

Dr. István Zsombor Hágén PhD. – Sándor Keresztes

Performance Factors in the Hospitality Sector in Austria

SUMMARY

In most countries of Europe, but in terms of the research target area, – Austria – it can definitely be stated that the lack of skilled labor is a current and not negligible problem. Based on the experience of the past years, it is increasingly difficult to find a reliable, loyal employee who performs his profession at an appropriate level. In the case of foreign workers, inadequate knowledge of the German language causes additional difficulties for both employees and employers. My goal is to define a performance measurement system for manual workers, during which manual workers will be able to give the best of their knowledge, exceed expectations, and also become interested in the implementation of the employer's vision and business plans, so that their personal development is also ensured. This results in a cooperation during which the organization will be able to achieve the greatest possible efficiency with the existing number of employees. This alleviates the ever-increasing shortage of skilled labor.

Keywords: performance, efficiency, catering industry, controlling

Jel-code: M20

INTRODUCTION

As a result of economic and social changes at the global level, the management of human resources plays an increasingly important role. The intellectual capital of employees is one of the key determinants of competitiveness. In light of this, the measurement and controlling of human resources has become essential in the 21st century.

Based on the measurable results, we can evaluate the performance of the employees and optimize the work processes. What cannot be measured cannot or is difficult to manage. Quantifying human resources is a difficult and complex task. According to evaluation approaches based on various financial and non-financial indicators, the current state of human resources determines the company's future performance, and its state contributes to the development of the company's values. A well-functioning HR controlling system supports corporate decision-making. In relation to the topic, one of the most relevant approaches (Kökényesi – Andriská, 2002) is that it considers the degree of achievement of goals as effectiveness. (Erdei, 1976), on the other hand, uses it as a collective term in which it compresses 3 indicators: productivity, efficiency, profitability. Productivity is output per unit of applied input (Dancs – Molnár, 1997).

During the 1990s, the determination of efficiency became a corporate priority in the EU countries, but also worldwide. According to generally accepted definitions, organizations can increase their efficiency either by increasing their output with constant input, or by keeping the level of output unchanged with

decreasing input. During efficiency analyses, the efficiency rate is determined by taking into account an input factor. This indicator determines how efficiently the organization or company uses a certain production factor (input) to achieve a result (output) that is valuable for the company or organization. According to (Kaplan – Atkinson, 2003), one of the biggest problems with result-based efficiency indicators is that the majority of people do not think about the organization based on profits. It is much more natural and simple to characterize their activities with physical units (such as the number of products completed during one shift). But there are other efficiency indicators that do not include a financial element. For example, quality yield is the number of defective products divided by the total number of products. However, many efficiency measures contain financial data either in their numerator or in their denominator and thus become a financial performance measure.

Kaplan recommends the following efficiency indicator to measure labor efficiency: Labor efficiency = Cost of labor budgeted for products issued / Actual labor cost

(Bódi et.al.1985) mention the labor productivity indicator. However, this indicator only expresses the degree of human efficiency, so in its more general, broader use, it is rather categorized as economic efficiency.

Overall, it can be concluded that most authors interpret efficiency as a ratio of results and expenditures. To define profitability as an indicator, we must first define what we consider income. Individual authors also interpret these concepts quite differently.

According to (Széles, 1990): „Income is a collective term for economic results expressed in money, which appear as the difference between the production value or sales revenue and the production cost – not specifically defined.” (Tóth, 1996) interprets the concept of profit similarly to Széles. According to its definition, „a company's profit is the difference between the sales revenue of its sold products and the costs charged to it; examined per product, it is the profit per product”. In the words of (Hajdúné and Lakner, 1999): „Profitability depends on how sales revenue and costs relate to each other.” The activity is therefore profitable if a profit is generated during production. (Porter, 1990) puts it this way: „a company is profitable if the price of its products exceeds the costs of production”.

Individual businesses cannot be compared with each other based on their income alone, some kind of profitability indicator is definitely needed. When studying the literature, it can be established that profitability indicators give the clearest picture of the company, since income is the result of many decisions. According to (Borbély, 1990), profitability ratios express the profit-generating ability of individual companies. „The profitability indicators used for its analysis help in assessing how effectively the company operates.”

(Borbély, 1990) lists the following as the most common indicators:

1. ROE (Return on Equities) – Proportional return on equity = $\text{Income} / \text{Equity}$
2. ROA (Return on Assets) – Profit on assets = $\text{Income} / \text{Asset value}$
3. Profit margin (Profit margin) = $\text{Income after tax} / \text{Net sales}$

A KPI (Key Performance Indicator) is an indicator or performance number used by companies, organizations and individuals to evaluate their performance and monitor the achievement of goals. KPIs help us measure whether we have achieved some goal or result, and depending on this, allow us to optimize performance and track progress.

