

# A Hospitality Training System for Maine

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## Executive Summary

- Frontline employees are unique in their importance to the quality of the tourist experience delivered by a hospitality business
- Training reduces employee turnover and increases employee satisfaction which results in improved visitor satisfaction and reduced operating costs for hospitality businesses
- New distance education technologies create new opportunities to leverage limited instructional resources for providing statewide access to hospitality training for Maine's tourism industry
- A two year development period for a flexible statewide hospitality training program is proposed
  - Initially for customer service training for frontline employees and
  - later expanded to professional development for business managers
  - employing new distance education technologies
  - capitalizing on existing instructional assets in the state, e.g., universities, community colleges, University of Maine Cooperative Extension, SBA, chambers of commerce, etc.
  - requires hiring a coordinator to link these assets as well as
  - manage instructional trials during the 2 years of program development

## Introduction

"The hospitality industry is unique in that employees are considered to be *part of the product*" (Kotler, Bowen & Makens 2009). In small rural communities of Maine hoping to capitalize on tourism economic development, where there may be only one hospitality business, employees in the community hospitality services are an important part of the tourism product delivered by these communities. In that context, failure to deliver satisfactory service experiences can undermine the efforts of whole communities to acquire and retain tourists.

Managing delivery of a service product is inherently more complex than managing a manufacturing business. In the manufacturing context, most of the employees learn a set of narrowly defined, repetitious, mechanical skills required to create a physical product. These are skills that may be fairly easily learned. These employees may never see a customer and may not be challenged in their work. By contrast, in a service context the product is produced by both the service customer and the service

employee working together. This introduces substantial variability in the process, a result of variability in the service customer and in the service employee. The employee must have the innate qualities that lead to the delivery of excellent service outcomes, i.e., courtesy, an attitude of empathy and helpfulness, as well as the training necessary to support successful interaction with customers. Further, the manager of the service business must know how to develop a service culture in his/her firm and inform employees of the products that the firm offers, empowering employees to address all of the needs of the service customer in those moments of truth when service customer and service employee meet, as described by Richard Normann (1984).

In short, both service manager and service employee need continuous training to achieve delivery of consistently high quality service for their businesses. From the perspective of workers, though, there is often little incentive to seek training. Yet, studies have shown that organizations with well developed training programs that create an environment of empowerment and autonomy, produce more benefits for employees than organizations that do not (Alonso & O'Neill, 2009).

Customer satisfaction and retention are a function of employee satisfaction and retention. Many hospitality managers invite a self fulfilling prophecy when they under invest in training for employees and managers because of the high turnover that has historically occurred in the hospitality industry. Failure to invest in employees invites even higher turnover and reduces the number and quality of applicants for vacant service positions. Yet, in Maine and other tourist destinations across the US, the seasonal nature of tourism jobs leads to this kind of short sighted thinking among hospitality managers.

### **The Maine Situation**

Maine has a long history of mainstream tourism along its coast, while offering a more intimate form of tourism product in its interior. The interior of the state is populated with small rural communities. Relatively few have become tourist destinations, though some aspire to that status. While Maine's coastal destinations have enjoyed tourist visitation longer than some parts of the interior of the state, both business communities are mostly characterized by small operations with one or, at most, a few properties to manage. Unlike the small number of larger hospitality businesses in the state, most of the hospitality businesses do not have professionally trained managements or the resources to afford the loss of productive time for employee or manager training. This is particularly problematic for the small rural communities in the interior of Maine. However, hospitality businesses in both coastal and interior locations would likely benefit from having flexible training options available for employees and managers.

This is not to suggest that the training needs in Maine are uniform across the state or fully understood. Interior communities that are new to tourism economic development seem likely to have very different training needs than coastal communities that have a longer history of catering to tourists. Leaders in these communities are also likely to have very different levels of understanding of the value of training, professional development and career development compared to communities where tourism has long been a source of economic development. In those communities a culture of service may have existed for

some time compared to interior communities. The quality of service delivery is therefore, potentially variable in Maine between coastal and interior communities.

What is needed is a statewide network of training options for hospitality businesses in order to support not only the traditional tourist destinations but also the rural communities that would seek economic development via actively encouraging tourism. This will improve the quality of service delivered by businesses in these communities and help improve traveler satisfaction with the tourist experiences delivered both in the interior and on the coast. This will help these businesses and their communities improve their ability to retain customers and become more prosperous in the tourism economy of Maine, while also reducing the cost of employee turnover resulting from low employee moral or lack of satisfaction with the hospitality job.

