

UNIVERSITY OF DERBY

"Strategic alignment or non-alignment;
The management of human capital in
5-star hotels in Dubai".

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(Authors Own Image)

'This is, after all, the destination where hotels are Arabian Nights fantasies, an Italian palazzo with a 1.5 million-piece mosaic and a fabled lost city with a shark-filled aquarium; the place where guests are provided with gold-plated iPads and their bloody marys are sprinkled with gold flakes'. (Belcher 2017).

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LIST OF ABBREVIATIONS

ADR	Average Daily Rate
CAGR	Compound Annual Growth Rate
CHRM	Comparative Human Resource Management
DTCM	Department of Tourism and Commerce Marketing
FDI	Foreign Direct Investment
HCH	Human Capital Heterogeneity
HOD	Head of Department
HRM	Human Resource Management
RBV	Resource Based Value
RevPAR	Revenue Per Available Room
ROI	Return on Investment
SHRM	Strategic Human Resource Management
SOP	Standard Operating Procedure

PREFACE

STATEMENT OF INTELLECTUAL OWNERSHIP

The work presented in this thesis is the original work of Angela Jean Anthonisz, conducted between 2013 and 2017 and has been submitted for consideration of the award of Doctor of Philosophy in March 2018.

ABSTRACT

This thesis focuses on the international hotel industry as part of the global economy and examines the implications that the strategic management of human capital has within the five-star sector of the hotel industry in Dubai, an emirate of the United Arab Emirates, and an economy based on the service sector. It examines the macro environmental factors influencing the potential strategic directions of two recognized international five-star hotel brands and considers the challenges this creates for the alignment of strategy, and the implications this has for management of human capital(people) as a key determinant of success that enhances organisational outcomes.

In selecting this area of research, the author has adopted a grounded theory approach to the generation of new knowledge, allowing the literature to be guided by concerns raised by hotel managers and industry consultants working in the context of Dubai. This approach led to the employment of a case study method, through which the key influences of organisational culture and ownership are considered. Two international hotel chains were identified to represent the two strategic modes of entry into the destination. The first case being a locally owned and managed chain with 7 hotels in Dubai. The second case is a European chain operating 6 hotel properties under management contract in Dubai, with 6 different owners from the Middle East. Both companies operate within the luxury five-star market that is so prevalent in Dubai.

The hospitality industry, by definition, relies heavily on human capital, both as a resource and a capability that may allow for the development of competitive advantage. However, the dynamics of the Dubai hotel environment, the strength of the Arab cultural values and the organisational conditions that exist in Dubai present HR managers with a number of unique challenges, including high levels of pastoral care, and approaches to managing the workforce that may be at odds with traditional 'Western' ideals.

This thesis adds to the existing debate on the value and utilisation of existing theoretical frameworks attached to the alignment of strategy and the implications for managing human

capital in the face of globalisation and presents a model of their application in a city that is characterised by power and control, predictability and change aversion.

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CHAPTER 1 INTRODUCTION

The following thesis revolves around the concepts and principles of co-alignment which were first proposed by Olsen, West and Tse in 1998 in their book 'Strategic Management in the Hospitality Industry' and have since been explored by a number of authors in tourism and hospitality (see for example, Taylor, 2002; Chathoth and Olsen 2007; Taylor and Finley, 2008; Tribe, 2016). The principle of co-alignment, as the term implies, requires the hotel manager and the organisation to make strategic choices that respond to changes in the external environment and organise the core competences and the firm structure in such a way that business performance is enhanced. While there are similarities with other strategic management concepts in terms of how strategy is formulated and implemented, the co-alignment principle is future orientated (Olsen et al, 2007) which according to Taylor and Finley (2008) can make it a useful model to apply in highly competitive environments.

The idea of obtaining co-alignment, or 'fit' is not uncommon in both the established general strategy literature (see for example, Luffman et al, 1996; Porter, 2004; Mintzberg et al, 2008; Johnson et al, 2010; Johnson et al, 2017) and in the tourism and hospitality literature (see for example, Olsen, West and Tse, 1998; Harrison and Enz, 2005; Okumus et al, 2010; Olsen and Zhao, 2010; Olsen et al, 2014; Evans, 2015; Tribe, 2016). However, a review of the literature would appear to indicate shortcomings when it comes to the importance of the cultural imperative of human capital and the extent to which people (those involved in designing and delivering the strategy) are identified as a critical component for organisational success. That is not to say that the strategic management of human capital is ignored, but in much of the generic business strategy discussions the emphasis is on aspects such as positioning, process, decision-making and action; with some acknowledgement of people related essentials such as leadership and organisational culture. In the hospitality strategic management literature, links to human resources (HR) are more prevalent (see for example, Baum, 2008; Baron and Armstrong, 2008; Zeglat and Zigan, 2014; Dominguez-Falcon et al,

2016) but this is to be expected in an industry where success relies on the quality of the people delivering that service (Lashley, 2008).

This potentially highlights a disconnect with regard to the long-term thinking associated with strategic management as a process and response to change in the external environment, and the complexities associated with *how* strategy is made and *who* is involved in the design and delivery (Harrington, 2005). This thesis explores the *how* (challenges to strategy formation) and the *who* (people involved) aspects of co-alignment by focusing on the strategic management of human resources. This is achieved by analysing the concept of human capital within the strategic development process for the business.

The concept of human capital theory, as defined by Becker (1964) is considered pertinent to this thesis in terms of the potential for human capital to be viewed from an economic perspective and to become the foundation for the wealth creating capacity of the business (cited in Abeysekera, 2006). This view, particularly in relation to the hospitality industry, that by definition relies on human capital as both a resource and capability (Zeglat and Zigan, 2014), implies a level of complexity in terms of the impact on organisational performance and its potential to contribute to the competitive advantage and core competences of the firm (Baron, 2011). In adopting this perspective of human capital the academic literature discussed within chapter two of this thesis can therefore be related directly to the concepts of co-alignment in terms of the ability to generate new knowledge, and contribute to our understanding of human resources at a strategic level. The terms human capital (core competencies and value creation) and human resources (the policies and procedures that impact on how this is managed) will therefore be used interchangeably throughout this thesis.

These challenges to the strategic management of human capital are discussed in the realms of international consultancy with McKinsey (2012) reporting that on a global scale the management of human capital is in a state of 'paralysis' created by 'too much uncertainty, too many factors to manage, too many unfamiliar operating environments, too little support and too many risks'. In 2015, the Harvard Business

Review (HBR) produced a spotlight article on the importance of people rather than strategy in which it highlighted that CEO's are distanced from the HR function, and that while human capital is the number one challenge they only see HR as the eighth or ninth most important function within a company (Charan, Barton and Carey, 2015). HBR suggest that the management of human capital needs to be accorded the same status as managing financial capital and that human capital, and the management of that capital through the HR function, should be viewed as a strategic partner rather than a set of administrative policies and procedures. In light of the significant number of countries around the world predicted to face a serious shortage of skilled labour by 2020 (McKinsey, 2012; Sheehan et al, 2018) both destinations and organisations need to be developing strategies that will allow them to manage the global talent pool in what has long been an unpredictable business environment.

With this in mind, the following thesis focuses on the principles of co-alignment and fit (both externally and internally) as they apply to the strategic management of international hotel chain operations in an emerging economy. These principles are then analysed in terms of the possible relationships that exist with regard to the design and delivery of an effective strategy and the implications for the management of human capital; a critical asset in terms of developing sustainable competitive advantage in a destination characterised by high levels of competition and low barriers to entry. The key themes that will be explored in relation to this thesis therefore include:

1. The challenges created by the downward pressures of globalisation and the impact this has on Dubai, a city characterised by dynastic tribalism and levels of government control that are perhaps not encountered in Western contexts.
2. The dynamics of competition and the pace of change in the task environment, where local ownership of land and property is key, and the impact this has on management ability to think and act strategically and to develop sustainable approaches to achieving competitive advantage.

3. The potential for organic change within organisational culture by necessity that is aligned with the external environment (in this case the model is Dubai specific, but with potential for application in other destinations) that responds to point 2 as a means of facilitating management strategic thinking.
4. The value (or lack of value) placed on human capital/resources (people) as a key determinant of strategic, destination specific, sustainable competitive advantage

The emphasis is therefore on the strategic management of human capital in the organisation rather than the concept of strategic human resource management which has some bearing on this thesis, but does not determine the theoretical frameworks utilised to analyse five-star hotel operations in Dubai. The premise is that there is a stage between corporate strategic planning for the organisation and its relationship with, and ability to, affect strategic approaches to managing human capital within specific external environments. This 'stage' has previously not been identified or discussed within the tourism and hospitality academic literature.

This thesis critically explores, where, and how those implications are addressed within strategic management and planning. It focuses on the international hotel industry as part of that global economy and examines the implications that the strategic management of human capital has within the five-star sector of the hotel industry in Dubai, an emirate of the United Arab Emirates, and an economy based on the service sector. It examines the macro environmental factors influencing potential strategic directions and then explores how these factors are manifest within major international players within the industry.

In addition, this thesis also considers the potential disconnect that may exist between certain academic views of human capital and the industry (management) view of human capital, particularly in exploring a destination such as Dubai where the value placed on people is often considered at a purely operational level, i.e. enough people to deliver the service expected by the customer. This view implies more short term,

operational management of people rather than the long term, strategic management advocated in the literature. Recent empirical research into the use of intellectual capital as an outcome of business performance identified that managers in the hotel industry are still failing to see the value and significance of human capital as a means of competitive advantage (Rudez & Mihalic 2007; Kim et al,2010 Zeglal & Zigan 2014; Boon et al, 2018). This reflects the organisational conditions and attitudes of management raised by McKinsey and HBR, but the reliance on human capital as a core resource places even more pressure on the need to understand how people are valued and managed at a strategic level within the business.

The location of the study is an important factor in terms of exploring the key themes, in that the dominance of the Arab national culture (Hofstede et al, 1990; Lewis, 2006; Najm, 2015) in terms of control, through government and ownership, is likely to impact on the formation of strategy and the achievement of sustainable competitive advantage. This is coupled with the pace of change in terms of the growth in tourism and its associated infrastructure. The author has visited Dubai on a regular basis since 1982 and has observed the growth of the destination and the impact this has had, particularly on the international hotel industry and the range of new attractions that accompanies the development of a tourism product. The opportunity to live and work in the UAE for a subsidiary of the Jumeirah hotel group presented itself in 2012, and during the course of the next four and a half years the author was able to develop close working relationships with a number of senior managers in the international hotel industry and observe the increasing diversification of Dubai as it heads towards 2020. 2020 is considered a key date in the evolution of the city as this is when Dubai will host the World Expo, a mega event, predicted to drive annual, international visitor numbers up to 20 million (DTCM, 2014).

As a destination Dubai is therefore considered to provide a somewhat unique environment in terms of tourism and hospitality. This can be attributed to a number of aspects including, the national culture, the dynamics of the business environment, the emphasis placed on tourism and the options for management of international hotel operations within the city, all of which are explored in terms of the challenges

they present to the management of the hotel sector, but specifically in terms of the challenges that they present to the management of the workforce.

The tourism sector directly supports 9.6 percent of the UAE's total workforce (557,000 jobs). This is expected to rise by 3.8 percent in 2016 to 578,000 jobs and by 3.9 percent per annum to 850,000 jobs in 2026, some 12.4 percent of the total (WTTC 2017). All of the emirates have set ambitious targets but Dubai plans to increase arrivals from 14.2 million to 20 million by 2020, with an estimated 25 million visitors in the year of the Expo itself. The associated growth in infrastructure and hotels that has accompanied the hosting of the Expo2020 has raised a number of concerns from industry, not least of which is the falling occupancy rates associated with the increase in hotel room supply (STR 2016) and the possibility of a potential double impact that may be encountered when the Expo ends in April 2021, as this will coincide with the start of Ramadan (traditionally impacting on tourist numbers), followed by the lower tourist numbers associated with the heat of summer.

The increasingly competitive environment for the service sector, and signs that there is already a 'shortage of skilled labour' (Deloitte 2014) will create a threat to commercial success for many international hotel operators who will need to find a way to stand out from the competition, and to recruit and retain the human capital needed to provide the tourist experience. The Dubai operating environment is argued to be a 'predictable environment' and not an 'unpredictable one' as suggested by McKinsey (2012) and provides a case study for both the strategic responses to the threat and one that is culture specific (Anthonisz and Heap, 2014a).

The literature explores the current environmental context, presents a critique of the current academic thinking with regards to the strategic management of human capital, (are these robust enough to provide the model for those responses?) and an indication of how the notion of human capital may need to become further integrated into the strategic processes of the hotel operation in order to generate sustainable competitive advantage. Key influences of organisational culture and ownership are then considered via the utilisation of two very different cases. The first case being a

locally owned and managed chain with 7 hotels in Dubai. The second being a European chain operating 6 hotel properties under management contract in Dubai, with 6 different owners from the Middle East. Both companies operate within the luxury five-star market that is so prevalent in Dubai.

1.1 RATIONALE

This thesis is embedded within the changing nature of the tourism and hospitality product in Dubai and explores the responses to change over time by the hospitality industry. It is essentially about people within the industry from those who develop strategies for growth, through to those who provide the service (hospitableness) to the tourist/consumer. The study is located geographically in the Persian Gulf and concentrates upon Dubai, but the location is part of a wider global discussion on labour and labour markets within the hospitality sector.

There has been limited academic research published that examines the exponential growth of the iconic five-star destination of Dubai. There are numerous business reports and, strategic plans produced by the industry players in the market, and by the Emirates in their attempts to encourage further investment and growth, but these tend to be predictions for growth or identification of new markets. Those authors that have published (Henderson 2006; Saxena 2011; Ryan et al, 2012; Desai 2013; Sangeeta & Anandkumar 2014) seem to have concentrated on describing growth in the classic destination sense (Butler 1980, Young 1983, Gunn 1993), but none have examined the patterns of that growth. Desai (2013) for example comments on the growth of the shopping festival in Dubai which, between 1996 and 2009, has seen a growth in numbers of 109% and a growth in tourist spending of 390%. Dubai's reputation as a shoppers' paradise was also commented on by Saxena (2011) who made reference to the millions of square feet of space allocated to the 50 plus malls within the city, many of which are complete entertainment destinations in themselves. Both follow growth in terms of tourists' consumption patterns, but fail to embed the research in the wider context of Dubai's unique growth cycle and within the cultural dimensions of the host, the guest and the service providers. It is perhaps only now in the cycle that the

patterns of cultural capital can be analysed and predicted as there are 20 years of identifiable consumption patterns.

The requirement to explore this dichotomy is becoming more prevalent within academic research as the old assumptions that suggested the host supplies the service (Lashley and Morrison 2000) to the guest are not true within many destinations. Even the more recent considerations presented by Wood & Brotherton (2008) in which the triadic nature of company, employee and consumer are identified as impacting on the host guest exchange do not consider that the third party supplying the service will probably add the complexity of a third cultural dimension. This third dimension of culture may also create challenges in terms of strategy and the implementation of the organisational systems and policies that underpin the service delivery. In hospitality research the body of work that exists in terms of strategy and performance, has often downplayed the role of culture in developing nations (Koseoglu et al, 2013) and a number of authors (Enz 2010; Harrington and Ottenbacher 2011; Harrington et al, 2014; Roper and Hodari 2015) have called for additional research related to developing a greater insight into strategy in the hotel industry.

Over the last forty years the UAE has undergone sustained economic growth, in part attributed to the production and sale of oil. This growth has allowed the UAE to achieve an income level comparable to that of many industrialised nations, but unlike many other countries, the UAE has not passed through the hypothetical development stages identified by Butler (1980) and Burton (1994) highlighting a major failing of these models in that they do not account for the economic factors that underpin growth (Prideaux, 2009). Oil reserves have enabled the UAE to short cut the usually lengthy and difficult process of saving and capital accumulation that accompanies economic growth and to jump straight to the stage of high mass consumption (Shihab 2001). For Dubai, oil was the initial financial driver in the economy, providing revenues for the development of the city as a tourist destination. While oil is still part of the economy in Dubai production peaked in 1991 and has been in decline ever since (Gulf News 2010) with most of the oil reserves (94%) are now primarily located in Abu Dhabi. Dubai has subsequently transitioned from a focus on oil and trade to become

one of the fastest growing tourist destinations in the world. With a reputation for sun, sea, sand and shopping along with some of the most luxurious hotels and golf courses in the world. Tourist numbers have increased from approximately 374,000 arrivals in 1982 (Henderson, 2006) to just over 11 million in 2014, with government plans to increase this number to 25 million in 2020 the year of the EXPO (DTCM 2015). Ensuring success of the EXPO will require significant investment in both infrastructure and attractions that will ensure visitor numbers can be maintained post 2020. For Dubai this planning includes a number of mega projects extending the boundaries of the city and driving real estate prices to record highs (The First Group, 2015). It is unlikely that this could have happened in an established destination.

In geographical terms the desert location is surprising for tourist development given the potential lack of resources with which to attract visitors. This, however, appears not to have hampered development in any way and actually seems to have been a positive force for growth as the build was not displacing populations, destroying natural resources or hampered by existing infrastructures. In contrast to the other Gulf countries, Steiner (2009) highlights that 'Dubai is the undisputed epicenter of an iconographic destination development' (p. 4) in which Dubai is a 'hyperreal' destination rather than a cultural heritage destination, with growth fueled by the development of new hotels and attractions that are designed to cater to Western tourists. Anthonisz and Heap (2015, 2017b) also consider the hyper-reality of the service experience and the 'theme park' approach to strategy that appears to drive the Dubai brand forward in terms of success.

The growth in visitor numbers has been matched by an equally dramatic growth in population from 370,000 people in 1973 (Dubai Statistics Centre, 2009) to 2.5 million in 2014. This population growth is mainly attributed to the in-migration of foreign workers needed to fuel the expansion of the destination, and who traditionally have been brought in to fill the jobs that cannot be sustained from the local labour supply. Stephenson et al, (2010) suggest that the use of an indigenous-led workforce would have a positive impact on the hotel industry and that developing a nationalised approach would lead to more culturally inspired and Islamic-orientated products.

While this strategy may have merit in terms of the hotel industry, where just over a third of the customers come from the Middle East, in wider cultural terms it is impossible to consider this approach as a way of meeting the demands of the other international visitors that come from countries such as the UK, India, China, the US, Germany and Russia. Dubai's reputation has not been built on providing Islamic tourism experiences, it has been built on five-star luxury provided by an international brand presence that caters to international experiences in a cosmopolitan environment (Anthonisz and Heap, 2017a). It is also unrealistic to consider the use of a local Emirati workforce for the majority of the positions necessary to build, manage, operate and sustain the industry as the associated growth in employment cannot be met by a declining local population that is currently 11% of Dubai's inhabitants (Abu Dhabi Information Portal 2016). Subsequently, Dubai inevitably faces the issue of a large foreign national labour force with the potential to pose significant long term, economic, political and social consequences (Ouis, 2002; Gonzales et al, 2008).

During the course of this study the fortunes for tourism across the MENA (Middle East and North Africa) region have declined from 8% above the global average to 4% below the global average (UNWTO 2017). While Dubai continues to demonstrate positive growth in tourist arrivals STR figures during the time frame of 2012-2017 show a fluctuating picture and a generally downward trend in ADR (Average Daily Rate) and RevPAR (Revenue Per Available Room) across Dubai (STR 2017). These figures are exacerbated by increasing numbers of new hotel rooms coming on line, particularly in the luxury segment, where oversupply continues to exert pressure on RevPAR as hotels start to drop prices in order to attract consumers.

The forecast growth across the hotel industry in Dubai is for a doubling of the accommodation provision creating upwards of 120,000 rooms (DTCM 2014). 60% of this new build will be five-star, 30% four-star (Top Hotel Analytics 2014) and the rest will be budget and economy hotels linked to the new short haul, reduced flights arriving at the new Makhtoum airport which started passenger operations in 2014. In addition to the seventy-seven brands that operate in Dubai, forty-four new brand offerings will be developed over the next five years, further diversifying the industry

and changing the nature of the competitive environment for the established operators.

Attendance at several workshops, seminars and conferences in 2014 all of which were related to the challenges faced by the industry on the run up to 2020 identified a number of issues that managers are concerned about (see Appendix 1). Increased competition is of course a concern and in the five-star sector new entrants such as Four Seasons and Mandarin Oriental, both with beach front locations are being flagged up as potential threats. The growth in four-star lifestyle concepts is on the rise. Emaar, who own the Burj Khalifa which houses the Armani hotel has created a four-star Vida brand, Jumeirah who own the Burj al Arab has re-launched its Venu brand and Starwood has opened W hotels in a number of sites across the city. New economy brand players are also starting to develop, with Premier apparently opening 10 hotels in the Emirates between now and 2020, Emaar is launching a new two-star concept 'Dubai Inns' in 2015 and operators like City hotels who offer 'four-star services at three-star prices' are developing a number of new properties. This diversification is creating changes in brand portfolios, raising concerns about innovation, sustainability and cost of construction and has even prompted the DTCM to launch a new classification scheme for the hotel industry which now has 18 categories aimed at accommodating the changes (Arabian Business.com [01/09/2015]).

For Dubai, this is critical, particularly given the condensed time frame created by Expo2020. It has taken Dubai forty years to develop and establish its reputation as a luxury hotel destination, and while annual tourist numbers have accelerated rapidly at times (and still remain above the WTO estimates of 4% increase per year over the next five years) the destination has been able to absorb these increases. Tourism infrastructure has developed to consist of a number of man-made attractions such as Dubai Mall which includes the world's largest indoor aquarium, Sega World, a Cineplex and a number of other facilities that diversify the shopping experience. The climate provides for eight months of sun, sea, sand activity and even in the summer when temperatures are often well over 40 degrees, the Dubai 'Summer Surprises' promotion still draws tourists in via temperature-controlled swimming pools and air-

conditioned environments (Anthonisz and Heap, 2017c). As a tourist destination Dubai is a geographical, economic and social unit (adapted from Flagestad & Hope 2001) that has developed organisations, activities, areas and installations designed to meet the cultural differences, service requirements and expectations of tourists from all over the world. It is this plurality that is bringing diversity to what has been a very structured and controlled environment. That is not to say that this 'controlled environment' cannot continue to absorb growth, but it does pose a number of key strategic questions in terms of how the essential human factor can be developed to cover the inherent plurality.

In addition to concerns about how to respond to increasing levels of competition the first phase of this research identified two themes that have been consistently raised by managers in the industry. First, where will the anticipated three hundred thousand new employees come from to service these new hotels? And second, what will happen post Expo2020? Will the investment in new brands, new products, refurbishments and new niches ensure that room occupancies can be maintained in 2021? This second consideration may also be an issue in terms of the quality and the duration of the jobs created?

Employment issues are what at first seem to be the challenge for the tourism industry in 2017. The industry is challenging sustainability concerns, is continuing to build and re-build destinations and to brand and re-brand those destinations, but the thread that is missing is how to find the right employees to run these destinations.

The international hotel industry, and consequently hotel firms, shape the most important economic sector in Dubai. It is an extremely competitive industry environment, from both an internal point of view, with escalating hotel capacity across the city, and from an external view, as the globalisation process drives increasing numbers of new entrants into the destination. With a traditional emphasis on sun, sea, sand and shopping, Dubai, and the hotels that operate in the city, will need to determine which strategic orientation will generate success. Dubai has not moved from a post oil economy to a mixed economy, it has simply moved from oil to tourism. Future economic success for Dubai is therefore increasingly being attached

to a potentially volatile industry and marketplace. It is essential therefore that the strategic management of human capital forms the basis of long-term competitive advantage and future sustainability for both the industry and government.

1.2 AIM

To explore the dynamics of the hotel operating environment in Dubai and its impact on organisational culture, the challenges this creates to the strategic management of human capital within selected five-star hotels and the implications this has for co-alignment and the development of sustainable of competitive advantage.

1.3 OBJECTIVES

1. To evaluate the nature of the hotel operating environment in Dubai and the opportunities for strategic alignment.
2. To critically review the concept of organisational culture in terms of its impact on the development of appropriate strategic responses that contribute to competitive advantage.
3. To evaluate the challenges to the strategic management of human capital as a critical asset in five-star hotels in Dubai.
4. To model the relationships between academic thinking and operational application and identify the risk areas in strategic process/application and the realisation of competitive advantage.

CHAPTER 2 LITERATURE REVIEW

The need for a strong literature review that demonstrates the author's understanding of the subject matter is critical to the success of a research project (Randolph 2009). Gall et al, (1996) and Hall (1998) identify a number of reasons for conducting a literature review, but for the purposes of this research the following are highlighted:

- Delimiting (establishing the context of) the research problem,
- Seeking new lines of inquiry
- Providing a framework for relating new findings to previous findings
- Identifying relationships between ideas and practices
- Seeking support for grounded theory

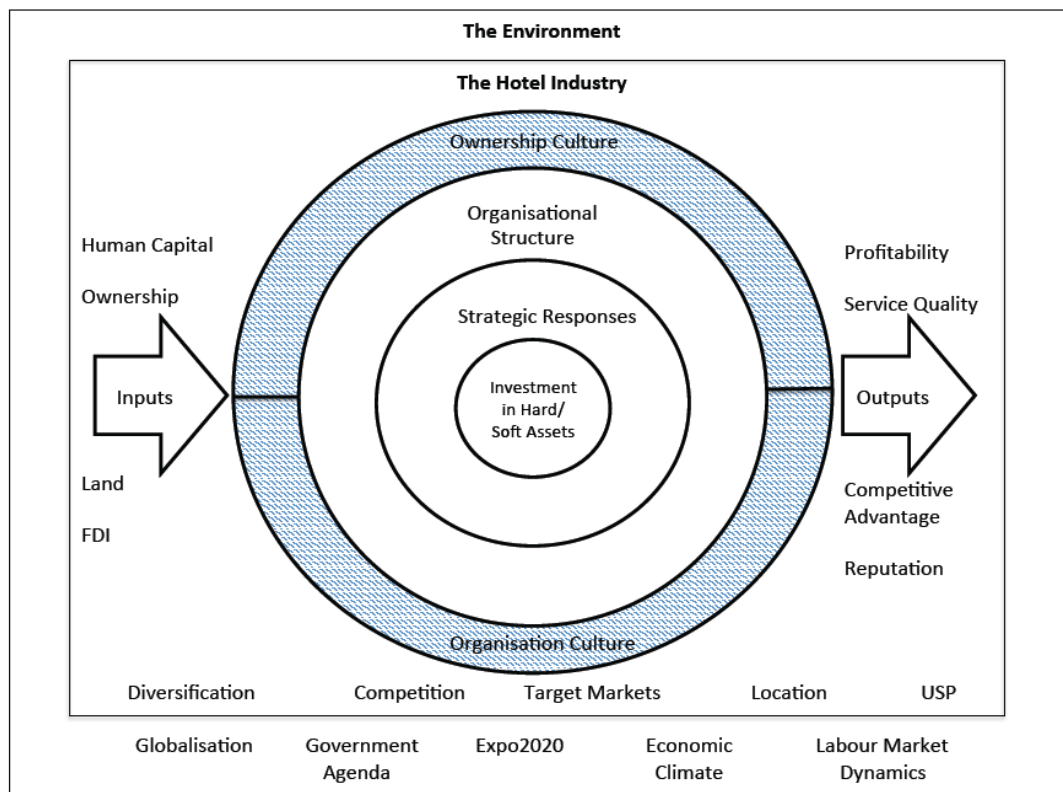
The perspective for the thesis (broad theme) relates to the application of knowledge within the service sector in order to test the notions and concepts linked to strategic choice and securing competitive advantage within what is a fast-moving industry and destination; namely Dubai. The literature will explore the geographic (cultural) and industry positioning of the destination within development theory and embed it within the labour intensive service sector. This requires a situational analysis of that destination but viewed against the existing theoretical/academic perspectives in order to create a conceptual framework for the research. In responding to Gamble's (2003) call for more researchers to develop what he terms '*a conceptual bricolage*' the literature explores several aspects from both the internal and external environment that inform how an organisation behaves and the strategic responses it develops in order to secure co-alignment and competitive advantage. These aspects were identified as key themes during the first phase of the data collection that took place in 2014 and in keeping with the grounded theory approach to this study they have informed on the initial chapters included in the literature. These themes include:

1. The growth of Dubai as a tourism destination and the nature of the tourism product that has evolved over time.
2. The impact of globalisation on the management of human capital in Dubai

3. The competitive dynamics that exist in Dubai and the challenges this creates for the hotel industry.

These themes are considered to have a critical impact on the organisational culture and subsequently influence the extent to which the strategic management of human capital (people) is linked to the overall strategy and success of the business. In adopting this approach, the thesis will attempt to account for some of the more complex patterns of interaction, linked to the standardisation, differentiation debates that exist in relation to globalisation, organisational culture, strategic thinking and the management of human capital. Figure 1 highlights the key aspects considered in the literature and the possible relationships that exist.

Figure 1 – Literature framework



Having based the initial research idea on the principles of co-alignment and fit (Olsen et al, 2007) which highlights the need for managers to fully understand the environment in which they operate, in order to generate sustainable competitive

advantage the model has been generated to reflect the complexities identified in terms of achieving co-alignment. In applying this thinking to Dubai the key drivers and influencing factors in both the external and hotel industry environments are identified and linked to where the organisation (internal environment) sits within this environment. The organisation is shaped by, but must also respond, to the changes in the external environment and management, according to the literature must invest in the right combination of resources in order to compete. The key resource under investigation in this thesis is human capital (people). For the international hotel chains operating in Dubai the strategic responses and choice of investment are directly influenced by ownership and the organisational culture and the Emirati!

In modelling these the relationships that exist between the external environment, the formation of strategy and the management of human capital as a key resource the intention is to simplify the complex range of issues that are presented in the literature and to create a structure that combines the academic thinking (secondary data) with the management views and observations (primary data) obtained during the course of the research. The literature is subsequently broken down into three sections: –

2.1 the external environment

2.2 the hotel (task) environment

2.3 the organisation

2.1 THE EXTERNAL ENVIRONMENT

On a conceptual level, Enright and Newton (2004) comment that most studies linked to assessing the dynamics of an industry, take place without an appropriate context and it is important therefore to establish the nature of the destination and the dynamics that exist within it as a starting point for the literature. It is also assumed that in order to understand an organisation fully that an understanding of the environment in which it operates is also a requirement. This is possibly more important when it comes to Dubai, a destination that can only be described as unique. In understanding the context of Dubai, the outer section of the model (see figure 1, p. 15) represents the external environmental factors that have combined to shape the

tourism industry as it stands today. The importance of the external environment in terms of influencing organisational strategy is commented on extensively in both generic and hospitality specific research (Olsen et al, 1998; Mintzberg et al, 2000; Harrison and Pelletier, 2000, 2001; Jansson, 2008, Olsen et al, 2007; Enz, 2010; Hall et al, 2012; Evans, 2015; Fraj et al, 2015;) with globalisation readily acknowledged in the literature as a major driver of change in tourism and hospitality (Knowles et al, 2004; Cooper and Wahab, 2005; Hjalager, 2007; Yu et al, 2014; Niewiadomski, 2014; Liu et al, 2014; Dwyer, 2015; Ivanov and Ivanova, 2016).

2.1.1 DUBAI IN THE CONTEXT OF GLOBALISATION

Globalisation is a highly contested multi-dimensional phenomenon (Ivanov and Ivanov, 2016) characterised by evolving interconnectedness (Dwyer, 2015) and the rapid movement of information, people and capital across global markets, and while the term may be readily accepted as a contemporary force, it is a complex concept requiring careful definition (Cline, n.d). Globalisation has been defined as the production and distribution of products and services of a homogeneous type and quality on a worldwide basis (Levitt 1983). In 1989, Yip presented a detailed discussion on whether a company should globalise, and how to globalise in terms of developing an integrated world-wide strategy. Yip (1989) clearly distinguished between the concept of a global strategy and the development of a multi-national, or multi-domestic approach in which companies would set up country subsidiaries designed to produce goods and services tailored to local needs. Giddens (1999) however, presents a broader and different view of globalisation when he identifies that globalisation is a process of convergence in terms of the political, cultural and economic aspects of life. Authors such as Tomlinson (1999) and Robertson (2001) have coined the term 'glocalisation' which downplays the influence of the Western forces identified by Levitt (1983) and considers the influence of local culture and tastes in the creation /delivery of local products and services.

The '*epitomy*' of the globalisation process, according to Dwyer (2014, p. 197) is the transnational company '*with headquarters in one country and ... wholly or partially*

owned subsidiaries in one or more other countries'. Bielak et al, (2007) in their report on CEO's and Strategy, in the McKinsey Quarterly identified that the increasing complexity of the business environment, accompanied by the social and governance challenges particularly evidenced in emerging economies, are now important drivers of global demand. These drivers will directly influence the provision of goods, services and talent. Companies operating in these emerging economies will therefore be affected by local interpretations of environmental, social and governance norms and will need to find ways to demonstrate their local loyalties at the same time as building a globally integrated system of values. For example, concerns over environmental sustainability in Dubai have resulted in several of the international chains such as Radisson and Jumeriah seeking Green Globe Certification (Stephenson and Al-Hamarneh, 2017) as a means of demonstrating their investment in the destination.

The CEO's who participated in the McKinsey survey (2007) highlighted that globalisation was a key development in shaping business, with 50% of CEO's indicating that aspects such as talent constraints and governance would affect the future success of the business. The approach a global company takes may therefore affect not only its reputation, but also its competitive position. For example, the provision of better working conditions and higher wages than the local norms stipulate, may create greater access to a skilled workforce. Olsen et al, (2007) corroborates this view from a hotel perspective, identifying that international chains have tried to improve their position by offering a range of rewards and educational opportunities as a means of enhancing recruitment and retention strategies. According to Xu et al, (2018) this has culminated in a new group of business leaders for international luxury hotels, leaders who are expected to have a more holistic and global view of the world and are '*culturally competent*' (p. 31).

Buchanan and Huczynski (2013) present the concept of globalisation, (see figure 2) in rather traditional terms, as an uneven process with many people in the world still having limited access to technology. However, it could be argued that the pace of change and the uptake of technology may have now overtaken this view. Dwyer (2015), also warns against such generalisations in terms of the effects of globalisation,

Figure 2 - Globalisation and organisational change

Buchanan, D.A. & Huczynski, A.A. (2013) *Organisational Behaviour*. 8th Ed. Harlow, England: Pearson, p. 50

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identifying that the outcomes may differ for each location, particularly where tourism is concerned. Buchanan and Huczynski also argue that Westernisation attempts to impose Western values creates animosity among cultures but equally, there are those locations, such as Dubai, and possibly the rest of the Middle East that seemingly embrace Western concepts as a sign of modernity and growth. Figure 2 is limited in terms of presenting globalisation as a causal chain from top to bottom with organisations subsequently responding to these downward pressures and adapting to cope by becoming faster, flatter and more agile (Deloitte, 2016). However, it does provide a useful framework through which to highlight the key drivers of change, the accelerated pace of growth and the more general views in terms of the impact on

organisations globally. What the model fails to do, is highlight the broader ramifications of globalisation in terms of tourism and hospitality such as increased employment opportunities, the opening up of new markets and the changing patterns of consumer behaviour (Dwyer, 2015).

2.1.1.1 GLOBALISATION OF THE HOTEL INDUSTRY

The impact of globalisation on the hotel industry is discussed extensively in the literature (see for example Olsen and Roper, 1998; Knowles et al, 2004; Quer et al, 2007) with more recent authors such as Niewiadomski (2014) and Dwyer (2015) criticising the business management view of globalisation, identifying that in its present form it does not account for the multi-actor nature of the international hotel industry, the extent to which hotel groups are embedded in host markets, or the impact of expanding hotel groups on regional development. This is an area also explored by Ivanov and Ivanova (2016) who discuss the potential for international hotel chains to impact on the extent to which a destination becomes globalised. Aspects such as hotel technology and the international connectedness brought to a destination by the presence of hotel chains will, according to Ivanov and Ivanova, potentially impact on the movement of goods, services, capital and people. Yu et al, (2014) also allude to this influence of the international hotel chain on a destination when they identify that aspects such as standardisation and technological innovation have had a positive impact on international hotel operations. From a negative perspective, they single out loss of authenticity, a factor they consider to be critical to success in tourist destinations. Yu et al, (2014) distinguish between globalisation as a unification process, as opposed to localisation as a process of diversification. As an example of the balance that needs to be struck between standardisation and authenticity (localisation) they comment that standardised hotel properties should reflect local culture and ambience in order to avoid the cost of developing a uniquely designed hotel. In a destination like Dubai, synonymous with luxury and landmark hotel properties this piece meal approach to hotel design would not previously have been entertained. Even the first properties in Dubai, such as the Sheraton on the Creek, was crowned with a revolving restaurant. More recently the competitive

nature of Dubai has seen mid-market properties and several of the new build hotels adopt a more standardised approach, but you just need to look at the Dubai skyline to realise that 'standard' does not feature heavily in the 'destination brand' (see section 2.1.2).

