Abstract:

This paper is an attempt to explore and prove that human resources in small hotels are a fundamental factor in the success of their business. Ten volatile human resources variables included: satisfaction of job-seekers; career development; motivation; a tendency to continuous learning; commitment to the organization; innovation and creativity; identification with the organization; relationship to work; relationship to quality of service; the likelihood of accepting changes in business. Three research goals have been set: 1. Prove that human resources are the underlying and primary resources and capital that directly affect the operation of small hotels. 2. Prove that human resource performance and resource management is fundamentally different from performance and management in large hotels. 3. Prove that human resources are essential elements in achieving growth, competitive positions, and market share of small hotels. The research was based on a quota, stratified sample. The sample size would be 200 examinees (n = 200). The sample was selected from small hotels in the four counties of Dalmatia. Dubrovnik-Neretva, Split-Dalmatia, Šibenik-Knin and Zadar. Out of these counties, the total quota of fifty (50) small private hotels was selected. It is proven that human resources are the underlying and primary resources that directly affect the business of small hotels. Of all ten determinants of business success, several determinants have been shown to have a high correlation with human resource variables.

Keywords:
small hotels; business success; human resources

Author’s data:

1PhD Dragan, Mustapić, Teacher, Croatian Military College “Dr. Franjo Tudman”, Zagreb, draca63@gmail.com
Introduction

This paper is an attempt to explore and prove that human resources in small hotels, such as Dalmatia, are a fundamental factor in the success of their business. Hotel offers and facilities are not the only absolute prerequisite for the hotel’s success. Without high-quality people who have the necessary knowledge, skills and skills that are motivated and who work in the hotel to see their goals and achieve synergies with the goals of the hotel, there are no conditions for a successful hotel business and its long-term survival [1]. Science is not unknown and it is not explored that human resources and intellectual capital represent the primary capital of every successful organization [9]. Publicly published papers are mainly focused on major hotels and hotel systems and have almost failed to address the specificity of small business operations through an attempt to bring this success to human resources [2].

Small, private hotels include and processed hotels in the four counties in Dalmatia (Dubrovnik-Neretva, Split-sko-dalmatinska, Šibenik-Knin and Zadarska). The source of these counties is a deliberate choice. In choosing to go from some common features of small hotels in them (subject to seasonal oscillations of summer tourist season, guest structure, character of hotel offer, hotel size, etc.). It is believed that both theoretical elaboration and the results of empirical research will offer new and significant scientific contributions that will enable the management of small hotels to valorize human resources in the most effective way. Then set the elements of effective management of these resources to increase business efficiency, market position and enable long-term sustainable development.

What is a scientific problem is certainly to determine the performance of human resources in small hotels and to point out their position, position, role, and mechanisms that link them to the success of small hotel business? This aspect is not well known in science. Also, how much human resources and systematic management are they doing through the success of small hotels to increase sales of their services, the satisfaction of their guests, thus contributing to revenue growth, market, loyalty of guests, market share? Nor is this aspect scientifically explored enough.

The conceptual framework of human resources in small hotels

Human resources are represented by all employees in organization with all their accumulated and potential knowledge, overall abilities, and experiences, virtues, motives, desires, habits and needs [10]. In all their differences, if known and able to direct people, they represent the strongest power, the greatest resource, the most powerful capital of each organization in its survival and the development of market positions [3]. People are the only resource in an organization that is self-sufficient and self-sufficient to change, adapt to a turbulent environment, initiate change, and offer new solutions [12]. Organizations without people are not an integral entrepreneurial structure. People have always been focused on organizations that represent a specific tool, path, or tool for realizing human personal needs and realizing their life goals. People are a specific component of all organizations [11]. Cascio and Thacker in the functions of human resource management include [5]:

1. Human resources recruitment including: job analysis, human resource planning, recruitment, selection and job placement.

2. Development of human resources that includes professional orientation, training and career management of employees.

3. Rewarding Employee Wages, Motivation and Benefits.

4. Adaptation that deals with labor relations, organizational association, collective bargaining,
5. Support and Evaluation of Human Resources that Contain Work on Safety, Health, Cost and Valuation of Employee Work

Stone and Meltz, somewhat reduced in relation to Cascia and Thacker, observe the functions of human resources and state the following [17]:

1. Human Resources Planning,
2. Acquiring human resources, including ensuring the acquisition of knowledge, skills and skills required in the work,
3. Development of employees focused on the needs of the organization and the individual's preferences in his or her career,
4. Maintaining resources that include compensation for their work and commitment, retention in the organization.

