desk training for a more cost-effective approach. Kennedy (2009, Jun) suggests that hotels
in addition to on-the-job training that the front-desk already provides, they should create a new-
hire orientation checklist and schedule, and have senior executives meet with new staff to
introduce company culture. Creating a checklist, schedule and discussion with senior executives
would not incur any additional costs on training budgets but rather use a different approach to the
front-desk training that could help create a happier working environment and happier guest

experience. Furthermore, companies "should view training as a core best practice necessary to sustain the ongoing journey to excellence versus a program to complete, a workshop to attend or a certification [to] achieve" (Kennedy, 2009, Mar).

Breiter and Woods (1997) suggest that when developing training programs, a needs assessment is necessary. This analysis will help determine the training needs for a company; in the hotel industry, comment cards, guest feedback, mystery shoppers and focus groups are all used to identify training needs (Breiter & Woods, 1997, p. 88). However, Breiter and Woods (1997) also recommend using information provided by employees as well to help design training programs; "employees know what skills and knowledge are necessary to make them more effective at accomplishing their tasks" (p. 94). By involving employees, it will be more cost-effective than devising needs assessment tactics that may not successfully address the necessary training needs that the company and the employees require.

Catalanello and Redding (1989) recommend that companies incorporate training into its strategic business plans "thereby establishing a competitive advantage rooted in employee competence" (p. 51). In their study, Catalanello and Redding (1989) found that companies who used training to execute strategic plans also provided training in strategic planning and thinking skills, as well as the ability to formulate business plans (p. 53). This suggests that by including training into a company's strategic plan, employees will be better equipped to understand the company culture and able to convey this through their everyday tasks.

All companies should remember that even if training programs are to be reduced or amended, there are training programs that cannot be eliminated as mandated by law. For example, safety related or government regulated training must always be kept to avoid any future

problems from arising. However, human resources should continue to emphasize to management

that training programs that mitigate risk should also remain in place, as should training for

pivotal employees that may have a large impact on company revenue (Tyler, 2009, p. 67).

Evaluating Training Programs

Companies are constantly looking for methods in which to measure and evaluate the

effectiveness of training. According to Tracey and Tews (1995), the traditional view of training

includes a formal assessment of training needs, use of appropriate training methods, and an

evaluation of the training program (p. 37). Enz and Siguaw (2000, Oct) found that companies

with successful training programs "emphasized the importance of getting employees involved

early in the process, [rolled] out the program gradually to gain employee support, and [provided]

proper training and sufficient empowerment to allow employees to excel in their jobs" (p. 29).

For example, hotel companies such as Carlson Hospitality and Ritz-Carlton Hotels and Resorts,

reported enhanced performance measures including increases in ADR, occupancies, market

share, and customer retention rates (Enz & Siguaw, 2000, Oct, p. 28). Four Seasons conducted

employee opinion surveys before and after the implementation of the designated trainer program

and found that there was a "high level of satisfaction and a clear appreciation for the improved

clarity of standards in the wake of the training program" (Enz & Siguaw, 2000, Feb, p. 60).

One evaluation method that has been developed is the Kirkpatrick four-level model; the

model was developed as a set of criteria for evaluating the effectiveness of any formal or

informal training program (Tracey & Tews, 1995, p. 38). The first step of Kirkpatrick's four-

level model is reaction to training, specifically how well trainees like a particular training

program. The second step is learning; trainers measure the knowledge acquired, skills improved,

or attitudes changed due to training. The third step is behavior, whereby trainers measure the

extent to which participants change their on-the-job behavior because of training. The final step

is results, during which trainers will measure final results that occur due to training as stated in

terms of the training program objects, such as reduced costs, higher quality, increased

production, and lower rates of employee turnover and absenteeism (Kirkpatrick, 1996, 54-59).