The international hotel industry is perceived as one of the most globalised in the service sector, and is considered by Yu et al, (2013) to be at the core of the globalisation of business. This requires international hotel chains to not only consider the appropriateness of their business strategies in a global context, but to determine whether the hotel operations around the world meet with local and international consumer expectations (Liu et al, 2014). Niewiadmoski (2014) identifies six features of the hotel industry that are key to our understanding of globalisation:

- The hotel industry is extremely susceptible to changes in the external environment. Particularly in terms of the economic and political change that managers have no real control over.
- The hotel industry, in spite of the importance of the external environment, still appears to do business on a local level which links to the discussion on the issues of standardisation and authenticity identified by Yu et al, (2014).
- The hotel industry in terms of size and representation globally is one of the most global service sectors. For example, the recent takeover of Starwood, by Marriott has created an organisation with over a million rooms worldwide (Remfer, 2016)
- The contemporary hotel industry is typified by the existence of a number of established and recognised brands which create competitive advantage when entering new destinations and provide assurance to the consumer that they will receive an assured level of service and experience (Rauch et al, 2015).
- The hotel industry is characterised by its high fixed costs and high investment risk and is subsequently reliant on external sources of funding, giving rise to a range of contractual agreements such as the management contracts discussed in section 2.2.2

- Finally, the hotel industry, in contrast to many other service industries can trace its global presence back to the end of the nineteenth century. Although growth was initially slow the pace with which international chains have evolved since the 1960's has continued to increase in line with global tourism demand, placing significant pressure on managers to adapt, with perhaps little time to reflect.

(Adapted from Niewiadomski, 2014)

The factors discussed above are deemed relevant to this research and as shown within the thesis are particularly evidenced in relation the growth of Dubai as a tourist destination and within the current challenges for management in the hotel sector.

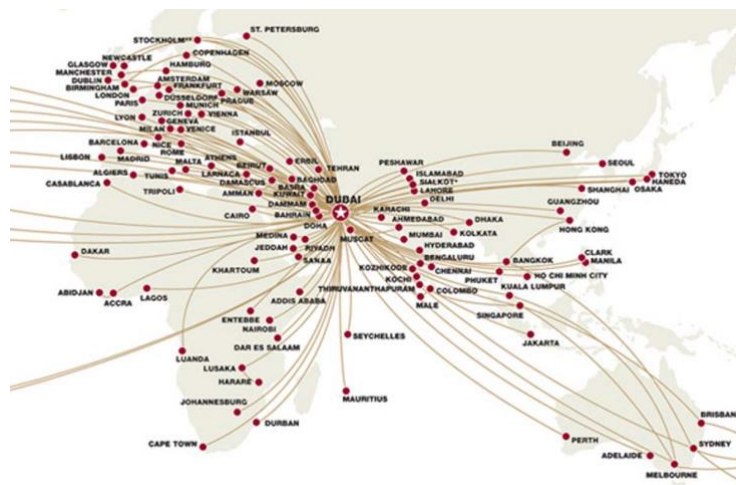
2.1.2 DUBAI AS A TOURISM PRODUCT

A tourism destination is one of the key concepts of institutionalised tourism but also one of the most difficult to define (Saraniemi and Kylanen, 2011). Burkhart and Medlik (1974) for example regard destinations as defined geographical areas such as a country or town. Medlik and Middleton (1973) regard a destination as a product made up of five key elements including attractions, facilities, images, price and accessibility (cited in Saraniemi and Kylanen, 2011). These elements create Leiper's (1990) destination 'pull', the factors that appeal to the consumer (cited in Yusof et al, 2012). Looking at the elements of the tourist destination has become one of the most popular ways to view tourism development with Ritchie and Crouch (2003) possibly providing the most comprehensive framework through which to view the factors that contribute to the product, and ultimately make a destination attractive. These elements, which include hotels, allow the destination to compete and subsequently determine its ability to increase tourism expenditure and continue to attract tourists (Ivanov and Ivanova 2016; Abreu Novais et al, 2018). In Dubai, an essential element of the destination brand and the ability to appeal to international consumers has been linked to the development of a number of landmark hotels such as the Burj al Arab, the Atlantis, and the Armani, all of which enhance the image of luxury and service (Anthonisz and Heap, 2017a).

In embracing the concept of globalisation the Dubai government has used tourism as a vehicle to drive the economy, and to encourage high levels of foreign direct investment (Basit, 2014). The jewel in the crown for Dubai came when they won the bid to host Expo2020 which has provided a further boost to tourism and trade in the region. The external factors of government agenda, Expo2020 and the economic climate shown in figure 1 (p. 15) are therefore considered to be linked and are subsequently discussed as one entity – the tourism product.

The success of the Dubai brand can be attributed to a number of factors, including its strategic location, its reputation for safety and its award-winning marketing campaigns (Anthonisz and Heap, 2017b). The increase in tourist numbers tracks the development of the national flag carrier, Emirates Airlines, whose global presence has taken advantage of Dubai’s geographical location and currently connects 154 destinations in 86 countries (see Image 1).

Image 1 – Emirates Route Map in 2017



Source: <http://www.theemiratesgroup.com/index.html?aspxerrorpath=/english/facts-figures/annual-report.aspx> [01/10/2017]

The expansion of the airline alongside significant financial investment and government vision has facilitated tourist growth at an increasingly rapid pace (see table 1). This growth is mapped against the classic destination development model presented by Butler (1980) (see figure 3, p. 25), highlighting the pace of development in Dubai and

the sustained increase in visitor numbers since 2008. These numbers in 2017 however, indicate a potential slowdown which, as previously discussed, places additional pressure on the hotel industry as hotel room supply increases but demand does not. Dubai is a complex city that has grown so dramatically in the last forty years that perhaps, as highlighted by Niewiadomski, (2014), there has been no time to sit back and take stock of what has happened or to consolidate what is good and reflect on what could be improved.

Table 1 - Visitor numbers to Dubai (1982 – 2016)

Year	Visitor Numbers (millions)
1982	0.37
1990	0.63
1995	1.6
2000	3.0
2004	5.4
2008	6.3
2010	8.4
2012	10.95
2014	13.2
2016	14.9
2017	15.27

Adapted from: Henderson (2006), Saidi et al, (2010), Statista.com (2017)

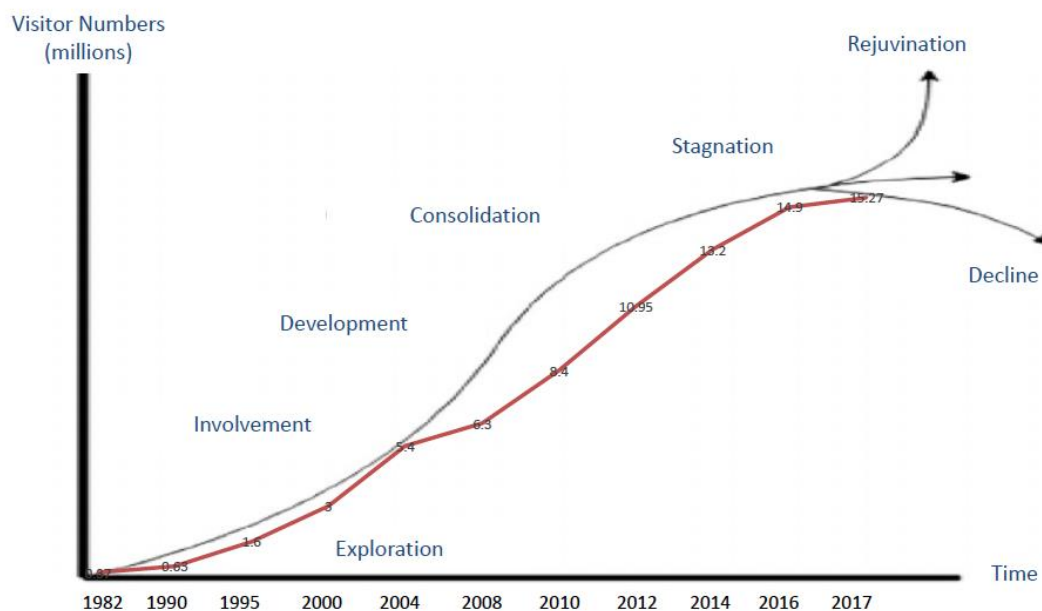
Despite its semi-desert climate, Dubai is possibly one of the fastest growing tourist destinations in the world and has established itself as the premier destination in the UAE (Khomsis & Kadri, 2017). Its transition from a fishing port to a major tourism destination has been facilitated by a number of factors including:

- the discovery of oil in the 1960's which provided the financial stability and the opportunity to overcome its obvious limitations in terms of lack of infrastructure and natural resources (Pourezzat et al, 2011) via massive investment designed to

propel tourism forward as a pillar of the economy (Henderson, 2006).

- Dubai’s strategic location which has allowed Dubai airport to become the busiest in the world in terms of international passengers (Smith 2017) and fueled the growth of Emirates Airlines which now serves 154 airports in 86 countries globally and operates the largest fleet of A380 and Boeing 777 aircraft (Emirates Group Annual Report 2016/17).
- the vision of the Al Maktoum family, whose ambitions have always been the creation of a city that is recognised globally in terms of both economy and business (Kechichian, 2008), and;
- early recognition of the contribution that the tourism industry may have to the agenda of growth and the development of Dubai as an international destination.

Figure 3- Dubai visitor numbers mapped against Butler (1980)



This combination of factors have contributed to a very successful tourism industry with Dubai, according to Khomsy & Kadri, (2017) being *'run like a private company'* and the *'tourism sector being managed with the same entrepreneurial philosophy as the rest of the emirate'* (cited in Almuhrzi et al, 2017, p.25), in terms of the fact that when it comes to development, only competitiveness and performance count. To an extent this a reflection of the *'growth fetishism'* identified by Hamilton (2003) in which the focus on economic growth sees the transfer of political authority from state to the

private market. The key difference for Dubai is that while market economy thinking prevails, the political functioning of the city is based on dynastic (Davidson, 2005) or modern (Ortega, 2009) tribalism in which the ruling elite of Dubai are able to maintain their traditional tribal values and networks in the guise of modern government institutions. As such, the royal family and their closest connections retain much of the power that would otherwise go to the incoming international corporations. A key example of this can be seen in the establishment of the DTCM (Department of Tourism and Commerce Marketing) in 1997, the only authority responsible for tourism development and promotion in the Emirate. The responsibilities of the DTCM extend to the management of all tourism related projects, the monitoring, marketing and licensing of all aspects of the travel and tourism industry, including accommodation, and the management of archeological and heritage sites in the region. In addition, the DTCM is also responsible for setting the hotel industry classification system used in the emirate, which was overhauled in 2014 to reflect the increasing diversification of the hotel industry, and for evaluating the services offered by operators (www.visitdubai.com Accessed: 7/8/17).

The establishment of the DTCM, in many respects is considered to be highly successful. The 'Definitely Dubai' advertising campaign won best tourism film in 2013 (www.emirates247.com Accessed: 7/8/17) and the department itself has won a number of accolades, including best tourist board at the World Travel Awards Middle East in 2016 (www.thefirstgroup.com Accessed: 7/8/17). The DTCM has also been responsible for developing the strategies that have contributed to the tourism industry becoming one of the three pillars of the Dubai economy and for the recent growth in the number of overnight international visitors which have escalated from 8.41 million in 2010 to 15.27 million in 2016 (Statista 2017), a far cry from the first recorded numbers of 374,000 in 1982 (Henderson 2006).

The increase in visitor numbers has to an extent been facilitated by a number of attempts to move away from Dubai's long-established reputation for Winter sun, sea, sand and shopping experiences offered in a five-star luxury environment. This perception of Dubai still prevails, (reflected in the fact that 80% of the new build hotels

in Dubai are five-star), but the DTCM have tried to develop the image by offering a more diverse tourism product that revolves around eight 'pillars', including: kids and family, cuisine and nightlife, shopping, beaches, entertainment, adventure, culture and heritage, and spas (DTCM 2015). The emphasis since winning the Expo bid in 2013 has been very much on Dubai as a family holiday destination, with Emirates Airlines offering Summer deals to extend the holiday season to an almost year-round product and the government providing a number of financial incentives aimed at developing the budget and mid-range hotel sectors to broaden the appeal for those with lower incomes. The change in strategy, approved in 2013, is part of the Vision 2020 agenda, and has potentially impacted on the key source markets for Dubai with India now taking the number one position in terms of visitors to Dubai and destinations such as China, Pakistan and Iran moving into the top ten (www.visitdubai.com Accessed 7/8/17). The UK, USA, Oman, Germany and Russia have dropped their overall positions since 2010.

As an international tourist destination, Dubai competes at a regional level with the likes of Abu Dhabi, Saudi Arabia, Oman and Qatar. While the tourism offer in these locations vary quite considerably, for example Saudi Arabia focuses on religious tourism and Qatar on sport, the overall growth of the region has fluctuated in recent years with the MENA (Middle East and Africa) region down 4% in 2016 (UNWTO 2017). This dip in visitor numbers is skewed by the 45% drop in visitor numbers to Egypt and does not reflect the continued growth in locations such as Oman, Abu Dhabi and Dubai. Within this competitive set, Dubai, despite its relatively recent development is possibly the most established tourist destination and is often used as a benchmark for other cities in the region. On a global scale however, Dubai is a 'newcomer' with the DTCM benchmarking against locations such as London, Singapore, New York, Paris and Macau in terms of economic growth, infrastructure, trade and innovation. Recent government initiatives have subsequently focused on issues such as sustainability, technology and connectivity, education and mobility, areas which are all reflected in the key themes of the Expo 2020 agenda (www.expo2020dubai.ae Accessed 7/8/17).

The power of the DTCM, the political economy and the government drive for tourism

within the context of this research all contribute to a number of interesting, and potentially unique challenges for the management of hotel operations in Dubai, not least of which is the management of human capital and who is ultimately responsible for ensuring that Dubai is able to attract and retain the additional 277 thousand employees, (40% of which will be in hospitality) needed to meet with the demands of hosting the Expo in 2020 (Basit 2013).

The vertical relationships that connect the ruling elite of Dubai (Ortega, 2009) with the commercial industries that contribute to the economic growth, and appeal, of the Emirate creates a highly complex and bureaucratic network of institutions and governance that ostensibly encourage new entrants into the destination, but potentially hinder the formation of an effective strategy as managers try to navigate through a range of antiquated, traditional practices (Davidson, 2005; Ortega, 2009) that impact on all facets of the business, including the procurement of key resources such as human capital.

2.1.3 LABOUR MARKET DYNAMICS

The final aspect of the external environment that is considered critical in understanding the context within which the hotel industry exists, is that of labour market dynamics, with the globalisation of human capital increasing the mobility of labour and creating international competition for skilled workers (Ewers and Dicce, 2016). Travel and tourism is one of the largest economic sectors globally, responsible for directly employing 108.7 million jobs in 2016 and forecast to grow at a faster pace than most other major industries and the global employment average (WTTC 2017) but in the western world the tourism and hospitality industries seems unable to develop strategies for the management of human capital that are strategic and developmental (Baum, 2008). As identified in the introduction to this thesis McKinsey have predicted a global labour shortage in many countries by 2020 and Dubai, with its reliance on an expatriate workforce (Ewers and Dicce, 2016) will need to consider how it will attract the manpower needed to support its growth on the run up to Expo2020.

In its broadest sense, the labour market refers to the supply of workers looking for jobs and the jobs available in a given area (Choi et al, 2000; Morrison, 2005). Economists and others who view labour markets from a macro or theoretical perspective tend to describe the environment as one similar to that of a well-oiled machine, driven by supply and demand within a free market. Perfect labour markets, according to Baum (2008) do not exist in the real free market world and, despite major investment in labour planning. This is because labour markets at macro and micro levels represent a complexity of interactions, which do not lend themselves to management and balancing in the manner that would be required by a theoretical model (Morrison, 2005; Baum 2008). Slattery (2002) also observes that the diversity of organisation types, their size, ownership, and geographic spread result in numerous operating systems and a lack of coherency in terms of management practices.

A labour market, in the majority of destinations, can be considered to be a dynamic concept responding to a diversity of factors some of which can be controlled at a local, regional or national level (Nickson 2013) but also including others which are entirely beyond such management and cannot be treated as static and unchanging. This reality has major consequences for the manner in which, at a micro level, managers plan and initiate all aspects of their human resource policies within a company (Baum 2008).

There are also implications at the macro level in terms of government planning and the need to provide special measures, such as the development of vocational education, as a means of responding to the constant change within the labour market. The Dubai government has made little attempt to develop the level of vocational education needed to support the jobs created by Expo2020, although several new hospitality degree providers have entered the Dubai education sector. A report commissioned by DIAC (Dubai International Academic City) and presented at the I-Up conference in 2014 highlighted the serious shortage of workforce skills, particularly those in relation to the hospitality sector, and a potential manpower gap of two hundred thousand people by 2015. The challenge for the UAE is that vocational education is not viewed positively in terms of personal development and only 1-3% of academic enrolment in Dubai is in vocational education, compared to the global

average of 10% (Swan, 2014). The traditional reliance on an immigrant workforce and perhaps the continuing view that labour can be imported to support growth may explain the apparent lack of development in this sector of education.

Availability of appropriate talent is increasingly seen as a source of competitiveness, a facilitator of growth and a key enabler for wider economic development but few countries have prioritised human capital to the same extent as other areas such as infrastructure (WTTC 2017). As an essential part of the tourism product in most destinations the international hotel industry needs to address these staffing and labour problems as a priority (Davidson et al, 2010; Crick & Spencer, 2011, Brien et al, 2017) but may be constrained in their efforts as they try to navigate the local labour market dynamics and regulatory frameworks of Dubai (Ewers and Dicce, 2016).

2.1.4 LABOUR MARKET DYNAMICS AND THE IMPLICATIONS FOR THE HOTEL INDUSTRY

In 1997, Littlejohn commented that two decades of intense growth and significant internationalisation of the hotel industry required an enhanced understanding of managerial practices and labour markets in order to address problems in the industry. Over the course of the twenty years since this comment was made there has been no shortage of similar observations on the challenges created by a shortage of suitably skilled and qualified labour and the problems associated with addressing this (Wood, 1997; Choi, Woods & Murrmann, 2000; Lashley and Morrison, 2000; Lucas and Deery, 2004; Baum, 2008; Joppe, 2011; Wood, 2015; Baum, 2015; Reilly, 2018). Hotels in destinations all over the world are trying to deal with the challenges of high staff turnover, negative perceptions of the industry as a career option, availability of suitable staff, competition within the industry and with other industries for the best people, and adverse supply trends associated with declining populations in some locations. These are coupled with changing technologies, shifts in customer preferences and changing visitor markets creating a complex labour market environment. Given the size of the workforce linked to the tourism and hotel industries globally (WTTC, 2017), it is not just the shortage of suitable labour that

creates challenges but the characteristics of the workforce that are commonly cited as affecting demand and supply of appropriate labour:

- Predominantly female
- Predominantly young people
- Large proportions of part-time and seasonal workers
- High staff turnover rates
- Recruitment problems
- Poor levels of training
- Relatively low levels of pay
- Mobility of the labour force as employees' swap company and location
- Unsociable hours and working patterns

(Adapted from Evans ,2015, p. 112)

Ruhanen and Cooper, (2009) present a wider range of issues in their review of 10 countries in the Asia Pacific region which noted a number of additional factors such as lack of appropriate government support in term of education and training institutions, legislation affecting visas and migration and a tendency to employ high levels of immigrant workers in management roles.

As a destination Dubai reflects many of these more common elements but also has a number of more unusual characteristics observed during the course of this research (see table 2). Many of these factors contribute to the complexity of managing the workforce in Dubai and in particular the costs associated with recruitment, retention and turnover create significant challenges to the bottom line and potentially influence management perceptions of the value of strategy, the importance of human capital and the need for the HR function to be fully integrated at a strategic level within the business. Faz, Anthonisz & Yang (2017) in their industry white paper on the impact of staff turnover on the hotels income statement identified that a 30% staff turnover rate in a hotel of 100 employees can potentially cost AED1.3 million (£271,000 approximately at the current exchange rate) per annum. With many of the larger

properties in Dubai (all of which are governed and controlled by the Emirati elite) employing between eight hundred and a thousand individuals, the potential for financial loss is significant if management fail to address the underlying causes appropriately.

The strategic responses to challenges such as high staff turnover, the majority of which have been developed in a Western context, are often short term rather than strategic and are indicative of a sector unwilling to address its product, service and human resource challenges in an integrated and innovative manner (Baum 2008). Watson (2008) and Hoque (2013) affirm this view, commenting that the management of employees with the hospitality industry is often cited as informal (in other words at an operational level) with evidence of organisations failing to adopt good practice models of human resource management. According to Gill (2018) this apparent research-practice gap in hospitality still exists with the cost of this gap in terms of the achievement of competitive advantage through human capital, being attributed to a lack of knowledge on the part of managers, but also a lack of understanding in academic circles of what may be appropriate in terms of good practice.

Halici et al, (2012) discuss the concept of human capital heterogeneity (HCH) in terms of the demographic dimensions that segment the workforce and increasingly impact on the complexity of those employed in the hotel sector. Their research focused on Turkey, which is similar in terms of the national culture to Dubai and discussed the need to redesign organisational systems in order to facilitate expansion into different markets and to establish synergy within the organisational culture. The authors argue that the key element of this process is linked to globalisation in that everything and everyone should be analysed in terms of diversity features and that organisations needed to have a clear understanding of that diversity. It could also be argued that there is a need to link HCH of the workforce to the culture and systems theory framework identified by Smircich (1983) in light of the sociocultural systems that may form within the hotel. Halici et al's research identified that hotel managers were not aware of the benefits of HCH and subsequently were not able to manage this as a strategic process within the business. The emphasis for management was on finance,

Table 2 Factors affecting demand and supply of hotel employee labour in Dubai

Global Similarities of the Hotel Industry Workforce in Dubai	Dubai Specific Considerations for the Hotel Industry Workforce
<ul style="list-style-type: none"> • High Staff Turnover (Dubai average is between 30 and 35% turnover but at interview some managers identified turnover as low as 6% and as high as 65%) • Poor levels of training • A highly mobile work force within the destination as employees switch brand • Long hours • Lack of courses in evidence at college and university level • Negative perceptions of employment in the industry, particularly among the local population • Very little awareness of the value of graduates and subsequently few graduate opportunities • A shortage of appropriately skilled and qualified labour 	<ul style="list-style-type: none"> • The hotel workforce is predominantly male (70% and up), to the extent that a number of properties have a KPI linked to maintaining the number of female employees in the workforce. This is a reflection of the overall demographic profile of the UAE (de Bel Air 2015) but also the perception that men are more physically able to deal with the workload associated with departments such as housekeeping (Anthonisz 2014). • The image of Dubai in terms of being an attribute to a CV means that applications are not an issue. Company A, for example receives over 5000 applications a week. • The work force is all immigrant labour with some minor exceptions where hotels operate an Emiratisation policy (e.g. Jumeirah). • Emirati employees are predominantly employed at senior management positions • Different levels within the organisation, and across various departments vary considerably by nationality or groupings of nationality. For example, Europeans, Americans, Australian and South Africans dominate at middle -management and are almost exclusively employed at senior management level (Brien and Anthonisz, 2016,2017). • Employee base wages can be low but are tax free and all employees receive benefits including, accommodation, food, uniform, medical insurance and flight tickets home. • At present there is no legislation that allows for large numbers of part time workers or anyone under 18 to be employed in the industry. • There is no opportunity for expatriate workers to retire in Dubai. If you are still in employment at retirement age you must leave the country unless your employer allows you to work for longer, but visas must then be renewed more frequently. • All staff work on a renewable short-term visa of approximately three years. Visa acceptance and renewal is subject to medical checks, the results of which can result in employees being asked to leave the country at short notice.

sales performance and efficiency, a common point made in the literature and a critical output discussed later in this thesis. They also concluded that HCH could also have negative outcomes in terms of conflict, reduced communication and loss of profitability if hotels chose to group nationalities together rather than to distribute them across all areas of the business. This aspect of the study is particularly relevant in the context of Dubai (see table 2) with research by Brien & Anthonisz (2016, 2017) highlighting the nationality, age and gender groupings that exist within departments and at different levels within the organisational hierarchy of hotels in Dubai. The characteristics of the hotel industry workforce in Dubai reflects the local employment conditions and the context in which international hotel chains operate. These conditions may create specific challenges to the strategic management of human capital in light of the legislative and government control discussed in sections 2.1.3 and 2.2.2.2.

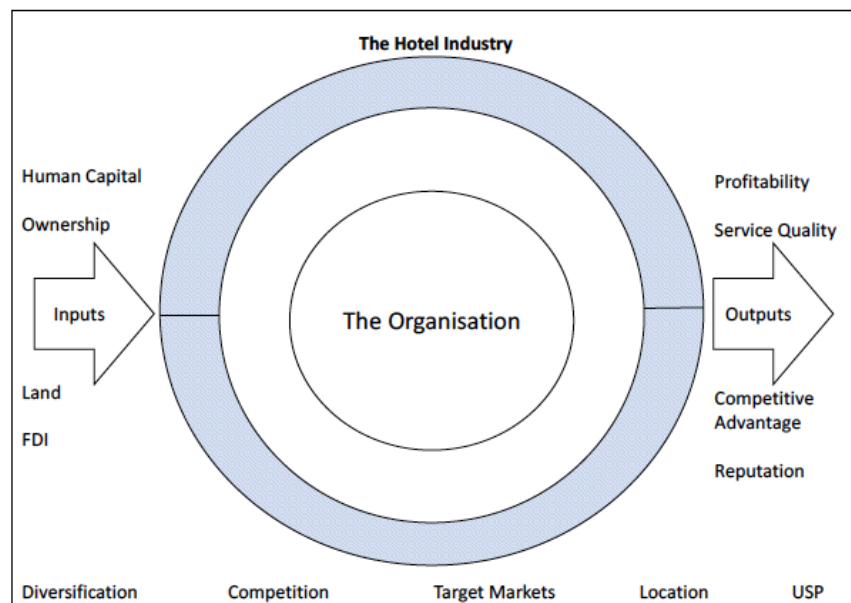
2.1.5 A SUMMARY OF THE EXTERNAL ENVIRONMENT

The external environment is simultaneously impacted upon by globalisation as a force for convergence and divergence in Dubai. While the government of the UAE are prepared to accept the presence of Western (and Eastern) brands as a means of growth, economic development and a representation of their image on the global stage and an assurance of safety and predictability for the expatriate labour force and the international tourist, they are only prepared to accept these on their terms. The convergence of political and social systems associated with the impact of globalisation are either managed via government or rejected in terms of Arabic culture and traditions, creating impacts on hotel strategy and the dynamics of the labour markets on which Dubai draws its pool of labour. This presents a range of challenges to the management of international hotel chains, all of which are beyond their control, but present a particular set of dynamics within which hoteliers must try to compete. Conversely this could get rid of those challenges as the environment in Dubai is perhaps predictable, is conservative and will not change so strategy may be easier. It may not be perceived in Western terms as ethical, but that can be explained away in terms of it is deemed ethical within the host's culture of this destination.

2.2 ASSESSING THE HOTEL OPERATING ENVIRONMENT

The second level of the literature model (figure 1, p. 15) is shown below in figure 4 and is made up of a number of factors impacting on the hotel industry in Dubai at this time.

Figure 4 - The hotel industry 'task' environment



Olsen et al's (2007) model of co-alignment refers to this more immediate domain as the 'task environment' (p 80). Whereas the external environment has demonstrated a range of forces that cannot be controlled by the firm and are more remote, the task environment, according to Olsen et al, tends to be made up of those aspects that are likely to have a more direct and immediate consequence for the organisation and lie within the destination's immediate arena of tourism activities and competition (Brent-Ritchie and Crouch 2010). For the hotel industry in Dubai there are a number of factors that influence the organisation and these are a reflection of the dynamics of the business environment and a number of aspects that are specific to hotel operations in Dubai. For example, the mode of entry for international operators is restricted to management contract (See 2.2.2.1).

While there are few barriers to entry (Porter, 1985) with regard to entering the market this mode of entry has an impact on the business as it is determined by

ownership which in turn affects location and is therefore an important factor in terms of success. This it is perhaps easier for the industry in terms of creating their management strategies as this comes under the 'number of factors' that can be predicted within the external environment. The proximity of the factors in the task environment create a greater sense of immediacy when it comes to strategic decisions and these appeared to occupy management attention during the first phase of this research. This is perhaps due to implications for Dubai as a whole in terms of maintaining its appeal, and the government drive for diversification of the sector which is considered to be essential in ensuring the growth of visitor numbers (DTCM, Vision 2020 Conference, 2014). While a number of the factors that impact on the industry are considered to overlap, for ease of discussion they have been split into three areas which are presented as follows.

2.2.1 FACTORS IMPACTING ON THE HOTEL INDUSTRY IN DUBAI

The hotel wide factors that were raised as critical concerns during the first phase of this research are considered to affect the industry as a whole. These include the inevitable *diversification* of the hotel sector which accompanies the increasing tourism numbers and the stage in Butlers lifecycle as highlighted in figure 3, p. 25. The growth of the hotel industry has also created intense *competition* as hotel room supply outpaces tourist demand. *Location* which is linked to ownership is also an industry wide concern. Hotel chain presence across Dubai is often linked to a representation in at least one premium location, and in many instances in several of the sub-markets of the city (see Appendix 1 for map of Dubai submarkets). Target markets for Dubai can be split by nationality, hotel property location and purpose of visit and managers need to determine which of these they can appeal to. This often requires a *unique selling proposition* (USP) which can be a challenge for those properties that cant instantly refer to their proximity to a major attraction, beach front location or landmark property.

2.2.1.1 COMPETITION

Almost every industry in today's business world has to contend with at least some degree of competition (Mohammed et al, 2014) but for the hotel industry, considered to be one of the most globalised, service intensive industries, hotel operators look for an international market presence as a means of overcoming the competitive advantage that may be afforded to local brands (for Dubai this could include, Jumeirah, Emaar and JA Resorts) and as a means of exploring new markets (Assaf et al, 2017). The pace of change and the level of competition creates increasingly difficult circumstances in which to operate, particularly in those areas, such as Dubai, which are characterised by a high volume of hotels offering substitutable products (Matovic, 2002, cited in Mohamed et al, 2014). Increasing competition in the hotel industry and the continuous pressure resulting from market saturation has created a need for greater performance control in the hotel industry (Assaf et al, (2017). As numerous global brands expand internationally the need to select the best tourist destinations, offering the highest returns has become one of the most debated issues for hotel providers globally (Yang et al, (2012).

Ivanov and Ivanova (2016) in their research on destination competitiveness and the impact that hotel chains have on that competitiveness identify that the presence of international brands has a direct correlation with destination competitiveness. In terms of destination appeal, while it is important to be able to compete for growth in tourist numbers, it is also important to compete in terms of attracting new hotels and investment in the destination. Santos et al, (2016) point out that hotels locate wherever their target markets (the tourists) go and that market size, or potential for growth in the market creates a significant draw for international hotel chains. For example, Intercontinental and Sheraton, who were two of the first chains to enter Dubai, were possibly following the British, US and European families, visiting friends and relatives in the construction industry. The wealth of Dubai at that point meant that local owners were only looking for hotels with a five-star offering, and subsequently this impacted on the levels of service quality and hospitality associated with the destination. Equally, the use of recognised brands provided the familiarity of a standardised offering that would enhance the appeal of a new destination where tourists were looking for familiarity (Anthonisz & Heap, 2017a).

The international chain presence in Dubai is substantial, with the long-established operators such as Intercontinental, Fairmont, and Hilton, now vying for position with Four Seasons, Marriott, Accor, Taj, Mövenpick and Radisson, fueling growth and increasing diversification of the hotel offering. This diversification, particularly in light of the government incentives aimed at attracting more mid-market properties has increased the number of brands represented in Dubai although it is important to note that 80% of these are still in the five-star category (STR, 2016), as was the case in Shanghai, prior to Expo2010.

The growth and spread of Dubai as a tourist destination, has potentially added to this more introspective view with the city becoming a series of micro-markets rather than a destination as a whole. In talking about their competitive set, most hotel managers in Dubai are referring to their immediate location and those hotels that operate in the direct proximity to their property. For example, a hotel operating in 'The Walk' area of Jumeirah Beach Residences (JBR) would not consider a hotel in Dubai Downtown part of their competitive environment. This practice of identifying only a few firms with whom the hotel competes is commonplace in an industry where managerial resources are limited (Mohammed et al, 2014) and reflects the bounded rationality (DuBrin, 2011) and number of external factors over which a manager has little or no control. Li & Netessine (2012) in their research on hotel competition in Manhattan identified that most hotels had an average of six to eight close competitors. While Kalnins (2016) has criticised the use of Manhattan as a location, indicating that it has a unique hotel environment which perhaps limits the ability to generalise results, his research across a wider number of locations in the US has since affirmed this approach to managing competition which is referred to by Baum and Mezias (1992) as 'organisational ecology'. This concept presents the idea that localised competition becomes more intense the greater the similarity between businesses, and that demand for similar resources may create additional intensity (cited in Sainaghi, 2010). It can be argued that competition for resources (particularly employees) and market share (tourists) is global, and a more holistic view of the organisation is required in order to cope with the constant change in the business environment, but it could also be considered a positive. In adopting this narrow focus hotel managers can potentially

reduce the number of variables that have to be factored into strategic decisions as they know who they compete with and which nationalities are drawn to that particular area of Dubai. As RQ01 (interview, 2016) points out managers need to '*fish in the right water*' but he also observes that in Dubai '*you have so many dreamers who just fish and hope to get the fish*'. This view of the dreamer who just hopes to get the fish may be similar to that of Kalnins and Chung (2004) and Kalnins (2016) who identified that businesses that are resource poor, and might otherwise fail in urban hotel markets, may also benefit from entering crowded locations as they can not only, learn (or possibly copy) from the competition, but may also attract more customers by being close to others. This again implies limited strategic thinking on the part of management and is symptomatic of the analyser strategy discussed in 2.3.4.

2.2.2 INPUTS TO THE ORGANISATION

The second set of factors located within the task environment (Olsen et al, 2007) are more specific to the particular hotel operation as they can have a direct impact on the organisational culture of the business and subsequently the strategic decisions that are taken. These inputs include *ownership*, which in Dubai will come from local or GCC origin. *Land* which is usually accompanied by a property for the company to manage. *Foreign direct investment* (FDI) which comes from the international chain looking to establish or expand its presence in Dubai, and critically *human capital*, which as discussed in the introductory chapter is an essential element in terms of co-alignment and strategic success.

2.2.2.1 MODE OF ENTRY

The issues of FDI, land and ownership to an extent can be covered by reviewing the mode of entry strategies available to hoteliers operating within the Dubai context which is identified as one of the key challenges for the international hotel industry (Dev et al, 2007; Brookes and Roper, 2011). Alongside franchising, managing through contract is the most utilised business format in the international hotel industry (Niewiadomski, 2014). Expansion via the entry mode of management contract, has

been employed as a method of international expansion since the 1940's (Quek, 2012) but it more readily typified by the Intercontinental model identified by Littlejohn et al, (2005). Management contract allows the hotel chain to capitalise on ownership (brand name and management skills) and location (home and host government support and network), and has facilitated rapid international hotel expansion since the 1960's. International hotel chains such as Marriott, Intercontinental, Wyndham, Accor and Hilton, expanding their luxury hotel brands into emerging markets, increasingly utilise this approach in locations such as China with 741 new luxury properties opening between 2014 and 2019 (Xu et al, 2018).

However, a number of authors including Guillet and Mattila (2010), Harris (2013) and Wood (2015) point out that the potential detachment of management from ownership that is associated with this form of operation can lead to problems as management focus on long term business performance, and investment in maintaining the brand, while owners focus on minimising spend, short term payment and investment returns. This perception of the short-term view is exacerbated in Dubai where ownership can be linked to the Arabic cultural characteristics of risk aversion and short-term orientation (Hofstede, 1980, cited in Najm, 2015).

This hybrid form of market entry mode allows hotels to maintain full operational control over their ownership advantages during the internationalisation process, involving multi-domestic locations. While the owner retains full control over the physical asset (the property), the hotel operator normally provides the brand, the associated systems, standards and procedures that reinforce that brand, and the employees (Leon-Darder et al, 2011). Fleşeriu et al, (2014) support this observation of the international hotel industry indicating that the dominant international chains select an entry strategy to fit the market they are entering, with the most common options linked to franchise and management contract, the latter being selected because of the high levels of operational control, the low financial implications and the option to reduce risk.

There are two main operating models for hotels in Dubai. The first and least prevalent

model is that of *owned and operated or wholly owned subsidiary*. The hotels in this category have been developed locally and the brands are owned and managed by a Dubai based company. There are a number of locally owned and managed hotel companies currently operating in Dubai and the wider region, including Royal Continental, JA Hotels and Resorts, TI'ME and Citymax. The two most notable operators in this category include Jumeirah Hotels & Resorts, established in 1997 and a subdivision of Dubai Holdings (www.dubaiholding.com, Accessed 18/9/2017) and Emaar Hospitality (www.emaar.com Accessed 18/9/2017), established in 2007 and a subdivision of Emaar Properties PJSC. The hotel properties for these two major chains are often located in key areas of the city such as beach-front or mall locations, have flagship properties associated with the Dubai brand and experience significant benefit from ownership. Dubai Holdings for example, is owned by His Highness, Sheik Mohammed bin Rashid Al Maktoum, and owns the Burj al Arab. Emaar Properties is a real estate company, headed by Mohamed Alabbar, an Emirati billionaire, who own the Burj Khalifa and the Armani hotel. An interesting difference in these two companies is that while Jumeirah has concentrated on its five-star presence, Emaar was one of the first companies to expand into the boutique sector, with its new Vida, Rove and Manzil brands contributing the to the recent diversification of the hotel sector (www.emaar.com Accessed 18/9/2017).