When considering the content and functions of human resources management in all organizations, even small hotels, it is necessary to distinguish them strategically and operationally [8]. Although these two dimensions are often pervasive and conditional, however, they are two different structural and content and management levels. Human resource management content in small hotels can be classified as:

1. Planning for human needs, obtaining human resources and introducing new people into jobs,
2. Selection of human resources for the purpose of assigning jobs and tasks, and advancement within the hotel organizational structure,
3. Motivating employees to focus their existing knowledge, skills and skills in creating guest satisfaction and realizing business interests and hotel activities,
4. Permanent organizational learning, which implies that all employees in small hotels are constantly, organized and planned, acquire new knowledge, skills and skills, and exchange them with each other and transfer them to others,
5. Evaluating, analyzing, and tracking the performance of each employee in order to achieve a more stimulating and fairer reward for employees.

Difficulties in managing human resources in small hotels

There are a number of difficulties that characterize the management of human resources and are encountered by the owners and management of small hotels. The most common are:

1. Small hotels are more often less attractive for young employees, as most of them are looking for jobs in larger hotels, expecting greater career prospects and gaining more knowledge and experience. Therefore, in small hotels it is more difficult to ensure the interest of young, especially highly qualified staff.
2. The most frequent recruitment of new people in small private hotels, as they were in the sample of this research, is carried out within the circle of family and close relatives. However, such a recruitment model increases loyalty (loyalty, loyalty) to the hotel and the motivation to work. On the other hand, the side carries the risk of not employing talented people beyond that circle.
3. Small hotels in relation to large hotels have a much smaller market, so they have more flexibility in offering their services. Changes in business and market orientation in small hotels are far more frequent and more radical than the big hotels. This requires from all employees the readiness to constantly change, and thus to acquire new knowledge, skills.
4. The smallest hotels are usually few employees. There is no strictly defined job specialization as in large hotels. Almost all employees must be trained to almost work almost all other jobs with quality. This is also the process of permanent learning in the organization and the transfer of the learned specific.
5. The problem of positioning accountability in small hotels is unlike most of the larger hotels. Errors and omissions made are immediately noticed and it is not usually a harder to find out why they came up and who did it. Usually, this fact leads to an even worse side of human resources management. Namely, relying on intuition, personal experience, and constant contact with employees, guests and quality of service, the management of small hotels rarely performs appraisal of employees. Valorization of the work and performance of the employees is done on the basis of a subjective assessment and assessment by the small hotel management or the immediate leader of the working group.

6. Motivation in the observed small hotels is poorly developed. The basic motivator is usually only paid with the addition of higher turnover (in the form of commission or prize). There are no other motivators. This is a bad thing because it would be possible to achieve much better results on business and business performance through benefits or participation in the profit or ownership gained.

7. Human resources in small hotels are mostly taken care of by the hotel management (hotel manager). Support from specialized foreign human resources agencies is hardly required anywhere. The management of the observed small hotels is not generally well-equipped for a more efficient way of managing human resources because they did not include in different human resource education and training programs.

**Human resources and the success of small hotel business**

Conceptually, business performance is probably one of the areas of business economics in which there is still no higher consensus on the meaning and content of this notion. It is even less when it comes to performance indicators. A large number of authors in terms of business performance consider the basic financial performance of the total revenue, total expenditures and gross profit [6]. Karić considers efficiency, efficiency of business and profitability under performance indicators [13]. Stipić [16] also has a similar approach to conceptual definition and focus on business success. Drucker defines the efficiency of a business through efficiency, ie how to do things correctly, and through effectiveness, or how to do the right thing [7]. Buble et al. Under the term business success, however, they emphasize a number of financial indicators [4]: liquidity, indebtedness, activity, profitability, investment. Osmanagic-Bedenik, citing Weber, points out that internal and external performance factors need to be distinguished when considering the concept of business success and performance metrics [15]. The internal factors of the company’s business performance are: accumulated asset growth, growth of own capital, profitability of total capital, turnover profitability, book value and market value ratio, capital financing, employment etc. External factors of business performance are: enterprise introverts, customer relationship, relationship according to human resources and others. Small Business Hotel Performance Indicators should always be observed from the aspect of human resources. It is immaterial that human resources do not give priority to the physical resources and physical capital of the enterprise and that they are not considered as the most important resources of each organization, and there is a high level of consensus among the authors [14]. On the other hand, almost no one is included in the essential factors defining the business performance of a company. Therefore, small business hotel performance indicators can be classified into three major groups: market, human and financial indicators. That way, almost one hundred performance indicators can be achieved.
Variables of research
The following variables have been set in this research:

Dependent variables (y) - Successful operation of small private hotels in Dalmatia.