Another method that companies can use to measure training effectiveness is through total

quality management (TQM). According to Baldacchino (1995), TQM directs the efforts of

professional management towards a corrective, education and empowering relationship with

their subordinates by rewarding and reinforcing individual employee's positive performance, by

providing various opportunities for skills training and retraining (p. 69). There are five quality

checkpoints that TQM uses to recognize product or service quality – determining how well a

product or a service meets customers' needs and wants; inspecting the product or service prior to

customer delivery; controlling quality during production; assessing quality of raw materials prior

to production; and examining the suppliers' quality-control procedures (Partlow, 1996, p. 68-69).

By incorporating TQM into the company's management style, attitudes will need to change from

traditional disciplinary and inspectorial function to a supportive, preventive and facilitative one

(Baldacchino, 1995, p. 71). Communication is a key component to successful TQM as

employees can observe management and their emphasis on consistency in service quality as well

as management's sincerity in listening to employees' opinions (Partlow, 1996, p. 70-71).

A good example of a hotel company that has incorporated TQM into their company

culture is Ritz-Carlton. The company believes in zero defects, specifically in key processes

involving customers (Galagan, 1993, p. 41). In addition, Ritz-Carlton employees are taught upon

joining the company that they are "empowered to break away from their normal routines

whenever they see a problem to bring that problem into control" (Partlow, 1994, p. 23).   Ritz-

Carlton employees are also taught that they count in a hotel's success with a customer and should

own any complaint received from a guest. These notions require Ritz-Carlton to train their

employees with "quality concepts and quality control tools and techniques, but also in how to do

the job and how to work together as a team" (Partlow, 1994, p. 23). In 1992 and 1999, Ritz-

Carlton was rewarded for its innovative thinking; the company was awarded the Malcolm

Baldrige National Quality Award for their achievements in quality and performance and to raise

awareness about the importance of quality and performance excellence as a competitive edge

(Baldrige National Quality Program).

Some companies are using return on investment (ROI) as another method to measure the

effectiveness of their training programs. To measure ROI, some companies look at the

consequences of not training, other use performance records and cost/benefit analysis (Rowden,

2001, p. 6). Kirkpatrick's four-level model deals with ROI in the third and fourth levels,

behavior and results; in fact Kirkpatrick believes that "the most desirable approaches to

delivering instruction (training) are those that are the most effective in terms of results and the

most efficient in terms of cost" (Rowden, 2001, p. 7). According to Rowden (2001), there are

two ways of calculating ROI – calculating the cost-benefit ratio and the ROI. The cost-benefit

ratio is calculated by dividing the total benefits by the cost while the ROI subtracts costs from

the total benefits to produce the net benefits, which are then divided by the costs. To further the

calculation of ROI, Philips (1996, Feb) developed a model that built upon Kirkpatrick's, in

which training costs would be compared with monetary benefits but would assume that all

training programs would have intangible, but reportable, benefits (p. 43). By measuring ROI, it

provides goals for the progress of all training of a particular segment, as well as focusing

attention on accountability and the need for measurement and evaluation (Phillips, 1996, Feb, p.

44). Moreover, by calculating ROI in a recessionary period, companies may find that a particular training program may "enable a team to perform tasks in less time or with fewer members" (Phillips, 1996, Apr, p. 22).

Performance appraisals can also help companies measure and evaluate training programs. Performance appraisal is defined by Mondy (2008) as a "system of review and evaluation of individual or team task performance" (p. 245). Performance appraisal is an integral part of human resource management in that appraisals help managers train and develop their employees, as well as help managers make decisions regarding compensation and promotion of their employees. Without performance appraisal, employees would not be aware of their strengths and weaknesses regarding their job performance, which may lead to companies being unable to improve their own performance. Kreck (1985) proposes two approaches in which performance appraisals can evaluate training programs – systems approach and work performance standards approach (p. 29-31). The systems approach can use objective or subjective measures, such as time and distance or opinions and judgments; direct or indirect measures; immediate or ultimate measures; and specific or summary measures. The work performance standards approach on the other hand, would measure quantitative or qualitative measures that have been specified by individual departments. By using performance appraisals, training programs can be evaluated on its success or its failure.