In addition, performance measurement is necessary so that companies can continuously learn from their mistakes or good practices, quickly, efficiently and easily prepare reports using the available data, and based on them, they can supervise and control employees in order to improve performance. Accountability starts with clearly defined performance goals.

When examining the human factor of performance, it is not enough to focus only on what needs to be done. It is important to know „how”, „why” and „how well or how often”. Performance measures must be concretely defined, which must exist before the work is properly performed. These standards should be based on results and not on activity. The employee can define his own standards, but of course he must discuss this with his superior until they reach a common agreement. It is important that employees also understand and accept these indicators and see the connection between their work and company goals. You must be able to translate business objectives into daily activities that produce measurable results. Without clearly defined performance goals, we cannot determine what kind of process transformation is needed.

METHOD

During our research, we collected qualitative data and conducted interviews in order to obtain the necessary amount of information to identify the problems. The interviews consisted of formal interviews, which means that although the process is flexible and adaptive, it is also pre-planned. It is not suitable for collecting objective numerical data, but it is perfect for handling complex questions. In the initial phases of our empirical research, we used a report as a research method to identify the problems and to check the reliability of the results in the final part.

Part of the recorded text can be converted into quantitative data, but quantitative conclusions can be drawn from the non-quantifiable parts through content analysis. In addition to the content analysis, it is also worth examining the reasons for the similarities and differences.

Purpose: to collect the right amount and quality of information on measuring the HR performance of catering enterprises. Our interviews helped us identify problems and formulate our hypotheses. This is not suitable for collecting objective data, but it is suitable for analyzing complex issues. The interviews were informal conversations (advantages: spontaneity, flexibility). The duration of the interviews was 60 minutes. The activities of the interviewees (4 people) are related to the investigated processes.

The target area of the research covers Austria. According to the latest census data, which means July 1, 2023, there are 9,129,652 people living in Austria. The average age of the population was 43.2 years. The population living in Austria but with a non-Austrian place of birth accounts for 20.4% of the total population. If I examine the population between 15 and 64 years of age, then this represents 24.8%. So almost every fourth person is of foreign origin based on the 2021 data. This was 14.4% in 2001 and 18.6% in 2011.

According to the 2023 second quarter report of the Austrian Statistical Office, there are 4,705,600 persons of working age in Austria, of which only 224,700 persons are unemployed.

According to the Austrian Statistical Office, the 30-54 age group reached 3.15 million in 2016, but since then this group has been shrinking. Based on the forecast, this number will decrease to 3.08 million by 2030. As a result of this trend, it will become necessary to rethink the training system and innovation processes will be necessary on the part of companies. In the course of the investigation, we will map out what performance indicator system is used in the investigated areas in the case of the subjects participating in the research and interviewed.

RESULTS

Based on the experience of the interview, when examining the internal environment of the workplace, it can be mentioned that saving and economy is a generally accepted aspect that is kept in mind in most places.

There are places where they hire skilled workers and pay attention to the employees' knowledge of foreign languages, but unfortunately they only provide the number of employees that is absolutely necessary for the operation. It is interesting to mention that in the workplace where labor savings are made, savings are not the main consideration in other areas. This is somewhat contradictory and in many cases causes tension within the staff as well. Regarding the internal environment, it is generally accepted that there are areas in the hospitality industry that have priority over other areas.

According to the interviewees, it is not enough to develop the IT system at just one point. The entire operation must be considered as a whole system, which has several areas and subsystems. Which can cover the internal and external environment at the same time. A thorough investigation must be carried out to see where a technological or information flow development is needed, or where the conditions have already been created, so that it can be integrated into a system. Development and digitization must be examined in all areas, if necessary, and integrated into a complete system, otherwise there is still a lot of room for error, workflows are not simplified, and ultimately the yield of development is low. Material management as an additional internal environment of the workplace, it can be stated that a well-functioning system is installed everywhere. According to the experience of the interview, a lot of emphasis is placed on this everywhere. In each case, a specialist procures the raw materials. For the storage of raw materials, a serious storage system is established everywhere, thanks to which the „first in first out” storage principle appears everywhere.

Communication between employees is well resolved everywhere. This often takes the form of a common messaging platform, where employees can share information with each other,

and management can also catch up with everyone at the same time. In some places, it appears that employees are provided with a „company” phone, promoting a better flow of information.