Independent variables that represent the selected performance of small hotels (ten independent variables) are:

1. Job satisfaction,
2. The satisfaction of respondents with career development,
3. Motivation of respondents,
4. The tendency of respondents to continuous learning in the organization,
5. Attitude (loyalty) of respondents to a hotel,
6. Innovative and creative orientation of respondents,
7. Level of identification of respondents with a hotel,
8. Relationship of respondents to hotel guests,
9. Respondent’s relationship with hotel quality,
10. Attitude of respondents to hotel changes.

Research goals
The research aims to achieve the following three goals:

1. Prove that human resources are the underlying and primary resources and capital that directly affect the business of small hotels.
2. Prove that human resource performance and resource management is fundamentally different from performance and management in large hotels.
3. Prove that human resources are essential elements in achieving growth, competitive positions, and market share of small hotels.

Hypotheses
The following three hypotheses are put forward:

Human resources, focused on selected performance, are key determinants of small business performance. H1

The effectiveness of human resource management is a significant factor in the success of small hotel business. H2

The performance of human resources in small hotels is fundamentally different from the performance of large hotels. H3

Methodology
The research was based on a quota-stratified selected sample. The sample size would be 200 examinees (n = 200). The sample was selected from small hotels in the four counties of Dalmatia. Dubrovnik-Neretva, Split-Dalmatia, Šibenik-Knin and Zadar. Out of these counties, the total quota of fifty (50) small private hotels was selected. Four respondents surveyed each hotel. In defining the sample under the term "small hotels" are considered:

1. Hotels with at least 4 permanent employees, and not more than 15 (not including directors, hotel management)
2. Employees who are employed in the summer season alone and who have a status for at least the last three years are considered to be full-time employees and permanent seasons.
3. Hotels that have been in business for at least the last three years.

Employee records were used for the purpose of testing the performance of human resources from all permanent employees in small hotels. The choice was made so that four hotels were surveyed from each hotel. Depending on the number of permanent employees (the size of the hotel), the selection of respondents (every second, third, fourth, etc.) was determined. Employees, job descriptions and qualifications are not taken into account in order to achieve the more objective structure of the employees in the sample. For the purpose of determining the performance of a small hotel business in a survey interview, the hotel directors or the persons authorized by them (Assistant Director,
Finance Manager and Accounting etc.) participated. Most often they were hotel directors who are also their owners. The research used: external (outside) data outside small hotels, internal data from various statistical and accounting records of small hotels, data obtained by polling.

Data acquisition by field test method was performed using two questionnaires. One questionnaire was for the collection of observed variables of human resources and the other for the collection of business indicators. Survey questionnaires are specially designed for this research. They contain questions that were directly addressed to the respondents. Questionnaires are structured content. The survey was conducted during the summer months, the main tourist season in 2016. Surveys were conducted by interviewers who were instructed through a one-day instructional seminar on which detailed questionnaire surveys were provided with the survey timing and other organizational and control aspects.

Quantification of all independent variables was performed through three levels: low, middle and higher. Thus, for example, the satisfaction of the respondent's satisfaction with the job is a low level of satisfaction is indicated by the statement "I'm happy with the job I'm doing and I'm trying to do it right". The middle degree of satisfaction "I like to do this job for which I've been educating and enjoying this job". Higher degree of satisfaction: "I see my chances of giving this job a lot, because I will make more money".

The performance of the observed small hotels was observed through the following ten parameters (averages calculated on the basis of the last three business years): total revenue growth; gross profit; new guest growth rate - organized visits; rate of drop in number of guests; the declining rate of complaints by guests; the rate of introduction of new business changes; growth rate of investment in physical capital; growth rate of investment in human capital; rate of fluctuation of employees; the rate of fall of absenteeism.

Quantitative processing, interpretation and analysis of the obtained results used the indicators of observed statistical features: arithmetic mean and dispersion measures. Pearson correlation coefficient was used to calculate the strength of interrelation between variables.

**Research results**

**Employee Satisfaction and Business Performance**

It was found that high-level employees at work demonstrate that there is a strong link between this and more determinants of the performance of small hotels. This interconnectivity is expressed by the average annual growth rate of new guests (coefficient 0.71), the average annual decline in the drop in the number of existing guests where the correlation coefficient of 0.83 was established. With the average annual rate of fall of employees' absenteeism (coefficient 0.76), and with the strong correlation of variables, the average annual growth rate of changes in the organization and operation of hotels (coefficient 0.64). The average strength of interconnections with the variables of the performance of small hotels was determined for employees with the middle degree of satisfaction shown: average annual rate of decline of complaints, appeals and complaints of guests (coefficient 0.63) and average annual rate of employee turnover (coefficient 0.57). Employees who showed discontent with the job did not notice any significant correlation between the variables of this dissatisfaction with the variables that were tracked as indicators of the performance of small hotels.