One must note however that training programs may not take into consideration an employee's motivation, his or her ability to learn and acquire knowledge and skills as well as an employee's attitude towards his or her work can affect the training program's effectiveness (Tracey & Tews, 1995, p. 39-40). Harris (2007) believes that it impossible to have complete

accuracy when measuring ROI due to the variability of human factor, timeliness of information, and accuracy of all information (p. 490). Therefore Tracey and Tews (1995) suggest that trainers should understand these variables when developing training programs, thereby enhancing training efforts (p. 42).

In addition, companies should ask learners themselves what the training program is lacking (Weinstein, 2009, p. 106). For example, Phillips (1996, Mar) proposes the following methods as ways for companies to measure its training's effects on performance – use of control groups, trend-line analysis, forecasting, participation estimation, supervisor estimation, management estimation, customer input, expert estimation and subordinate input (p. 30-32). These methods should act as guidelines for ROI and although the figures will not be precise, they will give the best estimates given the conditions, time and resources a company will commit (Phillips, 1996, Mar, p. 32). In their study, Frash, Kline, Almanza and Antun (2008) found that the learning outcome of a training participant has more value than knowing whether or not the participant like the training, and that the more the participants enjoyed the training, the greater the learning outcome will be (p. 213-214).

Conclusion to Literature Review

The literature reviewed that companies should retain training programs during a recessionary period. Studies have found that training was linked to improved employee morale and optimism, company productivity and service quality. When training programs are reduced, employee turnover and service quality are negatively affected. There are also many types of

training programs that can be quite cost-effective during a recessionary period. Traditional

training methods such as a classroom approach may not be as cost-effective when budgets are

tight; companies should instead look at technologically-based or self-catering programs as ways

to have employees monitor their own training themselves. Companies can also use other

employees to act as mentors to new or junior employees or designated trainers to help train other

peers and colleagues in their respective departments.   It is not enough to simply offer cost-

effective training programs; companies need to evaluate the effectiveness of their training

programs to make sure that the benefits outweigh the costs. Several methods have been

developed or adapted from other industries to measure training effectiveness such as

Kirkpatrick's four-level model, TQM and ROI. Although many of the examples that were used

in the literature were from organizations outside of the hotel industry, hotel companies should be

able to adapt and to incorporate these techniques into their own programs with minimal

problems.

Part Three

Introduction

Although training programs are usually one of the first programs to go during an economic recession, it was found in the literature review that training programs have been linked to improved employee morale and optimism, company productivity and service quality. It was also found that when training programs are reduced, employee turnover and service quality are negatively affected. The research gave many examples of cost-effective techniques from other industries and the hotel industry can adapt and incorporate such methods as Viacom's Managers' Toolkit or NetApp's online training seminars, to fit their specific training needs. From the research in the previous section, the hotel industry can adapt their existing training programs and amend them so that the company can provide quality training without sacrificing necessary tools and skills that employees will need to perform exceptional customer service.

This section will discuss general recommendations for the hotel industry that can act as a useful checklist regardless of the current economic environment. With research reviewed as well as information garnered from ASTD, the guidelines could be used by the hotel industry to develop new cost-effective training programs that are especially timely in a recessionary period.

Recommendations

According to ASTD's 2008 State of the Industry report, the average direct learning expenditure per employee in the consolidated sample of organizations rose to $1,103 per

employee in 2007, an increase of 6.0 percent from 2006 ("State of the Industry Report", 2008).

This increase suggests that companies are becoming increasingly aware of employees'

importance to the financial success of the company. ASTD's report also found a consistent

upward trend in technology-based delivery methods and that e-learning now accounts for nearly

one-third of learning content made available; formats such as simulations, instructional games,

and social networking sites are also more widely used in training programs.

