

EMPLOYMENT AND HUMAN CAPITAL IN THE GREEK HOTEL INDUSTRY

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Abstract

Tourism can have significant impacts on employment in tourist destinations. It must be also noted that the human capital in the tourism sector, and more specifically in hotels, constitutes a basic factor of quality. The effectiveness of service in the Hotel industry is often linked with the sufficient number of hotel personnel, their individual qualities and efficient Human resources management. The development of the hotel industry in Greece and the resulted employment and characteristics of the human resources in relationship to the hotel classification are presented in the present paper.

The paper presents and compares studies and statistical data related to employment and the human capital in the hotel industry in Greece. Several studies in the last years dealt with the volume and the characteristics of employment in the hotel enterprises in Greece. These studies show that the indicator “employee per bed”, as well as the educational level of the employees, are directly related to the category classification of the hotels. Furthermore the employment in the hotel sector in Greece is calculated at 3.2% of total employment, while the employment in the tourism sector is estimated at 10% of the labor force in Greece. The paper concludes with proposals regarding the employment of personnel in the Greek hotel industry.

Keywords: Tourism, Hotel, Employment, Human resources, Indicators, Greece

JEL classification: J21, J24, E24, L26

1. The Human resources in Tourism

Tourism can be a basic economic sector or an export activity for countries such as Greece. Consequently, it stimulates the regional and the national economy. The impact of Tourism on income and employment can be assessed in direct, indirect and induced effects (Vanhove, 1981). Already in the 1980s and 1990s, it was realized that tourism occupies in an international level significant economic importance, especially in the field of employment and income. The conference on “Human Capital in the Tourism Industry of the Twenty-First Century” in 1996 led to some interesting perspectives (among others): that tourism is growing at a faster pace than the world economy; that no other economic activity appears to surpass tourism’s capacity for generating income and jobs; urges all stakeholders to give the highest priority to the development of human resources; acknowledges that education and training provides the foundation underlying the development of the tourism profession; (Eduardo Fayos-Sola & Jafar Jafari, 1996).

Tourism enterprises provide mostly services and thus create large human resource needs. Tourism offers a diversity of jobs in a variety of operations of varied sizes and types (Szivas, Riley, & Airey, 2003). The hotel industry is one of the most important sectors in the tourism industry. A hotel enterprise includes several elements, such as the region and location of establishment, the building facilities, the services provided, the image and the price. These five elements are interrelated and constitute integral parts of an entirety, of the total enterprising idea of hotel (Medlik, 1994). The hotels constitute enterprises that provide services and the personnel of the companies constitute the more important capital of the enterprises. The creativity of the personnel, the ability and their work, moves the company. (James A.F. Stoner & R. Edward Freeman, 1989). The personnel can give a company the

competitive advantage with their abilities and performance (KPMG, 2005). The success of a company is owed to the Human capital that it allocates and also to the relations between the executives of the company. Researches have indicated that in service organisations quality improvement must focus on the selection, training, and compensation of employees. (Lovell, 1985; Sheng-Hsiung Tsaur & Yi-Chun Lin, 2004)

The quality of services provided and resulting customer satisfaction depends to a large degree on the personnel providing the services (Becker & Wellins 1990, Brady at all 2002, Gowan at all). The human resources, no matter what the type or size of the organization may be, play a decisive and fundamental role in the well-being of each company. Especially in service-related organizations guest satisfaction is also based on intangible elements. The personnel themselves are responsible for making a guest's experience very pleasurable and the best ever. Even academic research on hospitality shows that the main focus on this particular industry is on customer service. Therefore, in order to reach excellence in the hospitality industry, the basic aim should be to organize the business in such a way, that guest satisfaction and commitment will be achieved. The basic step for doing that is through employment. Employment is a big issue in the service sectors, as the effectiveness of service organizations is often linked with the individual qualities of their employees (Lockyer & Scholarios, 2004).

Research in tourism's human resources has been generally undertaken from two broad perspectives: human resources requirements (industry's staffing needs) and employment impact studies (Elkin & Roberts, 1994). That means, those human resources issues in travel and tourism have been principally concerned with the quality of tourism personnel at the micro-level and tourism employment effects at the macro-level. Abby Liua, Geoffrey Wallb (2006). Tourism human resource studies (or merely tourism employment impact assessments) are generally a reflection of the manifestations of tourism as a stimulus for economic growth. (Abby Liua & Geoffrey Wallb, 2006).