**Employee satisfaction with career development and business success**

Employees who have expressed their full satisfaction with career development are strong
interconnections: average annual growth rates of new guests and career development (coefficient 0.75); the average annual growth rate of changes in the organization and operation of hotels with career development (coefficient of correlation 0.78) and the average annual drop in employee absences (coefficient 0.74). The average strength of the interconnectedness of the dependent determinants of business success and variables of career development of employees was observed in: average annual decline rates of existing guests and career development satisfaction (coefficient 0.61) and average annual employee turnover fluctuations and career development (coefficient 0.66). For mid-level positions in career development, three dependency determinants of business performance with independent satisfaction variables were noted for the medium-intensity career development: the average annual growth rate of new guests and career satisfaction show a correlation of 0.53; the average annual rate of decline in the number of complaints, appeals and complaints of guests and satisfaction with career development coefficient 0.55 and the average annual growth rate of investment in human capital and the degree of career development coefficient 0.58. Employees who expressed their dissatisfaction with career development are not significantly correlated with the variables of that satisfaction and determinants used for the success of small hotel business.

Employee motivation and business success

The intensity of the interrelationship between motivational variables and the determinants of the performance of small hotels was noted in the segment of employees who presented a high degree of motivation at the average annual decline in hotel guests (coefficient of correlation 0.77) and the average annual decrease in the number of complaints, complaints and guest complaints (coefficient of correlation 0.65). The average high correlation between the determinants of business performance and the average annual decrease in the number of complaints, appeals and complaints of guests (coefficient of correlation 0.52) was reported among the respondents classified as medium motivated.

The likelihood of employees getting into continuous learning in organization and business success

Calculated Pearson correlation coefficients indicate the existence of very strong interconnection between only a few variables characterizing the tendency of employees to learn and determining the performance of small hotels, in those who showed high readiness to learn. These are: the average annual decline in the drop in the number of existing guests, the correlation coefficient of 0.84; the average annual rate of decline in the number of complaints, appeals and complaints by the guests (correlation coefficient 0.79 and average annual growth rate of changes in organization and operation of the hotel (correlation coefficient 0.63). In the segment of employees who expressed the average intensity of readiness for continuous learning in small hotels it is only one variability of learning preference in a strong correlation with the determinants of business performance, and the average annual rate of decline in the number of complaints, appeals and complaints of guests with a coefficient of 0.57.

Attractiveness (loyalty) of hotel employees and business success

The established Pearson correlation coefficients show that there is a very strong interdependence of independent variables that represented the loyalties of employees and the chosen determinants of business success. This strong interconnectivity of these variables is characteristic only of highly-valued employees: average annual growth rate of
gross earnings (coefficient 0.78), average annual growth rate of new guests 0.62, average annual decrease of existing guest drop-coefficient 0.65 and the average annual growth rate of changes in the organization and operation of hotels (coefficient 0.84). Strong correlation between the variables observed was found among respondents who showed a medium intensity of loyalty to the organization: the average annual growth rate of new guests (organized visits) - the coefficient 0.50 and the average annual decline in complaints, appeals and complaints (coefficient 0.53).

Innovative and creative orientation of employees and business success

Structural indicators of innovative and creative orientation of employees are followed by Pearson’s coefficients of correlation between independent variables that represented this innovative and creative orientation of employees and selected determinants of the success of small hotel business. Only the respondents who showed great innovative and creative orientation established the existence of very strong interconnection with the average annual rate of decline in the number of complaints, appeals and complaints of guests (coefficient 0.73), and strong correlation with the average annual growth rate of new guests (coefficient 0.51).

The level of employee identification with the hotel and the success of the business

The established Pearson correlation coefficients indicate that there is a very strong correlation between independent variables that define the degree of employee identification with the selected determinants of the performance of small hotels in highly-researched individuals. This is shown by the following variables: average annual decline rate of existing guests (organized visits) - coefficient 0.83, average annual growth rate of change in organization and hotel operations (coefficient 0.87), average annual growth rate of investment in physical capital coefficient 0.71), the average annual employment rate (coefficient 0.69) and the average annual rate of fall of employees’ absenteeism (coefficient 0.77). In the case of medium intensity and content identification with the organization, the existence of the interconnection of two independent variables with the determinants of the performance of medium intensity of intensity and interconnection was determined: average annual rate of decline of complaints, appeals and complaints of guests (coefficient 0.65) and average annual rate of fluctuation of employees (coefficient 0.51).