From the literature reviewed in the previous section, technology-based learning systems

were effective methods of training during a recessionary period and ASTD's recent findings

support this recommendation. Piskurich (2009) believed that

workplace learning and performance professionals cannot always do what worked in

years past or what they thought to be the best route to the solution, especially in the midst

of unforeseen or external circumstances. Particularly in training design, the options for

new possibilities and development shortcuts abound. [The human resources department]

must think outside the box, convince [its] company that its learning needs can be

fulfilled, and then deliver (p. 96).

Interactive training programs can also help to reduce costs without undermining training results.

With more Generation Y employees being employed, the new workforce will also be more

comfortable with different media; therefore companies' training approach should also integrate

the different media into their existing programs (Laff, 2009, p. 47).

Another recommendation for the hotel industry's training programs is to follow ASTD's

Economic Survival Guide Action Plan. ASTD developed nine guidelines as a way for companies

to remain "competitive, innovative and customer-focused" ("Economic Survival Guide"). First, ASTD suggests that companies encourage communication at all levels both upwards and downwards to help create a learning culture amongst employees. Second, companies should review their training budgets for better efficiency by focusing on necessary training and on revamping existing training material. Third, organizations should use more technology-based learning applications such as e-learning, simulations and webinars to maximize training programs to reach more employees and increase learning hours per employee. Fourth, training departments should maximize their talent by providing essential training to trainers, job sharing and rotational cross-training for staff. Fifth, human resources department should make sure that training programs have strategic links to the company's business goals by focusing on the company's core values, competencies and business objectives. Sixth, human resources should emphasize the benefits of training by ensuring the company's existing system for employee selection and retention is successful. Seventh, human resources needs to ensure that each training program supports a goal and the program's value and performance can be measured. Eighth, training needs to have a clear understanding of the company's source of competition and the programs are developed to focus on leverage the company's competitive advantages. Lastly, employees' creativity and innovation should be embraced and encouraged so that their ideas can be applied into the company culture. If an organization is able to incorporate a few of ASTD's recommendations, its training programs can be maximized on a limited budget, which will ultimately keep their employees and customer service at a high level.

Figure 1. ASTD Economic Survival Guide Action Plan Guidelines

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ASTD Economic Survival Guide Action Plan

1. Companies should encourage communication at all levels both upwards and downwards to help create a learning culture amongst employees;

2. Companies should review their training budgets for better efficiency by focusing on necessary training and on revamping existing training material;

3. Organizations should use more technology-based learning applications such as e-learning, simulations and webinars to maximize training programs to reach more employees and increase learning hours per employee;

4. Training departments should maximize their talent by providing essential training to trainers, job sharing and rotational cross-training for staff;

5. Human resources department should make sure that training programs have strategic links to the company's business goals by focusing on the company's core values, competencies and business objectives;

6. Human resources need to emphasize the benefits of training by ensuring the company's existing system for employee selection and retention is successful;

7. Human resources needs to ensure that each training program supports a goal and the program's value and performance can be measured;

8. Training needs to have a clear understanding of the company's source of competition and the programs are developed to focus on leverage the company's competitive advantages;

9. Employees' creativity and innovation should be embraced and encouraged so that their ideas can be applied into the company culture.

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Before companies reduce their training programs, they need to ask themselves whether the old training program is right for the current situation. Companies should ask their employees what is lacking in their training; this simple gesture is cheaper than changing an entire training program that in many instances turns out to be ineffective. For example, human resources should look at employee performance appraisals more closely for employee feedback on the effectiveness of existing training programs. As Kreck (1985) wrote "performance appraisals

provide adequate and timely feedback to the employees, serve as a basis for modifying or

changing the behavior of employees towards more effective work habits, and provide data to

managers with which they may judge future job assignments and compensations" (p. 27).