During the research investigation, it can be established that there are several areas where opportunities and threats appear at the same time in terms of the workplace environment. We saw many examples of this, but in addition to mentioning the potential dangers mentioned above, the interviewees mentioned something else as the most dangerous aspect. This is actually the appearance of employees' attitudes towards work. There are many applicants and employees in this field who do not take the task to be performed as their own. Most of the time, the reason for this is that someone does not like what they do, so they cannot identify with the values that come with the positions in the hospitality industry. In this case, the employee cannot place himself in the system generated by the employer. It is in vain that all information is available to the employee in order for him to be able to perform his work and tasks. On the other hand, the employee who combines his professional knowledge with his motivation will be able to get the most out of the system. Unfortunately, the characteristic is that the system itself is not perfect, so the employee who has the right attitude will only be able to apply his skills and abilities to a limited extent during his work.

According to the interviewees, one of the reasons for the differences is social and cultural orientation. In practice, this is manifested in the way that, due to cultural differences, employees approach work, tasks and problems differently. No significant difference in performance can be noticed between workers from foreign nations. How they perform depends a lot on their language skills, experience and attitude to work. Upon hearing the standard of performance, the interviewees unanimously mentioned tipping. This is the standard that represents performance and satisfaction with it. Two types are distinguished, one is the personally given tip, which is for the given person and his performance, and there are departments where tip boxes are placed. Then, on the other hand, the performance of a given department can be inferred proportionally to the amount of the tip.

In general, management does not consider performance measurement to be one of its primary tasks. There are attempts to measure the performance of maids, such as setting norms. How many rooms must be cleaned in a given time, but a checklist of the tasks to be performed is also displayed. Hotels use an additional criterion for guest satisfaction, which is also based on subjectivity and is not an indicator of direct performance and cannot be linked to a person. This is presented in the form of a questionnaire upon departure, where the guests have the opportunity to share their opinion and can also name a specific person with whom they were satisfied. Where there is no paper-based questionnaire upon departure, the management usually interviews the guests verbally about satisfaction. The degree of employee satisfaction and its appearance at the operational and strategic level: Most hotels in Austria provide accommodation and three meals a day to employees. Another tool that can be used to increase satisfaction in this segment is if the employees get more vacations and rest time, and last but not least, the level of pay is what the interviewees highlighted. At the operational level, it is mentioned that satisfaction can

appear in several forms. An employee who is satisfied with his work and its environment is calmer, more balanced and collected. This affects your daily performance and the quality of your work.

Of course, you can draw a parallel between the level of turnover and satisfaction, but according to the attitude of most company managers, there will always be enough labor on the market. The emphasis is on sufficiency and does not examine its quality. The interviewees mention that since the appearance of the COVID-19, there has been some change in attitudes towards employees. The interviewees gave several suggestions for how performance could be made measurable. First of all, everyone recommended the hiring and employment of a professionally prepared and competent HR staff. This department does not appear in most hotels, or is taken over by the hotel manager himself. The HR department could already set up a selection criterion within the framework of recruitment and the hiring of new employees, during which an input criterion could be set up immediately. Language knowledge, its level, professional competences, references. A better selection will simplify, speed up and thus make the training processes more cost-effective. The lack of an HR department unfortunately results in the hiring of many employees who are not suitable for hospitality. He does not consider this area his own, but only wants to make money. With such employees, only the necessary number of employees can be reached without any particular increase in performance or added value. According to the respondents, without setting goals, it is not possible to set any performance standards. Unfortunately, many hotels only think about the short term or, in exceptional cases, the medium term. Without an appropriate IT system, performance measurement poses even more difficult challenges to hotel management.

Other suggestions include applying the checklist used by the cleaning staff in other areas. This excludes the possibility of subjectivity. Increasing the efficiency of the weekly meetings and giving feedback to the employees, following up and sharing the discussed points with the employees. It is important to maintain a spirit of competition among colleagues in individual departments. A healthy competition leads to extra performance, especially if it is rewarded.

Within hospitality industry companies, it is necessary to strive to ensure that individual goals are in line with corporate goals. Human satisfaction must be monitored and monitored continuously, e.g. by filling out questionnaires. The results must be compared with the figures of the base period and where there is a decrease, the management must improve the established processes in order to retain the workforce. When defining the achievements, it is important that the employee can articulate what the function or purpose of the job is. You must be able to articulate what you are committed to in your work and why. It is necessary to know which are the areas in which we have to show specific results.