2. Characteristics of the Hotel Industry in Greece

2.1. The growth of the hotel Capacity

Since the 1960s, the growth of the hotel industry in Greece has been rapid due to an increase in the arrival of foreign travelers to Greece. This growth was further boosted in the 1970s and 1980s after a rise in package tours and charter flights to Greece. In 1960, only 1,800 hotel units were operating in Greece with a capacity of 53,236 beds. By 1980, the number of hotel beds had increased five-fold to 252,542 beds. This expansion continued for the next three decades at a slower rate, resulting in 771,271 beds in 9,670 hotel units operating by the end of 2013.

Comparing the development of hotel units and hotel beds and the growth of tourist arrivals, it is observed that the development of beds in the last 50 years was 3 times greater than the increase in hotels, while the increase of arrivals was proportionately far greater.

Table 1: The growth of the Hotel industry and tourist arrivals in Greece, since 1960.

Year	Hotel Units	Growth of Hotel units	Hotel Beds	Growth of Hotel Beds	Arrivals of foreigner Travelers in Greece (in 000)	Growth of tourist arrivals
1960	1.800	100	53.236	100	399	100
1970	2.422	135	118.859	223	1.609	403
1980	3.313	184	252.542	474	5.271	1321
1990	6.423	357	423.660	796	8.873	2224
2000	8.025	446	591.652	1111	13.095	3282
2010	9732	541	763407	1434	15.007	3761
2013	9677	538	773445	1453	17.800*	4461

(*) Estimations

Source: Association of Greek Tourism Enterprises (2013) Hellenic Chamber of Hotels (2014) and EL.STAT. (2014a)

2.2. Regional distribution of the Hotel industry in Greece

The regional distribution of hotel capacity in Greece is interesting. According to the statistical data (Table 2) 60.6% of hotel capacity in Greece is located on the Greek islands. The majority of hotels are found in the most dominant and popular tourist destinations such as Crete and the Dodecanese Islands, while on the mainland, the majority of hotel beds are to be found in Athens (in Central Greece) and Thessaloniki (in Macedonia).

Table 2: Regional distribution of Hotels and bed capacity in Greece in 2013

Region	Hotels	Distribution	Beds	Distribution
Dodecanese	1040	10.75%	143864	18.60%
Epirus	380	3.93%	15228	1.97%
Thessaly	573	5.92%	28523	3.69%
Thrace	107	1.11%	6956	0.90%
Central Greece	1267	13.09%	91815	11.87%
Crete	1540	15.91%	166370	21.51%
Cycladic Islands	1033	10.67%	48962	6.33%
Macedonia	1586	16.39%	106408	13.76%
Aegean islands	395	4.08%	22273	2.88%
Ionian Islands	916	9.47%	89917	11.63%
Peloponnesus	840	8.68%	53129	6.87%
Total	9677	100.00%	773445	100.00%

Source: Hellenic Chamber of Hotels (2014)

2.3. The hotel capacity per hotel classification

In Greece, according to Act 43/2002 (FEK 43/A/7.3.2002), as was modified with Article 16 of Act 3190/2003 (FEK 249/A/30-10-03), a new system of classification of hotels was established. This classifies hotels according to a star system (from 1 star up to 5 stars maximum) and is based on a complex system that takes into consideration a great number of parameters (Hatzinikolaou E. 2002).

Table 3: Hotel and bed capacities per Hotel classification in Greece

Year	Hotel classification					Total
	5 stars	4 stars	3 stars	2 stars	1 star	
1980 hotels	37	192	432	1305	1347	3313
<i>Beds</i>	<i>16031</i>	<i>58470</i>	<i>63590</i>	<i>76659</i>	<i>37792</i>	<i>252542</i>
1990 hotels	45	470	1571	2722	1615	6423
<i>Beds</i>	<i>20231</i>	<i>94293</i>	<i>122269</i>	<i>140662</i>	<i>46205</i>	<i>423660</i>
2000 hotels	83	792	1499	4027	1672	8073
<i>Beds</i>	<i>36117</i>	<i>149782</i>	<i>145097</i>	<i>209414</i>	<i>53580</i>	<i>593990</i>
2010 hotels	312	1234	2268	4349	1569	9732
<i>Beds</i>	<i>102429</i>	<i>196862</i>	<i>177923</i>	<i>230358</i>	<i>55835</i>	<i>763407</i>
2013 hotels	361	1277	2358	4203	1478	9677
<i>Beds</i>	<i>117555</i>	<i>194010</i>	<i>183722</i>	<i>223932</i>	<i>55226</i>	<i>773445</i>
<i>Capacity 1980-2013</i>	<i>733%</i>	<i>332%</i>	<i>289%</i>	<i>292%</i>	<i>143%</i>	<i>306%</i>