The second, and predominant model of hotel operation in Dubai, is that of *management contract*, an approach synonymous with the Intercontinental growth model identified by Littlejohn et al, (2005) but one that is not without its challenges as a business model (van Ginneken, 2018). This asset light strategy allows the international chains to focus on growth, targeting key destinations such as Dubai via a number of differentiated brands that build scale and deliver revenue with limited investment. This type of hotel agreement requires 51% local ownership, usually linked to the ownership of the land in a specific area, with licenses and management of the approvals process regulated by the DTCM. For an international chain operating several properties across the city, this can mean partnerships with a number of local individuals, possibly all with different expectations of business performance. As the environment has become more competitive this mode of operation has also

contributed to a growth in *re-flagging* (brand switching), particularly in older hotel properties. As owners search for higher revenues, they switch to brands that appeal to specific target markets and allow them to take advantage of the government tax incentives attached to the introduction of midmarket and budget brands (Navin, 2017). As an outcome the larger international brands are increasingly being replaced by names such as J5, Centro, Citymax, Dunes, Evado, Vivus and Rove.

This supposedly 'low risk' option for the hotel brand is often associated with contractual problems elsewhere in the world (van Ginneken, 2018) and is not without its hazards in Dubai. As Thacker (2015) observed, as a destination where legislative reform is in its infancy, the hospitality domain has seen its fair share of court battles in recent years. The time frame associated with the management contract in Dubai is also significantly shorter than the twenty to fifty years suggested by Go and Pine (1995) with many operators on a ten to fifteen-year agreement (CON 4, Senior Manager, Jumeirah Hotels 2015). This potentially places greater pressures on both owner and operator to gain an acceptable return on investment within a condensed time frame. For example, Marriott International who operate the triple site St Regis, W Dubai and Westin under management contract with the Al Habtoor Group mutually agreed to end their agreement after only two years of operation. Marriott have been replaced by Hilton who will operate the three properties which will be rebranded as 'Habtoor Palace', 'LXR Hotels and Resorts' and 'V Hotel' (part of Hilton's Curio Collection) (Gulf News, 2018).

2.2.2.2 HUMAN CAPITAL AS AN INPUT

The other key input in the task environment is the availability of a suitably skilled and qualified workforce, which as discussed in sections 2.1.3 and 2.1.4 in terms of the labour markets for Dubai is a high priority concern for all sectors of the hospitality industry as Expo2020 draws closer. As identified in the introduction to this thesis, Becker's (1964) view is considered pertinent here in that human capital can be viewed as both a resource and a capability that impacts on performance and has the potential to contribute to the core competences and competitive advantage of the firm (Leepak

and Snell, 1999; Baron, 2011). This implies that human capital must be treated at a strategic level (Jackson et al, 2009) taking account of the resources available and the factors that may impact on the availability of those resources.

Figure 5 - Current and additional forces shaping human capital

Phillips, J.J. & Phillips, P.P. (2014) 'Developing a human capital strategy in today's changing environment: eight forces shaping HC strategy'. *Strategic HR Review*. 13 (3) pp. 130-134
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From a hotel perspective, Phillips and Phillips (2014) identify a number of established and more recent additions to the forces shaping the use of human capital as a means of competitive advantage, stating that a failure to address these forces as part of the strategy of the business will seriously impact on the level of performance (see figure 5).

These forces, which represent some of the critical challenges to the hotel industry reflect the nature of the global business environment across all industries and

critically, for this research, take note of the more recent concerns linked to shifting demographics and issues associated with globalisation and the global economy (McKinsey,2012; Deloitte, 2016). What is not considered here are some of the more context specific factors that include acculturation, tribalism and the socio-economic aspects that impact on the workforce. This model therefore demonstrates similar limitations to the other academic discussions that are presented in the literature. For example it does not even acknowledge the cultural aspects linked to the management of a multi-cultural workforce in a non-western environment such as Dubai. These factors in particular can be linked to the macro environment of the business and contribute to the increasingly divergent views on the management of human resources, identified by Kaufman (2016).

At the destination level the preliminary research conducted in support of this thesis echoed a number of similar concerns to those of Phillips and Phillips (2014), particularly those linked to recruitment of talent and retention of staff. However, the overriding issues highlighted by managers included the challenges created by visa regulations imposed at government level and increasing levels of turnover as an outcome of the escalating salaries being offered by the competition, particularly at lower levels in the organisation. Recruitment and retention reflect two of the key roles associated with human resource practices with recruitment being linked to the ability of the workforce and compensation being linked to motivation (Gill, 2018). With high levels of staff turnover across the industry this may indicate that HR focuses on the first process but does not manage the employee engagement journey to ensure motivation and retention (Anthonisz et al, 2017b). In addition these practices must be managed amid the complexities of a controlled environment such as Dubai possibly limiting the opportunities for a cohesive and integrated strategy. This may then lead to what McKinsey (2012) calls '*a heads down attitude*' in which managers busy themselves with administrative tasks that keep things running but don't actually achieve anything.

The majority of academic research undertaken in the hospitality field would appear to indicate almost conclusively that investment in the human (cultural) capital of the

organisation will lead to success but much of this research has largely been undertaken in a Western context. There are a few notable exceptions to this including Barber and Pittaway (2000) who reviewed the implications of expatriate recruitment in South East Asia and Davidson et al's, (2010) review of labour turnover cost in four and five-star hotels in Australia. In the Middle Eastern context Stephenson et al, (2010) discuss the concept of Emiratisation (an area of interest for this study) and the need for indigenisation of products and human capital in the UAE, and Zeglat & Zigan (2014) who conducted research in Jordan, identifying that managers in the Middle East have yet to recognise the importance of human capital in terms of its impact on business performance and its contribution to the success of the business. This view appears to be synonymous with the primary data obtained as part of the first phase of this research and subsequently presents a challenge for the industry as a whole. RQ01 (Interview 2016) commented that *'the biggest challenge here is to find the people. That's the key, key message. There is a big vacuum here you know..... here the manpower issue is huge and you can't blame it on HR.'*

RQ01 also observed that despite the importance of human capital and its direct link to service and ultimate profitability of the organisation that *'Nobody has thought about it, nobody is thinking about it, other than in every new hotel where they are stealing the people from the other guy or bringing in new shipments of people they have to train'*.

The fact that nobody is thinking about human capital may be a reflection of management attitude, an issue discussed by Zeglat and Zigan (2014) in their research on upscale hotels in Jordan which identified that managers in this part of the world have not yet recognised the importance of human capital in terms of impact on business performance or its importance for their business. Jordanian managers identified a range of more important factors that included quality of service provided, business location and the way of running the business. Zeglat and Zigan make the assumption that this lack of recognition may be a consequence of factors such as cultural issues, which are discussed later in section 2.3.2, and levels of employee satisfaction.

Human capital inputs also have a direct link to outputs with a number of researchers establishing a direct link between employees and profitability. For example, Chen et al, (2004) found that high levels of employee human capital encourages customers to engage with the company which in turn leads to more profit. Hsu & Fang (2008) identify that employees who possess suitable knowledge and skills can better serve customer needs, and Engstrom et al,(2003) in their research on upper class hotels, found that human capital was the most influential factor in the service sector with regard to business performance. This view was further confirmed by Cabrita and Bontis (2008) who identified the importance of knowledge over inventory, and human capital as a key source of value creation within the business. As a focus for this thesis and a critical input for the organisation the strategic management of human capital and its use as an asset will be discussed further in section 2.3.4 and 2.3.5 of the literature. This leads us into the final set of factors in the hotel task environment, the outputs of the organisation.

2.2.3 OUTPUTS OF THE ORGANISATION

This third set of factors, which include profitability, service quality, competitive advantage and reputation are an outcome of the organisational culture (see section 2.3.2) and the strategic decisions (see section 2.3.4) taken to ensure the ongoing success of the business and need to be managed to meet with the expectations of both the direct and indirect stakeholders. *Profitability* is paramount in Dubai, both for the hotel chain managing the property and for the owners, seeking a return on their investment. The need to generate revenue is often at odds with the need to maintain *service quality*, especially in the five-star hotel industry but even with the diversification of the hotel industry service quality must reflect the hotel star ratings set by the DTCM and be perceived as value for money for the consumer. The creation of a *competitive advantage* for the organisation is also a critical output in terms of generating long term success and is an outcome of the strategic choices and investment in hard and soft assets (see section 2.3.5) that combine to deliver the customer experience (Teare et al, 2008, Enz 2010). The final output is *reputation*, which to an extent is a culmination of the other outputs but can also be essential in

terms of appealing to inputs such as attracting the workforce required for growth. As identified in the first phase of the analysis (see section 4.1) it is also critical in terms of meeting the government agenda for tourism, which revolves around maintaining the traditional Dubai reputation for luxury (DTCM, Vision 2020 Conference, 2014).

One of the main goals of business managers is to achieve superior performance. Prior research reports extensively on strategy formulation and implementation as key elements in accomplishing this goal (Webster, 1994; Harrison & Pelletier, 2001; Mankins & Steele, 2006; Chathoth & Olsen 2007 Koseoglu et al, 2013; Wheelan et al, 2015) and many hoteliers develop competitive strategies that aim to secure a strong market position and achieve profitable outcomes. In line with Barney's (1991) approach, discussed later in section 2.3.5.1, such competitive strategies are commonly formulated by assessing the internal resources of the firm (tangible and intangible assets and organisational capabilities) but as Evans (2015) points out the nature of the hotel industry means that many managers are routinely faced with tradeoffs between guest satisfaction, organisational efficiency, and financial performance. The critical element in determining profitability is determining which of these trade-offs to make and subsequently which assets to invest in.

Both Olsen et al, (2007) and Enz (2010) argue that profitable outcomes cannot be achieved by investing in a single resource and that investment should be made across all areas of the business, including branding, human resources, innovation, computer reservation systems, niche marketing, pricing tactics and advertising. While Olsen et al, (2007) make the distinction between investment in core and peripheral competencies, neither author indicates an order of priority for investment. Given the widely accepted nature of the service industry, the intangible nature of service and the reliance on front-line employees to provide the differentiating services to the customer (Bowen and Chen, 2001) and to deliver the 'product' (Solnet et al, 2010) this research may address a gap in the literature by assessing the key drivers in the external and task environments and the previously mentioned importance of human capital which has clear links to service quality, competitive advantage and reputation.

A key to excellent service is the individual employee who delivers the service to the guest, and while customer service can be considered applicable to a number of industries, for hospitality and tourism, *service quality* can determine levels of customer satisfaction and loyalty (Tracey, 2014; Ariza-Montes et al, 2017) and ultimately impact on the survival of the organisation (Madera et al, 2017). Van der Meer-Kooistra and Zijlstra (2001) in particular, claim that customers are attracted by good employees, that is, those who possess the relevant skills, knowledge and the right attitude and motivation. This places considerable emphasis on developing a high performing workforce (Tavitayaman and Zhang, 2011) but the problem for managers is that this employee is typically the one who is the least likely to identify with the long-term goals and objectives of the organisation, who has the least seniority, least experience and lowest pay. In other words, one of the unique challenges in the hotel industry is to get the person who is least involved and least committed to the organisation, motivated and enthusiastic about delivering the guest experience in a way that makes the guest so happy that they want to come back (Van der Meer-Kooistra and Zijlstra, 2001). Managers must also recognise that the diversity that exists between customers and employees in terms of culture, religion and service expectation needs to be reflected in the service delivery and adjusted accordingly (Evans, 2015). For many guests, the front-line server is the organisation, so managers must work out how to inspire that employee to deliver the experience in a way that exceeds guest expectations. This major challenge is shared by all service organisations as a key determinant of success in competitive markets. This potentially then has an impact on *competitive advantage* and emphasises the need for these values to be embedded in the organisational culture, and for human capital to be managed at a strategic level so that the organisation is capable of dealing with the challenges associated with managing staff in a dynamic business environment such as Dubai.

As discussed as part of the introduction to this thesis Dubai's reputation has not been built on providing Islamic tourism experiences (Stephenson et al, 2010). It has been built on five-star luxury provided by an international brand presence that caters to international experiences in a cosmopolitan environment (Anthonisz and Heap,

2017a). In spite of the current diversification of the industry the majority of the new build hotels are still five-star properties (Top Hotel Analytics, 2014), requiring good employees with an appropriate understanding of service excellence. Many of the international chains entering Dubai potentially benefit from one or more forms of advantage in the market place, including bringing a known product into the market, a competitive price-value proposition, a beautiful facility and/or a key location. But can the organisation create a customer experience that keeps customers coming back? After all, as Wood and Brotherton (2008) point out, it is possible to provide hospitality without actually being hospitable. This ultimately is what separates the firm from its competitors and creates a USP. Building customer loyalty starts with a commitment to deliver excellence at every moment of truth (Olsen, et al, 2007; Smith, 2003; Sarpong, 2016) and must extend from upper management to every frontline employee, placing considerable emphasis on the management of human capital as a means of ensuring that loyalty.

From a strategic perspective *reputation* is based on the concept of hospitableness (Lashley, 2008; Lashley, 2015) and the impact this has on the host guest relationship in terms of generating positive moments of truth (Olsen et al, 2007; Lashley, 2008) and has long been identified as a critical element of competitive advantage by a number of authors (Teare and Olsen 1992; Olsen & Zhao 2008; Olsen et al, 1998; Enz 2010; Evans 2015). In considering the nature and quality of the host guest interaction, operators in the hospitality industry have the opportunity to develop long-term relationships with guests and build competitive advantage through those relationships (Anthonisz, Heap and Rawlinson 2015). Andrades and Dimanche (2014) suggest that once a company has sufficient information on the consumer that they can co-create and co-design the hospitality experience and that this experience will be the mediator between service quality and the intention to revisit. The problem for many hotel operators, according to Lashley (2008) is that they tend to give priority to the tangible elements of the consumer experience and subsequently fail to see that it is the quality of employee performance that creates the emotional experience and impacts on the loyalty and satisfaction of the customer. In Dubai, where the hospitality experience is largely provided by Western brands (particularly in the five-star sector) and employees

are imported from the Indian subcontinent, catering to a range of nationalities in terms of tourists, managing these moments of truth can become a highly complex issue. The primary research conducted as part of this study clearly indicated that hotels in Dubai do tend to focus on the hard assets in terms of location, amenities and physical assets as a means of differentiation but perhaps that is because this is something that can be controlled and is easily integrated into a strategic plan.

The focus on the tangible elements of the customer experience was part of a cross-cultural study undertaken by Mok and Armstrong in 1998, which evaluated various cultural perceptions of service quality. In it, they identified that all 5 countries participating in the study ranked the tangible elements as the least important aspect of the service experience, and while cultural perceptions of service varied, the one constant in the equation was that all countries ranked 'reliability of service' as the most important factor in terms of service quality. The emphasis on reliability of service across cultures could be linked to the levels of standardisation associated with globalisation and the expansion of the recognised international brands discussed earlier in section 2.1.1.1. In order to ensure that expectations are met Mok and Armstrong concluded that hoteliers needed to invest in both the people within the organisation who provide the service and in knowing who their customers are and what their cultural perceptions of quality service may be. Mok and Armstrong's conclusions have more recently been affirmed by Djekic et al, (2016) in their research on European full-service restaurants. While perspectives on the relative importance of tangible elements varied across the four countries included in the study, consumer perceptions of food service and quality were consistently agreed on as the most important attribute of the experience.

2.2.4 A SUMMARY OF THE HOTEL ENVIRONMENT

As alluded to at the start of this section, the hotel industry (task) environment is subject to a number of factors that potentially impact on the success of the organisation, which includes increasing levels of competition, increasing diversification of the hotel offering, the need to manage within a given location (sub

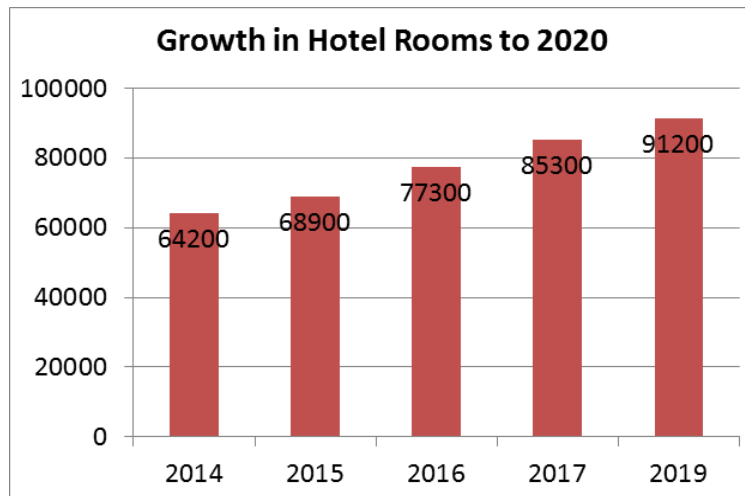
market of Dubai) and the implications this has for developing particular target markets and a unique selling point within that submarket. The hotel environment in Dubai, again presents a set of unique challenges in terms of strategy. In addition to managing the increasing levels of competition across the city and the associated diversification that accompanies that growth, hotel managers need to consider which submarket they operate in as this then links to their direct competition and the potential target markets they would appeal to. For example, hotels along the Jumeriah Beach waterfront are all five-star luxury brands that include, Jumeriah, Four Seasons and the One and Only Royal Mirage. As internationally recognised brands they tend to have an international appeal and their location provides ready access to a range of attractions including Wild Wadi, Emirates Mall and Ski Dubai. In contrast to this the hotels operating in another submarket such as Bur Dubai demonstrate a predominance of three and four-star apartment properties with lesser known brands such as Tulip, Dolphin and Ramee, often catering to target markets from the Asia Pacific region.

The hotel business environment in Dubai is therefore highly complex and, since the award of Expo2020 has become extremely competitive with an increasing number of new brands entering the market. Dubai currently has the largest number of rooms under construction in the MENA region with STR (2015) reporting fourteen thousand, three hundred and eighty-five rooms across forty-nine hotels under various stages of construction. Dubai saw an additional four thousand, seven hundred rooms in 2015, followed by a more significant jump in 2016 and 2017, with eight thousand four hundred and eight thousand rooms respectively (see figure 6). While increasing numbers of international arrivals will go some way towards absorbing the increase in supply the most profitable sector is likely to be in the budget travel hotel as the region receives increasing numbers of more cost-conscious travelers arriving from Africa and Asia (STR, 2015).

Location is often considered a key to success in the hotel industry and while this holds true to an extent in Dubai, the city is made up of a series of 'micro locations' that tend to cater to Dubai's source markets or are orientated around perceptions of luxury in

that area. Beach-front locations are expensive (Four Seasons and Jumeirah), and to an extent limited, as are those sites linked to Mall space (The Armani at the Dubai Mall, Kempinski at Mall of the Emirates) and visitor attractions such as the Meydan

Figure 6 - Hotel rooms under construction in Dubai



Source: Adapted from reports by STR (2015) and Top Hotel Analytics (2014)

race-course (The Meydan Hotel). In addition to beach front and mall locations, hoteliers have a number of sub markets to choose from including, Deira, Dubai Creek, Al Barsha, Healthcare city, Motor city, Jumeirah Beach Residences, The Marina, Sheik Zayed, Downtown and the Palm (see Appendix 1 for a map of Dubai submarkets). Each sub-market has a set of associated facilities and attractions that reflect the level of quality and or luxury in that area and can be used to develop a specific selling point to the customer, either in terms of price, location or access to particular sites of culture or interest.

As discussed in section 2.1.4 the hotel industry in Dubai is made up of an almost entirely expatriate work force that has traditionally grown based on the historical links with the Indian sub-continent who are employed as front-line staff. A mix of European, American and Australian employees predominates at middle and senior management level, accounting for 30% of most organisations (Brien and Anthonisz, 2016). The local Emirati population on the other hand tends to be seen only in terms of the 51% ownership required to set up a hotel in the UAE, and in some of the wholly

owned hotel companies such as Jumeirah, where small Emiratisation programmes are designed to bring local employees in to management positions in the hotel industry.

Very little is known about the existing Dubai hotel workforce and the challenges in meeting the future workforce demand in what can be described as a unique destination and employment environment (Brien and Anthonisz, 2017). At a macro level, by 2023, tourism employment within the UAE travel and tourism sector is estimated to create two hundred and forty five thousand (directly related) jobs (Dubai Chamber of Commerce, 2014), however, within this figure there are no projected future labour-force figures for sub-sector employment such as for hotels. A complicating factor of this proposed new job creation is the issue that in the emirate of Dubai, there is no readily available local workforce (Emiratis) for the majority of jobs (Dubai Department of Statistics, 2015) and the emirate presently relies significantly on immigrant labour. This employment strategy will need to continue as increased tourism related jobs, and new hotels, will require significantly more skilled employees to sustain such high facility and guest experience standards. However, such a strategy is not without its challenges, in what is a global and mobile labour-force (Anthonisz & Brien 2017).

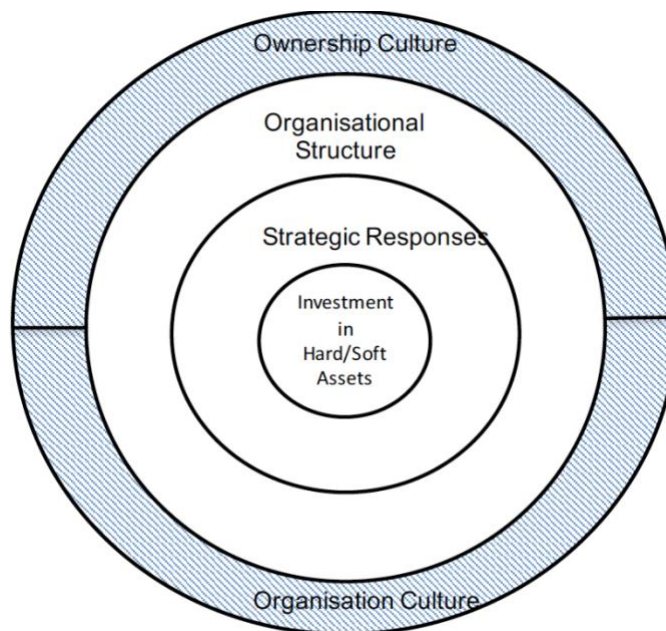
These elements of the hotel (task) environment that are supposedly easier to control (Olsen et al, 2007) in terms of providing an appropriate response are not as simple as they appear in the academic literature. The need to ensure the established reputation of Dubai as a luxury tourist experience is high on the agenda of the DTCM who manage and control the development and growth of tourism via licensing and legislation that must be adopted. The choice of location, the existence of multiple micro-markets, many of which have associated target markets in terms of nationality and purpose are controlled by ownership. The availability of a suitably qualified and skilled pool of labour that must come from outside of the country is determined by government visas and Arabic perceptions of the value of certain nationalities. The supposedly 'controllable' environment does not exist in the same way that it does in many Western contexts, but it does impact on the organisation, its culture and management's ability to develop strategic responses that ensure competitive

advantage.

2.3 THE ORGANISATION

In allowing the literature to be guided by the issues identified by industry in phase one of this study, the third, and central element of the model shown in figure 1, p. 15 is the organisation which has to be co-aligned with the changes in both the external and hotel operating environments in a way that generates successful outcomes for the business, meets stakeholder expectations and ensures sustainable competitive advantage.

Figure 7 - The layers of the hotel organisation



In keeping with the common analogy of the concept of the organisation discussed in much of the academic literature (see section 2.3.1) this is made up of a number of layers with ownership (in terms of national culture) and organisational culture (in terms of brand) highlighted as the critical influences on structure and strategy and the value placed on human capital as a resource (see figure 7). Given the two modes of entry available to international hotel chains in Dubai (see section 2.2.2.1), the concept of ownership within the context of Dubai hotels is given equal priority to that of organisational culture, as it can be assumed that the dominant values of the Arabic owners may impact on structure, strategic response and investment choice. To an

extent this provides a diagnostic model through which to understand the organisation in terms of its nature and the relationships that exist within it (Janicijevic, 2010).

2.3.1 DEFINING THE 'ORGANISATION'

The concept of the organisation as an entity has been variously defined across a range of disciplines including general business (Greenwald, 2008), organisational behavior (Robbins and Coulter, 1999), organisational psychology (Levitt and March, 1988), organisational learning (Senge, 1991) and organisational communication (Miller, 2012). According to Onday (2016) organisations are commonly viewed from one of three perspectives:

- The *rational view* that sees the organisation as a tool designed to meet a set of pre-designed goals and is characterised by high levels of formality and bureaucracy (Alford, 2014), is synonymous with mechanistic organisations (Mullins, 2001). This organisational form has a number of characteristics (see Appendix 2) that are summarised by Burns and Stalker (1961) and are often associated with international hotel operations. Aspects such as vertical hierarchies, task allocation by function, authority represented through contracts, etc. are all commonly associated with hotels and therefore imply that organisations are mechanistic. A mechanistic structure allows for employee behaviour to be monitored which potentially boosts financial performance and helps them achieve goals. Customers of course, may not appreciate the resulting lower standard of service provided by employees being managed in terms of performance, or the reduced amount of time spent with them, which may lead to poor behavioural performance from a customer perspective (Tavitiyaman 2012). In addition, this mechanistic type of organisation is only considered to be appropriate for stable operating environments which could present significant challenges to hotel properties operating in Dubai if this is directly linked to success.
- The second perspective of the organisation is the *natural view* which presents

the organisation as a group (Onday, 2016), made up of individuals who may interpret organisational goals in different ways and therefore add much greater complexity to the organisation and how it is structured (Scott and Davis, 2007). This presents a number of challenges to the organisation that are discussed later in section 2.3.2.1.

- The third type of organisation is the *open system* which represents the organisation as a self-regulating system that responds to, and is shaped and supported by, the environment in which it operates (Scott and Davis, 2007). The open system concept is similar to the organic view of the organisation presented by Burns and Stalker (1961) and by Mullins (2001) and is characterised by a network structure of control and authority, multiple subsystems based on function and the continual redefinition of task and commitment to the strategy of the organisation (Onday, 2016). While the organic structure is considered more appropriate when dealing with a fast-changing environment, when hoteliers face an uncertain environment an organic structure may result in loss of control in terms of employees and productivity which is inconsistent with the often standardised approach to service practices in hotels. Tavitayaman (2012) argues that empowered employees potentially spend more time on service delivery creating a potential drop in productivity. Furthermore, if employees are spending more time on each guest, then those waiting to be served may perceive the hotels performance standards to be unsatisfactory. To compensate hotels may take on extra staff which has an impact on financial performance. In Dubai, luxury hotels are typified by high numbers of employees at lower levels of the organisation as the ratio of staff to guests is a supposed indicator of quality but employees at this level are at the bottom of the pay scale so are not necessarily a significant cost to the business, and as identified earlier, may be the most difficult to motivate (Van der Meer-Kooistra and Zijlstra, 2001).

The open system, or organic organisation (Burns and Stalker, 1961) is considered more appropriate when dealing with conditions of uncertainty and change but can be

influenced by the hierarchy and structure of the business (Scott and Davis, 2007). The organic organisation also advocates a more bottom up approach and participatory decision making that values knowledge across the organisation (see Burns and Stalker (1961), Appendix 2).

2.3.1.1 THE ORGANISATION IN THE DUBAI CONTEXT

The characterisation of organisations across the hotel industry in Dubai is therefore problematic as the dynamics of the environment and the pace of change would indicate that a more organic organisation (see characteristics in Appendix 2) would be more successful in dealing with, and responding to, the challenges confronting the industry. However, the strength of government and the dynastic tribalism (Davidson, 2005; Ortega, 2009) that exerts control over the industry and its ability to respond to change also implies that the open systems view of the organisation is applicable, creating open, organic, organisations. This potentially creates a hybrid of the two theories proposed by Onday (2016) and Scott and Davis (2007) which more accurately reflects the state in which organisations in Dubai exist. While the traditional hotel operations and international chain structure roots hoteliers firmly within the mechanistic/ rational model, strategic responses are also dependent on the influences of the external environment of Dubai as discussed in section 2.1 of the literature. Hotels are also open systems that are shaped by the external environment as they are reliant on the resources and support that comes from that environment as key inputs to the business (see figure 1, p. 15). This implies that hotels are potentially static objects sitting within a changing environment that is impacting on the culture, structure, strategic responses and ultimately the investment choices that hotel managers 'choose', or possibly are required to make in order to meet stakeholder expectations. RQ01 (interview, 2016) commented that as a GM in Dubai your decisions have to keep a number of stakeholders happy and that *'first, you have to satisfy the owner because he is investing billions and he wants a return on that otherwise it's a waste of money.... And then you have to satisfy your company obviously, brand standards, company culture...'*. The implication here is that managers may lack the necessary empowerment to make effective decisions and rather than being masters

of their destiny, they become '*victims of change*' (Dawson and Andriopoulos, 2017, p.89), or in this case, 'victims of ownership'.

2.3.2 THE ORGANISATIONAL CULTURE

The distinction between the hotel as a hybrid of a mechanistic operation functioning within an open system can also be linked to organisational culture. The open systems approach considers the organisation as a number of interconnected subsystems with any change to one part of the system impacting on the others, and in turn impacting on the overall success of the business (Burns, 2014). Organisational culture is the glue that holds these systems together, providing structural stability and reliability and impacting on the strategy and direction of the business (Freiling and Fichtner, 2010). This implies that the organisational culture is responsible for the creation and maintenance of a mechanistic operation, an area further explored in section 2.3.2.2.

Organisational culture is likened to the human personality in that it is difficult to explain and define and likely to be different in all organisations (Evans, 2015). The concept of organisational culture, according to Carvahlo et al, (2017) has been in evidence since the 1950's and can be understood either from an anthropological perspective (Robbins, 1990, cited in Onday, 2016) or from an interdisciplinary perspective (Lewis, 1996) which includes contributions from sociology, anthropology and psychology. There are many definitions of organisational culture available in the literature. The more traditional and commonly cited views include Deal and Kennedy (1982) who linked this to the dominant values held within an organisation, Smircich (1983) who defined culture as 'the way we do things around here', Hofstede et al, (1990) who created the 'onion' model that included values, rituals, heroes and symbols, and Schein (1984) who described organisational culture as the basic assumptions and shared beliefs held by all members of the organisation. Nickson (2013, p.52) considers the debate on culture to indicate that it is perhaps unmanageable and is something that an organisation '*is*' rather than something it '*has*' (Legge, 1994). There does however appear to be a common theme, according to Dwyer et al, (1998) who identify that all organisations have a system of shared

meanings. This theme appears to continue in the more recent models presented by Schein et al, (2000), Scott et al, (2003) and also in Muscalu, (2014). These sometimes more expansive definitions often build on the older views of organisational culture to include aspects of dress, language, behavior, symbols of status and authority and modes of defense and subversion. In summarising the dimensions of organisational culture Golea and Balogh (2015) identified that:

'organisational culture is made up of essential elements such as the set of beliefs, values and behavioural norms which stand for the main foundation regarding employees' perception on what happens within the organisation, what is wanted and accepted and what may pose a threat' (p. 104).

While this definition of an open organisational culture highlights a common understanding of 'how we do things around here' (Deal and Kennedy, 1982) which creates management control over the effectiveness of the organisation and the level of internal integration that exists across the company (Dawson and Andriopoulos, 2017) it clearly highlights the role of the employee in this equation in terms of whether they accept or reject elements in the culture, or in the case of Dubai, form their own sub cultures within the organisation. The formation of subcultures is not an unusual phenomenon in the hotel industry with a number of authors commenting on the departmental silos, a manifestation of these subcultures, that form between the various functions (housekeeping, f & b, finance, marketing, HR etc.) of the hotel (Bodeker and Cohen, 2010; McGuire, 2016; Noone et al, 2017), the formation of which can impact on a number of factors including decision-making, organisational focus, finance and operations (McGuire, 2016).

In Dubai, these silos are potentially exacerbated by the formation of national groupings within departments, and across levels of the organisation, a situation that appears to be intentionally created by management with several managers who participated in this research referring to KPI's (key performance indicators) linked to gender and ethnic mix. A number of reasons were cited for this which were linked to government directives on Emiratisation and the need for greater female

representation in the work force, the need to control levels of nepotism among supervisors and as a means of preventing disruption to operational directives. The 'intentional' creation and management of subcultures and the compartmentalising of gender and nationality groupings into departmental silos does not appear to have been explored in the academic literature to date and potentially adds another challenge to the strategic management of the workforce. Given that organisational culture, or more specifically the dynamics it generates, can directly affect strategy formulation and implementation (Dwyer et al, 1996) the formation of sub cultures at a number of levels may directly affect organisational performance. The fact that hotels in Dubai have KPI's to manage culture and gender at various levels may be intended to overcome issues of organisational performance but this may also preclude the development of an excellent team of staff who understand each other culturally, and also places significant emphasis on management to fully understand the strengths and weaknesses of each nationality in order to make an informed decision about ethnic mix.

The relative strength or power of these subcultures and their ability to impact on the organisation varies quite considerably and while many academics have historically referred to the corporate (Kotter and Heskitt, 2008) or brand culture of organisations and the dominant effect that this can have on all other facets of the business, in Dubai it could be argued that the management culture is what drives the organisation. The battle between hotel management and ownership was alluded to in the earlier discussions on management contract (section 2.2.2.1) but the tribal dynamism of the Arab culture, not only retains control over the external environment, but also within the hotel properties that exist in Dubai. The strength of the Arab culture is likened to what Lewis (2006) refers to as a 'cultural black hole' (p.103) where the national cultural beliefs and values cannot be questioned and while this has been observed to have positive as well as negative implications for management and the organisation as a whole, it does present a number of challenges when it comes to decision making, the structure of the organisation and the value placed on human capital, particularly for those nationalities (usually from the Indian subcontinent) that are not revered by the Arab culture (Lewis, 2006). This approach to management in the Western world

would be considered legally and socially unacceptable, but in Dubai legislation is created to facilitate the cultural values and beliefs of the Arab world and may subsequently create a 'cultural black hole' within the organisation when it comes to the strategic management of human capital and the development of appropriate HR practices that facilitate this management. For the international hotel chains operating in Dubai this needs to be factored into their strategic thinking before entering the destination as the assumption that a strong organisational (brand) culture can be easily translated and communicated to the workforce may be fundamentally flawed.

2.3.2.1 ORGANISATIONAL CULTURE AND THE INDIVIDUAL

The role of ownership and management, discussed in 2.2.2.1, and their influence on culture is also relevant in discussing the views presented by Buchanan and Huczynski (2013) who highlight the fact that organisations will usually portray themselves as 'one big happy family' (p.13) in order to elicit positive responses from employees and customers alike. This approach fits well with the Arabic culture for a number of reasons. Firstly, the concept of the 'happy family' implies that everyone knows each other and in Arab cultures this creates an often, nepotistic approach to leadership and management (Arsali et al, 2006; Lewis, 2006; Aldraehim et al, 2012; Najm, 2015). Arsali et al, (2006) in their research on nepotism in three, four and five-star hotels in Northern Cyprus highlighted that nepotism paralyses human resource practices and affects levels of satisfaction among employees. The second aspect of the 'happy family' is linked with a tendency to emphasise the positive (Lewis et al, 2006), or, as several managers in this study commented, to present positives when there are none. International hotel chains also have a tendency to propagate this view with recruitment strategies, publicity material, missions and visions, all contributing to the impression that everyone is a team player and we are all working towards achieving the same goals. However, as Buchanan and Huczynski (2013) point out, organisations do not have goals, or missions and visions, people do, and as such managers decide what the company objectives are and use the term 'mission' or 'strategy' in order to get others to buy into them, but they are still created by the individuals at the head of the organisation. This potentially creates a number of challenges for the organisation

if the goals pursued by individuals are different to the collective purpose of the business.

This view is akin to that of the *'Theory of the Firm'*, which has its origins in Smith's (1776) *The Wealth of Nations* but was later developed by Berle and Means (1932) in their observations on the modern corporation (cited in Hendry 2011). The modern corporation potentially presents two sets of problems. The first of these considers the extent to which the modern firm has now distanced itself from local community and fails to engage and invest in the way that local family businesses of the 19th century would have done. The second, and more important discussion point for the purposes of this research, is the use of managers in the running of the modern firm. Since the managers of a corporation are not the owners there is potentially a conflict of interest between the need to maximise profits for the owners and the temptation to serve their own interests (Hendry 2011). In the hotel industry (and possibly other sectors) in Dubai it was observed that the transient nature of the workforce, particularly in terms of the expatriate managers who have no long term interest in ensuring the sustainability of the business this *temptation* impacted on the control of resources, increased costs to the organisation, the challenges to the development of an effective strategy, the systems that the organisation utilises and the extent to which the organisational hierarchy exerts control over its employees. How managers design and run their organisations in Dubai can therefore have significant implications for the type of organisational culture that exists and the development of a sustainable competitive advantage.