If I implement these together, the employee fulfills his workplace role. Goals must be formulated in which the goal of the position is in line with the vision and mission of the company. The employee must know when his task in the given key area can be considered completed. In order to do this, performance standards must be specific, measurable, achievable, result-oriented and fixed in time. What are the activities that I need to achieve the results of the key areas. And last but not least, it

Learning and Development Point of View				
	Objectives	Retrospective Indicator	Prdective Indicator	Implement
1	Alignment of individual and company goals	Definition of expectations	Meeting expectations	Uncovering the causes of blockages, providing assistance
2	Internal satisfaction of employees	NPS survey at company and department level	Comparison of results compared to the base period	Creating tasks from values that perform poorly or change in the wrong direction for the sake of development
3	Continuous training	Demand assessment	Number of trainings compared to the base period	Taking advantage of tender opportunities
4		Number of people participating in continuing education	Number of participants as a proportion of all employees	Review of company resources and human workloads
5	Qualifications of employees	Gathering skills	The proportion of people working in a profession compared to the total number of employees	Organization of courses
6	Motivated employees	Number of new ideas	Number of new ideas compared to last year	Use of ideas during work
7		Survey	Questionnaire completion rate	Establishment and review of an incentive system, several joint company events
8	Workforce retention	Number of employees leaving	The ratio of outgoing employees compared to the total number of employees	The review of the cause of fluctuation

Figure 1: The point of view of learning and development, factors affecting performance

Source: Own edit (2023)

is necessary to define what kind of theoretical knowledge and practical skills are needed to realize the results of the key areas.

In today's age, companies compete with each other in an increasingly complex and complex environment, which makes future-oriented thinking necessary for them. It has become important to set strategic goals, define the vision of the future, and develop a system of tools related to them. The Balanced Scorecard relationship system is built on mission and strategy. The model includes a balanced system of indicators, the focus of which is still the achievement of financial goals, but also includes the factors necessary for achievement.

CONCLUSIONS

In our view, Austrian catering is an area based on old values, reflecting conservative views. Where it is very difficult to carry out necessary and at the same time logical innovations. Thanks to major economic events, whether negative or positive, a forward-looking attitude can be noticed. This is the employee-centered approach. Listening and considering opinions. Just as a satisfied skilled workforce is the cornerstone of a well-functioning system. We also experience development potential during the examination of this. Adequate emphasis must be placed on taking these aspects into account and efforts must be made to maintain them at the appropriate level. Of course, this entails a great risk, which is why we recommend an appropriate composition of employees from experienced and less experienced workforce. In addition, we see an opportunity for development in the modernization of the external environment and conditions. Innovating the IT system as part of a whole system, the processes could be automated, thereby saving manpower. Employee satisfaction would increase and thus indirectly the performance and, last but not least, the standard of the hotel.

The tasks must be condensed into a well-organized system, then it is easier for all employees, and of course employers have the opportunity to follow up, thereby creating the conditions for making performance measurable. Appropriate assignment of tasks, comparison of powers to positions, simplified and at the same time clear information paths result in everyone being aware of their powers, duties and boundaries. The emphasis placed on activities and departments should not be excessively focused on one direction or area. In most cases, the development of the workplace environment affects both the external and internal environment.

Furthermore, I consider it important that the employer can define his goals. The system cannot be created without predefined goals, because we do not know what we want to achieve with it. A strategic level objective is essential for defining goals. It is necessary to examine the effect of individual factors on the operation at the strategic level. A competent HR employee who can approach problems with a professional eye is an essential condition for this.

REFERENCES

- BÓDI, S. – FÉBÓ, L. – HERBST, Á. – HAJÓS, L. – NEMES, F. – PINTÉR, L. (1985): Small lexicon of agricultural economics. Agricultural Publishing House, Budapest ISSN: 2063-0476
- HÁGEN, I. ZS. – KONDOROSI, F. (2011): Controlling for beginners and advanced students. Controll 2003 Kft., Debrecen ISBN 978 – 615-00-2589
- HANYECZ, L. (2006): The controlling system Budapest. DOI: 10.14267/VEZTUD.2006.06.08
- HORVÁTH, P. ET AL (2007): Controlling: a tool for successful management. Economics and Law publishing house, Budapest DOI:10.21511/ppm.14(3-1).2016.07

- Z. HAJDÚ I-NÉ – LAKNER, Z. (1999): Economics of the food industry. Agricultural Expertise Publishing House, Budapest ISSN 1418 – 2106
- KAPLAN, R. S. – ATKINSON, A. A. (2003): Managerial Business Economics. Panem Kft. ISBN-13: 978-0137024971
- J. KÖKÉNYESI – ANDRISKA, SZ. (2002): Public administration organizational and management skills. Hungarian Institute of Public Administration, Budapest ISBN 978-963- 304-4292
- SZÉLES, GY. (1990): Agricultural plant science. Pannon University of Agricultural Sciences In the duplication department of the Faculty of Animal Husbandry
- TÓTH, A. – ZÉMAN, Z. (2004): Controlling. Károly Róbert College Notes, Gyöngyös
- PORTER, M.E. (1990): The competitive advantage of nations. The Free Press, New York doi.org/10.1002/cir.3880010112
- STATISTIK AUSTRIA, Bundesanstalt Statistik Österreich, www.statistik.at