Source: EL.STAT (2013a) and Hellenic Chamber of Hotels (2014)

As for the hotel categories, a continual growth is noted in the number of hotel as well as the bed capacity in all categories. This growth is more evident in the higher categories. More specifically, the increase in beds in 5-star hotels during the period of 1980-2013 was 733%. The corresponding increase was 332% in 4-star hotels, 289% in 3-star hotels, and 143% in 1-star hotels. The above data indicates that a qualitative upgrade of the hotel infrastructure in Greece has been recorded in recent decades. The growth at the lower categories appears

during the decades 1980-1990 while in 5 and 4-star hotels the increase is more obvious during the period 1990 up today. As a result of the above developments, there was a gradual increase in the number of 5-star hotels to 15.2% and a significant decrease in 1-star hotels to 7.0%. At present 4 and 5-star hotels comprise 40.3% of hotel bed capacity.

Table 4: Hotel capacity per category classification in Greece.

Hotel Category	1980	1990	2000	2010	2012
5 stars	6.3%	4.8%	6.1%	13.4%	15.2%
4 stars	23.2%	22.3%	25.2%	25.8%	25.1%
3 stars	25.2%	28.9%	24.4%	23.3%	23.8%
2 stars	30.4%	33.2%	35.3%	30.2%	29.2%
1 star	15.0%	10.9%	9.0%	7.3%	7.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0

Source: Calculated data from EL.STAT (2014a).

2.4. Size of the Hotel enterprises

The data concerning the hotel size in relation to the hotel category, demonstrates that in the higher hotel categories the capacity is larger. In 2013 the average bed capacity in 5-star hotels was 326 beds, in 4-star 152 beds, in 3-star 78 beds, while in 2 and 1-star hotels the capacity was usually lower than 50 beds due to the small size of hotel enterprises.

From the 1980s to the present, the average bed capacity has remained stable at about 80 beds, regardless of minor fluctuations evident in some years. It should be noted that the average capacity of 3, 4 and 5-star hotels has gradually decreased. One possible interpretation of this fact may be that hotels no longer adhere to the 80s model which demanded large hotel complexes. On the contrary, 3, 4 and 5-star hotel units which are presently being constructed are smaller in capacity and take into consideration the environmental and cultural characteristic of Greece.

Table 5: Bed capacity of hotels per hotel category in Greece.

Hotel Category	Bed/ Hotel 1980	Bed/ Hotel 1990	Bed/ Hotel 2000	Bed/Hotel 2010	Bed/ Hotel 2013
5 stars	433	450	435	328	326
4 stars	304	201	189	160	152
3 stars	147	78	97	78	78
2 stars	59	52	52	53	53
1 star	28	29	32	36	37
1-5 stars	76.2	65.9	73.7	78.5	79.9

Source: Calculated data from SETE (2013) and Hellenic Chamber of Hotels (2014)

3. Employment in the Greek Hotel Industry

A direct impact of tourism development is the increase of employment in the enterprises that support tourism. The hotel industry employs a large number of the total employees in tourism. Employment in the hotel industry in Greece shows many particularities due to the seasonality of employment in resort hotels. The seasonality of the businesses poses difficulties for both, the employees and the hotel enterprises. Taking into consideration that most hotel units are located in regions with natural resources which are however not very well-developed, finding a large number of employees which are also specialized for only a limited period of time is very challenging. Therefore, hotel enterprises need to provide incentives such as high salaries, bonuses, free accommodation and board to attract potential employees.

According to the data of the Hellenic Statistical Authority (El.Stat., 2014b), the number of employees in the hotel and restaurant–catering sectors in Greece was (in 2012) 275,100, or 7.25% of the total employment in Greece. Even in the period 2008-2012 the employment in this sector fell about 8.9%, the employment in the Hotel – restaurant sector increased from 6.91% to 7.25% of the total employment in Greece, showing the importance of the tourism in the Greek economy. Considering that the unemployment rate in the period 2008-2012 was tripled and reached 23.6%, the economic crisis had smaller effects in the Tourism sector.