2.3.2.2 ORGANISATIONAL CULTURE AND STRATEGY

As discussed at the start of this section on the organisation, the definitions of culture are varied and include a number of elements that are common to many attempts at explaining what culture consists of. One of the elements from the interdisciplinary perspective is the concept of the cultural artifact (Deal & Kennedy, 1982; Smircich, 1983; Schien, 1984). This viewpoint recognises that organisations, while producing goods and services, also produce distinctive cultural artifacts as the superficial

manifestations of culture. Dwyer et al, (1998) argues that strategy is a cultural artifact that helps employees to understand their role within the organisation, creates a focus for loyalty, encourages motivation, and helps individuals make sense of their environment. By extension the implication of this is that the strategy and culture will need to be co-aligned (as highlighted in the introduction) to reflect the organisational hierarchy, the extent to which decision-making is centralised, levels of formality and control, and where power sits within the organisation. If there is a potential for managers to influence the organisational culture (Hendry, 2011) and managers are the link between corporate strategy formation and its implementation at operational level (Anthonisz and Heap, 2017b), this places significant emphasis on the need for an effective human capital strategy that can deal with the *interference* that may impact on organisational performance.

The challenge with respect to organisational culture and the potential to use human capital as a means of competitive advantage is that existing strategies may well be a reflection of the cultural orientation and predominant strategic view that a hotel chain chooses to adopt, which is potentially linked to the themes of standardisation/convergence and localisation/differentiation considered earlier in this thesis.

Four types of cultural orientation and strategic view have been discussed in the literature for more than thirty years (Go & Pine, 1995; Bowie et al, 2017):

- **Ethnocentrism** – Firms that adopt this approach tend to be more standardised and assume that what worked in the home country will work in host markets. Decision-making tends to be centralised. This approach dominates the international hotel industry and is primarily concerned with exporting a proven standard of service that ensures a consistent experience for the consumer (Brotherton and Adler, 1999).
- **Polycentrism** - In adopting this orientation company operations, human resource practices and marketing are adapted for each country, reflecting a

more localised, authentic approach. The destination that the hotel sets up in is considered to provide a unique environment that should be reflected in the hotel offering (Brotherton and Adler, 1999).

- **Regiocentrism** – This is similar to polycentrism and reflects the development of a range of approaches that fit within a specific geographic region, such as the Middle East. To an extent this reflects a degree of localisation.
- **Geocentrism** – Firms adopting a geocentric approach compete on both a global and local level and balance degrees of standardisation to gain economic advantage, with localisation, to reflect local culture and legislation. This ‘balance’ is common in the international hotel chain industry and is typified by the Intercontinental approach discussed by Littlejohn et al, (2005).

(Adapted from Yu et al, 2014 and Bowie et al, 2016)

In developing an international strategy hotel companies operating an ethnocentric or geocentric orientation are more likely to rely on standardised operations, favouring a resource-based paradigm. The resource-based approach potentially negates some of the risk associated with international expansion (Andreu et al, 2017) and is also reflected in the mode of entry strategy discussed earlier in section 2.2.2.1. Those companies relying on a more regiocentric or polycentric strategy are more likely to provide more ‘authentic’ experiences via customised operations (Yu et al, 2014). As a destination with a reputation for constantly reinventing itself (Anthonisz & Heap, 2017a) the question of what is authentic to Dubai potentially limits the options for reflecting local culture (Stephenson et al, 2010) and the economic imperative that dominates the hotel industry possibly creates a business environment in which ethnocentric or geocentric approaches are the only alternative. This may create challenges to the development of an effective strategy that fits (co-aligns) in terms of the business operating environment and in terms of the organisational culture (Carvalho et al, 2017).

The concept of fit is further discussed by Dwyer et al, (1998) in their research on organisational culture and strategy in resort hotels who present an adaptation of

Brown's (1995) model of culture, strategy and performance (shown in figure 8). The premise of Brown's model is that while there are a number of other factors that can influence strategy, the greater the variance between the organisational culture and the organisational strategy, the less likely it is that strategy will be implemented effectively.

Figure 8 - Understanding culture, strategy and performance

Brown, A. (1995) Organisational Culture. Cited in: Dwyer, L. Teal, G. & Kemp, S. (1998) 'Organisational culture and strategic management in a resort hotel'. *Asia Pacific Journal of Tourism Research*. 3 (1) pp 29
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From a strategic perspective the presence of a strong culture can potentially be a source of competitive advantage (Porter, 1990; Mushtaq et al, 2013) and given that all organisations will have some sort of culture there is a potential for this to impact on performance (Evans, 2015). In the general business management research authors such as Dennison et al, (2005) and Srivastava (2001) have found positive correlations between the strength of organisational culture and the ability to perform better than competitors with weaker cultures. The ability to use culture as a strategic advantage requires flexibility rather than rigidity, and the ability to respond to the changing environment (Dwyer et al, 1998). As discussed in section 2.3.2 the *hybrid* of the mechanistic hotel organisation that exists within the highly dynamic and government-controlled Dubai environment potentially limits the opportunities for the formation of an appropriate strategy. In addition to this, the use of organisational culture as a form of strategic advantage may also be limited because of the dominance of the Arab culture values propagated by government legislation and ownership (Ortega, 2009). The argument here is not that the Arab national culture creates a weak organisational

culture but that the national culture is embedded into the organisation, and then over a period of time reinforces those elements that are aligned with the Arab values and erodes those aspects that are not considered to be of worth.

The key challenge according to one GM of Frasier Suites (DB03 interview, 2016) is that *'hotel chains fail to appreciate that organisational culture established in a western context with western employees is difficult to translate into other locations, especially in the Middle East, where the labour market is imported. You can't take a cookie cutter approach in the same way as you would to your hard assets'*. The implication is that usual competitive advantage provided by the assurance and reliance of brand may therefore be negated for international chains in Dubai, particularly if managers fail to understand the effect that national culture can have on performance (Nazarian et al, 2017).

The importance of organisational culture, and an associated management understanding of the various elements of culture and how this can impact on the business is highlighted by a number of authors (Dwyer et al, 1998; Suskind, 2010; Evans, 2015, Carvalho et al, 2017, Nazarian et al, 2017) with Suskind (2010) in particular highlighting that strategy and culture need to recognise the four main constituents of the business: owners, managers, employees and guests. These four groupings have the potential to create conflicting demands on the business, particularly in the hotel industry where ownership will be seeking a return on capital investment, while consumers are looking for experiences. Managers decide whether they cut costs or add value and employees operationalise/deliver the service. This potentially sets up a disconnect within the organisation (Anthonisz and Heap, 2017b) in which the business strategy established at corporate level may be at odds with what is required by both employees and consumers.

The issue of culture, particularly in the international hotel industry where cultures are strong and relied upon to enhance reputation, to guide employee behavior, to represent the core values of the business and to indicate the level of customer service, is critical to organisational performance (see for example, the Marriott credo

(www.marriot.com 10/10/17) the Ritz Carlton Gold Standards (www.ritzcarlton.com 10/10/17] or the Starwood promises (www.starwood.com 10/10/17). However, the predisposition towards vertical hierarchies, mechanistic cultures and standard operating procedures (SOP's) synonymous with the hotel industry, combined with the dominance of the national culture in Dubai may create a number of challenges when it comes to utilising these cultures as true sources of competitive advantage.

2.3.3 THE ORGANISATIONAL HIERARCHY

In exploring the layers of the organisation, and the ways in which culture is manifest, it is important to consider the organisational hierarchy (structure) as it operates in tandem with the organisational culture, providing purpose and rationality through differentiating between operational (division of labour, job design, degree of specialisation) and managerial functions (control, degree of centralisation, authority) (Janicijevic, 2013). Co-ordination across the organisation can be unified, according to Mintzberg (1979) through five mechanisms that include process standardisation, output standardisation, knowledge standardisation, direct supervision and mutual communication. This 'structural view' of the organisation, established by the work of Weber and Marx (cited in Levine, 2006) and the close ties to organisational culture are most commonly represented in the work of Charles Handy (1993) who identified four types of culture (see figure 9) based on different views of human motivation, organisational learning and influence. Handy classified his cultures as follows:

- The *power* culture, represented as a web is characterised as highly centralised, or top down, with the individual leader exerting power and influence over the rest of the organisation. Power cultures are often associated with small organisations where rules and bureaucracies are kept to a minimum and where internal politics drives decision making.
- The *role* culture, represented as a temple is characterised as bureaucratic, run by procedures narrowly defined roles and delineated power. The top of the temple represents management and the columns of the temple reflect the

various functions and areas of expertise that contributes to the strength of the organisation. This often includes finance and purchasing.

- The *task* culture or net is small team based where an emphasis on results and solutions is key. The type of culture is characterised by flexibility, adaptability and empowerment and will often exist at middle management and supervisor level. This type of culture is also the most compliant.
- The *person* culture focuses on the individual and is quite unusual, reflected in organisations where individuals believe themselves to be superior to the organisation they are employed by. If a group of these individuals are in agreement they often follow their own goals and objectives and will only accept control systems and management hierarchies that they approve of. Individuals often operate on the basis of expert power and can be difficult to manage.

Adapted From: Cattiattalo (2014)

The role culture, typified by bureaucracy and hierarchy is akin to the mechanistic organisations discussed in 2.3.1 and similar to the hierarchy culture identified by Cameron and Quinn (2006) which is characterised by a highly formalised and structured work place with daily activities guided by clearly defined procedures, commonly seen in hotels which are traditionally managed via patterns of behavior and routines such as the timings for breakfast and afternoon tea, along with SOP's on how these are delivered and lines of reporting that ensure control. The difference between the two theories is in Cameron and Quinn's assertion that the most appreciated values are predictability and stability, both in terms of activities and people. The characteristics identified as part of these two models are of course synonymous with many hotel organisations, that have largely been operating the same approach to business for the last one hundred years. The need to maintain standardised operations, that ensure consistency of the brand with its associated routines, and efficiency of operations are commonplace, with people expected to represent the brand and controlled within the organisation by the hierarchy that imposes clearly

delineated roles within departments. Predictability is reflected in relation to the need to maintain service quality with terms such as consistency, assurance and reliability

Figure 9 - The four power structures of Charles Handy (1993)

Williams, K. & Johnson, B. (2004) *Introducing management, A development guide*. 2nd Edition,
Oxford: Butterworth Heinemann
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commonly appearing in the literature (Sasser et al, 1978, Parasuraman et al, 1985, Ziethmal et al, 2006). In Dubai this also entails the use of the aforementioned KPI's which guarantee a 'pretty female' and often European face on front desk while nationalities from the Asian subcontinent (predominantly male) work in housekeeping and food and beverage (Brien and Anthonisz, 2017).

The criticisms of this type of organisational culture and hierarchy are summarised by Reyes-Santiago et al, (2017) in their research on eco innovation and organisational culture in the hotel industry. They highlighted that this type of culture, which is commonplace in hotels, is change averse (Zammuto et al, 2000), focuses on economic sustainability by concentrating on growth and profitability (Linnenuleucke & Griffiths, 2010) and places serious limitations on creativity and experimentation (Buschgens et al, 2013). It is assumed therefore that international hotel chains operating in Dubai will be no exception to this typology, and that these characteristics may be even more embedded within the culture when combined with the previously discussed Arabic culture of ownership, that scores high on Hofstede's dimensions of power distance

and uncertainty avoidance (www.hofstede-insights.com[10/1/18]), and that this may then impact on the strategic responses to change in the external environment.

2.3.4 STRATEGIC RESPONSES

Evaluating the challenges (strategic responses) to the strategic management of human capital in the five-star hotel industry in Dubai requires a critique of the generic academic literature to establish the context. This then leads to a more in-depth analysis (see section 2.4) focusing on the key concepts that contribute to the complexities associated with utilising the workforce as a means of sustainable competitive advantage. The strategic response layer of the organisation (see figure 7, p. 54) for the purposes of this study is considered to be critical in terms of ensuring that the organisation is co-aligned with both the hotel (task) and the external operating environments. This is a key facet that was introduced within sections 2.1 and 2.2 and confirmed by the initial industry responses. It is here that the literature identifies that the key strategic decisions are taken in terms of identifying which assets should be invested in to ensure that sustainable competitive advantage can be achieved which suggests it is an area where hotel managers play a pivotal role (Bharwani and Talib, 2017). The literature then suggests procedures and processes through which they (the managers) determine and implement the policies and procedures associated with the management of people, i.e. human resource management.

Strategic responses, or choices, made about what the company will offer, what markets it will operate in and which competencies it chooses to invest in are generally delineated by the strategy of the organisation, with the strategy determining the overall direction of the business and the parameters within which choice can be made (Kepner-Tregoe, 2001). This circular process of strategy and its impact on choice is also linked to the principles of alignment (Olsen et al, 1998; Harrison and Enz, 2005; Okumus, 2010; Olsen and Zhao, 2010; Olsen et al, 2014; Evans, 2015; Tribe, 2016) and indicates a causal link in that strategy is formulated in response to the external environment and therefore informs on the choices made to ensure co-alignment and

the achievement of sustainable competitive advantage. However, the dynamics of the Dubai hotel operating environment, as discussed earlier in relation to increasing levels of competition and diversification, the availability of a suitably qualified workforce, and the ability to manage the systems and policies that underpin service quality, present a number of challenges when it comes to developing an appropriate strategic response. This view is corroborated as a global issue by Buchanan and Huczynski (2017) who highlight that most managers are concerned by the speed with which events are increasing, and that they lack a clear direction and understanding of the challenges they may face. Identification by Huczynski (2017) of the global issue is fine, but does not answer the how, and what, response mechanism is necessary to overcome those issues. We need to perhaps understand where the global issue becomes a destination issue or issues. The traditional 'Where are we now, where do we want to be and how do we get there?' presented by authors such as Mintzberg (2008) and Johnson & Scholes (2006) appears to be too simplistic when being applied to destinations. The generic processes discussed by Mintzberg (2008) may, or may not, be applicable in an environment such as Dubai where managers struggle to understand what the future holds, and strategy is characterised by a 'knee jerk reaction' (CON 1, Director, Jumeirah Hotels 2014). The theory suggests global to globalisation in both academic and industry thinking, but this thesis tests those assumptions against a specific destination to identify if there may be any paradigmatic shifts away from those global positions.

Harrison & Lugosi (2012) refer to hotels as socio-technical systems whereby norms and practices are created in order to maintain efficient operations and ensure quality of consumer experience. These systems are of course guided by the organisational hierarchy and the corporate culture of the brand. From a systems point of view hotels do not operate solely as independent entities (Solnet et al, 2010). Instead they operate inter-dependently in a local tourism system and are subject to the wider economics and social dynamics impacting that system. In Dubai, where the hotel industry plays such a prevalent role in the economy, and ownership of properties is retained within the local population, it also seems likely that hotels will impact on the

social dynamics of the destination as the culture of the owner may differ from the concepts necessary to create multi-national 'socio-technical' systems.

The systems perspective identified by Solnet et al, (2010) and Harrison and Lugosi (2012) is also referred to in the literature on strategic management but in relation to this research it is debatable where this lies within the concept of strategic management. In relation to the hotel industry in Dubai the key is the relationship between the strategic plan and the strategic responses by management to apply that plan within such a complex, or conversely simple destination.

This systematic perspective, earlier identified by Bramwell (1997) regards strategic planning as embedded in society's social economic and political structures, emphasising the social system as the context of shaping the interests and outcomes of strategy. This would indicate that strategy needs to be interpreted from a social constructivist stance in that it should take into account sociological and political sensitivity. The systematic approach to strategy is therefore, outward looking and emphasises the influence of external social, economic and political environments within which an organisation exists. This potentially rejects the more classical approaches to strategy identified by authors such as Mintzberg (2000), Porter (1985) and Miles and Snow (1978) where strategy is seen as a formal, intended process that is worked through in a logical and sequential series of steps. Bramwell (1997) also identifies that this classical approach, alongside the other traditional schools of thought are also referred to in a number of tourism texts by authors such as Gunn (1994) and Inskip (1991). According to Harrington et al, (2014) this pattern of adopting established models of strategy as the main reference point in both tourism and hospitality research has been established for the last forty years. Given that a number of hospitality authors (Teare & Olsen 1992; Go & Pine 1995; Enz 2010) have identified the dynamic and ever-changing nature of the industry it is interesting to note that much, if not all, of this research utilises generic frameworks. The implication of utilising generic strategies to guide the research agenda is that tourism and hospitality research has never progressed beyond an embryonic stage (Okumus 2002).

In both the general and hospitality literature on strategy, management responses are commonly associated with three models of choice that include Porter's generic strategies (1985), Ansoff's Matrix (1985) and Miles and Snow (1978) and while the three are often presented as separate considerations they have a number of similarities attached to the extent to which the organisation can choose to differentiate from the competition, or its existing business, with all models having implications for which competencies the business should choose to invest in so as to secure the supposed competitive advantage this will bring.

Within the context of Dubai, possibly the most interesting model to be applied is that of Miles and Snow (1978) as Dubai has built its reputation on analysing and copying the best elements of other destinations such as Singapore (CON11, formerly DTCM). The typology is based on the strategies that organisations can use to adapt to their competitive environment (Coulter, 2005) with four possible responses identified (see figure 10). It could be argued that most hotel products are an outcome of an analyser strategy as the fundamental components of a hotel revolve around rooms, food and a range of additional facilities that reflect the star rating or brand reputation. Differentiation from the competition is often achieved through levels of service, brand culture and reputation, or facilities such as spas or Michelin starred restaurants that add value to the product. However, these choices will be made in the context of Dubai (local regional head offices) at head office level, therefore implying that the strategic choices within a destination will focus on the development of competitive advantage locally rather than in the home head office context.

Given the dynamics of the Dubai business environment, coupled with the escalation in competition, the pressure to meet with stakeholder expectations, and the constraints of organisational culture and hierarchy it can be assumed that a reactionary strategy may be all that management are capable of delivering and that managers need to come up with new approaches to developing competitive advantage (Koseoglu et al, 2015). The standard approaches to strategy and the use of generic business models is therefore questionable in this context and a number of hospitality authors (Okumus and Roper, 1999, Okumus and Wong, 2005; Harrington

and Ottenbacher, 2011; Koseoglu et al, 2015; Wood, 2015) have made similar observations highlighting the dangers of utilising generic business models that are often linked to economics and markets, rather than the political and social contexts in which they operate.

Figure 10 - Miles and Snow's competitive responses (1978)

Miles and Snow (1978) cited in: Coulter, M (2005) *Strategic Management in Action, International Edition*. 3rd Ed. New Jersey: Pearson Prentice Hall, p. 188

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Some common themes in the literature reflect these challenges faced by the industry in Dubai, such as the importance of a *customer centric orientation*, which in Dubai is about stability, predictability and safety (Anthonisz and Heap, 2017a), and the human resource challenges surrounding the simultaneous production and consumption of services (Lovelock & Wirtz 2004). The challenges have not changed over the past 10 years, but the points where production and consumption take place within the hospitality sector are more numerous and complex. For example, traditionally the nature of the hotel offering would have been different dependent upon the type of tourist in terms of five, four, three and two–star. Today many of those tourists choose the product to suit the situation and not for the 'esteem/value' attached to the product (Anthonisz and Heap, 2017a). This situation has already been evidenced in Dubai during 2015 when the economic crash in Russia dramatically reduced the number of visitors to city. What had previously been a highly lucrative market for Dubai disappeared and relocated (possibly temporarily) to Egypt where prices are

significantly lower.

There is also a blurring of perceptions of the star rating allocated to hotels in Dubai, a common problem in destinations all over the world as inconsistencies in government legislation (Hensens, 2011) and the use of social media reduces customer engagement with traditional ratings (cited in: Hensens, 2015). As the diversification of the industry brings in what are loosely termed 'budget hotels' but which actually still represent Dubai as a rather more upscale destination the DTCM are keen for the city to continue to be viewed as a quality driven destination where service as well as the provision of unrivalled facilities regardless of the star rating are high on the agenda (DTCM, Vision 2020 Conference, 2014). To an extent this contradicts the view presented by Suarez (2014), who argues that hotels with more stars compete through differentiation, while those with fewer stars compete through cost.

Paralleling the emergence of a more complex service economy and corresponding service management perspectives is, therefore, an ongoing need to question current paradigms. Alongside the need to evaluate factors in the current service and experience economies Solnet et al, (2010) also invite researchers to take a more localised approach. Although there is some debate in the wider literature around the effectiveness of industrial clusters, the idea that hotels operate within a local system (e.g. a destination or tourism system) is particularly appealing (Porter 2000); especially as these local clusters do exist and are manifest and operate in such important and complex destinations as Dubai as a series of submarkets. This perspective opens many promising avenues for research particularly within the context of what Sheehan et al, (2018) identify as complex consumer demands impacting on employee engagement and organisational outcomes. In the case of Dubai, the influence of the international hotel chains, or 'industrial clusters' would suggest a simple hierarchy in which to identify perspectives in terms of hospitableness, culture of host and guest, cultural capital, strategic thinking and simple management responses.

Dubai, as highlighted by Khomsi & Kadri (2017, p. 25) is run '*like a private company*'

and the predominant driver reflected in this local culture does appear to be about competition, economic gain and profit. This political and social environment within which hotels operate may then serve to reinforce the common agendas of the organisational strategy, and therefore the use of the workforce in terms of a wealth creating capability for the business (Abeysekera, 2006) but if this is the predominant agenda then we have to consider the implications that this may have for strategic choice and where investment in core competencies will lie.

2.3.5 INVESTMENT IN CORE COMPETENCIES

At the centre of the model of the organisation (see figure 7, p. 54) are the investment choices that are made in terms of 'hard' and 'soft assets'. These choices will have been influenced by culture, hierarchy and the strategic capability of management and should respond to, and be supported by, the various facets of the external and task environments. In order to strengthen their performance hotels must start with an internal analysis and understand their resources and capabilities (Zeglat & Zigan 2014). In the literature these resources and capabilities are often referred to as core and peripheral competencies, which are combined to enhance and maximise the interaction between the customer and the employee (Olsen, West and Tse, 1998). The core competencies are those on which the organisations on-going success and survival is based (Jones and Jowett, 2011) and provides the potential for differentiation from the competition (Camillo, 2015) while the peripheral competencies are those systems that serve to support the maintenance and development of the core competencies. The ability to acquire essential resources such as labour and finance are considered key in the contemporary hospitality environment (Olsen, West and Tse, 2014).

Investment decisions should therefore reflect back through the core and peripheral competencies of the business in a way that ensures long term competitive advantage for the organisation, maximising the use of both hard and soft assets and creating synergies that contribute to more innovative approaches to growth and development (Bessant and Tidd, 2014). In the case of hotels, the core of the business revolves around the hard assets associated with the provision of accommodation and

investment decisions may subsequently orientate around the 'core elements' of the business (Jones and Jowett, 2011, p. 35), i.e. the building and its interior, the guest rooms and the reception, as this is where the key touch points for the guest are often located. This potentially has implications for how the workforce is managed and the value placed on human capital as a means of wealth creation (Abeysekera, 2006), particularly in light of Davidson et al's (2006) observation that globally, cost minimisation employment strategies appear to dominate hotel management and Baum et al's (2016) view that the broader perception is that employees are a cost and not an asset.

In testing a firm's competitive advantage in the marketplace researchers often draw on the resource-based approach (Tavitayaman, 2012). This is in keeping with the aims of this research, as the overall intention is to assess whether the strategic management of human capital can be used as a means of sustainable competitive advantage within five-star hotels in Dubai but considers the view that this can only be achieved if resources are appropriately allocated and considered at a strategic level.

2.3.5.1 THE RESOURCE BASED VIEW OF THE FIRM

The resource-based view of the firm has increasingly gained attention in the field of strategic management as well as economics, organisation theory, and even in other fields such as intellectual capital. The concept of RBV first appeared in the literature in the 1980's and 1990's (Wernerfelt, 1984; Prahalad and Hamel, 1990; Barney 1991) and is built upon the theory that a firm's success is largely determined by the resources it owns and controls (Martin, 2014). Tavitayaman et al, (2012) claim that hotels with strong resources can differentiate themselves from their competitors and survive in a competitive environment. He did not, however, define 'strong' in both generic and hotel specific contexts. Resources are typically defined as either assets, or capabilities but Barney, (1991) also considers organisational processes, firm attributes, information and knowledge etc. to be resources. Tavitayaman, (2012) rather obviously states that these assets and capabilities should be controlled by the firm to enable it to conceive of, and implement, strategies. Assets may be tangible, or

intangible, are owned and/or controlled by the firm and are considered key to providing the organisation with the ability to achieve higher levels of performance and secure competitive advantage (Rothaermel, 2015). But as Teece et al, (1997) say, these capabilities are intangible bundles of skills and accumulated knowledge exercised through organisational routines then they must be difficult to strategise.

As explored throughout this thesis the challenges to exploiting the use of these assets and capabilities in Dubai may be linked to the concept of ownership, with the property (hard asset) being owned locally, and the brand (soft asset) being owned by the hotel chain. These two parties then share control over the other assets and capabilities of the business and have to agree which resources to invest in to ensure organisational performance. As discussed in section 2.3, different cultural views at both an organisational and individual level are likely to impact on what is deemed to have value within the business and could determine where investment, if any, is made.

The resource-based view suggests that competitive advantage is derived from the ownership of valuable resources, which allows performance to be better, or cheaper than that of competitors. The challenge for applying RBV especially when identifying those resources that are intangible in nature is determining what constitutes value and identifying how to measure it. The value of resources, that cannot be seen in the bottom line is therefore dependent on formal and informal agreements between the major stakeholders, with negotiating power and agreements between owners, management and employees having a strong impact on firm performance (Bozic and Cvelbar, 2016). These resources, as previously identified in section 2.3.5 may also be referred to in association with competencies and capabilities or activities (Olsen et al, 2007) that are deemed to be unique to the organisation and conform to Barney's (1995) VRIO framework (i.e. the resources are valuable, rare, costly to imitate and can be organised to capture value). RBV subsequently focuses on two characteristics of resources which enable them to constitute competitive advantage – '*heterogeneity*' (distinctive competencies) and '*sustainability*' (inimitability, appropriability, imperfect mobility and ex ante limits to competition) (Peterlaf 1993). (Cited in Flagestad & Hope 2001, p.446). It can therefore be assumed that the firm that has the best stock of

resources for its strategy and can utilise them to secure sustainable competitive advantage, and create superior performance is in the best position to succeed.

A major theoretical debate in the areas of RBV is linked to which resources in the organisational portfolio are considered to be most valuable in terms of sustainable economic benefit with most studies concentrating on isolating only a few resources – often intangible resources – within single industry contexts Fitz-enz (2000, p.1) for example, argues that *‘people, not cash, buildings or equipment, are the critical differentiators of a business enterprise’*. The implication is that intangible resources (know-how or capabilities) are the key to success and should be focused on at a strategic level within the organisation. However, some scholars suggest that broadening the scope to include tangible elements may be beneficial to the research. For example, Foss (1997) claims that there are numerous examples where physical assets bring sustainable competitive advantage. With this in mind Galbreath (2005) aimed to test the scope of resources that may be available to an organisation and adopted Hall’s (1992) approach which identified that intangible assets are ‘what the firm has’ while intangible ‘capabilities’ are what the firm does. Galbreath, subsequently categorised resources as follows:

1. Tangible resources – including financial and physical assets
2. Intangible resources that are assets – intellectual property, organisational assets, reputational assets.
3. Intangible resources that are skills (including capabilities).

Galbreath’s research identified that firm ‘capabilities’ made a much more significant contribution to firm success, rather than tangible and intangible resources. The implications of this suggest that the firm actively seeks to develop their knowledge base, both in the development of human capital and the processes and systems that enable the development, management and transference of tacit and explicit knowledge across the organisation.

When compared to tangible assets, Galbreath’s research largely confirmed that

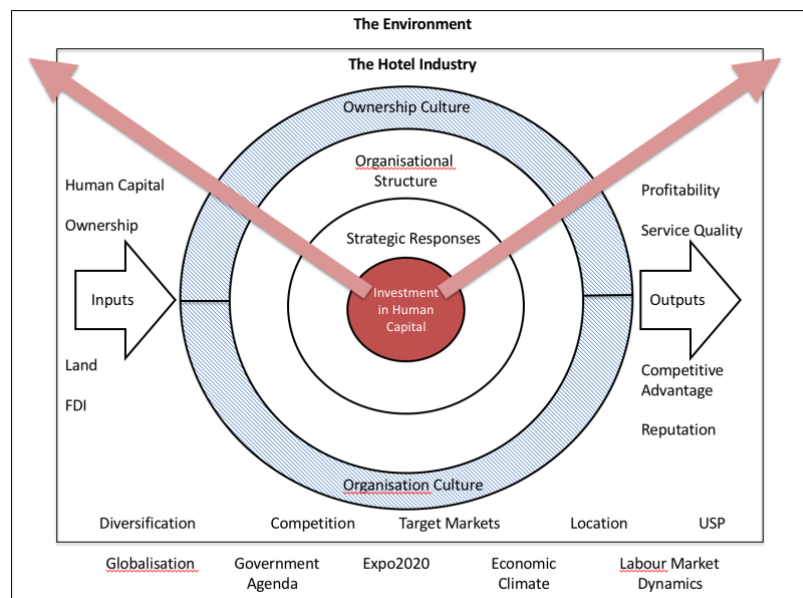
intangibles such as organisational reputation contributed more significantly than tangible assets, but tangible assets contributed more to firm success than intellectual property assets. The conclusion can be drawn then that tangible assets may still have a viable place in the performance of firms. Hotels which can create high value-in-use of financial or physical assets may indeed be able to leverage such assets for competitive advantage while creating barriers to duplication.

The aim of this study is to consider the extent to which the strategic management of human capital can create co-alignment within the overall business. It is therefore determined that a potential indicator of the importance of human capital could be linked to the investment decisions made that support HR within five-star hotel properties where it can be assumed that people are an inimitable asset, adding value to the organisation and ultimately impacting on the balance sheet. However, in conducting this research the view has been taken that the various market factors associated with the business environment in Dubai may, as Teece (1996) observes, be equalisers of competition (Anthonisz and Heap, 2014a; Anthonisz and Heap, 2014b). If all hotels in Dubai use the same labour markets does this mean that human capital can be viewed as a tangible asset? If front line staff all come from the same labour pools does this diminish the value placed on human capital in Dubai where key nationalities are associated with specific levels in the hierarchy? For the application of RBV theory any resources that can be readily obtained or easily imitated by competitors cannot represent a meaningful source of economic benefit placing a significant emphasis on the role of managers, to not only determine the form of competitive advantage, but also to acquire, develop and deploy organisational assets and capabilities in a way that creates inimitable value (Olsen et al, 2007; Evans, 2015; Dawson and Andriopoulos, 2017). In Dubai, the workforce could be considered to be a readily obtained resource, that can be easily imitated by the competition as they just need to offer a better contract than those hotels in their immediate vicinity in order to attract a full complement of staff. This 'poaching' of the workforce is commonplace (see phase two of the analysis) and may impact on management views of human capital (see section 2.3.5) as a cost to the company rather than an asset (Baum et al, 2016).

2.3.6 A SUMMARY OF THE ORGANISATION

In reviewing the concept of the organisation, the levels that may influence the strategic management of the workforce and the value placed upon people as a key resource for the delivery of quality service within a five-star hotel it can be concluded that a number of challenges may be linked directly to both national and organisational culture.

Figure 11– Co-alignment through strategic management and human capital



In Dubai, organisational culture in hotels is influenced by ownership, individual agendas and divisions of nationality either departmentally, or at various levels of the organisational hierarchy. The existence of strong organisational cultures, synonymous with international hotel operations are managed through mechanistic, rational hierarchies that impose control and serve to maintain these divisions creating internal stability in the face of rapid change in the external and task environments. The organisation also sits within an open system relying on, and shaped by, key inputs that are largely controlled and managed by government legislation, creating a simultaneously dynamic but predictable environment. Strategy is potentially limited, and also predictable, with many hotels adopting reactionary or 'copy-paste' responses to change in the external environment. The choice of strategy may also be directly

influenced by organisational culture and hierarchy and must be managed in a way that balances the needs of its various stakeholders, placing considerable pressure on managers to determine how best to compete in a highly dynamic environment, and to determine which resources can be sourced and utilised to ensure growth and the creation of a USP that meets with consumer expectations.

The theoretical model shown in figure 11 is based upon current academic thinking and suggests that the need for co-alignment of corporate strategic thinking with operational, policy and procedures through strategic planning (an HRM strategy?) is necessary to achieve investment in human capital. This is then explored through the lens of the various external and task-based elements of the Dubai hotel operating environment and establishing the impact that these may potentially have on the organisation. It can be concluded from an academic perspective that co-alignment may add significant value to the organisation in terms of sustainable competitive advantage. In light of the importance placed on people, and the impact that the employee/customer exchange can have on the outputs of the organisation (see section 2.2.3) it can be assumed in theory that the strategic management of human resources and investment in human capital as a means of wealth creation are key and can be modelled (see figure 11). This is an addition to figure 1 (p. 15) which highlights the potential for investment in human capital to create co-alignment and sustainable competitive advantage. The logic is that in theory this has implications for the strategic management of human resources in order to develop the appropriate systems, policies and procedures that maximise the potential for human capital to impact positively on performance.

2.4 THE STRATEGIC MANAGEMENT OF HUMAN RESOURCES

This section considers the role of HR strategy as a means of co-alignment but concentrates upon the concept of human capital strategic thinking. Buyens and DeVos (2001) point out the potential contribution that HR can make to the business is dependent on the extent to which HR is part of the strategic discussions that take place at corporate level. In the context of hospitality Raub et al, (2006) support the modelling shown in figure 11, identifying that there are convincing links between HR practices and the potential to generate economic value to the business. The suggestion is therefore that there is a simple causal link between strategy and operations in the industry and that this is achieved through management practice (following corporate strategies within the particular environment).

Buyens and DeVos (2001) suggest there are levels of effectiveness in terms of management practice and identify that at its least effective, the strategic management of HR will be reactive. This, in the context of Dubai, may possibly be based on the dynamics of the hotel industry and the literature discussed in section 2.3.4. and the strategic choices advocated by Miles and Snow (1978). This is in contrast to the potential for the strategic management of HR to perform an anticipatory role that provides the potential for co-alignment through understanding the dynamics of the labour markets (see section 2.1.3) and the importance of human capital as an input (see section 2.2.2.2). In considering the strategic management of human resources within the context of the hotel industry it is therefore important to review the background to the development of HRM (Nankervis et al, 2008; Davidson et al, 2011) and the problems in defining the concept that still exist in today's context (Paauwe, 2008; Nickson, 2013, Boella, 2013). This potentially has a bearing on the strategic management of human resources and their potential to impact on firm performance (Buller and McEvoy, 2012) and to create a competitive advantage for the organisation (Madera et al, 2017). The key is to try to identify what influences the link between the actions of management within the operational process and the corporate strategy. The suggestions are that the link may be broken by the nature of the external environment in which the hotel is operating; in this case the cultural imperative within

the Dubai hospitality industry.

HRM has been historically viewed as managing the welfare of employees (Carey, 1999) and has been influenced by management theory, evolving with the changes brought about by technology, globalisation (as discussed in 2.1.1), and the rise of the knowledge economy and unionism (Davidson et al, 2011; Buchanan and Huczynski, 2013; Stone and Deadrick, 2015). Sorge et al, (2015) identify that developments in HRM have come a long way since the 1980's when highly ethnocentric approaches (Go and Pine, 1995) overlooked the contextual differences across countries in terms of the knowledge, language, concepts, values and culture. It was assumed that factors across contexts were stable and therefore that HRM practices in one country could be generalised to other settings, constituting a universalistic approach to HRM. More recent academic considerations, which support the views advocated in this thesis have created comparative human resource management (CHRM), an area that is less evidenced in the academic literature, but one that advocates a 'best fit' in terms of integrating the organisation within the environmental context. CHRМ advocates the need for interaction between HR strategies, business strategy and HR practice and their engagement with an external environment (Budhwar and Debrah, 2001) as a means of ensuring superior performance and potentially creating co-alignment. However, as Gill (2018) points out, it is commonly identified in the hospitality literature, that there is a research practice gap that limits the effectiveness of HR theory which may in part be an outcome of the complexity of HR as an academic field of study and the lack of a clear definition associated with the concept.

In an attempt to provide clarification this research has utilised the work of Heery and Noon, (2008) who have developed one of the more comprehensive frameworks for HRM by providing the following definitions which can be adopted when determining which features of HRM to evaluate:

1. A *label* – HRM is seen simply as being another name for personnel management and there is nothing distinct or special about HRM.