The ratio of employees to hotel guests and the success of their business

The ratio of employees to hotel guests represented through ten independent variables shows in four variables the existence of significant interconnections with the selected determinants of the performance of small hotels. Very strong correlation was established among respondents classified in the segment of highly-constructed customer relations with two variables: the average annual decline rate of existing guests, the correlation coefficient 0.66, and the average annual decline in the number of complaints, appeals and guest complaints (coefficient 0.88). The existence of a very strong connection has also been established in respondents who have a medium-built relationship with guests at the interrelationship of the variable, the average annual rate of decline in the number of complaints, appeals and complaints of guests with the determinants of business performance with the coefficient of correlation 0.63. Respondents who have a highly-constructed relationship with hotel guests with variable interdependencies average annual growth rate of new guests (organized visits)
in the determinants of business performance (coefficient of correlation 0.59).

Relationship of employees to the quality of hotel services and business success

In three of the ten variables that represent the relationship between employees and their participation in the quality management of small hotel services, it has been established that there is a very strong interconnection of the same with the chosen determinants of business success. In respondents participating in high participation in quality management of these services are: average annual growth rate of new guests - correlation coefficient 0.67; the average annual drop in the drop in the number of existing guests - the 0.88 coefficient and the average annual decline in the number of complaints, appeals and guest complaints (coefficient 0.79). Very strong interconnectedness was also registered with respondents who were nominated to participate in middle and quality management at the average annual drop-out rate of existing guests - the correlation coefficient of 0.75. There is strong interconnectedness among respondents with high participation in quality service management between the variables of the average annual growth rate of changes in the organization and operation of the hotel and the determinants selected to monitor the performance of small hotels (coefficient of correlation 0.56).

The tendency of employees to change hotel and business success

In the respondents who expressed strong readiness to participate in hotel changes, there was a strong intensity of interconnection with the average annual rate of decline in the number of complaints, appeals and complaints by the guests (correlation coefficient 0.74), and strong correlation with the average annual rate of growth of new guests visits) - coefficient 0.61.

Conclusion

The first goal of the work was completed and human resources proved to be the fundamental and primary resources that directly affect the operation of small hotels. Of all ten determinants of business success, several determinants have been shown to have a high correlation with human resource variables. These are: the average annual growth rate of new guests; the average annual decline rate of shrinking existing guests; the average annual rate of decline in the number of complaints, appeals and complaints of guests; average annual rate of employee turnover; the average annual rate of fall of the employees' absenteeism. The direct impact and the existence of high correlation of human resources with the determinants of business performance were not confirmed: the average annual growth rate of total revenue; average annual growth rate of gross profit; average annual growth rate of investment in physical capital; the average annual growth rate of investment in human capital. The second set goal was to determine that human resource performance and resource management differed significantly from management performance at large hotels, which was confirmed by several important research findings. The tendency of employees to learn and acquire new knowledge and skills in the organization is not satisfactory, since more than half of the respondents are not considered to be constantly learning and that there is no greater benefit to them. Negative attitudes and attitudes towards continuing education of employees are likely to be due to lack of motivation for learning, lack of strategic vision and strategic leadership of small hotels, etc. There is a strong commitment of employees to the organization. A kind of fear of losing this job, possible long-term unemployment and fear for their
own existence and family existence are most likely to be a major factor in their loyalty to the organization. Employees in small hotels are confirmed with a high degree of loyalty to the organization and because they were mostly "family hotels" where this loyalty is surely greater than the loyalty of employees to large hotels.

The third set goal is also met. Employees who have achieved full satisfaction with their career development and location in the organizational structure of the hotel are significantly more active in retaining existing guests, hence the dangers that can be interpreted as a reflection of their efforts to maintain and improve the quality of hotel services, which then directly reflects on the success business. Another, element of the growth of market positions of small hotels through human resources is the motivation of employees. The growth of market positions and the competitiveness of small hotels can also be reflected by the fact that there is no significant impact on the innovative and creative orientation of employees in small hotels on the observed sample. Respondents identified their relationship with hotel guests as highly constructed and built in 86.9% of the total number of respondents. This is certainly a quality structure for employees, as it provides the basis for building a small hotel quality management system and management system for profitable guests. Not a satisfactory structure of market growth and market position of small hotels where more than half of the respondents (employees) in the examined sample are unwilling to accept or participate in constant changes of the hotel. This fact is from the point of view of the need to constantly adapt the business of small hotels to the needs and requirements of their environment very bad.

References