The seasonality of the employment in the hospitality sector is another characteristic of tourism in Greece. The difference between the 1st year quarter and the 3rd year quarter which can be seen in the table 6, is about 15% to 24% of the total employees in the sector. The fact that since the beginning of 2000 until 2012 there is a gradual decrease of seasonality in the employment is interesting.

Table 6: Employment in the Hotel and Restaurant sector in Greece.

Year	2000	2002	2004	2006	2008	2010	2012
1 st Quarter	235.1	248.2	240.5	273.0	288.2	288.0	258.2
2 nd Quarter	272.8	293.9	279.6	300.9	325.5	302.2	275.1
3 rd Quarter	289.0	306.3	298.0	324.4	339.5	333.4	296.0
4 th Quarter	265.0	278.8	278.8	297.4	307.1	296.7	262.3
Mean	265.5	281.8	274.2	298.9	315.1	302.2	275.1
% to the employment in Greece	6.49%	6.75%	6.36%	6.71%	6.91%	6.83%	7.25%
Difference 1 st & 3 rd Quarter	53.9	58.1	57.5	51.4	51.3	45.4	37.8
Difference in %	22.93%	23.41%	23.91%	18.83%	17.80%	15,76%	14.64%
Unemployment	11.0	10.2	10.4	8.8	7.2	11.8	23.6

Source: Calculated based on El.Stat., (2014b) and El.Stat., (2013)

According to Vorlow, (2007), 5-star hotels have the most seasonal employees at a rate of 27.3%, 4-star hotel have 14.3%, 3-star hotels have 13.5%, 2-star hotels have 7.3% and finally 1-star hotels have 10.4%. Of the total number of seasonal employees, 4-star hotels account for 40.3% of seasonal employees, 5-star hotels 8.2%, 3-star hotels 12.8% and 2-star hotels 10.1%.

Apart from the difficulties in finding the necessary number trained employees, the personnel cost in a service providing enterprise is proportionally very high in relation to its total costs. Consequently, hotels need to hire the required personnel at the lowest possible cost. In Greece, one solution to this problem is to hire a large number of trainees from Greece or abroad doing their vocational placement training. Alternatively, unskilled foreign employees from other Balkan or East European countries are hired at a low cost.

According to a recent survey of the Association of Greek Tourism Enterprises (Zacharatos, 2013) the percentage of foreign employees in hotels in Greece amounts to about 21.42% (August 2012). The highest rates of employment of foreign employees appear in the regions of Cyclades and Dodecanese with 33.1% and the smallest percentage appears in the regions of Thessaly and Epirus with only 13%. From this data it is evident that the regions of Greece that record high incoming seasonal tourism have the highest rate of employment of foreign employees. In contrast, regions with a low seasonality and minor tourism development have a low rate of employment of foreign employees.

3.1. Surveys about the employment in the Hotel industry in Greece

The employment in the Greek Hotel industry and in the Tourism market in general, attracts great economic interest. In the last decade several studies have been conducted on this topic. The most significant are presented below.

Research by the Aegean University in 2001 for the Association of Greek Tourism Enterprises (SETE, 2003) found that employment created by hotel enterprises ranges from 0.315 to 0.080 employees per hotel bed on the hotel category (table 7). According to the data below in year 2000 the employment in the hotel industry represented one employee for 6.13 hotel beds. However, it should be noted that the particular study took place when an older classification applied in Greece (before 2003) and 6 hotel categories existed.

Table 7: Employment Indicators in Hotels in Greece in the year 2000.

Hotel Category	Indicator (E/B) Employees/Bed
Lux	0.315
A	0.195
B	0.17
C	0.13
D	0.08
E	0.08
L to E	Mean 0.163

Source: SETE, (2003).

In another study conducted in 2006 (Vorlow, 2007) investigating the total number of employees in hotel enterprises, on average, there were 18 employees per business. On average, 5-star hotel units had 142 employees, 4-star hotels had 55 and 3-star hotels had 20. Despite the fact that there are a greater number of 2-star hotels, they averaged only 9 employees per enterprise. Finally, 1-star hotels averaged 5 employees per business (table 8). Estimating the employment per bed, shows a very high indicator of 0.236 employees per bed.