2. A *convenient shorthand term* that allows for the grouping together of a whole series of sub-disciplines that are broadly concerned with people management, such as employee relations, industrial/labour relations, personnel management and organisational behaviour.
3. A *map* to help guide students and practitioners to understand the concept and ideas associated with the management of people.
4. A *set of professional practices* – this view suggests that there is a range of personnel practices that can be integrated to ensure a professional approach to managing people. In this view a potentially key role is likely to be played by the Chartered Institute of Personnel and Development (CIPD) which is the professional association for those entering the HR and personnel profession.
5. A *method of ensuring internal fit* – again, this view sees the need to co-ordinate approaches to people management, but here the co-ordination needs to be with the other areas of the organisation. This view of HRM also envisages a greater involvement from all managers in dealing with HR issues.
6. A *method of ensuring external fit*, where HRM activities have to be fully integrated with the demands of the external environment and the business strategy of the organisation, of which HRM is considered a vital aspect.
7. A *competitive advantage*, where HRM is the means by which an organisation can gain competitive advantage – this is a view captured best by the cliché of ‘our people are our greatest asset’.
8. A *market driven approach* – the main point of such an approach is that decisions will often be market driven and the needs of the business determine the manner in which employees are treated: some may be well-treated, others less well.
9. A *manipulative device* – this critical view of HRM sees it as an inherently exploitative and manipulative practice and merely a tool of the exploitative nature of capitalism.
10. A *hologram* – this view of HRM captures much of the above discussion in recognising the fluid entity of HRM and the way it has multiple meanings, thus defying precise definition.

Cited in: Nickson (2013, p.7)

In focusing the importance of the strategic management of human capital and the potential for co-alignment through human resource practices, this research therefore focuses on several of Heery and Noon's definitions (5,6, & 7) taking the view that in order to develop sustainable competitive advantage, HR must be aligned with both the internal and external environments in Dubai. This is in keeping with the research of more recent years where the role of HR has expanded to take on new responsibilities in areas such as talent management (Stone and Deadrick, 2015) and has had to respond to challenges linked to the management of multi-cultural employees and variations in the social, political and legal systems (Sparrow, 2007) that come with globalisation. This has led to HR being viewed in a much more strategic way, emphasising the need for 'fit', or for the purposes of this research, 'alignment', and for employees to be considered as a form of competitive advantage, rather than an input to the organisation (de Gama, 2012). The hotel industry in particular is synonymous with the view that *'our people are our greatest asset'* indicating their value as a key resource within the organisation. To be appropriately integrated into the strategy of the business HR must develop strategies that meet with the demands and expectations of the organisation but has to do this in a way that responds to change and manages change in the external environment. This is particularly important in Dubai where HR as a function is much *'more employee-centric than the rest of the world'* but has been criticised by CIPD Middle East as being *'too traditional'* and *'lacking the analytical skills that allow it to be recognised at a strategic level'* (MM04, CIPD Interview, 2016).

2.4.1 STRATEGIC HRM

'An approach to managing human resources, strategic human resource management supports long-term business goals and outcomes with a strategic framework. It focuses on longer-term resourcing issues within the context of an organisation's goals and the evolving nature of work, and informs other HR strategies, such as reward or performance, determining how they are integrated into the overall business strategy.'

(www.cipd.co.uk 2017)

This confused, disjointed and meaningless statement from the body overseeing the quality of HR provision probably sums up the rather muddled responses to strategic thinking within HR in the hospitality sector. The inference is that focusing on the long term HRM strategy leaves the short-term contingency to the managers within the hospitality environment, who for expediency probably do not make decisions that 'focus on long term resourcing issues'. It appears as a dictat of 'this reward for this performance, based upon 'a hands-off view' from a department that is considered by many in the industry to be simply hiring and firing. This potentially places the development of an effective HRM strategy at the centre of the overall development of the business but as highlighted by McDonagh (2015) many people, outside of the human resource profession fail to appreciate the meaning of HRM, outside of the 'hiring and firing' function. CIPD also need to acknowledge the fact that effective HRM requires effective managers who implement policies and practices that are not influenced by cultural belief and self-interest (Pfeffer and Sutton, 2006; Hendry, 2011).

Even though the strategic human resource management field (SHRM) has seen significant growth during the last 25 years (Delery and Gupta, 2016) and it has been identified that the right combination of human resources can positively impact on a firm's performance the empirical evidence associated with analysing the complexity of HR is limited and fails to identify what combination of human resource practices should be adopted (Chadwick, 2010; Gerhart, 2012; Paauwe et al, 2012; Truss et al, 2012). Zigan and Zeglat (2010), in their research on the Jordanian hotel industry identify that the current measurement systems of performance in the hotel industry do not fully capture the intangible drivers of performance and that managers must do more to understand their resources and capabilities.

The current position of SHRM has emerged from links between the development of a general business strategy and the need for a more strategic view of HRM and has led to a number of developments in the field that are heavily influenced by management theory (Davidson et al, 2010). The concepts of management and the associated development of management strategy are an outcome of the global changes identified in section 2.2 by Buchanan and Huczynski (2013). In a similar vein, the

general literature on the concept of HRM has evolved in parallel with changes in the global business environment and the increasing levels of qualified workers that have accompanied the advances in education in both the developed and developing world (Bal, 2011). Changes in the workforce have necessitated a shift from the traditional, and often more basic approaches linked to personnel management (Bal, 2011; Kaufman, 2016) to a more strategic approach linked to the previously discussed concepts of inimitability (Løwendahl and Revang, 1997) and the increasing value placed on human resources as a form of competitive advantage and a contributor to organisational performance (Wang & Shyu, 2008; Phillips & Phillips, 2014). But again, these are just words and it is difficult to see how these are manifest in current HRM thinking in a city like Dubai where power sets the agenda and legitimises the risk averse nature of the Arabic culture and the need to maintain the status quo (Magee and Galinsky, 2008).

At this broad level the concept of (HRM) is described in generic terms as the activity of acquiring, motivating and coordinating employees (Boxall and Purcell, 2011). The dominant thinking on HRM is commonly linked to, and influenced by, US models of practice and subsequently the expectation, according to Mellahi et al, (2013), is that HRM practices over time will converge with the US model. However, as Kaufman (2016) identifies the practice of HRM varies significantly among organisations and across nationalities, and subsequently the debates on HRM now include a number of views that debate the topic of convergence and/or divergence in HRM practices around the globe.

Strategic HRM, according to Cascio (2015) is an applied discipline, and as such has two purposes. The first is to influence academic thinking and conceptualising. The second is to affect managers decision making processes and enhance their understanding of the subject. The term, strategic human resource management (SHRM) has become a common term in the domain of people management (Boxall and Purcell, 2008; Thite et al, 2012; Zheng et al, 2013; Gannon et al, 2015). To be effective HR strategy, according to Cascio and Boudreau (2012), should align with and allow for the implementation of the organisation's strategic plan. This equally requires an

awareness of how the organisation's strategy can have implications for HR, and an understanding of the possible constraints that might threaten or limit the success of the business (Cascio, 2015).

In the general literature on strategic HR, Kaufman (2015), in his review of the evolution of strategic HRM, comments that modern HRM research has shifted towards an internal focus that drills down into the organisational setting rather than looking up and out at the external environmental factors that may shape strategic direction. This direction in the broader literature is reflected in the HRM research linked to developments in the hotel industry. Discussions on best practice, best-fit, contingency and the resource-based view have tended to dominate the academic literature (Gannon et al, 2015) but there would appear to be limited exploration in relation to international hotels and the simultaneous use of SHRM approaches and the achievement of competitive advantage (Boselie et al, 2009). The implication would appear to be that there is a disconnect between the inward-looking review of how HR strategy is aligned with the business, but no thought for how strategy as a whole needs to react more holistically to changes in the external environment. Ruzic (2015) for example concludes that in the hotel environment there is a direct link between HRM practice and organisational performance but bases this assessment on internal evaluation and does not set this within a wider context that accounts for change in the external environment.

Some limited research into this area has been conducted. Boselie et al, (2009), Boxall and Purcell, (2011) and Marler (2012) have all considered the complexities of the environment and the forces that impact on the adoption of HR practices with Gannon et al, (2015) exploring the hybrid approaches that may be adopted by firms in the hotel industry. Gannon et al's research is particularly interesting in that their assessment of eight international hotel chains identified that they all adopted very similar practices when it came to strategic HR. The reason for this would appear to be linked to the very common level of standardisation adopted by international hotel chains (an outcome of globalisation possibly) and the fact that standardised systems are considered to be best practice when operating in complex and competitive

environments such as Dubai. On the one hand this would appear to contradict Slattery et al's (2002) view that there is a lack of coherence in management practice and affirms Harrison & Lugosi's (2012) system-based view that norms and practices are created in order to maintain efficient operations and ensure quality of consumer experience. That being said, it is readily acknowledged in the literature discussed in section 2.3.3 and 2.3.4 that competitive advantage in the hotel industry is about 'inimitability' and that this can often be achieved only through employees. At its core competitive advantage is about doing something different in order to obtain a unique selling point or value proposition for the customer. There would appear to be a contradiction here in terms of the approaches that managers adopt in reality (standardisation) and the approaches being advocated by academic research (differentiation).

There is compelling evidence for the link between high performance, human resource management and organisational practice but HR best practice is not as common in business as it is in the textbooks (Buchanan and Huczynski, 2017). Kaufman (2015) and Gill (2018) also comment that within the strategic HRM field, much of the academic research conducted today has little value when it comes to real life business and the operational problems associated with managing HR in the hospitality context. With an emphasis on science-based theory and empirical research, it is not surprising that organisations take little notice of academic ideals (Cascio, 2015). Management decisions and subsequently the strategic management of the workforce will be influenced by aspects such as organisational politics, the views of other stakeholders such as owners, and the need to develop competitive advantage, which ostensibly is not about adopting common practices. For academic research to be of value the author must understand both the internal challenges and the external environments in which organisations compete.

The achievement of human resource management practices can increase competitive advantage and provide a direct and economically significant contribution to organisation performance (Tavitayaman et al, 2011). As the hotel industry becomes increasingly complex and requires greater skills from all levels of employees, many

hotels are trying to improve employee retention by offering education and rewards and raising the overall skill level of all employees (Olsen et al. 2007). Human resource development as previously mentioned in the section on service excellence, makes a difference in high performance, and may even be more critical in the hospitality industry where the attitudes and actions of the employee affect the success of the hotel service encounter. Sharma & Upneja (2005) indicated that financial performance of hotel operations is crucially dependent on formal education and technical training of front-line employees. In other words, hotel employees are the main factors driving the differentiating services to customers, which leads to superior performance (Bowen and Chen 2001).

In the basic model of HRM (see figure 12) identified by Buchanan and Huczynski (2013) HRM policies are independent variables within the organisation, and if these are implemented, or for the purposes of our discussion, integrated into strategy appropriately then performance will improve. Aspects such as quality of working life and organisational effectiveness are the dependent variables, and HR policies and processes are the independent variables.

Figure 12 - The basic HRM model

Buchanan, D.A. & Huczynski, A.A. (2013) *Organisational Behaviour*. 8th Ed. Harlow, England: Pearson, p. 30

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The model implies a relatively simple process, that aligns with the positivist view of the organisation and has been presented in the hospitality literature more recently by Ruzic (2015) who also identifies HRM practice as the independent variable and organisational process as the dependent variable. There is a direct link (shown in

orange in figure 12) between procedure and outcome but in reality there are likely to be a number of factors that impact on the potential for a positive outcome. Boxall and Purcell (2008) refers to this link as a 'black box' in terms of acknowledging the number of variables that can impact on HRM results but again this is looking at the internal alignment of HR and fails to consider the external environment and the potential this has to impact on the overall strategy of the organisation as discussed earlier in this section.

Figure 13 - The virtuous circle' linking HRM with business success

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Evans, N. (2015) *Strategic Management for Tourism, Hospitality and Events*. 2nd Ed. Oxon: Routledge, p. 120

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Firms emphasising a differentiation strategy must be prepared to adapt to rapid market change, and technological progress and not the 'long term' identified by CIPD. Their employees need: to be creative; to co-operate with one another; to be able to pursue long term objectives; to devote proper consideration to quality and quantity of products and services provided; to be able to take risks; and to cope successfully with ambiguity and uncertainty (Huang 2001). In order to do this employees, according to Evans (2015), have to be carefully selected, well trained and of high quality, potentially leading to a virtuous circle that contribute to competitive advantage and contribute to the ongoing recruitment of high quality employees (see

figure 13). Unfortunately, this approach to HRM in Dubai does not always lead to the outcomes predicted by Evans. An interview with SH02 (Interview 2016), the GM of one of the best restaurants in Dubai, identified that considerable time is taken to identify the best employees and considerable investment is made in ensuring that the guest experience is always exceptional. The outcome is a staff turnover of 48%, not because staff are unhappy, but because competitors come and offer double the salary. This provides staff with an overinflated sense of self-worth, in that they are often paid far more than they are able to deliver in terms of capability. This situation was particularly problematic where staff were trained in specific areas of expertise such as sommeliers and baristas, skills that are in short supply in Dubai (Deloitte, 2014).

Wood (2015) concludes that the hotel industry has been mired in outdated HR practices for years, while other industries have experienced major organisational and individual improvements as an outcome of more innovative management practices. The background to this research is, therefore, located within an area where the theory may have advanced, but the realisation of true strategic HRM is yet to be realised. This thesis is therefore aiming to add to the debate in terms of both theory and practical applications within a specific destination. It may provide a rubric for further research and the application (which is identified as necessary) of the theory to practice.

2.5 LITERATURE REVIEW SUMMARY

The literature, as previously identified, has been guided by phase one of the primary research process, drawing together a number of themes and areas linked to alignment between the external and task environments and the organisation. This has allowed for the completion of the first and second objectives of this research which are:

1. To evaluate the nature of the hotel operating environment in Dubai and the opportunities for strategic alignment
2. To critically review the concept of organisational culture in terms of its impact on the development of appropriate strategic responses that contribute to competitive advantage

In assessing the key factors in both the external and task environments that exist in Dubai the conclusion was drawn that the hotel industry is presented with a set of unique challenges that are, to an extent impacted on by globalisation as a force for convergence and divergence, but are also controlled via government and local ownership, creating impacts on hotel strategy and the dynamics of the labour markets on which Dubai draws its pool of labour.

In an industry characterised by increasing levels of competition and diversification managers need to find strategic responses that allow them to compete but are often constrained by external factors that are beyond their control, and the internal subcultures that exist at various levels within the hierarchy. While it is acknowledged that human capital and its management within the organisation is potentially a key factor in terms of organisational performance and competitive advantage the application of outdated, Western views on HR may not be appropriate in a multicultural environment. Just as we can assume the phenomenon of hospitality is complex, diverse and heterogeneous then management practices can be similarly characterised and need not always be conceived in terms of the formal management of organisations (Wood, 2015). This raises doubts over the potential for managers to develop an appropriate set of strategic responses that can communicate the value of human capital in terms of its impact on the bottom line. With limited strategic choice at senior management level and the challenges created within employee-centric organisations responsible for the complete welfare of their employees the opportunities for strategic integration may not exist in Dubai. This returns us to the problem of the 'broken link' between the corporate strategy and the operational strategy as they are applicable to the different environments. Essentially the opposite of co-alignment.

The initial model generated (see figure 1, p. 15) will be further tested in phase two of the research via a range of methods discussed in the following methodology chapter.

CHAPTER 3 METHODOLOGY

This study adopted an interpretive, two-stage approach to the collection of data which allowed the initial idea for the study to go through an iterative process facilitating the creation of a number of themes that have informed on the literature discussed in chapter 2 of the thesis. The methodology is designed to investigate the extent to which human capital is valued as a critical asset within the context of the five-star hotel industry in Dubai and the challenges to managing this asset at a strategic level (objective three of this study).

Figure 14 - A framework for research- The interconnectedness of worldviews, design and research methods

Creswell, J. (2013) *Research Design: Qualitative, Quantitative and Mixed Methods Approaches*. London: Sage Publications, p. 5
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Research in its purest form comprises the discovery of new knowledge that may help us to understand or explain situations and issues that are of interest to us. The methodology consists of the strategy that the author chooses to utilise while undertaking the research (Howell 2013) that will include the philosophical assumptions and the methods adopted in order to complete the study (Saunders et al, 2009). The philosophy adopted by the researcher will therefore intersect with, and

influence, the research designs and specific methods as highlighted in figure 14.

3.1 PHILOSOPHICAL WORLD VIEWS

In planning to conduct a study Creswell (2013) identifies that the researcher needs to think through the philosophical 'world view' assumptions that they bring to the research and consider the specific methods or procedures of research that will allow that world view to be translated into practice. Creswell identifies that a world-view is a general philosophical orientation and suggests that clearly explaining the larger philosophical views of the researcher helps explain why specific research approaches have been adopted and embraced.

For Creswell, as for a number of other authors (Carson et al, 2001; Brotherton 2008; Bryman 2012) the real-world view will be influenced by past experiences. In this instance, the researcher has a background in the hospitality and tourism industry, has previously undertaken research in hospitality and tourism and has lived and worked in Dubai, a city that the researcher has frequently visited over the course of several decades. All of these factors have potentially influenced the world-view held in terms of this study and have generated interest in the research topic.

3.1.1 – POSITIVISM V PHENOMENOLOGY

While there are a number of world-views that can be considered the two most common traditions found in the literature link to post - positivism, which stems from the scientific approach to research, and constructivism, also termed social-constructivism which stems from phenomenology. Positivism assumes that there is an objective world that can be observed, defined and measured, while constructivism argues that many of these aspects are defined by us (Buchanan & Huczynski 2013). The term post-positivism stems from one of the two main traditional philosophies or paradigms that have dominated research practice, i.e. positivism (as opposed to phenomenology) which challenges the notion of the absolute truth of knowledge (Phillips & Burbles 2000) and acknowledges that we cannot be positive about

knowledge when studying the behaviour and actions of humans. Positivism has, in recent years, experienced strong reactions against its use (Botteril and Platenkamp 2012) but is still possibly the dominant philosophy adopted in management research, including the fields of tourism and hospitality (Decrop 1999; Enright and Newton 2004; Brotherton 2008; Botteril & Platenkamp 2012). For the researcher taking a positivist approach the role of research has traditionally been to test theories and therefore provide material for the development of laws (Bryman 2012). Positivist research often attempts to explain causal relationships by means of objective facts and concentrates on description and explanation. The research is often governed by explicitly stated theories and the generation of hypotheses, which requires the researcher to remain detached and emotionally neutral (Carson et al, 2001). While positivism is widely accepted as the preferred world it has been criticised by a number of authors in hospitality (Williams, 2002; Lashley and Morrison, 2000; Brotherton, 2015). Bryman (2012) comments that many consider positivism to be a pejorative term used to describe crude and often superficial data collection, while Brotherton (2008) observes that when conducting research objectivity is a myth and that while positivist research may often lead to accurate (reliable) results, these results will not necessarily be truthful (valid).

The views of positivism are often considered to be too simplistic in today's context with authors pointing out that the researcher should not simply associate positivism with the scientific methods (Bryman 2012; Gray 2009) and that positivism, or elements of positivism can be applicable in other research philosophies. This has recently culminated in the term post-positivism, which acknowledges that all observation is fallible and has error and that all theory can be revised (Trochim 2008). Brotherton (2008) also points out that while positivism and phenomenology are often considered to be two opposing paradigms, that the real world does not divide into such cohesive groups and subgroups will advocate different interpretations so that research potentially becomes more of a continuum in terms of how the researcher chooses to design and conduct their study. This often culminates in a mixed-methods approach whereby qualitative research may be used to provide information to develop quantitative research (Decrop 1999) or vice versa. As Gray (2009) points out,

researchers are increasingly less concerned with whether they are using the right method and more with the quality of knowledge that can come from using mixed methods, or what Tashakkori and Teddlie (2003) refer to as the 'third methodological movement'.

While the complexity of the study is considered to limit the application/use of a positivist philosophy as it can often elicit superficial information and relies on methods such as surveys and experimentation, and some statistical data has been drawn on for this thesis. This data was collected and analysed by the author and has contributed to a collaborative study with Lincoln University on Organisational Social Capital (Brien and Anthonisz, 2016). The data has some bearing on the research as it helped identify the suitability of the case study hotels selected as part of the research. Demographic data from the study has also been used to support discussions related to the nationality mix within the selected hotels and to make inferences with regard to the extent to which nationalities can be seen to exist within certain departments, and at certain levels within the organisational hierarchy.

Outside of this the author has predominantly drawn on experience living and working in Dubai between 2012 and 2016, and research conducted within the context of the five-star hotel industry Dubai. The research intention is to consider the applications of human capital strategy within five-star hotels in Dubai and to analyse the limitations and applicability of the existing theoretical frameworks covered in the literature review. To this end the researcher is looking for depth and richness of information in terms of understanding the organisational cultures of two very different hotel chains, and to evaluate senior management views in relation to both the need for, and the importance placed on the strategic elements that contribute to the organisations within which they work. It is therefore not considered sufficient to assess this via instruments such as surveys, or to try and control elements of the research, as is common in the positivist approach.

The world-view adopted for the purposes of this study is predominantly that of the other traditional paradigm, phenomenology. While the phenomenological stance is,

as mentioned, a traditional philosophy, the methods involved in conducting phenomenological research have evolved significantly (Easterby-Smith et al, 2002) to include the more progressive paradigms such as constructivism (Gray 2009) or social constructivism (Cresswell 2013; Bryant 2012). The social constructivist aims to develop varied and multiple meanings via understanding the complexity of the context within which the research takes place, and by understanding the historical and cultural settings of the participants (Cresswell 2013). In adopting this rather broad paradigm the researcher believes that humans are constructed through their inherent immersion in a shared experiential world (Lock and Strong 2010). Social constructivism places considerably less emphasis on the need to develop objectivity and instead considers the view that the real world is created by the subjective thoughts, actions and interactions of people, in other words, it is socially constructed (Brotherton 2008). This view supports the research process adopted and add weight to the value of the authors own experience and the extent to which they can inform on the data obtained.

3.1.2 ONTOLOGY V EPISTEMOLOGY

In attempting to advance the knowledge associated with any subject area the world view adopted by the researcher will be determined by the ontological position (Slevitch 2011) where ontology is the study of the philosophy of knowledge, while epistemology considers how knowledge is acquired (Fox et al, 2014). When comparing world-views there are three important questions that the researcher has to be concerned with:

1. *What is real (ontology)?* Where the researcher describes what entities exist or can be said to exist, and also the possible relationships that exist between different entities (Guba and Lincoln 1989)
2. *How can we know anything (epistemology)?* Which is concerned with the nature and scope of knowledge (Guba and Lincoln 1989)
3. *What methods should we use to conduct research (methodology)?* The theoretical and philosophical systems that structure the way in which the

research is conducted (Guba 1990).

There is, as in most areas of contemporary research, the potential for connections to be made between the ontological and the epistemological approaches (Fox et al, 2014) to research but in their simplest form they can be reviewed as follows. In relation to the world-views considered in the previous section, epistemology, aligns with the positivist world-view whereby the researcher conducts a neutral, independent and objective inquiry that minimises the potential for bias and possible contamination of data (Brotherton, 2015). Ontology, on the other hand aligns itself with the constructive (phenomenological), interpretivist stance with the researcher acknowledging the complexities of the environment in which the research is conducted and operates on the basis that research cannot be conducted objectively (Fox et al, 2014; Brotherton, 2015). Objectivity, in this case is potentially more difficult to achieve given the nature of the study and the need to contextualise and describe various aspects of the destination, both historically and in relation to the current and future growth of Dubai. There is also a need to examine the possible relationships that exist at both the macro and micro level for the hotel industry in Dubai and within the two organisations examined as part of this thesis.

3.1.3 INDUCTIVE V DEDUCTIVE LOGIC

Another consideration for this research is also linked to the two, main world-views and considers the logic of deductive and inductive reasoning. Deduction is the positivist standpoint whereby the researcher starts with a set of concepts or models that 'suggest testable hypothesis or predictions' (Smith 2010, p.13). These hypothesis or predictions are then tested in order to confirm or reject laws (Creswell 2013). Induction, on the other hand refers to the collection of specific pieces of information or the observation of specific events (Smith 2010). Induction then involves reasoning in order to produce explanations from what has been recorded in an attempt to develop a set of rules or theories that can then be generally applied (Long 2007).

There is a tendency to associate deductive reasoning with quantitative methods and

inductive reasoning with qualitative methods (Veal 2011) but they are often part of the cycle of research (Smith 2010) and like so many generalisations in the literature it is not always so straightforward with a 'chicken and egg' situation being created in terms of what comes first in the research process, or whether we are considering a different kind of egg (or chicken)? (Long 2007). This is a common consideration where the researcher has adopted an interpretivist stance as there is potential for the author to engage in analysis and construction of knowledge almost concurrently (Thorne, 2016). The choice of inductive or deductive reasoning is often an outcome of where the researcher has chosen to start in the research process combined with their view of the world, which as Long (2007) points out can become rather complicated if the researcher has views aligned with social constructivism.

The researcher's initial intention to build theory inductively via the utilisation of Dubai as a case study, which as Bartunek et al, (2006) point out, can often yield some of the most interesting research. However, the early analysis of the subject matter and the complexity of the Dubai case, resulted in a phased research approach with the information from each phase informing on subsequent data collection and construction.

3.2 RESEARCH DESIGN

Good research design should reflect the nature of the problem addressed, the main aim of the research and the guiding theory and possible techniques that may be appropriate given the research setting and the authors background and world view. With this in mind it is possible to decide if the research design should be basic, applied or evaluative (Miller & Salkind, 2002). Table 3 illustrates some of the key characteristics of each approach. Taking into consideration the defining characteristics of each approach and linking them to this thesis the research idea has evolved from a hotel industry problem and the intention is to explore the possible challenges and options available to industry managers when dealing with HR strategy in the Dubai setting, it is evident that this research is of an applied nature. As Miller and Salkind (2002) point out, applied research hopes to show how new knowledge can

Table 3 - Research design orientation

Miller, D.C. & Salkind, N.J. (2002) Handbook of Research Design and Social Measurement. London: Sage Publications Ltd, p. 3

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be used to address a pressing problem. This knowledge should be valid, descriptive and informative in nature and as such the researcher should select a research design that allows these criteria to be met. Decrop (1999) also advise that an eclectic design

is desirable and that the researcher should select a design that fits the research question.

3.2.1 GROUNDED THEORY

The idea of inductive theory building draws on the concept of grounded theory that was first introduced by Glaser and Strauss in 1967 (Veal 2011). The term 'grounded theory' represents both a research method and a research outcome (Strauss & Corbin 1994). As a method, grounded theory uses structured and systematic procedures in order to develop theory. As a research outcome grounded theory is inductive, independent theory derived by systematically gathering and analyzing research data (Sirakaya-Turk et al, 2011) and is concerned with the generation of theory from research, as opposed to research that tests *a priori* theory (Veal 2011). The basic idea, according to Smith (2010) is that the researcher systematically collects data, (often through interviews), which is then coded. The researcher approaches the data with no pre-conceived notions in mind, instead seeking to uncover patterns that make sense by closely examining the data.

Where research into strategic HRM is concerned, the search for knowledge that can be applied, and produce valuable knowledge for use in industry suggests that researchers need to move away from more distanced, more narrowly focused methods (Cascio, 2015). Grounded theory methods tend to be qualitative in nature with an approach that is designed to produce 'conceptually dense' theories that consist of relationships among concepts (Strauss & Corbin 1998, p278). For Jennings and Jurek (2007) the growth in approaches such as grounded theory will lead to a broader and more comprehensive understanding of tourism related phenomena.

Grounded theory is often used as a form of comparative case-orientated explanation building and is becoming increasingly popular in social research (Daengbuppa et al, 2006), as well as in relation to studies in leisure, tourism and hospitality (Long 2007). The appeal for the author in terms of this approach is that grounded theory potentially increases flexibility when gathering data as they allow the researcher to follow up on

what is happening at every stage. This in turn provides focus as the researcher may categorise data as it is collected (Charmaz 2015). Grounded theory methods provide the researcher with the opportunity to shape and reshape data collection and refine data in order to increase knowledge. The approach also allows the research problem to influence the methods the author chooses to utilise with certain problems indicating one or several choices in terms of data collection (Charmaz 2015).

3.2.2 CASE STUDY RESEARCH

The case study approach has a long history in social science research (Barbour 2008) and has strong links with phenomenology in terms of the fact that the use of specific cases will often reflect the researchers' value and perspectives in terms of the construction of case knowledge (Xiao & Smith 2006). The evolution of the case study method has provided a detailed understanding of a diverse range of issues across a number of disciplines and is increasingly recognised as an effective methodology through which the researcher can investigate complex issues in real world settings (Harrison et al, 2017). Case studies are defined by a number of authors as a research approach it is also subject to criticism and has not been universally accepted particularly by those adopting the positivist paradigm. Yin (2003) observes that it is often difficult to generalise from the use of a specific case with researchers often raising questions linked to reliability, objectivity and legitimacy. One of the main criticisms according to Gray (2009) is the amount of time a case study can take and the volume of data the approach can generate. Yin (2003) observes that this is only applicable for the types of case that employ ethnographic or participant observation studies which would imply that this is the least preferred type of case to consider. However, Barbour (2008) also comments that many researchers have relied on the guidance of Yin (1994) and this has often resulted in a somewhat rigid application approach which fails to take into account the potential flexibility of case design.

The aim of case study research is to take single events, issues, organisations or even people and study them in great depth (Sirakaya-Turk et al, 2011). The case study method, according to Gray (2009) is valuable because it can be used to consider a wide

variety of issues including policy design and implementation, and relationships between organisations operating across or within a specific sector. Although the sample is usually a small one, in this research, a series of cases within one city in the Middle East, the data sources can be many (Interviews, observations, documents, memos, e-mails, flyers, posters, physical artifacts, and video tapes can all apply to a single case). This approach was particularly useful in the first phase of this research where the author was able to draw on a range of sources linked to attendance at a number of industry related events in Dubai including; forums, networking breakfasts, conferences and seminars. As with other forms of qualitative research, and in keeping with grounded theory, the data obtained was examined to identify common themes and to highlight the relationships among these themes until a coherent interpretation can be made.

While many cases are often written up at the end of the research in order to highlight what has been considered, an early analysis can be a valuable stimulus to integration especially if the research is progressing rapidly (Richards 2005). The research in this case could be considered to have progressed at a reasonable pace but the author has found it useful to consider writing up the case in terms of Dubai from both a historical perspective and in terms of the growth of the hotel industry. One of the reasons that this has been valuable is in acknowledging the range of factors that are considered to be specific to the destination in terms of making this an interesting case. As Barbour (2008) points out, selecting a setting in which to carry out a piece of qualitative research involves us in initial theorising as to why the setting is of research interest. For Dubai, this could include the pace of growth in a city, which has gone from a fishing village to a major urban conurbation of more than 2.5 million people in a little over 40 years, which may have some impact on the approaches taken with regard to human capital strategy. It is also important to consider the size and structure of the hotel industry within Dubai as this determines aspects such as ownership structure and the competitive environment within which strategic decisions are made. Dubai also draws specifically on a wide pool of non-indigenous labour, which appears to create a number of location specific issues in terms of human capital strategy, including high staff turnover, a lack of appropriately skilled staff and the management of a

multicultural workforce. Looking forward, the hosting of Expo 2020 will also have implications for the hotel industry both during and post the event as tourist numbers and the uncertain nature of the post Expo environment may create challenges to human capital strategy in terms of the quality and duration of employment if tourist numbers are not sustained. As Barbour (2008) points out it is more important to question the purpose of the research and whether a case study design might help you to evaluate and question your data rather than to worry about whether you are utilising a 'real case study'. The value of the case is in its capacity to illuminate and to provide theoretical insights of quality.

For case studies to be successful as a research strategy, they must be designed to provide an in-depth, exhaustive and rich understanding of the organisation or organisations in question (Byraktaraglu & Kutanis 2003). The combination of methods proposed for responding to the research questions may be quite complex and can rely on a range of methods although the options in terms of possible qualitative approaches may be quite small and will be determined by issues such as ethics and the possible time frame for the study (Smith 2004).

To buttress the argument and rationale for the use of a case study approach and to provide initial support for the value of the chosen case and its ability to provide new knowledge on a subject, discussion of a pilot study can be quite important. 'While pilots can be used to refine research instruments such as questionnaires and interview schedules, they have still greater use in ethnographic approaches to data collection, in foreshadowing research problems and questions, in highlighting gaps and wastage in data collection, and in considering broader and highly significant issues such as research validity, ethics, representation and researcher health and safety' (Smith 2004, p 383). The piloting process for the purposes of this study was largely conducted in the first phase of the research, with a number of informal conversations conducted with industry experts, educators in the region and management representatives from the five-star sector. These conversations helped to consolidate the initial views presented as the main agenda for the sessions held and allowed for more detailed views of the key themes to be confirmed or commented on more extensively. These

themes were further identified as clear areas of in both historical and contemporary academic research and subsequently contributed to the circular(inductive) reasoning process adopted as part of this thesis (Brunt et al, 2017).

The first phase of the research process also provided industry contacts through which to develop possible organisations suitable to use as case studies in Dubai. This form of purposive sampling, highlighted previously in table 3 can be particularly useful where there may be limited numbers of participants (Kolb, 2018). Gaining access to senior members of staff in five-star hotel operations in Dubai can be challenging and the opportunity to discuss the research with managers in advance of conducting the research helped to secure access to two recognised five-star hotel brands.

3.3 METHODS OF DATA COLLECTION

Once the need for primary data has been established the researcher needs to give thought to various methods of data collection (Brunt et al, 2017). As with many other research methods the choice of case study research raises the issues of validity and reliability (Gray 2009). Yin (2003) considers validity to be particularly problematic because of the difficulty of defining the constructs being investigated. One way to avoid this is by using multiple sources of data in such a way as to support divergent lines of inquiry (Gray 2009). One of the strengths of undertaking a qualitative study is that it stresses the importance of context setting and the participants' frames of reference. A well-reasoned and supported explanation should be firmly grounded in the conceptual framework with a clear rationale for the specific data collection methods (Sirakaya-Turk et al, 2011). At this point the author has determined that a combination of semi-structured interviews, participant observation, and secondary data analysis will provide the requisite depth and richness of information in order to assess the value placed on human capital strategy in five-star hotels in Dubai. The multiple sources of data also serve to strengthen the findings by providing opportunities for triangulation of evidence (Daenbengbuppha et al, 2006).

3.3.1 PARTICIPANT OBSERVATION

This approach to data collection relies on the researcher to engage with their senses in terms of observing or engaging with the context of the study and as such, will often involve the use of field notes to aid in data collection. These field notes can be anything from hand written notes to photos, film or images captured via smart phone (Fox et al, 2014). The use of field notes can aid in creating a depth of richness and description of events that allows the researcher to make connections between data obtained during the study (Sirakaya-Turk et al, 2011). The author found this approach particularly useful during the first year of the study in terms of stimulating interest in the research area and later in term of developing themes that could then be tested via the pilot study. Attendance at a number of seminars, conferences and workshops themed around the challenges to the hotel industry between 2014 and 2020 highlighted a number of commonalities in the concerns raised by both industry consultants and managers from hotels across the region. Depending on the circumstances the field notes were gathered via a number of means including phone images, written notes, short recordings of key note speakers or panel conversations, and informal chats with other participants at the events attended. A summary of these notes and their methods of collection can be found in Appendix 3.

As an employee of a prestigious hotel school with an established reputation in Dubai, invitations to seminars and workshops were relatively easy to obtain and allowed the researcher, in all instances, to overtly discuss possibilities for further study and to obtain views linked to the themes identified in the sessions attended. The contacts gathered during this process also provided possible opportunities for follow up interviews once the research aim had been refined.

3.3.2 INTERVIEWS

Interviews are among the most popular of qualitative research methods (Sirakaya-Turk et al, 2011) and are more commonly, or more likely to be used in hospitality research that is linked to grounded theory (Clark et al, 2002). The research interview is particularly useful in gathering valid and reliable data linked to the research question and objectives and can be useful in refining ideas that have not yet been clearly

articulated (Saunders et al, 2012). They are also acknowledged to provide some of the most effective means of collecting data in the social sciences (Easterby-Smith et al, 2002) with grounded theorists often utilising interviews to shed light on the research topic (Charmaz, 2014). Interviews are usually conducted on a one-to-one or a one-to-many basis (Saunders et al, 2012). The one-to-many approach is usually referred to as a focus group or panel interview and can be useful in discussing issues that may be common to all participants (Fox et al, 2014). An effective focus group is particularly useful for exploring attitudes, perceptions and feelings about a topic but requires a skilled moderator who can steer the group discussion (Lancaster, 2005).

Having adopted participant observation as the initial process for data collection (discussed in the previous section) the author engaged with focus groups in a number of mediums, including, panel member, moderator and audience member. As part of this process it was noted that while focus groups were often useful in providing an overview of the topic, there were often issues in terms of focus, especially where the group consisted of a range of experts from different areas of the hotel industry, all wanting to express their views. There were also concerns over the views expressed when a panel member was an Emirati with a senior position as the views often quickly synergised to reach an agreement in line with this member of the group. While this synergy can be a benefit for focus groups (Ryan, 1995) the presence of someone considered to be highly influential, particularly in a location like Dubai, was considered to impede the progress of the discussions and perhaps limit more critical views of the challenges to the hotel industry. It was also noted that many of the more elite panel members advertised as taking part in these industry discussions were often pressed for time or in some instances did not attend the focus group at all. This is understandable given the work obligations and dynamic nature of the industry and the author had to consider the time and effort that might be needed in order to bring a focus group of industry experts together (Clark et al, 2002). These observations implied limitations to the potential depth and quality of the data that could be obtained when discussing areas such as strategy and organisational culture. The researcher subsequently chose to move into the second phase of the research process utilising one-to-one interviews.