## **A Systematic Approach to Training**

A systematic approach to hospitality training in Maine will have to respect the working conditions and managerial requirements of the state's small hospitality businesses. It will also have to incorporate existing training assets currently available in the state. These include the University's Cooperative Extension service and its Division of Lifelong Learning. These assets also include the community college system and small business development centers. Included will be the incorporation of training and educational programs offered via Vocational Training, University College, the Department of Labor, the Department of Conservation, the Department of Economic and Community Development, Maine Guides Association, Maine Tourism Association, as well as programs offered by the trade associations in the Maine Tourism Alliance. This will require flexibility in instructional delivery. This approach should also capitalize on the steps in the training process. Nothing quite like this currently exists in any other state. Complete development is an absolute necessity.

## **Our Objectives**

Our objective in submitting this proposal is to fund the development work needed to fully realize the educational products for short term: frontline employee training, and longer term: professional development for current management and management candidates. Our goals for development include:

1. Identifying and training the instructors for the courses considered necessary for both employees and managers
2. Identifying appropriate locations for instructional delivery for both employees and managers
3. Identifying the appropriate instructional delivery mode for employees and managers, e.g. Internet-based synchronous or asynchronous, broadcast or interactive; videoconference or traditional classroom; or hybrid learning model.
4. Identifying the best candidate client organizations for the initial start up of the emerging training program

## **The Training Process**

The proposed instructional development must recognize the training process, including its stages involving recruiting and screening, instructional delivery and evaluation of the outcomes of that instruction. The proposed development must also recognize the need for continuously updating and refreshing trainee skills and knowledge.

### **Recruiting and Screening – Who Should be Trained?**

Currently, most tourism and hospitality training programs accept all employees who have been referred by their managers, preferring to allow the managements of client firms to recruit, screen and select employees for training. Not all managers are equally skilled at this identification. Some managers treat training as a reward and send employees that are already high performers for training when underperforming employees might represent a better training investment. This suggests the need for helping managers identify and select the best employees for training.

Until managers have been trained to identify the best candidates for training in sufficient numbers, they will need help in choosing employees for training. Likewise, managers will have to learn about their own needs for management training. This may require even more aggressive intervention to encourage managers to seek training. The creation of protocols for managers to use to help them select the appropriate employees for training is an example of a challenge to be addressed during program development.

### **Instructional Delivery – How Should they be Trained?**

Grossberg (2000) suggests that effective frontline hospitality employee training occurs on site in the individual's business environment or off site when employer financed. We anticipate the hiring of seasonal employees at different times during the season, making it difficult to convene a single training event for all employees in a business. Similarly the limited budgets of small hospitality businesses will probably not permit many employees from a business to attend training events once the season is underway. We, therefore, anticipate that flexibility in the timing and location of training will be necessary. Central classes may have worked for training in the past, but something more flexible in timing and location may now be needed to avoid the temporary closure of businesses or the potential strain on businesses when severely short staffed during training events. The best place for delivering training for seasonal, front line hospitality workers, e.g., on site at the business, at an offsite location or on the Internet, is an important question to be addressed during the proposed program development.

Another question that is linked to the location question above is the appropriate adoption and application of distance education technology. The enhancements of this technology are so recent that it is unclear how to most effectively apply the new techniques. The best combination of Internet-based synchronous or asynchronous, broadcast or interactive, videoconference or traditional classroom, or hybrid learning is not yet clear. Identifying the optimal combination of live instruction vs. distance instruction is an important need.

There are numerous curricula available for front line training. In this case, selection of the most appropriate for the Maine front line hospitality employee is important. No less important is identification of the appropriate curricula for the managers of Maine's hospitality businesses.

While a systematic approach to training might be developed around the initial training needs of frontline hospitality employees in Maine, eventually more advanced content for both frontline employees and managers should be made available. This kind of continuous training opportunity will permit employees to advance to management and managers to advance to top level management and even ownership.

### **Evaluation – Confirming Efficacy**

Evaluation is necessary for 3 reasons:

1. to determine if the training is efficacious in improving hospitality experiences, as well as
2. to determine if the training is efficacious in reducing employee turnover and related business costs, and
3. to determine how to enhance the efficacy of the training delivered.

This evaluation should not be limited to frontline employees, but should also reflect advancements resulting from management training. Ultimately, evaluation will also provide valuable evidence that will help maintain support for the program and its expansion.

Important measurements for supporting future training efforts would include the impact of the training delivered by this initiative on employee satisfaction and retention, customer satisfaction and retention, as well as financial performance like revenue enhancements. To be able to attribute improvements in these indicators to the training efforts, an experimental research design is necessary. Comparable in design to the placebo tests conducted by the CDC and other organizations to determine the efficacy of new drug therapies, this research should collect data from firms that have received training and those that have not. There is more detail on the evaluation of training to follow.