Table 8: Employment Indicators in Hotels in Greece in the year 2006

Hotel category	Employees per hotel	Indicator Employees/Bed(*)
5 stars	142 / Hotel	0.385
4 stars	55 / Hotel	0.294
3 stars	20 / Hotel	0.221
2 stars	9 / Hotel	0.173
1 star	5 / Hotel	0.146
5 to 1 stars	18 employees per hotel	0.236

Source: Vorlow (2007) and own calculations (*)

According to the results of a study conducted in the year 2008, in a sample of 140 hotels (2 to 5-star), the number of employee per bed in the Hotel enterprises was 0.181 (Velissariou & Krikeli 2008). The difference from findings of previous research (0.163) is due to the fact that Velissariou & Krikeli did not include small, 1-star hotels in the study, which show a lower indicator (employees/bed).

The Indicator Employee/Bed was 0.391 in 5-star hotels, 0.267 in 4-star hotels and 0.161 in 3-star hotels, whereas in 2-star hotels, it dropped to 0.139 (see table 9). This indicates that as the category decreases, the indicator in the relation of employee/bed decreases as well, while the average in all categories of hotels is 0.181 employees per bed, or 5.53 beds per employee.

Table 9: Employment Indicators in Hotels in Greece in the year 2008.

Hotel category	Indicator (B/E)	Indicator (E/B)
	Bed / Employee	Employee/Bed
5 stars	2.56	0.391
4 stars	3.74	0.267
3 stars	6.19	0.161
2 stars	7.15	0.139
5 to 2 stars	5.53	0.181

Source: Velissariou, Krikeli (2008).

In a recent study (Zacharatos, 2013) conducted by the Research Institute for Tourism, in the year 2012 in 1204 hotels, showed that employment in the month of May 2012 amounted to 94.360 and in the month of August to 119.920. In particular, the survey showed an average employment of 0.28 employees per Hotel room (in May) and 0.35 employees per hotel room in the month of August. Specifically, the average employment per room and Hotel classification are given in table no 10. Adjusting the survey results to employees per bed results an indicator of 0.182. This indicator is similar to the results of the study of Velissariou & Krikeli (2008).

Table 10: Employment Indicators in Hotels in Greece, in the year 2012.

Hotel category	Employees per room in Mai	Employees per room in August	Employees per bed in August*
5stars	0.51	0.62	0.306
4 stars	0.31	0.38	0.197
3 stars	0.19	0.24	0.125
2 stars	0.13	0.18	0.096
1 star	0.09	0.13	0.067
Average	0.28	0.35	0.182

Source: Zacharatos (2013) and own calculations*

In table 11 the results of the four studies mentioned above are presented.

Table 11: Comparison of the Employment indicators in Greece.

Hotel category	Conducted by and Year of research			
	SETE 2000	Vorlov 2006	Velissariou & Krikeli 2008	Zacharatos 2012
5 stars	0.315	0.385	0.391	0.306
4 stars	0.195	0.294	0.267	0.197
3 stars	0.17	0.221	0.161	0.125
2 stars	0.13	0.173	0.139	0.096
1 star	0.08(*)	0.146	--	0.067
1 to 5	0.163	0.236	0.181	0.182

(*) D & E category, according the old classification type

Comparing the results of the four surveys above, it is noted that the employment indicator per bed in hotels in Greece remains approximately constant at 0.18.

On the other hand the indicator of employment in each hotel category has decreased. For example, while in the mid-2000s in 5 star hotels the employment indicator was between 0.38

and 0.39, in the year 2012 the indicator fell to 0.306. A similar decline was also recorded in the other hotel categories. The employment, however, was not reduced because the rate of 5 and 4 stars hotels increased throughout Greece. Those hotel categories show higher employment rates and this affects the total employment in the hotels at a greater degree.

According to the employment indicator above (0.18) can be calculated indirectly, but with great precision the size of employment in hotels in Greece. In particular, it can be estimated that in the year 2013 the total employment in hotels in Greece amounts to 139,220 employees (773,445 beds X 0.18), or 3.8% of total employment in Greece (data for August 2013). When taking into consideration the data from the SETE (2003) study that hotel employees represent only 37.9% of the employees in the tourism industry in Greece, then the total number of people employed directly in tourism should amount to 367,335 employees or 10.0% of employment in Greece.