An interview is defined by Gray (2009, p. 369) as ‘a conversation between people in which one person has the role of researcher’. Dunn (2000) considers interviews to be verbal exchanges, where one person (the interviewer) attempts to elicit information from another. The general views presented in the literature discuss three types of interview – structured, unstructured and semi-structured (see for example, Saunders et al, 2012; Brotherton et al, 2008; Fox et al, 2014; Veal, 2011). Structured interviews are similar to surveys but differ in terms completion as the interviewer (rather than the respondent) will complete the question responses (Saunders et al, 2012). Unstructured interviews encourage the interviewee to speak freely and rely on the interviewer’s skill to keep the conversation going and in focus and are subsequently very time consuming as the researcher has to allow for the potential to go off track or reiterate points already covered (Fox et al, 2014). Semi –structured interviews will provide sufficient depth and richness of information but have some structure in order to provide a means of comparison in terms of possible responses to issues and allows for an agenda to be set in advance (Clark et al, 2002). This approach will often start with some standardised questions relating to areas that provide an indication as to why the interviewee might express particular views. This was factored into the questionnaire design for this thesis with the researcher taking note of the interviewees nationality, gender, years of hotel experience, years in Dubai and position within the organisational hierarchy. A summary of this information is provided in table 4 and highlights the level of expertise drawn upon, both in terms of the cumulative years in the industry (303) and the cumulative years in Dubai (132). The nationalities highlight the dominance of ‘Western’ managers often present at senior management level in Dubai (Brien and Anthonisz, 2017) with some limited indication of the dominance of male workers also evidenced in the workforce in Dubai (Brien and Anthonisz, 2017).

The use of a semi-structured approach to the interview process was useful in guiding the views of the respondents but as the author became more familiar with the material and went back to the literature at various stages the interviews became more conversational. This is common in grounded theory and is referred to by Charmaz

Table 4 - A summary of the interviewee details

Interviews – Industry Consultants						
Interview Code	Nationality	Gender	Job Title	Years in the Industry	Years with the Company	Years in Dubai
RQ01	Austrian	Male	CEO	40+	1	6
SH02	Swedish	Female	GM	12	3	3
DB03	Australian	Male	GM	25	7.5	7.5
MM04	British	Male	CIPD	10	2.5	8
Interviews – Company A						
Interview Code	Nationality	Gender	Management Level	Years in the Industry	Years with the Company	Years in Dubai
HAJ01	Norwegian	Female	Senior Management	30	10	20
PAJ02	British/South African	Male	Senior Management	19	12	12
ACJ03	Australian/British	Male	Senior Management	36	15	24
CJJ04	British	Male	Vice President	15	8	8
SMJ05	French	Female	Senior Management	17	10	10
HHJ06	Egyptian / Holland	Male	Vice President	21	1.5	1.5 and 8 (1990-98)
Interviews – Company B						
Interview Code	Nationality	Gender	Job Title	Years in the Industry	Years with the Company	Years in Dubai
FSM01	Australian	Female	Vice President	29	4	10
KBM02	Jordanian	Male	Senior Management	17	16	2
SDSM03	Indian	Male	Senior Management	12	7.5	15
MNM04	Portuguese	Female	Senior Management	16	3	1
DSM05	Indonesian	Female	Senior Management	4	2	4

(2014) as intensive interviewing where the researcher becomes more of a guide, picking up on different elements in the conversation. It could then be considered that this research adopted something of a hybrid between the semi-structured and intensive interview approaches but with the main objective being to understand the meanings that respondents attached to issues and to think about their world and how they construct the reality of their world (Clark et al, 2002; Brotherton 2008; Charmaz, 2014). While there are some criticisms in the literature associated with conducting more in-depth interviews, particularly in terms of the lack of standardisation and

amount of data collected, within the grounded theory approach this is considered to be a positive aspect of the method.

As is common within the strategic management field, the survey population adopted for this research is managers and other industry practitioners as they are likely to be the most knowledgeable about the areas being analysed (Enright and Newton, 2004). A combination of hotel industry experts, senior level managers and HR managers at differing levels within the organisational hierarchy were consulted in order to understand the need for and various challenges to the development of an integrated HR strategy as a means of enhancing organisational performance (A sample of a transcripts obtained as part of the interview process can be found in Appendix 4).

The majority of these contacts were obtained during the participant observation process where initial conversations as part of a seminar or conference were revisited and developed in order to gain access to views within the organisation. The managers consulted in Company A reflect the top heavy and bureaucratic nature of the organisation where the management of human resources has become particularly complex, with several levels of management being involved in the process. The managers consulted in Company B reflect a more streamlined organisation with clearer lines of reporting and fewer individuals at senior management level.

In addition to the managers from Company A and Company B, several industry experts were consulted to inform on the researcher's knowledge and understanding of the challenging nature of the business environment and the issues specifically linked to providing five-star service and the development and management of an effective HR strategy.

In keeping with the grounded theory approach accepted as part of this study, the researcher has employed interpretive analysis as a means of building a narrative that presents 'persuasive themes and storylines....and develops wider implications for the discipline in which the study is situated' (Parker, 2004, p. 163).

3.4 DATA ANALYSIS

Ricoeur (1996) refers to interpretation as hermeneutics and suggests that there are two approaches. The first being the hermeneutics of suspicion, where interpretation is top down and aims to reveal a deeper meaning beyond the surface. The second, and more appropriate form for this research is the hermeneutics of empathy where the researcher is motivated by the desire to get as close to the meaning of the text as possible in order to understand it *'from within'* (cited in Willig, 2017, p.278). Empathic interpretations are synonymous with grounded theory, offering a detailed and empirically rich interpretation rooted in the understanding of the participants involved in the research process (Cloke et al, 2004). This requires constant interaction between description and explanation (Coffey and Atkinson, 1996) and requires the researcher to travel from research design, to data collection and back several times (shown in the various stages of this research). As such the analysis is embedded *'within'* rather than separated from other elements of the research process.

When it comes to analyzing the data, there are a number of options in terms of software packages, but where the sample size is small, and where the purpose is to provide description and opinion then the researcher should question whether or not such packages are necessary (Brunt et al, 2017). Within the context of this research, the use of such software is considered to be both unnecessary and cumbersome as the complexity of the data gathered across an extended time frame would be difficult to code, especially given the range of formats in which the data was obtained, and the variety of expressions used across the range of nationalities involved in the interview process. In conducting the analysis by hand, the researcher was able to get much closer to the data, making it easier to identify themes and patterns appearing in the information.

3.4.1 TEMPLATE ANALYSIS

Analysing themes is used extensively in methodologies linked to grounded theory and interpretive phenomenological analysis (Braun and Clarke, 2006) but as King and Horrocks (2010) point out, there are a number of ways of conducting a thematic

analysis. Template analysis has been widely used in organisational and management research and seemed appropriate in light of the initial aim of this research which was to develop a greater awareness of the challenges to managing strategy in the hotel industry in Dubai. As such the author wanted to focus on an area that could be considered a critical success factor for the industry and potentially linked to the concepts of strategy. In order to establish the range of options that would have potential for further research the author participated in a number of academic and industry led seminars/conferences/forums which focused on the hotel industry, its growth and the challenges that it might face as an outcome of Dubai winning the bid to host the EXPO in 2020. In the sessions attended several considerations were presented for Dubai as a destination including - issues of maintaining destination brand image; government support and changing regulations; infrastructure to support tourism, and the diversification of the hotel industry to move away from the generally perceived notion that Dubai is a five- star luxury destination. There were also indications that the business environment within which the five-star sector operates would become increasingly challenging as the industry diversifies and some reference to the fact that existing strategies and approaches adopted in the hotel industry may not be appropriate from both a cultural and industry perspective.

Data from the sessions attended was obtained through a number of methods including, video material, note taking, content from presentations, informal conversations with other participants and literature provided to support the sessions. A summary of this information can be found in Appendix 3.

While themes and subjects of conversation varied across the seminars attended there were a number of consistent issues that were raised at all of the sessions:

1. How would the existing hotel provision be able to remain competitive in the face of an additional 40,000 new rooms in the pipeline?
2. Where will the labour come from to support this growth given the existing skills shortage and what are the implications for the hotel industry?
3. How will hotels manage to survive post 2020 and is it possible to avoid the

descent into a downward spiral of competition based on price?

Having compiled the information the initial assumptions made about key themes were assessed utilising template analysis which was considered to be a favourable research approach in this instance as it allows the researcher to create a list of codes ('template') considered to represent the themes identified in the text. Brookes et al, (2015) in particular advocate the use of template analysis as it allows for more extensive development of themes, which is where the richest data is found and is aligned to the social-constructivist view adopted by the researcher. Saloomeh et al, (2011) in their study on culture and language in hospitality point out that template analysis is a relatively recent development that has emerged from the more structured approaches outlined in grounded theory and interpretive phenomenological analysis and used this approach to analyse interviews, participant observation and organisational cases, an approach similar to that being adopted for this research. Both King (1998) and Crabtree and Miller (1999) consider template analysis as a middle ground between the content analysis identified by Weber (1985) where codes are predetermined and analysed via statistical methods; and the grounded theory advocated by Glasser and Strauss (1967) where there is no *a priori* definition of codes, but is not as prescriptive as grounded theory, as it is not tied to its realist methodology (King et al, 2004). The benefit, according to King (1998, p.132) is that template analysis 'does not come with the heavy baggage of prescriptions and procedures' and later examined three options for the researcher in starting out:

1. having predefined codes/a priori codes based on the theoretical position of the research;
2. developing codes after some initial exploration of the data; and
3. taking a half-way position, which also incorporates initial codes (King et al, 2004).

The flexibility of this approach was considered to be particularly useful as it provided the opportunity to explore and confirm the potential focus for the research and establish links to theory.

In coding the data obtained from the seminars/conferences attended the author chose to highlight anything in the text that might contribute to a clearer understanding of the subject matter (Brooks et al, 2015) and identified any key words that could be linked to the concepts of 'competition' 'growth' and 'people'. The recurrence of these themes indicated a potential area of study that was not only of interest to the researcher but would continue to be highly topical for the hotel industry in Dubai and therefore be worthy of further exploration in terms of both literature and more detailed primary research. This manual coding was based on the researchers existing understanding of literature, which would then serve as a template for developing additional depth to the study. The predefined codes developed at this stage might then be refined and modified during later analysis (King, 1998, Crabtree and Miller 1999).

Attendance at these seminars also provided the opportunity for a number of short, unstructured conversations with senior managers and consultants (see table 5) in the industry to identify their views on the identified challenges. These conversations were of value in discussing some of the historical aspects linked to the growth of Dubai's hotel industry (all interviewees having between five years and twenty-five years of experience at the destination) and helped to further refine and formulate the focus for the research and informed on a possible line of questioning to be adopted at a later date. A note was made of interviewee nationality as this may affect views on HR strategy, the extent to which it can be integrated within the business and the importance of valuing human capital. It is also important to note that some views were more positive than others and that in some lines of questioning there were significant differences in the views expressed. For example, CON8 stated that the company was not concerned by staff turnover within the company and that this facilitated innovation and ideas. This was very much in contrast with the other views that expressed significant concerns about turnover as a cost to the organisation and the impact this may have on the quality of service delivered in five-star hotels.

In keeping with the grounded theory approach adopted by Daengbuppha et al, (2006) on modeling visitor experiences at heritage sites, these 'conversations' were not

Table 5 – List of senior managers and industry professionals

CON1	Director	Jumeirah Hotel Group	Australian
CON2	CEO	International Hotel Industry Consultant	German
CON3	General Manager	Frasier Suites	Australian
CON4	Senior Manager	Jumeirah Hotel Group	Swedish
CON5	CEO	International Hospitality Company	British
CON6	CEO	International Hotel Industry Consultant	British
CON7	Managing Partner	Formerly Emirates Golf Courses	British
CON8	Vice President	Jumeirah Hotel Group	Emirati
CON9	Research Analyst	YouGov, Dubai	British
CON10	Manager	STR Global	British
CON11	Senior Manager	Formerly DTCM	British
CON12	Executive Housekeeper	Jumeirah Hotel Group	Australian

conducted with a view to developing a theoretical framework but to increase familiarity with the research setting and to identify potential themes and characteristics that may emerge from the data. While some opinions differed the views expressed, confirmed that the challenges highlighted were particularly important within the context of the five-star hotel industry and the need to focus on the quality of the guest experience. A number of interesting comments were made in terms of the value placed on human capital, where focus for strategic investment tends to lie, how the different hotels currently compete, and the potential disconnect that occurs between ownership, brand, management and employees. Several of these initial views were also used to inform on the more detailed line of questioning conducted later in the research.

Participation in these workshops/seminars served to highlight the nature and complexity of undertaking research in Dubai and were useful in terms of providing the author with some insights into aspects such as questionnaire design.

The discussion of the initial observations and the pilot interviews at the start of the research is of value in terms of demonstrating the author's ability to manage qualitative data and as Sirakaya-Turk et al, (2011) point out, these experiences will usually reveal fascinating questions and intriguing patterns. A description of initial observations demonstrates not only an ability to manage the research project but also the strengths of the genre for generating interesting research questions.

3.4.2 SECONDARY DATA ANALYSIS

For every qualitative study data on the background and historical context within which the research is conducted can provide valuable insights into the research. Researchers can supplement interviews and observations by gathering and analysing documentation produced within the course of everyday events or those that may have been constructed specifically for the research at hand (Marshall & Rossman 2006). Secondary data offers the researcher a number of advantages in terms of savings in cost and time (Gray 2009) but also provides value in that the review of documentation provides an unobtrusive method which portrays the values and beliefs of participants in the setting (Marshall & Rossman 2006).

The use of documents often entails the use of content analysis. This involves making inferences about the text by identifying specific categories or classes within them. The raw material for content analysis may be any form of communications, usually written materials but other forms of communication such as pictures, music, political speeches may be included. Probably the greatest strength of content analysis is that it is unobtrusive and nonreactive – it can be conducted without disturbing the setting in any way (Marshall & Rossman 2006). In light of the award of the EXPO bid and the strong government push for the development of tourism as a pillar of the economy in Dubai there are a number of reports available in the public domain that focus on aspects such as skills shortages and serve to reinforce the value of this research. These appear to be largely produced by the Dubai government, but also from consultant documentation produced by companies like McKinsey and Deloitte who have increasingly been involved in evaluating the issues associated with the bid. Documentation has been particularly useful in terms of establishing the historical context within which the research is located. Historical analysis can be used to obtain knowledge of unexamined areas and in re-examining questions for which answers are not as definite as desired (Marshall & Rossman 2006). While the author is fully aware of the issues associated with ‘who’ produced the documentation under review and has dealt with them with a certain degree of skepticism, as recommended by a number of authors (Clark et al, 2002; Marshall & Rossman 2006) they have been very

useful in terms of establishing the context of the discussion and in terms of constructing a clearer picture of the wider influences on the hotel industry in Dubai. Systematic historical analysis is also considered to enhance the trustworthiness and credibility of the study.

3.5 ETHICAL CONSIDERATIONS

In light of the research methods selected as part of this study, and the context within which it was conducted, ethical considerations were an important element of the process and informed on the planning and design of the research (Brotherton, 2015) with every attempt made to ensure that integrity and transparency were maintained throughout the process. A statement of ethics was submitted to the University of Derby for approval in April 2014. In keeping with the approach to research ethics identified by Veal (2017) careful consideration was made in terms of the potential ethical issues, the stage at which these issues might arise, and whether to undertake the research in an overt or covert manner. The key areas to be considered included the first phases of analysis which consisted of participant observation and the use of primary data gathered from senior managers within the industry. At every stage of the research the reasons for attendance and the use of the research for part of this study was clearly indicated to all parties involved. At no time were any participants coerced into providing responses, and commentary from the first phase of the analysis (see Appendix 3) has only been attributed in general terms by using generic titles and the organisation to which that individual belongs. More specific detail is provided where information has been part of the public domain, or where consent was obtained for the use of information. All interviewees were happy to include their identities as part of the study but in the interests of ensuring anonymity of the individuals and the two organisations being assessed the author has coded the responses.

3.6 CHAPTER SUMMARY

In evaluating the research methods appropriate to this study, a number of

considerations such as the authors familiarity with the industry, the location of the study, the complexity of the subject area and accessibility to information had to be taken into account. This has resulted in the adoption of a social constructivist view which aligns itself with a grounded theory approach that has culminated in an applied research design that utilises two five-star hotel cases embedded within the context of Dubai as a destination. In allowing the challenges to the industry to drive the development of the literature the two most appropriate methods were identified as participant observation that took place across the course of a year, and semi-structured interviews. The data was subsequently analysed into themes and is considered in the following chapter.

CHAPTER 4 FINDINGS AND ANALYSIS

The findings and analysis of this dissertation are considered as a two-part process which reflects the two phases of analysis conducted as part of this research. In the first instance the discussion will focus on establishing Dubai within the context of the global environment and supports the view of this thesis, that Dubai is a unique destination, and subsequently presents a number of unique challenges to the management of five-star hotels across the city. The factors that contribute to this stance have been drawn from the analysis of the data collected during a year of attending a number of seminars, conferences and workshops that focused on the forecast growth of hotel provision in the city, a situation that was created by Dubai winning the bid to host the Expo 2020 in November 2013. The researcher also conducted four interviews with senior managers in the hotel industry to assess their views on the challenges to the sector. There were six dominant themes identified during the process, three of which could be considered to be the external forces for change (Olsen, West and Tse, 2007) and therefore sit within the external environment, potentially impacting on the five-star hotel sector. The fourth theme directly relates to the hotel environment and the dynamics of the business environment which are extremely competitive. The final two themes are linked firstly to the organisation, its strategic responses and decisions in terms of which competitive resources it chooses to invest in. These two areas, strategic management and human resource management are more inward looking and therefore link to how the organisation chooses to position itself and create a unique value proposition for the customer (Mintzberg et al, 2008).

The second phase of the analysis drills down into these two inward looking areas in an attempt to assess the extent to which HR can contribute to the co-alignment of the business and which priorities managers are focusing on in order to ensure sustainable competitive advantage both pre and post Expo2020. The key areas in the literature that appears to impact on this process are national culture (ownership) and organisational culture as they potentially determine the strategy (as an artifact of the culture) of the business (Deal & Kennedy, 1982; Smircich, 1983; Schien, 1984), the

hierarchy and extent to which the business is centralised. This in turn affects strategic orientation, the extent to which managers are able to operationalise strategy (Anthonisz & Heap, 2017) and the value placed on people within the organisation. This analysis compares two different international hotel chains that represent the only two modes of operation in Dubai – Hotel group A, which is locally owned and operated international hotel chain with several large properties operating in the most sought-after locations in Dubai, and Hotel Group B, which is an established international chain operating via management contract across a range of submarkets with a different local owner for every property.

4.1 PHASE ONE OF THE STUDY

The notes taken from attendance at the seminars, workshops and conferences during the first year of the study can be seen in Appendix 3. In reviewing the data obtained in the first phase of the research process, it very quickly became apparent that a number of areas /themes were commented on consistently, regardless of the agenda and were common concerns expressed by experts from industry and academia alike. Six key themes emerged from the research process and appeared to be particularly prevalent in the discussions (see table 6). There also appeared to be a level of connectedness to the themes with several more dominant areas —including globalisation, economic, drive, destination reputation and competition seemingly impacting on the complexity of the business environment and therefore creating a number of unique challenges to the formation of strategy and the management of human capital in the hotel industry. The dominance of these themes and the causal effect of the external environment impacting on the hotel industry and the need to respond to change led to the creation of a literature review which reflected this situation and subsequently an analysis of the external and internal environment.

Table 6 - Key words and themes

Theme	Words/Phrases/Expressions
Globalisation	Global, global stage, western, western context, western employees, world, new world, new world thinking, world leader

	international, investment, authentic, local culture, multi-cultural, brand, brands, new brands, multi-brand, development, developing, developers, development, hotel chains, infrastructure, innovation, status, knowledge economy, symbol, connecting minds, connecting futures, technology, channels of distribution, market sophistication, increased competition, vision, sustainable, sustainability, exports, head office, corporate office, foreign markets, mid-class markets, leverage the nation, political empowerment, liberal, education
The Dubai Tourism Product	Hotels, accommodation, tourism, international tourists, attractions, events, facilities, status, reputation, quality, good quality, high, very high, service, standards, deliver, hospitality, first class, five-star, five-star luxury, four-star, three-star, mid-scale, mid-market, budget, Dubai brand, different, customer expectations, Expo2020, biggest, best, promise, service, value, devalue, service excellence, outstanding serve, centre of excellence, unrivalled, family, business, niche, place making, authentic experience
Economic Drive	Business, business destination, revenue, economy, economic impact, GDP, ADR, RevPAR, FDI, tax, profit, cost, occupancy, spending, hotel assets, budget, value, devalue economic dip, supply, demand, bubble, money, room rates, increasing rates, cheap and value designed, investing, investment, rate compression, discounting, incentives, private sector, visitor expenditure, exports, deficit, reserves
Competitive Environment	Competitive, competition, diversification, diversified, consolidation, opportunity, growth, expansion, capacity, new concepts, new projects, expansion, brands, growth, sustainability, challenges, instability, pipeline, new build, more hotels, management contract model, escalating room rates, innovation, copy-paste, danger, risk, pace, unsustainable, change, changed, different, regulations, complicated, stable, collaboration
Strategy	Strategy, comprehensive strategy, organic, plan, planning, practice, vision, goal, solution, milestone, sustainable, align, marketing, existing markets, niche markets, marketing promise, refit, refresh, refurbish, refurbishment, renovate, upgrade, hard assets, disconnect, local partner, ownership, management contract, copy paste, differentiate, stand out, core business, cookie cutter, USP, reputation, value creation, work together, stakeholders, collaboration, partners, partnership, independent, location, KPO's

	internal growth, comprehensive, corporate, interim model, tools, innovation, entrepreneurship
Human Resource Management	People, employees, colleagues, associates, staff, labour, labour markets, labour supply, talent, skills, skill sets, training, training budget, succession, appraisal, turnover, quality, friendly, welcome, hospitality, service, cultural diversity, learn, onboard, knowledge, culture, organisational culture, investing, competition, competitive, manage, develop, development, employment, jobs, executive, middle management, senior management, working, salary, pay, regulations, vocational, education, Emiratisation, quality of life

4.1.1 THEMES IN THE EXTERNAL ENVIRONMENT

In understanding the context of Dubai and the rapid growth of the destination as a tourism product it is unsurprising that the most dominant theme that emerged from the research was that of globalisation. Having bid to host the Expo in 2013 Dubai has signaled its readiness to be seen as a global player in the tourism industry. Many of the key words that are associated with this first theme reflect the terminology associated with Expo2020, the event which prompted many of the conferences and seminars attended as part of the research, and which revolves around global connectivity and growth (DTCM, 2014).

THEME ONE - GLOBALISATION IN THE DUBAI CONTEXT

As discussed in the literature globalisation is readily acknowledged as a major driver of change in tourism and hospitality (Knowles et al, 2004; Cooper and Wahab, 2005; Hjalager, 2007; Yu et al, 2014; Niewiadomski, 2014; Liu et al, 2014; Ivanov and Ivanova, 2016), characterised by the rapid movement of people, information and capital (Cline, n.d.).

Dubai typifies these characteristics, demonstrating a reliance on large numbers of expatriate and immigrant labour to fuel its growth and embracing many of the

concepts of Westernisation (Giddens, 1999; Tomlinson, 1999; Roberts, 2001). With no natural resources to build a tourism industry Dubai's entry onto the global stage has been attributed to the vision of the Al Maktoum family (Kechichian, 2008) and its strategic location which has allowed Emirates to expand its global operation to 86 countries (Emirates Group Annual Report 2016/17) with the desire to be represented on the global stage evident in almost all of the conferences, seminars etc. attended during the course of 2014 with comments such as:

'A new economy built on centres of excellence – a model the world can adopt'

Regional GM of Marriott (HSMAI Expo Series 1, 18th March 2014)

'Dubai's agenda is to move to the global stage.... The focus is on family business, global events and Dubai's status as a business destination.... Tourism will drive a major part of the shift to the knowledge economy....Connecting minds, connecting futures, will drive growth'

Expo2020 Supreme Team Representative (HSMAI Expo Series 1, 18th March 2014)

As discussed in the literature, the concept of globalisation is complex and represents a process of convergence in terms of political, cultural and economic aspects of life (Ivanov and Ivanov, 2016; Cline, n.d; Giddens, 1999). Embedded within the concept the literature highlights a number of factors that are synonymous with globalisation including the influence of the Western world (Levitt, 1983), the presence of the transnational company (Bielak, 2007; Dwyer, 2014) and the potential to shape the business environment (McKinsey, 2007). Buchanan and Huczynski (2013) summarise these factors as a causal chain (see figure 2, p.19) suggesting that organisations need to respond to the downward pressure that the process of globalisation creates.

The findings of this research would appear to indicate that this view of globalisation is much too simple and that in Dubai, the government drive to be represented on the global stage actually creates a change to the business dynamic that perhaps has not previously been accounted for. The characteristics of Dubai as a destination are highlighted by Khomsi and Kadri's (2017) assertion that Dubai is *'run like a private*

company', that '*dynastic tribalism*' creates a locus of power within the destination (Davidson, 2005; Ortega, 2009) and that '*growth fetishism*' (Hamilton, 2003) drives the need for performance all have a significant impact on the how Dubai has evolved. Rather than resisting the influences of the 'western world' Dubai has actively embraced the concept of Westernisation, taking examples tourism development from other cities such as Singapore and introducing them in Dubai with their own unique twist (CON 11, Senior Manager, Formerly DTCM). At a destination level the government In Dubai, has over the course of the last forty years, driven growth through trade, the development of the tourism industry and massive investment in infrastructure. The strength of the Dubai brand and the development of a reputation synonymous with luxury (Anthonisz & Heap, 2017) has increased the emphasis placed on the development of an international tourism industry with the hosting of Expo 2020 seen as the culmination of that investment. In this sense the potential downward pressure on international business that is an outcome of globalisation (Buchanan and Huczynski, 2013) is actually accelerated by the government who are actively seeking the benefits this brings.

In contrast to this acceptance of Westernisation on one level, there is also the issue of control of the destination which has seemingly not been explored in the literature. In Dubai, the level of government control reinforces the need to preserve tradition and reflects the attitudes to culture and values exhibited by the way organisations are run and the extent to which the various nationalities within the Dubai labour force are valued. For example, the layers of management within almost all of the international hotel chains are typified by 'Western' management versus front line staff from the 'Asia Pacific' (predominantly India, Nepal, Sri Lanka, Bangladesh, Indonesia and the Philippines) (Anthonisz and Brien, 2017). This 'cultural divide' for want of a better term has always been the approach to business, with the locus of control being retained by the Emirati ownership. This creates a particular challenge to strategic decision making and the value placed on human capital that is further explored in phase two of the analysis.

Given the emphasis on tourism as part of the Dubai economy, the industry most likely

to feel the true force of the factors associated with globalisation is the hotel industry, which predominantly consists of the international chains, already discussed in the

Figure 15- Globalisation in the context of Dubai

Buchanan, D.A. & Huczynski, A.A. (2013) Organisational Behaviour.8th Ed. Harlow, England: Pearson, p. 50

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literature, as one of the most globalised in the service sector (Yu et al, 2014). The international hotel chain has been embraced by Dubai to facilitate economic growth and to cater to the demands of the international tourist, but is controlled by local owners via management contract, which is not necessarily a low risk mode of entry in Dubai (Thacker, 2015) and the DTCM who manage, monitor, market and license all aspects of the tourism experience in Dubai (www.visitdubai.com Accessed: 7/8/17).

As the focus for this research is the five-star hotel industry, establishing an alternative view of globalisation in the context of Dubai and the impact this has had on the business environment adds weight to the assertion that Dubai provides a unique and complex environment for even the most experienced hotel manager to contend with (see figure 15).

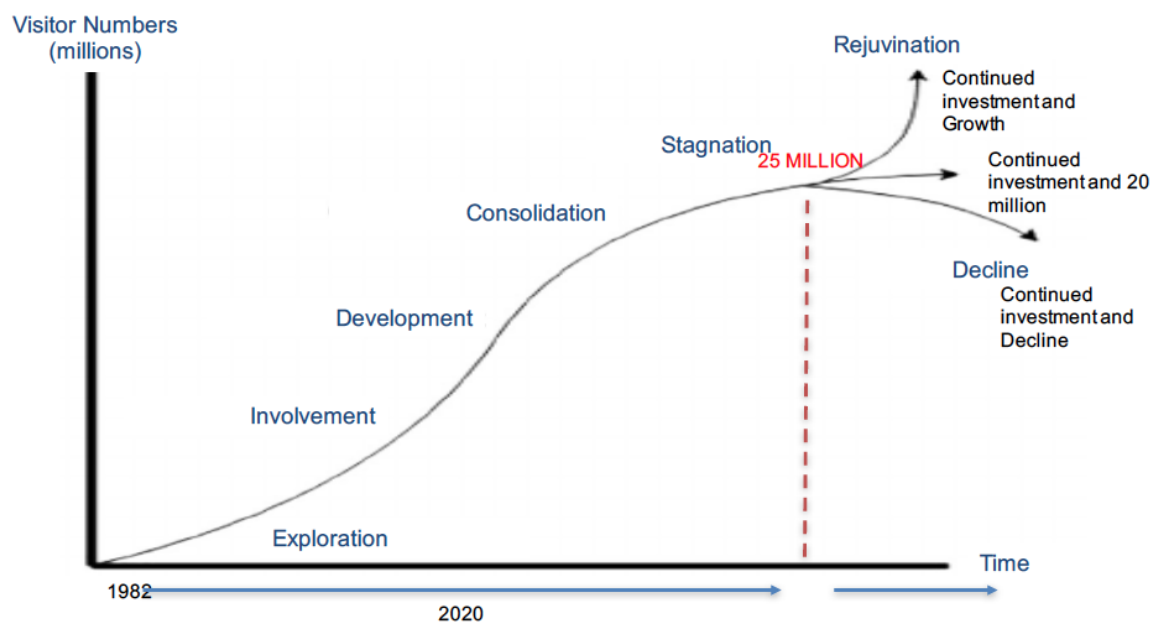
In adapting Buchanan and Huczynski (2013) the model has moved from the traditional 'path dependent' approach which implies that globalisation drives change to include, Sorge et al 's (2015) consideration of 'hybridisation' which results from the process of integration within the global system. Dubai has effectively reached out to the world and embraced globalisation increasing the pressures on business. This acceptance of Western concepts coupled with the drive for global recognition has also allowed the international hotel industry to become embedded within the destination. As a tourist destination Dubai has also embraced the demands of the international tourist and the international hotel chain that accommodates them and adopted a Westernised approach to the development of its tourism offering and has subsequently initiated hotel organisations that are hybrids of ownership culture and standardised operations (Lane, 2000). In doing this it has retained power over that development and growth and subsequently accepts or rejects the elements of globalisation to suit its needs. This subsequently creates a highly competitive business environment with significant management challenges.

THEME TWO – DUBAI AS A TOURISM PRODUCT

The second of the more dominant themes that emerged from analysing the first round of data collection was linked to Dubai as a tourism destination and the potential challenges associated with maintaining the growth in international arrivals that will be needed to support the economy both pre and post Expo. As discussed in the literature, the tourism industry has been used as a key driver in terms of the economy and the strength of the Dubai brand is largely an outcome of the advertising campaigns developed by the DTCM (Anthonisz and Heap, 2017b).

Dubai is currently approaching the consolidation stage of Butlers lifecycle with 2020 potentially being a pivotal point at which Dubai will have to deal with the challenges to maintaining visitor numbers which have been targeted at 25 million in 2020 (see figure 16). Based on the experience of other mega events, STR Global warned Dubai to exercise caution when it came to managing the expectations associated with those numbers, highlighting that Dubai has to import 17 million of those visitors from around the world and that too much emphasis on the Expo might displace the existing leisure markets for Dubai in that year if they feel that the current tourism offering may be affected by the increase in business travelers to the destination (CON 10, STR Global, HSMAI Expo2020 Series 3, 1st April 2014).

Figure 16 - Expo 2020 applied to Butler's lifecycle



Unsurprisingly many of the views expressed by industry revolved around the desire to maintain the Dubai brand and the reputation for quality and service that is an outcome of the dominance of five-star properties across Dubai. This was particularly emphasised by the DTCM and representatives of government who, as already identified, influence and control much of the tourism development that has taken place in Dubai. For example, Issam Abdul Rahim Kazim, CEO for the Dubai Corporation for Tourism and Commerce Marketing who gave the keynote speech at the Vision

2020 Conference at the end of September 2014 had this to say on the subject of Dubai's reputation:

'...to maintain the quality of hospitality, for which Dubai has become known. Whether it's a five-star luxury beach resort, a three-star city option, or a cosy boutique guesthouse, it's the standard of services that will be remembered..... Along with outstanding service we must also be able to impress visitors with unrivaled facilities and experiences....Luxury is our trademark but it is vital that the city broadens its appeal, while remembering that cheaper categorically does not mean lower standards. Instead it means high quality, lower cost accommodations'.

These sentiments were also echoed by hoteliers and a number of industry consultants but were often coupled with an acknowledgement that the diversification of the Dubai tourism product, now clearly aimed at attracting both the mid-market and budget traveler would not come without a number of associated challenges to both existing and new tourism and hotel facilities. The existing hotel properties in Dubai, many of which have been located at the destination for some time will potentially be faced with the need to invest in the hard assets of their property if they are to continue to attract tourists (Ivanov and Ivanova 2016; Abreu Novais et al, 2018) and live up to the expectations of the Dubai brand.

'The quality of the hospitality accommodation in Dubai is very high and with the new wave of hotel construction in the pipeline we will see some operators forced to undertake refit and refresh of their older hotel assets in order to remain competitive'.

Harris International, HSMAI Expo 2020 Series 1, 18th March 2014

This investment does not come cheaply in Dubai and construction companies that survived the economic crash in 2008 and 2009 are responding to demand by increasing their prices. According to Harris International (HSMAI Expo 2020 Series 1, 18th March 2014) the cost of renovation per room is three hundred and fifty to five hundred and fifty thousand dirhams (up to one hundred thousand pounds). As a necessary capital cost to the business in a period of declining revenues, the tradeoffs

required to ensure that profit is sustained is likely to impact on the perceived need for investment in the workforce with a direct effect on the quality of the customer experience (Rauch et al, 2015; Lashley, 2008).

A number of the panel discussions also considered the challenges to the industry in light of the associated diversification into more three-star and budget hotel properties with a divided view among panel members as to whether the existing target markets would remain if Dubai became more accessible to a wider range of international visitors.

'We need to manage expectations and maintain Dubai's reputation for luxury. There is room for mid-scale hotels, but budget may devalue the product and put off existing supply'

CON10, STR Global (HSMIAI Expo 2020 Series 3, 1st April 2014)

'Dubai is at the consolidation stage of the lifecycle of the hotel industry and will quickly move into the next stages of diversification, followed by increased rate compression and market sophistication as the economy and independent hotel offerings increase pre-2020'.

Radisson Hotels (Hozpitality Plus Event, 19th August 2014)

Hotel managers in particular, were concerned about the move towards the budget traveler and the associated diversification of the industry. In particular the impact this would have on RevPAR (Revenue per Room and ADR (Average Daily Rate) which significantly impact on the bottom line and the ability to reinvest in the business. These concerns were justified in 2016 when STR reported that absolute occupancy was at its lowest level since 2011 and the ADR and RevPAR had decreased over the same time frame by 10.3% and 12% respectively (STR Market Report, 2016). This generally downward trend which has continued into 2017(STR 2017) places considerable pressure on hoteliers operating on a management contract basis as reputation is not just an industry concern but a hotel brand concern as well. It links directly to service and the triadic nature of the business highlighted by Wood and

Brotherton (2008) and is a key output for the generation of loyal customers and in appealing to potential employees. In light of the many areas that require investment (Olsen et al, 2007; Enz, 2010) managers will need to make tradeoffs between guest satisfaction, organisational efficiency, and financial performance (Evans 2015) which does not bode well for service quality, an area that is traditionally at odds with the need to generate profit.

THEME THREE – THE ECONOMIC CLIMATE

The internal organisational concerns for revenue are common across the hotel industry globally but possibly more so in those destinations around the world where tourism is an essential element of the economy. This third theme while not explicitly discussed as a chapter in the literature is one of the underlying drivers of globalisation, an essential element of the competitive environment and key outcome of an effective business strategy and is at the forefront of the Expo agenda which is to drive growth in trade and tourism (Expo Supreme Team Representative, HSMAI Expo Series 1, 18th March 2014).