### **Markets for Training by Skills Needed**

There are 3 types of training that will eventually be required for supporting an improved tourism work force. These include: 1) short term training for skills needed by frontline hospitality employees to be immediately successful in their jobs, presumably customer service training; 2) longer term training to address professional development needs of managers and employees, as well as 3) training that will lead to career development. The latter implies the need for traditional higher educational products like Associate and Bachelor's Degrees in Tourism and Hospitality. The development of degree programs is the domain of the state's colleges and universities and is not addressed in this proposal.

### **Evaluation and Sustainability**

In order to sustain the resulting system of training assets and processes, performance evaluation is a necessity **during** the development of the resulting training program, particularly in the current economic and legislative environment. Evidence of the efficacy of the resulting training will be needed to gain

continued financial support for the future Maine Tourism Training Initiative. CentRO will provide data collection, analysis and reporting services.

### **Performance Evaluation**

Performance evaluation should reflect the perspectives of the stakeholders in and beneficiaries of the training. There is financial performance, a concern for property managers and owners. Add to that enhanced employee confidence. Visitors also have a stake. So performance evaluation should include management, employee and visitor assessments.

### **Measurements**

Studies of evaluation methods used by US companies show, “that most companies measure the impact of training by considering workers’ reactions to the training, workers’ learning from the training, or the impact of training on workers’ behavior” (Bartel, 2000, p. 515). Other benefits realized by organizations investing in training include increased satisfaction by employee, customer, and owner or shareholder along with more sales per employee (Alonso & O’Neill, 2009). Effective evaluation must go further and examine the total package of possible benefits, over time. This should include “hard” and “soft” measures that examine the full spectrum of benefits realized; financial, profitability, turnover, performance, job satisfaction, customer satisfaction, impact on retention, etc.

An experimental design is necessary to isolate the training program as the probable cause of improvements in these measurements. Experimental research design means being able to collect data from businesses that have received training and businesses that have not. It also means measuring performance before training has been administered and afterwards. This creates a pre-post with test and control experimental design, one of the most robust designs.

### **Sustaining the Program**

Maine’s State Government will support the fully developed program for statewide introduction and ongoing funding for Maine’s hospitality and tourism industry.

### **Budget**

The budget will have to cover the salary and benefits of a full time coordinator to manage the development process over 2 years, as well as the cost of support for travel and communication, though not the cost of an on campus office. It will also cover the cost of salary and benefits for a researcher to administer the evaluation research identified above. Lastly, the budget will include access to the services of the University of Maine’s distance learning assets, i.e., personnel, software and hardware, including technical support for the distance educational programming that we will develop.

### **Coordinator**

This effort will require a full time coordinator to set up and organize a set of training events that will feature different instructional delivery modes. This should be a person who is recognized by Maine’s hospitality and tourism industry as a leader in training for the industry, a person with broad and deep experience in the tourism and hospitality industry in Maine. Someone like a former CVB director would

be ideal for this position. We propose hiring this person for a period of 2 years to take on the responsibility for program trials and development.

At the end of the 2 year development period, this person will assume the role of manager of the resulting training, professional development and career development programs. This will have to be a professional position overseeing a statewide network of training options for hospitality businesses in order to support Maine's tourist destinations.

We believe that the best home for the position would be the University of Maine System Center for Tourism Research and Outreach (CentRO), but that is also subject to verification during the development period. Key considerations in choosing the eventual location of this position include ease of access to industry and academe, availability of a support system for accessing grant money, infrastructure to facilitate documentation, as well as access to technical support for developing distance instructional capabilities.

### **Researcher**

The measurements required for documenting the efficacy of the proposed training program will require a dedicated researcher with at least a masters level educational background. This should be someone who can operate autonomously to work with researchers at the University of Maine System campuses to design and deliver measurement systems for evaluating the proposed training program. The responsibilities of this individual would include the development and administration of measurement instruments (e.g., questionnaires) and the experimental designs within which those instruments would be administered.

### **Use of Distance Learning Technologies**

It will be necessary to involve the University of Maine's Division of Lifelong Learning which includes the University's Distance Education Department to help set up and support instruction delivered by different distance education technologies. The budget will provide for sufficient support from the Division of Lifelong Learning for the development and testing of basic programming for at least 2 short courses for on-line delivery over 2 years.

### **Caveat**

As written, the proposed training program assumes a fully functioning Center for Tourism Research and Outreach (CentRO). CentRO's role would be to link the coordinator and researcher for the proposed program to the resources of the University of Maine System, including distance education technology and research resources like Qualtrics on line survey administration tool.

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