The Foundation for Economic and Industrial Research in Greece (IOBE, 2012) estimates the direct and indirect employment in the Tourism Sector in Greece at 446 thousand work places in the year 2010. The direct employees in the tourism sector are about 320 thousands and the indirect employees are about 126 thousand. The direct employees represent about 8% of the employment in Greece (IOBE, 2012). It should be noted that between the years 2010 and 2013, employment in the tourism sector has increased compared to other sectors of the economy, because it is influenced to a lesser degree by the economic recession in Greece. On the other hand it should be underlined that the percentage of 10% employment in Tourism applies to the maximum of employment, during the month of August. Due to the seasonality the employment rate can be decreased by 15% to 24%, as presented in the table 6.

3.2. Educational level of the Hotel employment

Obviously, the hotel industry plays an important role in the domestic economy, offering a great number of Employment positions in Greece. According to the World Tourism Organization, based on the Travel and Tourism Competitiveness index, despite the fact that Greece is in the 24th place worldwide among 133 countries, it is only 44th in the area of "Human resources" and 53rd in the area of "Education and Training", due to the lack of specialized personnel 41st in the "Availability of qualified labor" (World Economic Forum, 2009). The plethora of small hotel units in Greece which function fundamentally as family-run businesses serves as obstacle in the hiring of highly educated personnel in services as well as in administration. Moreover, pressure rising from an increased demand in the Greek tourism industry in turn results in a demand for improved quality in hotel units. The professionalism and education of the personnel acts as a link between effective-quality service, professionalism and profit in the field. Although the number of people employed in the tourism industry in Greece is quite high, the education background of these employees is low. This is due to the seasonal nature of employment in tourism. It should be noted that Greece is a tourist destination mainly for summer holidays. The fundamental problem among seasonal employees is their lack of education/training in tourism. This is 'covered' by the support of well-trained personnel which makes up the core staff and is that which defines the overall quality of services provided in tourism

According to Velissariou & Krikeli (2008), table 12 clearly shows that as expected, the education level of personnel in the upper Hotel categories is higher. For example in 5-star hotels the employees with a university degree or a post graduate degree represent 30.82% of all personnel. On the contrary in 2 stars hotels the corresponding percentage is only 18.42%. In general the employees' educational level in total is very low. Employees with only a Secondary School (Lyceum) diploma or with "obligatory education" represent a total of 62.3% of the overall hotel personnel in Greece. Only 20.35% of the employees in the Greek hotel industry have a university degree or a postgraduate degree. It is also interesting to note that seasonal employees in hotels have a lower level of education in comparison with employees in hotels in general. The employees without technical or scientific education represent 67.4% of the personnel in the seasonal operating Hotels.

The hotels are trying to correct the low educational level with the realization of continuing training programs. According to Velissariou & Krikeli (2008) the majority of 5-star hotels, at a rate of 95.5% and the 4 and 3-star hotels at a rate of 75% realised training programs for the hotel personnel. On the contrary, a high percentage of 2-star hotels did not provide any

training programs nor did they participate in training programs at other institutions. It's quite interesting to mention that 59.1% of 5 star hotels provide training programs for their new personnel, while in 4 star hotels the percentage goes up to 32.6% and in the 3 star hotels it reaches 2.3%, while in 2 star hotels only 7.89% of new staff takes training on the job.

The study of the Foundation for Economic and Industrial Research in Greece (IOBE, 2012) presented similar results about the educational level of the hotel employees. According to this study, the majority (45%) of employees in the accommodation services in Greece are graduates of secondary education. The graduates of higher education make up only 16% of employees. This percentage is very low, considering that in all sectors of the Greek Economy this figure stands at 26%. According to the Foundation, the seasonality in the tourism industry in Greece and the (usually) small size of hotel units turn part of the human capital with higher level of education to professions outside the tourist market.

Table 12: Educational level of personnel in Hotels in Greece

Hotel category	Educational level of the employees					
	Post graduate	University degree	Technical school	Secondary School (Lyceum)	Basic education	Basic + Lyceum
5 stars	2.33%	28.49%	26.37%	24.95%	17.86%	42.81%
4 stars	1.76%	18.86%	21.76%	33.76%	23.87%	57.63%
3 stars	1.58%	17.54%	16.08%	42.02%	22.78%	64.80%
2 stars	1.17%	17.25%	12.87%	46.49%	22.22%	68.7%
5 to 2	1.55%	18.80%	17.40%	39.84%	22.42%	62.26%
Seasonal hotels	1.52%	14.19%	16.88%	37.97%	29.44%	67.41%

Source: Velissariou & Krikeli (2008).