The government agenda and the vision of the Makhtoum family has contributed to an entrepreneurial approach to growth (Almuhzzi et al, 2017) with Dubai investing in tourism as a pillar of the economy (Henderson, 2006), and successfully creating a recognised international tourist brand (Anthonisz and Heap, 2017). The success of Dubai is reflected in the increasing visitor numbers but the ability to sustain those numbers requires further investment and the development of new attractions in order to generate new and repeat visitors to the city. Funding for many of these attractions is of course reliant on high levels of foreign investment which have increased across the UAE since the announcement of the Expo in 2013. In 2014 levels of FDI reached \$14.4 billion, much of which was linked to projected growth in the service sector (Basit, 2014). In 2014, growth was high on the agenda for many conferences with the Area Manager for IATA predicting that GDP from aviation would be 14%; Harris International highlighting that spending on major programmes across the Middle East would hit \$640 billion by 2019; and, the regional manager for Marriott highlighting

that the hotel accommodation sector would contribute 300 billion dirhams in revenue for Dubai.

During the course of this study however, the fortunes for tourism across the MENA (Middle East and North Africa) region have declined from 8% above the global average to 4% below the global average (UNWTO 2017) and the basic economics of supply and demand have begun to impact on the hotel industry as Dubai reaches the consolidation stage in the tourism lifecycle (Butler, 1980). STR Global, present at a number of the conferences in 2014, advised caution on the approach to 2020 commenting that:

'...demand is already high, and prices are at a premium so what can we learn from all past mistakes that will make sure we get it right, generate profit and manage our reputations?' 'Dubai's current growth rate in terms of ADR is not sustainable'.

CON 10, STR Global, (HSMIAI Expo2020 Series 3, 1st April 2014).

The drive to be the best and the emphasis on performance at all costs (Almuhri et al, 2017) creates a highly pressurised environment and one in which the DTCM drive, and possibly determine the rules of engagement (Davidson, 2005; Ortega, 2009). For example, the introduction of a 10% tourist tax to help fund the investment costs of the Expo was conceived and implemented within a matter of months and while many tour operators were unsurprised by this (Kim, 2014) the hotel industry, which already implemented a service charge of 10% over and above the advertised cost of a room was concerned about the additional charge and the impact this would have on tourist numbers. To an extent it could be argued that the DTCM were driving the tourist into the budget hotel properties where the tourist tax would have less impact on the overall cost of the experience. The presence and agenda for the DTCM was evident at a number of conferences but was particularly prevalent at the Vision 2014 conference where members of the DTCM presented the key note opening speech and participated in a number of the panel debates that were part of the event.

'Moving forward we need not only to build more hotels and increase the supply of

rooms to meet growing demand, we also need to diversify the hotel sector offering so that we can meet the full spectrum of the visitor's budget requirements'

(DTCM, Vision 2020 Conference 28th-30th September 2014)

'For us to become the number one destination we have to invest in offerings that can cater to different budgets and classes, henceforth why we have invested so much effort and focus on developing the mid-market'.

(DTCM, Vision 2020 Conference 28th-30th September 2014)

This drive for revenue appears to have been particularly evident since the downturn in 2008. Having visited Dubai on a number of occasions since 1982 the overall look and feel of Dubai as a destination has changed and the philosophy of luxury and service quality is perhaps lost among the drive for a global reputation and the need to diversify the tourism product. A discussion with CON7, a former Director at Emirates Golf Clubs had observed a similar trend, commenting that:

'The philosophy of business has changed... when Dubai was first established as a tourist destination the aim was to be the best in terms of service excellence and luxury.... Since the downturn in 2008, business has become about making money and cutting costs. Anyone can cut costs, but we have to think about the customer experience and the value they are getting'.

The potential to generate both government and hotel revenue is undeniable but representatives from the hotel industry seemed at something of a loss in terms of how they would be able to respond to this. Having been used to an environment in which supply has traditionally outstripped demand the need to think strategically was perhaps less of a requirement, with a focus on understanding the core business potentially unnecessary as Dubai has expanded into new markets and niches for tourism. A number of industry consultants commented on the increasing need for managers to understand exactly what it is they have to offer. The CEO of one of the newer international hospitality companies (CON 5), based in Dubai observed that:

'Hotels all compete with each other for the same niche markets, and that is okay when business is good but now the industry is diversifying.... Hoteliers need to think about what their core business is, what their USP is and how they can set themselves apart from the competition'.

The need to think strategically and to understand the external environments is a theme that runs through the literature of this thesis (Olsen et al, 1998; Mintzberg et al, 2000; Harrison and Pelletier, 2001; Jansson, 2008, Olsen et al, 2007; Enz, 2010; Hall et al, 2012; Evans, 2015; Fraj et al, 2015) but it could be argued that the need for managers to create appropriate responses to change is particularly challenging within the context of Dubai given the power of government and the DTCM and the drive for global recognition, the need to maintain the existing reputation and the economic value of the sector. These external forces combine to drive a business environment that is both highly competitive but may also limit the range of responses that hoteliers have available to them?

4.1.2 THEMES IN THE HOTEL ENVIRONMENT

For Olsen et al, (2007) the immediate business environment for the hotel tends to be made up of factors that have a more direct and immediate consequence for the organisation but can potentially also be controlled if the organisation develops an appropriate strategic response. However, the pace of change and the level of competition can create increasingly difficult circumstances in which to operate, particularly in cities such as Dubai which is characterised by high numbers of hotels offering substitutable products (Matovic, 2002).

THEME FOUR – COMPETITION

As discussed in the literature, almost every industry in the world is subject to some degree of competition (Mohammed et al, 2014) but the nature of services and drive for an international market presence as a means of developing competitive advantage (Assaf et al, 2017) places particular pressures on the hotel industry as brands fight to

select the best destinations, offering the highest returns (Yang et al, 2012).

The hotel environment in Dubai is by no means an exception to these views with the first phase of the analysis identifying a number of characteristics including *'competitive'*, *'diversifying'*, *'risky'*, *'complicated'* and *'challenging'*, all being attributed to the growth of the industry in Dubai, which was reported by the DTCM as *'about 89,000 keys and we are looking to go up to about 140 – 160,000 keys by 2020'* (DTCM, Vision 2020 Conference 28th-30th September 2014). While the increase in hotel rooms and the diversification of the industry that now includes a range of budget and independent boutique offerings was considered to present a number of *'opportunities'* for growth the central concerns revolved around the potential *'downward spiral'* of cost cutting that appeared to be impacting on RevPAR and ADR.

The increasing level of competition was identified by industry as leading to increased rate compression and market sophistication which is considered to be further complicated by the fact that submarkets within Dubai may all potentially develop at different rates and require a different brand from within the hotel portfolio (Vision 2020 Conference, 2014). While hoteliers viewed this as a means of increasing their brand presence within the destination by including options from outside of their five-star portfolio, the choice of where these might be located and the property in which they would operate would still be subject to the control of the DTCM who determine licenses for operation, and the availability of local owners who want to own properties outside of the five-star bracket.

The development of Dubai, in terms of a series of submarkets lends itself to the concept that hotels operate as industrial clusters that operate and exist within a local system (e.g. a destination or tourism system) (Porter 2000) or organisational ecology (Baum and Mezias, 1992; Kalnins, 2016) creating a particular complexity that may not be common elsewhere in the world. For hotel brands the desire to operate across a range of submarkets is further complicated by the likelihood that each property may come with a different owner, and therefore a different view of how the property should be managed. Competition within the various submarkets of Dubai, particularly

those with premium locations, such as 'Jumeirah 3' and 'The Walk' was particularly intense with competition for resources (Sainaghi, 2010) that could contribute to some form of competitive advantage creating additional challenges to management. The research also identified that hotels operating under the same brand viewed each other as competition rather than as a brand where all revenue would have a positive impact on the wider organisation. This view was not necessarily confined to properties with a range of different owners and was the subject of one of the first conferences attended in which the industry was criticised for lacking any form of unified approach:

'The hotel industry in Dubai needs to find a way to work together in order to remain competitive on the run up to the Expo and to develop a strategy for after the Expo. Unfortunately, the hotel industry doesn't work together, they see everyone as competition.'

CON 9, YouGov (HSMAI Expo2020 Series 3, 1st April 2014)

This may be an outcome of the bounded rationality within which hotel managers exist (DuBrin, 2011) and the level of control that managers feel they have over factors in the external environment (Li & Netessine, 2012; Kalnins, 2017). It therefore seems likely that in terms of developing a strategy that ensures co-alignment that Olsen et al's (2007) assertion that the business environment can be more controllable may not be entirely accurate. The nature of who is viewed as competition within Dubai may create a rather narrow focus from a strategic perspective with managers concentrating on their immediate competitive set and short-term economic gain rather than looking at the opportunities that exist as part of the bigger picture (Li & Netessine, 2012; Kalnins, 2017).

4.1.3 THEMES IN THE ORGANISATIONAL CONTEXT

The commonly identified nature of hotel operations in terms of hierarchy and structure and the network of control and authority (Mullins, 2001) that exists in Dubai creates an open system in which the organisation is shaped by change and is therefore

required to continually redefine its position and commitment to the organisational strategy (Scott and Davis, 2007). This strategy, according to a panel member of the Strathclyde University Round Table should *'focus on sustainable economic growth' with 'embedded sustainable practices that will create value'* and potentially *'allow for risk to be managed more effectively'* (Fourth Strathclyde Roundtable, 18th October 2014).

However, the academic view of what constitutes an appropriate response to change, as previously discussed, is subject to a number of constraints and the long-term strategic thinking that allows for the development of an appropriate competitive strategy is not always possible where managers have limited control and are subject to resource constraints. The common approaches linked to relying on the hotel brand as a means of competitive advantage (Niewiadomski, 2014), or on contractual agreements to create 'low risk' entry into the market (Leon-Darder et al, 2011; Fleşeriu et al, 2014, Thacker, 2015) do not necessarily apply in Dubai, unless they happen to be coupled with a prime location and an owner willing to invest in the business outside of the cost of building the property. Even then there can be no guarantee of success with international visitors spoilt for choice in terms of location, brand and price.

THEME FIVE – DEVELOPING A COMPETITIVE STRATEGY

The formation of an effective competitive strategy that secures a strong market position and creates profitability for the business is often the main goal for hotel managers, requiring an awareness of the external environment and decisions to be made in terms of which resources the company should invest in to secure that goal (Webster, 1994; Harrison & Peletier, 2001; Mankins & Steele, 2006; Chathoth & Olsen 2007; Olsen et al, 2007; Koseoglu et al, 2013; Wheelan et al, 2015). This is aligned with the resource-based view (RBV) of the firm (Barney, 1991) and need for investment across a range of resources essential to reputation and USP of the business (Olsen et al, 2007; Enz, 2010) but as Evans (2015) highlights, many managers are routinely faced with tradeoffs between guest satisfaction, organisational efficiency and financial performance. As an example of this, one executive housekeeper

encountered during the research process identified that the economic climate in Dubai had placed pressure on the department to improve productivity by increasing the number of rooms cleaned by housekeeping staff during their shift. This had negatively impacted on the guest satisfaction score, but the department was prepared to take *'the hit'* because the associated cost saving was worth it (CON 12, Jumeirah Hotel Group).

This approach to cost cutting was also encountered in phase two of the research and is almost certainly an outcome of the pattern of discounting that appeared to be the immediate *'strategic'* response to dealing with increased competition. Several participants in the research highlighted the unsustainable nature of this approach including the Director of HR for Millennium Copthorne who are new entrants to the hotel industry in Dubai:

'Key challenges for industry are – increased competition for talent, choice of location, it's not all about price – you can't create demand through discounting while continuing to deliver the expectations that have been set so high by brand Dubai.'

Director of HR, Millennium & Copthorne Hotels, Middle East
(Hospitality Plus Event, 19th August 2014)

Some attributed this to ownership:

New ownership has been about making money. When the company changed hands the first thing they did was to cut 40% of the staff and axe the training budget. Everything is refurbished but it is cheap and value designed – nothing is good quality. The reputation for luxury in Dubai, needs to be maintained by investing in people.'

CON 7, Formerly Emirates Golf Courses, (HSMIAI Expo2020 Series 3, 1st April 2014)

'All hotels have a local partner, but will local partners have realistic expectations with regard to room rates as we move towards 2020.'

CON 10, STR Global, (HSMIAI Expo2020 Series 3, 1st April 2014).

While others attributed this to poor leadership and a lack of management capability

when it came to knowing how to compete in the Dubai hotel environment:

'I think it's more complicated than just saying, everybody is dropping their prices, but I know so many guys that have no other answer than dropping their rates. It depends on leadership and you have to know your market, you have to know what price you can charge and what services you offer and how you are competitive, and then you can write your own success story, you don't have to rely on the neighbor and the other neighbor to help you make a decision'.

RQ01 (Interview, 2016)

The problem is that many hoteliers don't know how to do this (develop competitive advantage) and they don't know how to integrate this into their strategy so that they invest in their core business and develop their reputation for a certain type of hotel product'.

CEO, International Hospitality Company (Keynote Speaker, Fourth Strathclyde Roundtable, 18th October 2014)

If, as the primary research indicates, the constraints of ownership, along with the potential failure to understand the operating environment are to be assumed as applying to the whole of Dubai, then this may explain the focus on room rates and occupancy as the leading response to dealing with change. Cost leadership (Porter, 1980) is potentially easier than trying to work out a way to differentiate from the competition. As short term as this approach may be, it is something that can be controlled in what is an otherwise uncontrollable environment and may explain the associated emphasis on the need for cost cutting and a tendency to focus investment in the tangible assets of the business, which is common to the industry at an international level (Lashley, 2008). Investment in hard assets produces visible outcomes that can be tracked and measured and can be used for marketing purposes but in Dubai, where ownership is looking for a return, many properties are seeing that investment being driven by 'value design' approach in which the original designs for renovation are developed using the highest specifications, but the resulting outcomes are created by sourcing the cheapest available alternatives (CON6, Hotel Management

Consultant, Arabian Hotel Investment Conference 2016), reducing the lifespan and durability of the final product. However, if the key outputs of developing a competitive advantage are linked to service, quality and reputation, which were also regularly discussed in the first phase of the research then there needs to be greater recognition of the link between employee performance and the potential that this has to create an emotional experience that will impact on the loyalty and satisfaction of the customer (Lashley, 2008).

From the RBV perspective all assets of the firm should be invested in, but long-term competitive advantage can only be realised by an internal analysis that highlights a combination of competencies and capabilities that create sustainability (Xiao et al, 2012). The implication is that the firm with the best set of resources potentially has the best opportunity to differentiate from the competition (Flagestad and Hope, 2001), as long as they know what to do with them. The RBV view concentrates on the characteristics of resources that contribute to the heterogeneity of the service and to inimitability of the outcome (Flagestad and Hope, 2001) which are usually linked to the soft assets of the organisation and include capabilities, processes and knowledge (Xiao et al, 2012) Even where the same resources are available to all competition the ability to organise these assets in a way that continually improves the relationship with the customer may still provide long term competitive advantage if it is done in an inimitable way (see section 2.3.5). This is where the challenge lies in Dubai, an environment synonymous with the copy-paste activities of Miles and Snow's analyser strategy (1978) and where location and the 'wow' factor associated with the hard assets of the property are seen as critical to maintaining reputation. The challenges are the same across the industry but how the organisation responds is often with a controllable, tangible investment that can be seen and financially accounted for but does not necessarily ensure service quality or create an emotional experience for the customer.

Service quality and emotional experiences are driven by people, and people are seen as a key resource for the hotel industry. The value of this resource is not necessarily considered in the same way that the Western world views it with the aforementioned

Arabic views and respect varying across nationalities from the East versus those from the West (Lewis, 2006; Najm, 2015). That aside, the first phases on the analysis did highlight the industry concerns linked to the availability of a workforce that could be retained and demonstrated the skillset needed to deliver on the reputation of Dubai luxury. The DTCM at that point also indicated that the government would be investing in skills training 'by the fourth quarter of 2015, with a state-of-the-art campus operating by the end of 2016' (DTCM, Vision 2020 Conference 28th-30th September 2014). To date there would appear to be no confirmation of the proposed educational provision being in place, indicating that the government have looked to the private sector to fill the gap in training the 850,000 employees expected to support the travel and tourism industry by 2026 (WTTC, 2017).

That aside, the hotel industry has identified that people are a key resource for success but also one of the biggest challenges in terms of being able to acquire enough people with the right skillset, but then to be able to retain them within the organisation. Dubai has traditionally drawn its labour from the Indian subcontinent but this is no longer as easy as it used to be with the CEO of Hospitality Management Holdings commenting that *'you have a lot of countries now where the associates are not really willing to relocate to the UAE, or anywhere else in the Middle East'*, with emerging economies such as India now providing *'exactly the same type of job without the need to leave their family'*. He also observed that declining applications from the traditional labour markets was also creating challenges across the industry *'as hotels search for new markets'* where hospitality experience and skills may be lacking. Being successful in recruiting from countries without a *'history of hospitality'* would require help from the government in terms of changing regulations and investment in language training if it was possible to recruit from *'Africa'* and *'South America'*. (Vision 2020 Conference 28th-30th September 2014).

The challenge of training was also identified as a priority for the hotel industry, with comments on the need to manage a culturally diverse workforce:

'Staff must deliver the marketing promise'. Staff training is a priority – awareness of cultural diversity and how we learn and onboard information must be considered'

(HSMAI Industry Panel, 25th March 2014)

And the need to move away from the five-star approach to service which generally implies more bodies rather than trained staff:

'There is a need to focus on training in hospitality, not just more bodies'.

CON10, STR Global, (HSMAI Expo2020 Series 3, 1st April 2014)

However, this research identified a rather limited view of what training should consist of outside of language training and onboarding into the organisational culture, both of which are considered to be the main priorities for ensuring service quality which is then managed by ensuring that staff are aware of the standard operating procedures (SOP's) that apply to their particular role. However, this is no guarantee of service according to RQ01, the head of a local international hotel industry consulting firm who observed that *'our business is based on human relations and there is no SOP to tell this person at the Burj to know when you want service or when you don't want service and you can put that in writing as much as you want'.*

In light of the comments and views identified as part of the first phase of the research it is unsurprising then that MM04, from CIPD Middle East identified that *'we need to be much smarter in how we value human capital, in an industry where workforce management practices aren't valued appropriately'* and that HR in Dubai needed to become *'more analytical if it was going to be viewed as a credible department within the hotel industry'.*

This brings us to the final theme and key challenge for the hotel industry in Dubai, the need for human capital and an understanding of its value as a form of competitive advantage which must be invested in and managed strategically within the business.

THEME SIX – HUMAN CAPITAL IS KEY

Whether human capital is viewed as part of the global labour market (Baum, 2008), as a key input for the organisation (Olsen et al, 2007) or as a resource through which to deliver sustainable competitive advantage (Wernefelt, 1984; Barney, 1991; Galbreath, 2005; Zeglat and Zigan, 2014), the need for people with the right skill set and the challenges to retaining them were a consistent discussion point at every conference or panel attended throughout the first phase of the analysis. The issues are the same everywhere and there is no shortage of similar observations on the challenges created by a shortage of suitably skilled and qualified labour and the problems associated with addressing this (Wood, 1997; Choi, Woods & Murrmann, 2000; Lashley and Morrison, 2000; Baum, 2002; Lucas and Deery, 2004; Baum, 2008; Joppe, 2011; Wood, 2015; Ewers and Dicce, 2016). Hotels in destinations all over the world are trying to deal with the challenges of high staff turnover, negative perceptions of the industry as a career option, availability of suitable staff, competition within the industry and with other industries for the best people, and adverse supply trends associated with declining populations in some locations. These challenges are clearly evidenced across the hotel industry in Dubai and are exacerbated by the escalation in hotel property development (STR Global, 2016). The key areas of concern raised in the initial phase of the study were clearly linked to the availability of a significant number of suitably skilled staff with Deloitte highlighting a CAGR of 2.12% for tourism and hospitality employment between 2011 and 2015 (I-UP Forum, 2014) and a particular deficit in middle and senior management. This deficit in the skill set for industry was also commented on at government level with the DTCM identifying a lack of suitably qualified employees who could carry the industry forward:

‘What the government has noted is that the quality of the skill sets on the ground in this expansion and growth in the number of offerings and it is very important that we look at their qualifications and skill sets for us to go forward as an industry’

(DTCM, Vision 2020 Conference 28th-30th September 2014)

As Baum (2008) identifies, the consequences of a shortage in the labour market should be subject to special measures at a macro level with government stepping in to develop appropriate levels of vocational education in country. Having noted the deficit of skilled labour the DTCM had announced that they would look to assist industry by focusing on vocational education:

‘So for example we are starting a tourism vocational college which will focus on developing those skillsets and we are looking to have the interim model to support that by the end of the fourth quarter of 2015, with a full-fledged state of the art campus open by end of 2016, or first or second quarter of 2017’

(DTCM, Vision 2020 Conference 28th-30th September 2014)

As it turns out the Dubai College of Tourism opened in the third quarter of 2017 and is temporarily housed in the offices of the DTCM (EduArabia, n.d.). This rather limited offering is unlikely to address the skills shortage in time for Expo2020 and reflects Ruhanan and Cooper’s (2009) observation that a lack of government support across the Asia Pacific Region affects the supply of hotel employee labour. It also indicates that in the drive for growth in tourism numbers that there is perhaps a failure at government level to appreciate the value of appropriate talent as an increasing facilitator of growth and wider economic development (WTTC, 2015).

The shortage of suitably skilled labour can have an implication for managers at a micro level in terms of their ability to plan and initiate effective HR policies (Baum, 2008) with a number of managers focusing on this as a critical issue for the development and success of the hotel sector, not only in terms of recruitment, but also in terms of retention.

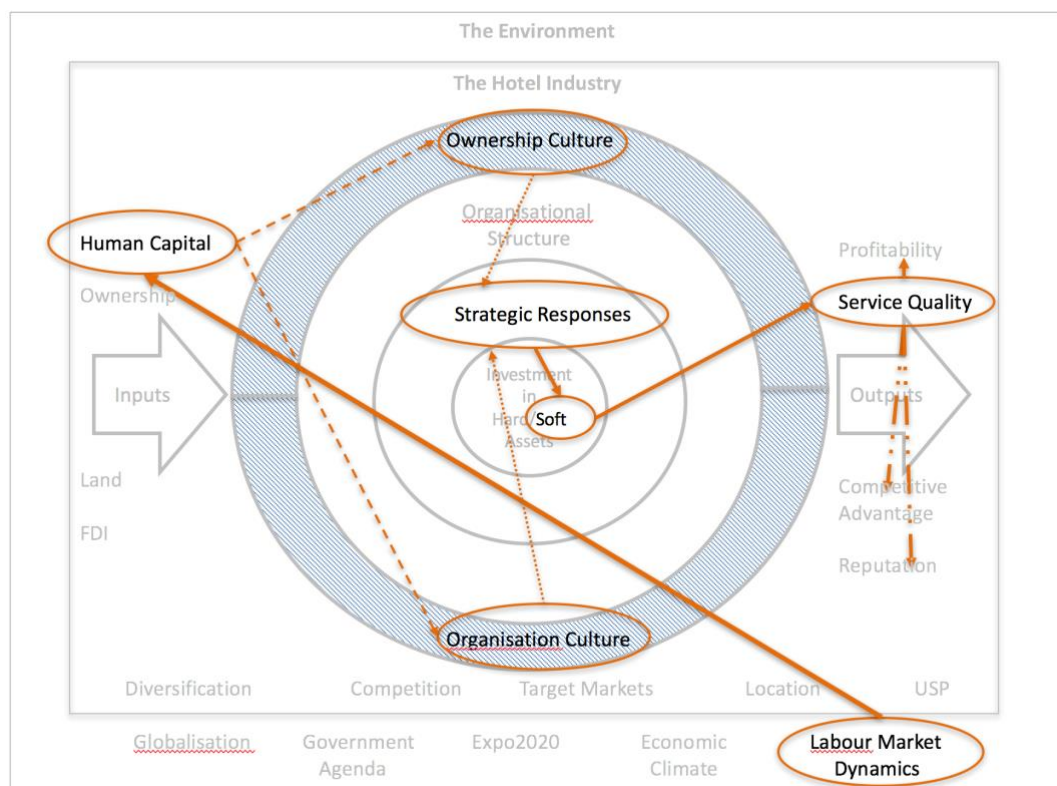
‘It doesn’t matter if you are midscale, mid-market hotel or upper mid-market hotel, getting the right talent is always extremely complicated... is it complicated to get the right talent? No. Is it complicated to retain the right talent? Obviously yes’.

(Hospitality Management Holdings, Vision 2020 Conference
28th-30th September 2014)

4.1.4 SUMMARISING PHASE ONE OF THE RESEARCH

Across the framework generated for the literature the concept of human capital presents itself at every stage (see figure 17) emphasising the importance and value of people to the organisation not just an input to the organisation, but as a key influence on organisational culture, the determining of appropriate strategic responses and the securing of a service quality that reflects the five-star service experience offered by so many hotels in Dubai.

Figure 17 – Aspects of human capital in the hotel industry in Dubai



This therefore implies that co-alignment can be achieved through investment in the workforce and through the development of strategic responses that are supported by appropriate human resource policies and procedures.

Phase one of the research has identified management concerns in relation to both the external and hotel (task) environments, already indicating a potential disconnect between the academic thinking and its applicability to the development of strategy

within the context of Dubai. The challenges to the strategic management of human capital and the potential for co-alignment are further analysed in phase two of the research which compares responses from senior managers of two established international hotel chain operations in Dubai.

4.2 PHASE TWO

The second phase of the research process provides a more in-depth analysis of the challenges to the strategic management of human capital as a critical asset in five-star hotels in Dubai (objective 3 of this thesis). The first phase of the research provided a number of organisational contacts, allowing for a purposive sampling approach (Kolb, 2018) and the selection of two international hotel chains based in Dubai (Case Study A and Case Study B). The two cases are established five-star brands with a smaller global presence than many of the larger international companies represented in Dubai and have been selected to reflect the two options for establishing a presence in the city, locally owned and management contract. Both groups operate a similar number of properties across city, in several submarkets of Dubai (see Appendix 1- City Map) catering to a mix of international business and leisure clientele.

4.2.1 CASE STUDY – HOTEL GROUP A

The first case study hotel group that participated in this research is widely regarded as one of the most luxurious hotel companies in the world. This locally owned and operated hotel group is a subsidiary of one of the largest government holding companies in the UAE. The holding company operates a diverse portfolio of investments, financial services, real estate, business parks, hospitality and telecommunications and constitutes a government owned business, with a majority shareholding belonging to one of the most important Arab families in Dubai.

As a mid-scale operation, the hospitality arm of the business now consists of 19 five-star luxury properties/resorts in 9 locations around the world. The brand operates only one five-star product with its most significant presence in Dubai, the location of its head office. There are now 8 hotels in Dubai including several iconic properties that reflect an emphasis on design as a key element of the brand. Hotel properties are located in a number of premium submarkets of Dubai including the beach front in the district of Jumeirah, Sheik Zayed Road close to the World Trade Centre, the Palm and Dubai Creek. With the exception of 1 new hotel that was constructed during the

course of this research, almost all of the hotels in Dubai are between 15 and 20 years old.

Company ownership has facilitated property development in some of the most expensive locations in Dubai, with all hotels demonstrating significant investment in design and facilities. A number of properties have facilities that include swimming pools, executive club areas, a waterpark, its own spa brand, sports facilities, an Arabic souq and an extended portfolio of restaurant options that cater to the needs of its international clientele. While the number of rooms in each property varies the size and scale of the properties are among the largest in Dubai with many of the hotels employing approximately a thousand full time staff.

With a very strong brand culture in place the core mission of the company is at the heart of the hotel brand and all staff are expected to adhere to its hallmarks and guiding principles which revolve around service quality, anticipating guest needs and being innovative.

The hotel group employs over 12000 colleagues from 100 nationalities. Across the Dubai properties, the two largest divisions are Rooms Division, which, accounts for almost 39% of the employees and Food and Beverage which accounts for 28% of employees. The workforce at the lower level of the organisation is dominated by Indian, Pilipino and Nepalese staff with approximately 75% of the workforce being male.

As a home-grown hotel brand this is one of the few hotel chains that operates an Emiratisation policy designed to encourage the local population to work in the industry. These representatives are still very much in the minority and are almost exclusively employed at management and senior management level.

The organisational hierarchy within the hotel group reflects the size and scale of the properties but is top heavy as an outcome of the ownership influence. Decision-making is often slow as a result of the level of bureaucracy that exists within the

company as a whole and the need to defer to the holding company for all strategic decisions to be approved.

The staff turnover rate varies across the properties but averages 25-30% which is lower than the Dubai hotel industry average of 35%. On the basis of the literature reviewed in Chapter 2 and applied in the context of Dubai the theory would suggest that the organisational culture, its strategic thinking and approaches to HRM will reflect the Arabic values associated with dynastic tribalism (Davidson, 2005; Ortega, 2009) with an emphasis on economic gain (Khomsi & Kadri, 2017) and where only competitiveness and performance count (Almuhrzi et al, 2017). It is anticipated that the value of human capital may not be fully recognised as a form of competitive advantage and that high levels of bureaucracy and control may be exerted through head office. Strategic thinking is likely to be short term although the respect attached to 'Western' thinking (Lewis, 2006) is also likely to be recognised as valuable to the success of the organisation and that Western standards represent progress and modernity within the organisation (Anthonisz and Heap, 2017).

As a locally owned and operated hotel brand it is anticipated that the approach to strategic management and the value placed on human capital within the organisation will reflect the Arab cultural values identified by Lewis (2006) and that several of Hofstede's dimensions (www.hofstede-insights.com) will impact on strategic responses and the approach to managing people. In particular the dimensions of power distance and uncertainty avoidance with scores of 90 and 80 respectively may be critical. A high score on power distance implies the formation of vertical organisational hierarchies with rigid structures and the unequal distribution of power which requires no justification. A high score in terms of uncertainty avoidance implies rigid codes of belief and behaviour, the need for rules (even when they don't appear to work) an aversion to change and a tendency to avoid uncertainty. As a collectivist society, the Arab cultural values and dynastic tribalism (Davidson, 2005; Ortega, 2009) may also influence employer/employee relationships and the value placed on those that are considered to be part of the 'family'.

4.2.2 CASE STUDY – HOTEL GROUP B

The second international chain to participate in this research is an international upscale hotel management company from Western Europe that is ranked as one of the top fifty leading hotels groups in the world. First established in 1948, the company has grown from one restaurant to a portfolio of 83 hotels, resorts and Nile cruise boats operating in 24 locations around the world. The group consider themselves to be specialists in business and conference hotels but also caters to the leisure market via a number of holiday resorts. With 16,000 employees the organisation has very strong values influenced by its country of origin and all employees are expected to endorse the personality traits of the brand, which revolve around pleasure, indulgence and authenticity of the guest experience. The business prides itself on doing ordinary things in an extraordinary way.

During the course of this research the company mission statement which highlighted the very strong influence of the company's country of origin was changed to reflect the values of a more global operation.

The first property opened in Dubai in 2007 and the chain currently operates 6 hotels located in the districts of Ibn Battuta, Jumeriah Lakes Towers, Al Mamzar, Deira, Bur Dubai and Jumeirah Beach Road. One property has recently been dropped from the portfolio as the local owner decided to go with a new brand aimed at the Indian market rather than the international tourist and there are three other properties currently in pre-opening (FSM01). As with all other international chains in Dubai the hotels operate on a management contract basis of 10-15 years, which requires local ownership of 51%. Each hotel in the portfolio has a different owner and subsequently performance demands and levels of investment vary across the properties.

The hotel portfolio in Dubai is made up of a range of medium sized properties that employ anywhere between 100 and 600 employees depending on the location. The Ibn Battuta property stands out from the rest of the portfolio as its location as part of the Ibn Battuta Mall reflects the overall emphasis of the site in terms of Arabic design

and culture. The largest departments tend to be Food and Beverage and Rooms division although this can vary by hotel. For example, in the Ibn Battuta property 52% of staff are employed in Rooms Division and 34% in Food and Beverage. The main nationalities are Indian (39%), Pilipino (19%) Nepalese (13%) and Bangladesh (4%). The average gender split across the properties is 82% male and 18% female.

The organisational hierarchy within each of the properties is relatively straightforward with clear lines of reporting, and a vertical hierarchy with control centred at the top and top down communications ensuring the standards of the brand are maintained. However, at a strategic level 51% local ownership requires an executive committee in each property made up of the senior management team and local owners who agree any investment decisions but are necessarily concerned with how that decision is operationalised. A regional office in Dubai oversees the portfolio of properties across the whole of the Middle East and liaises with local owners in relation to issues of company policy and strategy that are set at head office level.

The staff turnover rate varies across the properties but averages 35% which is in line with the hotel industry across the rest of Dubai. As an international hotel chain of European origin it is assumed that the organisational culture will reflect some of the national cultural values that are characterised by long-term thinking, equal opportunities and value attached to healthy competition. The brand in terms of the espoused mission and values of the organisation may therefore indicate a propensity for strategic thinking with approaches to HRM that are more long term. It is also likely that HRM will reflect more Western views on employment potentially creating more opportunities for integration. Decision making is likely to be centralised with international standards and innovative technologies seen as a form of competitive advantage (Yu et al, 2014). Business strategy may still focus on change at a local level (Niewiadomski, 2014) and there is a potential for local ownership to set up constraints and impact on focus (Harris, 2013; Wood, 2015).

While the Arab cultural values evidenced in case study A may still be of import here, given the nature of the management contract which requires 51% local ownership, it

is expected that the company attitude to strategic management and the value placed on human capital (people) will be influenced by the host country culture as this has determined the brand values of the hotel. The dimensions of power distance and individualism (www.hofstede-insights.com) may be of relevance in that they differ quite significantly from those identified in case study A. In terms of power distance the host country has a score of 34 which implies decentralised power within the organisation, approached such as empowerment are adopted and equality is valued. As an individualistic society, the host country values in terms of employer/employee relationships requires position within the company, and promotion, to be made on the basis of merit, rather than personal relationships. In other words, the company is likely to adopt a geocentric approach (Go and Pine, 1995) to management of people within the organisation.

In terms of uncertainty avoidance there is an alignment with the Arabic values in terms of a potential resistance to change, the use of rules and a lack of innovation. However, the dimension of masculinity for the host country scores much more highly than that of the Arabic culture and managers are expected to be decisive and performance orientated.

The fundamental differences that exist in terms of the national culture of ownership and the national culture of the international hotel chain may create conflicting views when it comes to strategic management and the value placed on people as an asset within the organisation.

4.2.3 INTERVIEW RESPONSES – KEY WORD ANALYSIS

In utilising a grounded theory approach to this study, the researcher has attempted to get as close to the meaning of the text from the transcribed interviews as possible (Willig, 2017), with interpretation rooted in the understanding of the context of Dubai and empathy with the views expressed (Cloke et al, 2014). As an iterative process (Coffey et al, 1996) the starting point to the analysis involved producing a series of key words that would allow for confirmation of themes identified in the first phase of the

research and to highlight any difference of opinion between representatives of the two companies. 148 key words were identified from the literature, linking to themes in the external environment, the development of competitive advantage, organisational strategy, organisational culture and human resources. The interview responses from both companies were analysed and any key words that had not been identified by either company or were used less than five times across both sets of responses were removed. This reduced the key words to 120 in total forming the basis for a comparison between Company A and Company B (see Appendix 5).

4.2.4 KEY WORD COMPARISON - COMPANY A AND COMPANY B

The areas of similarity between Company A and Company B were then assessed in terms of key words that appeared the same or almost the same number of times across the interviews. These were limited to only a few of the key words which have been categorised in terms of level of response across both companies (see table 7).

Table 7 - Similarity of key words

Low number of responses overall <10	Reasonable number of responses overall 10-20	High number of responses overall 20>
international, Long term, Short term, expectation, location, motivation, communications labour, resources, targets, retention, engagement	Turnover, Teams	Development, Planning, Recruitment HR/Human Resources

Where interviewees expressed high levels of similar wording the key areas were associated with the theme of human resources management, the concerns for planning and recruitment, the need to develop staff and issues of turnover. These areas of concern, as identified in the first phase of the analysis were universally discussed by managers from the hotel industry and reflect the long-term problem of using expatriate labour in Dubai (Ouis, 2002; Gonzales et al, 2008). They also reflect the wider global concerns associated with attracting a suitably skilled and qualified labour force to the hotel industry (Baum, 2008; Davidson et al, 2010; Crick & Spencer, 2011, Deloitte, 2014; Brien et al, 2017).

Where there was similarity of views, but more limited responses areas such as labour, retention, motivation and engagement also confirm the emphasis on the workforce which were prevalent in the first phase of the research process (section 4.1) and to an extent support the views expressed in the literature in terms of the hotel industry reliance on people and the challenges associated with HRM (Faz, Anthonisz & Yang, 2017, STR Global, 2016; Lashley and Morrison, 2000; Baum, 2002; Lucas and Deery, 2004; Baum, 2008; Joppe, 2011; Wood, 2015)

The areas of dissimilarity between Company A and Company B were much more evident with a degree of difference identified across 102 of the key words (see table 8). These key words were assessed in terms of the extent to which they were utilised across each company. For example, Company A utilised the word investment 36 times with all interviewees using this term at least once. Company B however, utilised the key word only 5 times, and in only two of the interviews, potentially signaling a lack of investment across the properties in the portfolio as an outcome of ownership (Dev et al, 2007; Brookes and Roper, 2011), or perhaps the different strategic choices made by an international chain that is not fully embedded in the business environment in Dubai (Ivanov and Ivanov 2016).