Using the findings from the literature review and ASTD's guidelines, the hotel industry

should consider incorporating the following general recommendations for their training

programs:

1. The human resources department should accentuate the importance of training programs

   by highlight its merits to the company's success. For instance, training has shown to have

   positive results on employee morale, productivity, satisfaction and retention, as well as

   on service consistency and guest satisfaction.

2. Human resources should understand that although some programs may be reduced or

   even eliminated, essential training such as safety training, government regulated training

   or training for pivotal employees must remain intact to avoid future problems.

3. Companies should amend their training programs to include more innovative approaches

   such as the use of technology in the programs or designated trainers in each hotel

   department whereby employees are able to monitor their progress themselves as well as

   to reduce the strain on the training department.

4. Companies should include employees in the development of training programs to avoid

   spending their budget needlessly through the encouragement of communication at all

   levels.

5. Hotels should look for inspiration in training programs from companies in other industries when developing new programs so as to remain current and innovative, and be able to have a competitive advantage in the industry.

6. When developing training programs, hotels should keep in mind the company's business objectives, core values and strategic goals so that all employees are made aware of the importance.

7. To make sure training programs are successful, the hotel industry should measure their existing programs through evaluation techniques such as TQM, Kirkpatrick's four-level model, ROI and performance appraisals. By continually evaluating training programs, hotels will be able to monitor the success of the programs and maintain a competitive edge in the industry.

By taking into consideration some of the general suggestions above, hotels may be able to change their training programs to suit their economic situation without affecting employee productivity, satisfaction, morale and retention. Since the major measurement of a hotel company's success is guest service and satisfaction, if training programs can be amended while still preserving the hotel's service quality, the programs will ultimately be successful.

Conclusion

The purpose of this paper was to identify the different techniques that the hotel industry could use to maintain training and development of their employees during an economic recession. This paper also looked at the literature supporting the cost-effective practices of

training and development and the methods used to evaluate training programs. It was found that

training programs should be retained regardless of an organization's economic situation. Studies

have shown that through training, employee morale and satisfaction, company productivity and

service quality improved. Several types of training programs were found in the research that

were cost-effective such as technology-based or self-catered programs, as well as the use of

mentor and designated trainers to train new or junior employees. Lastly, the research showed

that proper evaluation of training programs must be done to ensure the programs' benefits

outweigh the costs. Different methods such as Kirkpatrick's four-level model, TQM and ROI

were looked at as examples that the human resources department could use to evaluate their

existing programs.

A general set of guidelines has been suggested which the human resources department in

the hotel industry would hopefully include into their existing programs if they have not already

when facing budget reductions. Human resources departments should emphasize the importance

of training programs to its company's success. Although training programs may be reduced or

eliminated, essential must remain intact to avoid future problems. Training programs can

become more innovative in times of economic instability through the use of technology and self-

catering programs that employees monitor themselves. Companies can also involve employees

with the development of training programs to avoid unnecessary spending of training budgets.

Hotels can also look at other industries for ideas when developing new training programs as a

way to have a competitive advantage. Hotels should also develop training programs with its

business objectives, core values and strategic goals in mind. Lastly, to ensure the success of

training programs in the hotel industry, programs should be evaluated regularly to monitor the success of the programs.

This paper is not meant to instruct the hotel industry on how to train their employees but rather to be a guide for the human resources department when developing cost-effective training programs. From the research in the previous section, it is visible that tools and techniques other industries have used, such as the incorporation of e-learning into NetApp's training programs or targeting training for Southwest Airlines' pivotal employees after 9/11, have proven successful in unstable economic situations. Although many of the examples in the literature discussed in the previous sections came from other industries, both Ritz-Carlton and Four Seasons were however able to integrate effective methods, such as Ritz-Carlton's use of ROI to evaluate its training programs and Four Seasons' use of designated trainers to train fellow colleagues within their respective departments. By combining the information from the hotel industry and other industries, specific training programs for the hotel industry could be discussed in detail and developed in another study. In conclusion, training programs can remain successful during a recessionary period even though budgets may have been reduced.

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