The research about "Greek Hotel Employees' Education Level and Company Performance" conducted in 2006 in Greece (Vorlow, 2007), came to better results (table 13). This research has especially shown, that the employees with basic education, or with a Lyceum degree, represents about 59.1%. Employees with a Postgraduate degree (Ph.D. or Master) or a university degree in Tourism represents about 20.7% of the personnel in hotels. This research has also shown, that in the upper hotel categories, the educational level of the employees is higher.

Table 13: Educational level of hotel personnel according to hotel category

Educational level	Hotel classification					In total
	1 star	2 stars	3 stars	4 stars	5 stars	
Postgraduate (PhD or Master degree)	0.0	1.1	1.4	2.6	3.0	8.1
University degree in Tourism	0.1	2.5	2.7	4.2	3.0	12.6
Other University degree	0.1	1.1	0.8	1.9	0.8	4.7
Technical school in Tourism	0.3	2.0	2.2	5.5	2.9	12.8
Other Technical school	0.0	0.4	0.7	1.2	0.4	2.6
Secondary school (Lyceum)	3.1	12.7	9.5	12.1	3.5	40.9
Basic education	0.9	4.7	4.7	6.6	1.2	18.2
	4.6	24.4	22.1	34.2	14.8	100.00

Source: Vorlow C. (2007)

On average, enterprises with a high number of degree holders should also have higher functional costs. Nevertheless, this is not evident in the hotel industry in Greece. There isn't

much difference in the functional costs as a percentage of turnovers. Moreover, units employing more tertiary education graduates show slightly lower functioning costs in relation to their turnover than those employing mainly primary and secondary school graduates. Therefore, employing highly educated staff does not also entail higher functioning costs relative to the unit's turnover. On the contrary, on average, it positively relates to higher turnover (Vorlow, 2007).

4. Conclusions

In the Greek hotel industry, the Indicator employees per bed and their education level constitute basic parameters defining the quality of services provided. The development of tourism in Greece has led to an abundant supply of hotels, which vary significantly in terms of personnel, depending on their category. The main conclusions are:

- Since 1960, the hotel industry in Greece has a continuing growth reaching a capacity of 773 thousand beds.
- Since 1980 there has been a significant increase in 4 and 5-star hotels representing the 40.3% of the Hotel capacity.
- At the same period a reduction in the average size of these hotels at 70 beds per Hotel was recorded.
- The higher hotel categories show a significant greater bed capacity reaching 326 beds on average in the 5 star Hotel category.
- The Islands of Greece concentrate about the 60% of the Hotel capacity in Greece.
- According to several studies, the number of employees per bed amounts to about 0.18. Among the hotel categories, the Indicator employment per bed varies significantly.
- The Hotel industry in Greece concentrates about 3.2% of the total employment in Greece.
- The educational level of personnel in hotel enterprises is very low, with about 60% of employees having only basic education or secondary degree and only 16-20% having a university degree.
- The education level is lower in seasonally operating hotels.
- Continuing education is evident in the majority of 5-star hotels (95.5%). On the contrary, a high percentage (26%) of 3 and 4-star hotels do not provide any educational programs.

5. Proposals for the Human Resource management

The personnel in hotel enterprises make up the most important "capital" in its development. The success of an enterprise depends on its human "capital" and their relationship with management. Human resource management in hotel accommodation therefore must follow the next guidelines:

1. Ensure that people educated and experienced in the hotel and tourism sector are hired.
2. The Indicator of employees per bed should be high and not less than 0.3 in the upper categories and 0.1 in the lower categories.
3. The hotel should provide opportunities to the employees for skill improvement and development, while satisfying the needs of the employees.
4. The hotel must provide training programs for newly recruited employees and also for the existing personnel due to advances in technology and changes in the services provided as well as in the customers' preferences, etc.
5. The hotels should give priority to the rehiring of seasonal employees.
6. Good communication between personnel and management should be strived for so as to create a harmonic relationship between them.

7. It should make its personnel feel important as it is the most significant asset the hotel has.

In conclusion, the future of the Greek hotel industry and the Greek tourism economy in general is related to the improvement in quality of hotel services. This will in turn lead to an improvement in competitiveness and will depend on its human resources. More specifically, it will depend on their number, education level and experience.

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