Assessing the extent to which the key words were utilised did serve to highlight the potential differences in views across the two hotel groups which will be explored later in the analysis. In addition, it was also noted that while there were gaps in the relative

Table 8 - Dissimilarity of key words

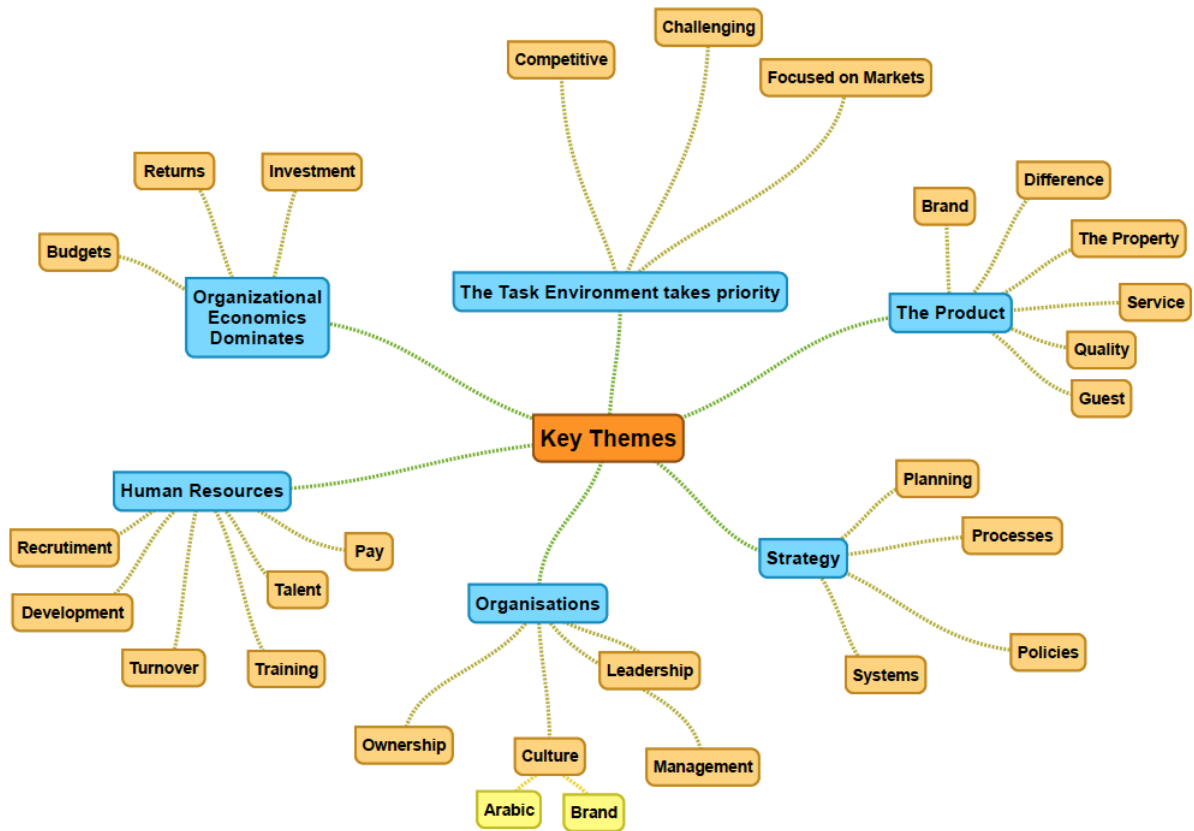
Limited Difference (<10)	Reasonable Level of Difference (10-20)	High Level of Difference (>20)
Structure, Performance, Skills, Top Down, Alignment, Performance, Benchmarking, Direction, Standards, Procedures, Differentiate, Global, Growth, Western, Economy, Unique, Staff, Strategic, Ownership, Human Capital, Vision, Quality, Advantage, Competitive	Impact, Profit, Cost Revenue, Rates, Finance, Centralised, Processes, Product, Facilities, Traditional, Values, Authentic, Arabic, Systems, Pay, Analytic Decision-making,	Business, Money, Luxury, Strategy/ies, Departments, Organisation, Talent, Service, Culture/Cultural,

Advantage, Expectation, Attitude, Competition, Environment, Integrated, Bureaucracy, Policy, Strategic, Decisions, Hiring, Learning, Effective, Incentives, Competencies, Innovative	Tribe/Tribal, five-star, Operations, Corporate, Training, Challenge/s, Experience, Speed, Pace, Managers, Price, Leader/ship	Management, Company, Market, Guest, Brand, Investment, Property, Employees, Colleagues Change, Decision/s, Different/ly, People
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use of key words, in many cases they still highlighted the importance of several of the themes from the first phase of the research. Aspects such as the importance of culture, the need for decision making, and the emphasis on strategy, as well as the potential challenges created by the pace of change in the external environment were all evidenced. These key words were then grouped into sub themes with the most utilised words used to highlight possible areas of exploration (see figure 18).

In comparing these themes with those identified from the first phase of the analysis there are a number of similarities that confirm the importance of the issues under investigation. In the external environment, while there was some consideration of the wider aspects of globalisation and Westernisation, managers appeared much more focused on the more immediate task environment which potentially reflects the bounded rationality (DuBrin, 2011) and number of external factors over which a manager has little or no control (Li & Netessine, 2012). The hotel as a product was the focus, rather than Dubai as destination. Aspects of strategy, strength of organisational culture and the role of HR were also considered which reinforces the themes from the first phase of the analysis. As a point of differentiation one of the areas that emerged through the interview process was the concern for economic return. A range of words linked to investment, returns, budgets and rates were commented on, adding an additional area of consideration, and potentially highlighting the issue of trade-offs that managers have to make in terms of investment and deciding between guest satisfaction, organisational efficiency, and financial performance (Evans, 2015).

Figure 18 – Interview Themes Concept Map



In grouping the key words and identifying themes, it was also noted that in terms of emphasis both companies indicated people as the most important consideration, which is as expected given the focus of the study. The relative importance of the other themes in terms of the frequency with which key words were presented varied across both companies particularly in terms of the ranking attached to the product (see table 9). As a final iteration of the research process these themes provided the starting point for a more detailed analysis of the interview responses which will be discussed on a case by case basis in the following section.

The emphasis on human resources in table 9 possibly confirms the importance of people within the organisation but also reflects the job roles of those involved in the research process. It was interesting to note the variations in ranking, particularly in relation to critical areas such as strategy and this may be a reflection of the status of HR as a function within the organisation, or potentially highlights the extent to which

Table 9 – Themes ranked by importance

Company A		Company B	
1	Human Resources	1	Human Resources
2	The External Environment	2	Organisational Culture
3	Organisational Culture	3	The External Environment
4	The Product	4	Strategy
4	Strategy	5	Economic Agenda
5	Economic Agenda	6	The Product

managers feel they control strategy? In keeping with the concept of grounded theory which is concerned with the generation of theory from research (Sirakaya-Turk et al, 2011; Veal 2011) the ranking of these themes may indicate a framework for the comparison of the interview responses between Company A and Company B.

In conducting the initial analysis via the use of key words the relative importance of the themes, at first glance, confirms the value of human capital to the organisation and therefore implies the need for investment in human resources as an essential asset for the organisation. The potential for an inimitable, competitive advantage obtained through the use of people would therefore require co-alignment with both the external and internal environments (Olsen et al, 2007; Evans, 2015; Dawson and Andriopoulos, 2017). As such the interview responses have been used to determine whether there is a strategic gap (Harrison and Pelletier, 2000) that might impact on this alignment. It has been determined from the literature that the simplest approach to doing this would be to consider the issues that relate to the external environment and compare them with the strengths in the organisation and the investment in core competencies.

4.2.5 COMPANY A - ANALYSIS

The depth of information obtained through the second phase of data collection was extensive and essential phrases were extracted from the transcribed interviews and

grouped together (see Appendix 6) to allow for a more thorough analysis of the comments made. The initial groupings were based on the key word analysis outcomes and the themes and subthemes identified in the concept map (see figure 18).

4.2.5.1 THE EXTERNAL ENVIRONMENT

In terms of assessing the issues in relation to the external environment these have been grouped utilising a standard SLEPT framework. While this is considered to be one of the traditional tools associated with strategic management thinking it does provide a useful framework through which to assess the wider organisational context and to understand the changes that may impact on co-alignment (Coulter, 2005; Johnson and Scholes, 2006; Evans, 2015). According to Mintzberg et al, (2008) this approach may also allow for further prediction of the impact of these forces which could prove useful in determining areas for further study.

Social Indicators

A number of comments were made that linked to the social environment that exists in Dubai. These predominantly linked to issues associated with the labour market, that included the multi-cultural nature of the workforce, which is characterised as reliant on expatriate labour (Ouis, 2002; Gonzales et al, 2008). but potentially lacking the diversity associated with the more global hotel industry;

'In Dubai everybody is an expat and people come here from a multitude of countries, backgrounds, cultures, religions, and HR unfortunately within the region has to be that maternal/paternal figure to be able to integrate all those people'. CJJ04

'I think that one of the other challenges that we have, not specifically for 2020 is that we are lacking diversity in the workforce. I think that because we have not been able to go on recruitment trips these past years that we are not diversified enough in terms of nationality because we are recruiting only locally'. SMJ05

The use of expatriate labour is synonymous with the development of Dubai as a destination and as the industry has become more established the increasing numbers of hospitality workers has allowed the industry to recruit more locally. Companies have in previous years cut back on the expenses associated with going out to the rest of the world to bring employees in to work, but as the hotel pipeline in Dubai increases that labour pool has been dramatically affected as employees move to the newer properties for higher wages. This ability to swap between employers has been facilitated by changes in the UAE labour laws, which also control the range of nationalities that are allowed entry into the destination (Forstenlecher and Rutledge, 2011).

One manager in particular focused on the possible global perceptions of the working conditions associated with Dubai, indicating that the wider social view of what constitutes a living wage may be inaccurate:

'one of the big things about the wages is people say, well it's a lot more money than they would be getting in their home country and it really annoys me.... whether you are the pot wash or the CEO, yes you are probably earning more money than in your home country'. CJJ04

'as an industry Our average pay is 1500AED which is about 300 pounds. But then if you take it in the broader context of – you have got your accommodation, you get three meals a day, you get transport to and from work, you get uniform – that 300 pounds is your money to do whatever you want with and spend. You sort of have to ask the question – how many people in London are left with 300 pounds to do whatever they want with as disposable income... so there is some global context that needs to be put around this. It's not about these guys getting low wages'. CJJ04

As a VP in the company, a member of CIPD and a UK national, awareness of recent media concerns linked to the treatment of workers in the Middle East may have prompted these responses. The need to present Dubai, and the company in positive light seemed to be particularly important with comparisons made in terms of salaries

for front line staff indicating a better standard of living. What these comments did not address is the disparity that exists between front line staff, who can earn as little as 800AED a month and higher levels of employment where salaries and benefits increase dramatically. In keeping with the Arab cultural views on individual worth based on nationality (Lewis, 2006) it was observed that those employees benefiting from higher salaries and benefits are confined to 'Western' nationalities or Emirati management.

It was also observed that in terms of the Dubai hotel industry that the traditional views associated with rather outdated approaches to employment legislation were also an issue, indicating a need to be more forward thinking when it comes to managing the workforce:

'we are about thirty years behind in terms of developing our work environment, how we do business, flexibility of working, you know, a more advanced way of attracting good people if you look at all hospitality, not just this company'. HHJ06

'that whole Western economy that has been fluctuating for years and years and they have got a grip on how they can flex their workforce to meet the demands of the organisation and be more agile, whereas in the Middle East, I think it's the employment legislation which is a bit more of a stumbling block'. CJJ04

Legal Indicators

The concerns linked to the labour market identified as part of the social indicators were also the focus for discussions linked to the legal aspects of operating in Dubai however on a broader level it was observed by one manager that:

'there are several elements where we could make our business more agile and flexible, but the legal requirements and infrastructure aren't there to help support that and I think Dubai is 24/7, more than London, probably more than New York'. CJJ04

The legislation in Dubai was a challenge identified in the first phase of the study and was more specifically commented on here in terms of the impact on the business in terms of limiting flexible working:

'we don't create an environment for people to work part time'. CJJ04

In Dubai, the impact of visa regulation means that employees can only really be hired on a full-time basis (Forstenlecher and Rutledge, 2011). While there are some small moves towards outsourcing as a response to this challenge, there are concerns that there may be a negative impact on levels of service and quality, particularly in five-star hotel operations. While there are some signs that legislation is moving forward in Dubai this is largely incremental change linked to working conditions. For example:

'there are small changes happening with things like the length of maternity leave where we are talking an additional 15 days to get up to 60 which is nothing compared to Europe or the Americas, but then we have also got to be cognisant that Dubai is 45 years old'. CJJ04

The key piece of legislation for Dubai hotels is the need to manage employee welfare which has resulted in a very paternalistic approach to people management:

'HR has to play a huge pastoral role within that arena, and that is one part of everybody's job, but it's a huge part because we are talking about thousands of people'. CJJ04

This pastoral role in Dubai that involves managing the entire wellbeing of the employee on their journey through the organisation (Anthonisz et al, 2017) is not synonymous with hotel operations in the Western world but is a key aspect of hotel operations in Dubai, placing a much more significant emphasis on HR as an administrative function within the business.

'I think in HR in Dubai the main challenge is that you are in charge of the colleague or employee 24/7. So in Europe medical you take care of, accommodation, you find your own accommodation, you find your own transport. So here you sign up to be part of a family, not to have the work only. So that's quite unique because it puts a lot of pressure, a lot responsibility, a lot of accountability on the HR colleagues who are working here, in comparison to the HR colleagues who are working in Europe'. HHJ06

Economic Indicators

In spite of level of pastoral care associated with managing the welfare of employees the economic issues associated with industry are somewhat unique to the region with payroll lacking the usual deductions associated with taxation:

'The other challenge is that payroll as a percentage in the UAE is far less than it is in Europe, in part because of things like social security and the salaries etc. etc. so it makes us more complacent about the productivity of people'. HHJ06

This has an impact on the cost of staffing to the business. For most international hotel chains, the cost of staffing in places like Europe and America can have a major impact on the bottom line. In Dubai, however it is the cost of utilities (water and power) that are the biggest expense, possibly as an outcome of the size and scale of many hotel properties, but definitely because of the UAE's reliance on desalinated water (Anthonisz and Heap, 2017c).

Political Indicators

The political situation in Dubai, as identified in the literature is characterised as exerting high levels of control over how the emirate is run (Davidson, 2005; Ortega, 2009), although perceptions of safety and security, and the development of a more liberal society has created an environment that is appealing to an expatriate workforce:

'on the whole there is enough skill in Dubai now and with Dubai's flexibility around the freedom of movement now, people can pick and choose jobs as and when they want to which they couldn't used to do so it gives us that flexibility'. CJJ04

The strength of political will (Brent-Ritchie and Crouch, 2010), associated with the development of Dubai can have particular ramifications for the owned and operated hotel properties in Dubai. Company A falls into this category and it was very clear from a number of comments that the aspirations for Dubai in terms of the vision for the destination, and the need to put Dubai on the world map in terms of reputation, had to be reflected in the strategy of the company:

'So the vision of Dubai was very much instilled in the vision of our hotels'. ACJ03

'I think with us being a UAE based international company that we have the mandate not only for the business to be successful but for the country that we make sure that we establish the company as a hub for international, global, luxury service'. HHJ06

'I think what we need to do in going to 2020 is that we need to be very good in proving that the Middle East, with its culture and with the hospitality roots that we have in this part of the world, will influence the mindset of having a very good, water tight, management proposition that can give luxury a different dimension that can be spread around the world'. HHJ06

'So we have to be very ready, very quickly in order to showcase Dubai and the luxury properties in hospitality'. HHJ06

The expectation that the hotels would contribute to the global awareness of Dubai, in terms of success and reputation for luxury (Saxena, 2011) were particularly highlighted by the manager with the shortest tenure in the company who considered the changes in Dubai to be particularly positive. Even when asked about the potential issues that could be encountered post Expo2020, a key concern raised in the first phase of the analysis, the response was positive:

'...it depends how you are organised as a city and we are quite organised as a city to present Dubai in the best way possible. I lived in Dubai from 1990-98 so I saw Dubai before it became Dubaiwithin this 25 years Dubai has managed to put together a structured approach to make sure that they can position themselves as an attractive destination'. HHJ06

Technological Indicators

The technological advancements required for business success (Yu et al, 2014) in Dubai as a destination are reflected in the pace of growth, the development of the city as a strategic hub and the skyline which showcases the feats of engineering design synonymous with landmark hotels, theme parks and shopping malls.

The investment choices made by many hotels (see later discussion in section 4.3.5.3) in Dubai reflect the use of technology as part of the service experience but this does not always come with a return on investment, particularly in five-star properties where service is about engagement with people (Lashley, 2008). While observing the changes that took place in Company A during the course of this research, conversations with managers about the refurbishment in one of the more Arabic styled properties revealed that a significant investment in the use of hotel room technology had been made via iPads designed to provide more self-service options. This investment created no improvement in the guest satisfaction survey, which is not surprising given the main hotel target market of wealthy tourists from the wider GCC.

Investment in technology, particularly in Dubai is often used in the hotel industry as an indication of more innovative thinking (Bessant and Tidd, 2014) and is generally evidenced in the supporting operational infrastructure of the hotel. When it comes to technology utilisation in relation to service people are often the preferred option, not because of their value to the company, but because of the associated cost:

'if you get a machine and a colleague and a machine can do it quicker and better then here we say let's do the colleague because it's cheaper and easier'. HHJ06

From an HR perspective the call from CIPD to be more analytical could potentially be linked to innovation but it was observed by one senior manager that:

'For HR it's hard to say how do you innovate? How do you pay someone differently? How do you recruit differently? How do you appraise differently? And I think where we are getting to today, is the innovation for us is around technology and the use of technology platforms'. CJJ04

In utilising a SLEPT framework to group the responses from interview it became apparent that commentary on the external (macro) business environment or discussions on issues associated with the international business context was limited to one individual. All managers from Company A did make observations on the environment but these were much more related to the task environment (Olsen et al, 2007) which consists of those factors likely to have a direct impact on the business (Brent-Ritchie and Crouch, 2010) and are perceived as more controllable (Li & Netessine, 2012). This reflects Yu et al's (2014) observation that the hotel industry still appears to do business on a local level, in spite of the importance of the external environment. This may also be an outcome of the level of control that is exerted by the Dubai government and the DTCM which creates a *bounded rationality* for the managers environment (Dubrin, 2011) and limits the number of factors over which managers have control (Mohammed et al, 2014). This can be positive for managers when it comes to strategy as it reduces the number of variables that need to be accounted for when making strategic decisions. It may also foster a rather inward-looking view that does not reflect the 'entrepreneurial philosophy of the emirate' (Almuhri et al, 2017). Interestingly the only individual who expressed opinions of a more outward looking nature had been with the company for less than two years, indicating that there may be a link between time with the company and a shrinking bounded reality which does not appear to be identified in the existing literature.

The use of the SLEPT framework while useful, does have its limitations, particularly in assessing a destination like Dubai which is characterised by low barriers to entry (Porter, 1985) and high levels of competition. By adding an assessment of the

competitive environment to the SLEPT this rather simplistic view can be developed to add greater depth of analysis and potentially shed some light on the interplay between the main competitors of competitor groupings (Reic, 2016).

4.2.5.2 COMPETITION

The competitive environment as discussed in the literature, can be seen not just in terms of the growth of Dubai (Henderson, 2006; Saidi et al, 2010) and the pace of change (Manovic, 2002), but also in the formation of submarkets (see Appendix 1) which creates a particular complexity not common to other destinations (Baum and Mezias, 1998; Porter, 2000). The dynamics of the hotel industry have accelerated since 2013 with the announcement of the successful bid to host Expo2020 (Anthonisz and Heap, 2017) putting the hotel industry under increasing pressure as it searches for a response to the doubling of hotel room supply (STR, 2016).

As one of the strongest and possibly most successful brands in the hotel industry, managers from Company A expressed mixed views on the move away from the established luxury reputation associated with Dubai:

'If we offer three-star, four- star and lifestyle brands then we have a lot more to offer and people have got a lot more choice, to do what they want to do at their price point, and it pushes the high spenders back into the five stars'. CJJ04

'The negative of the growth in Dubai is that we erode five-star luxury - we don't want the tattooed man with the Choitram bags'. ACJ03

Managers also highlighted that challenges were created in terms of competition for key resources, i.e. skilled employees, which potentially increases the level of competition in Dubai (Mohammed et al, 2014).

'Now we are all fishing in the same pool and the challenge we have is because the rest

of the industry knows how much time is invested in our people we generally become the picking ground for a lot of other properties'. CJJ04

'after a year in our company you are a very marketable candidate. And then the other companies can make the difference by offering two or three hundred dirhams more and then that's enough to attract those candidates'. SMJ05

'As and when all these hotel brands, multinational and boutique, start opening, the most easy thing and most cost-effective, is to draw on resources within the current market so I think that is going to be a challenge'. CJJ04

The reputation for luxury attached to the brand would appear to ensure that employees have value outside of the organisation, even if they are not quite so important internally. This concern in terms of retention of staff could be linked to the later HRM discussions which highlighted that the company is not good at identifying and promoting talent from within but may also reflect the cultural value attached to particular nationalities within an Arab dominated work environment (Lewis, 2006).

It was also identified that in spite of operating in some of the most prestigious locations in Dubai, with some of the highest room occupancies, issues of declining market share and decreasing revenues were a cause for concern.

'For us we are expecting a big, big challenge as there will be four or five new hotels on the Palm, so our market share is going to be impacted, definitely'. SMJ05

'We have actually seen this year how the rates have dropped. As more hotels come on line there's more competition and I think room rates are going to be a very big part of that'. CJJ04

Declining occupancies and declining revenues were highlighted in the first phase of the research with many managers concerned about the impact this has on the bottom line and on the ability to reinvest in the business. *'This is potentially exacerbated as*

the profile of the consumer also changes from individual bookings to the group and wholesale rooms model where occupancy rather than revenue is seen as an indicator of success' (DB03, Interview 2016).

In the literature these challenges are in part attributed to globalisation as a causal chain from top to bottom with organisations subsequently responding to these downward pressures and adapting to cope by becoming faster, flatter and more agile (Deloitte, 2016). However, the predictability of the Dubai environment, the control exerted at government level and the mechanistic structure and culture of hotel organisations (Mullins, 2001; Alford, 2014; Onday, 2016) may create an environment in which change is not just slow but considered unnecessary. Mechanistic structures also provide greater control over the quality of service (Tavitayaman, 2012) which is critical to five-star hotels creating an environment in which *'everything is relative'* - an observation made by one manager who used the following analogy to explain the pace of change in Dubai and the response of Company A.

'If you are driving at 50 kms and somebody is driving beside you at a hundred then he is very fast. If you are on the highway and driving at a 100 and someone else is driving at 100 that is normal, so it depends on where you are and I think my observation is that the company is very much 50kms per hour and we are driving all the time within the city and not on the highway. If you want to go on the highway, you have to get used to a 100 because everybody else is 100. If you drive 50 you are slow. Some people might be shocked and say that is so quick if someone is driving at 120 but not if you are driving 100 so you have to be careful about what you wish for'. HHJ06

The implication that the company operates in 'the city' again indicates the previously identified view on 'bounded rationality', but in this context it applies to the organisation, and possibly the destination rather than the individual. This reinforces that the views of Solnet et al, (2010) and Porter (2000) who suggested that there may be some merit to viewing both hotels and destinations as local systems rather than part of the larger regional or global environment.

4.2.5.3 THE ORGANISATION

In the literature the conclusions were drawn that hotels in Dubai operate as static entities surrounded by a dynamic, but nevertheless predictable environment. The importance of organisational culture as the glue that holds the structure together, its influence on the strategic direction of the firm and the development of strategy, as an artefact of that culture (Deal & Kennedy, 1982; Smircich, 1983; Schien, 1984) were all highlighted. The multi-cultural environment of Dubai, and the Arab cultural views on the value of human capital (Hofstede, 1990; Lewis, 2006; Najm, 2015) creates additional complexity in relation to creation of additional subcultures that exist at departmental and hierarchical levels within all hotels operating in Dubai.

The Organisational Culture

As a locally owned and operated brand the dominance of the Arabic culture and values exert their influence across the whole of the organisation and were previously alluded to in terms of the company vision and the need to reflect the reputation of Dubai in terms of quality and five-star luxury. The strength of the company culture is not diluted as an outcome of the management contracts that apply to international brands entering the destination which has both positive and negative implications for the organisation. In terms of the brand promise it would seem that there is clarity:

'I would consider our company culture to be very strong and we are very clear about what we want to deliver in terms of our brand promise and what we stand for in a very simple way, that can allow anybody, regardless of your level of understanding, your intellectual capacity and personality, to know where we are coming from'. HHJ06

The strength of the culture is rooted in the Arabic values (Najm, 2015) which have been further embedded into the organisation through the process of Emiratisation ((Forstenlecher and Rutledge, 2011) and is particularly evidenced at senior management level:

'in the last 24 months our company's senior leadership team has moved from being largely expatriates to being largely local management, this change over has impacted in the way the senior leadership take the strategic decisions and the speed that the decisions are taken'. HAJ01

This move towards Emiratisation will have come at considerable expense to the organisation but may not add to the intellectual capital of the business. Several managers observed that as the business has expanded, and particularly since the economic crash in 2008, the company values seem to have changed and the organisational focus has got lost among the levels of bureaucracy, short term orientation and risk aversion that are synonymous with the Arabic Culture (Lewis et al, 2006; Hofstede, 1980, cited in Najm, 2015):

'We used to be like a family owned hotel group where now it is just part of a holding company so it's now under one large umbrella. So before we were very hands on, very unique, and had different focus points'. PAJ02

'I know it might sound corny, but the three hallmarks and the guiding principles are the one thing that we really stuck to but now we have lost our way, now we have become like the Hilton'. ACJ03

'Our thinking is a bit short-term, but I think that's a cultural thing'. PAJ02

'Yes, so risk averse or whatever you call it. And then the layers of bureaucracy, and the layers of erm, you know there might be three signature lines on a piece of paper and there's 9 signatures on a piece of paper by the time it's finished'. ACJ03

One aspect of hotel chain operations that is particularly evidenced in Dubai is the grouping of cultures by nationality both within the various functions of the organisation and across all levels of the hierarchy (Brien and Anthonisz, 2016, 2017). Across the industry, hotels in Dubai are male dominated with an average of 20-30 % female representation with evidence of discriminatory behavior by gender but also in

terms of career progression associated with the perceived value attached to 'Western' nationalities versus nationalities from the Asia-Pacific region (Lewis et al, 2006). This contributes to the formation of tribes (Hendry, 2011) within the organisation who will often have their own agenda:

'those groups of certain cultures have their own objectives other than the organisation's objectives'. HAJ01

At higher levels in the organisation where expatriate managers, regardless of nationality (European, Australian, American) are keen to demonstrate their alignment to leadership the hotels in Company A *'have become a hierarchy of 'how can we please the boss?' So whether it's the saving boss or whether it's the spending boss, that's what we do, because we all want to look good'. HAJ01*

The benefits and bonuses also attached to higher levels of management, combined with the competitive nature of the Arab culture, also sets up the potential for motivations to be dominated by money *with 'a lot of people who are bonus driven so they are in it for the money' (ACJ03)* and the temptation to design and run the organisation in a manner that serves the interests of the individual (Hendry, 2011; Gill, 2018):

'I think a lot of people come in and it's their idea and that's what they want to implement, instead of looking at the whole organisation and saying how will this actually work with us? We spend millions on projects that start with one person, they leave, and the next person wants to do something else'. PAJ02

In this type of environment there is also the potential for the formation of a *'blame culture'* (ACJ03) where everyone feels the need to protect themselves from reprisal in case they are fired (an outcome of the Arabic short-term orientation) and subsequently *'no one will challenge the status quo'* (MM04, CIPD Middle East) or commit to a decision:

'I think it's just a cover my rear end attitude that we have here and I think that's what slows the whole process down'. PAJ02

'I don't know who it is that makes the decisions anymore because nobody seems to be authorised to do it'. HAJ01

'I think that more often than not, the way of thinking of the individual and where you are coming from would be influenced by the organisational culture rather than the other way around. If the culture of the company is very strong people tend to align with the organisation rather than come up with a deviation in terms of what they believe in'. HHJ06

Gill (2018) comments on the pressures that can be exerted by the dominant culture in the organisation which can have significant implications for how the organisation utilises its resources and how strategy and hierarchy are determined (Hendry ,2011).

Organisational Hierarchy

As identified in the literature the organisational hierarchy operates in tandem with the organisational culture, providing purpose and rationality by differentiating between operational (division of labour, job design, degree of specialisation) and managerial functions (control, degree of centralisation, authority) (Janicijevic, 2013). The hierarchy in Company A underwent considerable change during the research period with over 150 people, and in some cases, small departments being axed from the corporate level of the organisation. This move was a response to the prevailing economic climate in Dubai at the time and helped facilitate the cost of Emiratisation but had particular ramifications for HR:

'from the HR world the Director of Culture and Engagement is gone, the Talent Director is gone, we still have the L & D but now we are just going to wait until February to see if we are still going to have the strategy or if they are going to change everything because some people who were driving that strategy are not there anymore'. SMJ05

The restructure of the organisation did little to address the issues of centralisation and bureaucracy that exist within the organisation and potentially created a significant loss of knowledge for the business (Cabrita & Bontis, 2008), with staff who had been with the company for twenty years being made redundant. This may negatively impact on both the potential for co-alignment both internally and externally, and the use human capital as an asset to the company (Abeysekera, 2006; Zeglal and Zigan, 2014; Rauch et al, 2015).

'I think we have got way too much red tape sometimes to get through. It's all paperwork and approvals'. PAJ02

'How we are going to get away from this massive corporate structure which is huge – I don't know how we are going to do it'. ACJ03

The organisational structure (Scott and Davis, 2007) for the company, which is part of a larger holding company, means that there is a high degree of centralisation (Burns and Stalker, 1961), particularly for certain functions which have been taken back to head office (including HR).

'I think for the overall HR or HC policies that the company has brought through I think it is quite good that it is centralised so we don't have the individual abbreviations to it in the individual hotels'. HAJ01

The centralisation of the HR function is deemed to be a positive move as this allows for standardised policies and procedures to be applied across the organisation (Burns and Stalker, 1961; Mintzberg, 1979) perhaps as a means of overcoming nepotism (Najm, 2015), but it does reinforce the top down thinking associated with large organisations and the dominant cultural values of the Arabic ownership (Lewis, 2006).

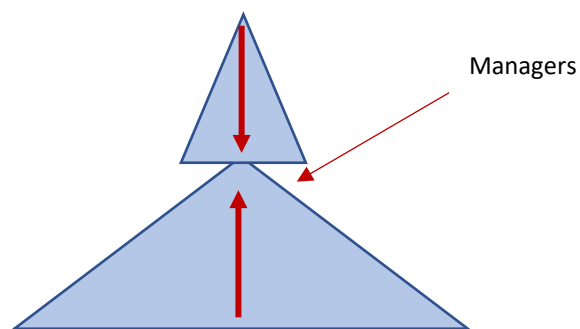
'We are very top down'. HAJ01

'for big decisions and strategic plans for long term I would say that it's all top down'.

PAJ02

As with many top down organisations the distance between the top of the hierarchy and the front-line employees who are providing the service can impact on the effectiveness of organisational communication and decision making but it can also create challenges to the implementation of decisions (Cattiattalo, 2014). The organisational hierarchy in Company A is not consistent with the standard view of the shape of the organisation (Mullins, 2001), often represented in the literature as a triangle (see figure 19).

Figure 19 – Company A hierarchy



The presence of the holding company and the representation of Arab leadership that runs alongside 'Western' leadership creates a structure similar to that shown in figure 19 where the managers responsible for implementing decisions are fewer in number and subsequently extremely time pressured. This creates a bottleneck to effective communication within the hierarchy and a point at which information no longer flows down to the lower levels in the organisation, potentially impacting on the quality of service and the guest experience. Equally, this bottleneck prevents bottom up communication which may well suit those managers seeking to ensure that their own agendas are maintained (Hendry, 2011).

'if you were just to consider your A and B grade, it's just not that many people if you look at the operational positions which are there'. HAJ01

'So sometimes you get the top people make a decision and they say yes go ahead and then in the middle it gets stuck'. PAJ02

'we have no time'. SMJ05

At the bottom of the hierarchy where the majority of employees are found, the number of staff also creates challenges, especially in the larger functions such as housekeeping and F & B where the head of the department can be responsible for several hundred staff. The presence of such large numbers of a predominantly male workforce, made up of nationalities from the Asia Pacific region (most commonly India, Sri Lanka, Nepal, Pakistan), (Anthonisz and Brien, 2016) is unique to the Middle East but in Company A presents a number of challenges to management in terms of the formation of subcultures or tribes.

Sub Cultures/Tribes

All of the managers that participated in the interviews observed patterns of behavior associated with the formation of subcultures that included aspects such as nepotism (Arsali et al, 2006; Lewis, 2006; Aldraehim et al, 2012; Najm, 2015) that are dominant for certain nationalities:

'I think Indians are very, very strong in that. Pilipinos is very strong in that. Arabs are very strong in that, also the Egyptians'. HAJ01

'there are several departments across the company which is infested with husbands, wives, brothers, brother in laws, uncles but many of our hotels hire that way, but I don't'. HAJ01

'I have noticed this is more with middle managers. You know the executive chef will have the willingness to diversify but the chef du cuisine will give the cv of a friend or someone from the same village, so this is a challenge because you end up with a 95, 96, 98percent in some departments with the same nationality'. SMJ05

These cultural groupings can reinforce positions of authority and preserve the status quo (Gill, 2018) but were generally cited in terms of 'safety in numbers' which, to quote Maslow (1954) allows for the needs of security and belonging to be met which from an employee perspective may be important, especially when working in somewhere like Dubai, where job security is not assured by employment contract (Cited in: Kappor and Solomon, 2011).

'the big groups want to continue to bring the same nationalities and they are not open to diversity because it's reassuring and it's like you are working at home'. SMJ05

'I have found that people are tribal and like to stay in their own comfort zone. Also, that many do not come forward with their opinions, rather use them as an undercurrent to disturb the change process'. HAJ01

'when I came here, I found that we had a lot of people which were related to each other, not only that they were same passport but that there was some type of relation beyond that'. HAJ01

This grouping of cultures does provide challenges to management as the dominance of certain nationalities can create resistance to change and the opportunity to challenge (or possibly maintain) the status quo:

'I found that even though I took certain decisions, if the head of that tribe didn't agree with me, it doesn't matter how much I was trying to implement it because nobody would really like to go there'. HAJ01

'if we get too much of one nationality they form their own little syndicate'. PAJ02

'when I started to shake that little castle there I would find that they would become even more tribal and more private meetings would be going on in Oasis village to discuss how we are going to deal with this madam'. HAJ01

This can be a challenge for managers new to Dubai, who to an extent form their own tribe, albeit a tribe made up of Western nationalities trying to hold on to their Western attitudes to management:

'I think it's something that most hoteliers struggle with in terms of almost ghettos forming within the accommodation, and the cliques, and we know that's going to happen because human nature is that way'. CJJ04

The response is to manage the situation through the use of KPI's (key performance indicators) (Leon-Darder et al, 2011) which are commonly used in the international hotel industry but here are used to reinforce nationality and also gender groupings both up and down the organisation.

'Yes, and we try and keep it that way as well so that when people are leaving we look at where they are from and we try and recruit the same nationality'. PAJ02

'You know, we have got, I think a 30% female split, which isn't right, but it used to be 20% so we are working very hard to get more females in'.CJJ04

To an extent this was justified in terms of job specialisation across the various services provided for guests:

'there are specific nationalities that do specific jobs. Again, if we go back to the lifeguards, the majority are from Kenya... Mombasa. If you look at the Abra Captains they are probably more from the GCC, certainly the drivers in the hotel and the housekeepers are probably more Pilipino, reception is probably Indian with some of the Stans thrown in there, so it is very difficult'. CJJ04

In terms of accommodation, which in Dubai will consist of a large compound, owned by the hotel, with shared food and leisure facilities, attempts to create a more inclusive environment were being made by HR:

'a lot of effort certainly goes in from the accommodation team to make these things as inclusive as possible and okay, we almost go back to where we started now in terms of are we being traditional, are we being maternal/paternal?' CJJ04

However, it is worth noting that the nationalities living in those compounds would largely consist of those from the Asia-Pacific region and that this approach serves only to reinforce the Arab views on culture (Lewis, 2006). Even at senior management level where value is placed on expertise and knowledge the process of Emiratisation has squeezed out many Western managers across all areas of the company at a strategic level, including HR:

'I think with myself, we are only two or three now who are non-Emirati as a Director of HR position'. SMJ05

The Arab cultural values associated with dynastic tribalism subsequently dominate the organisational culture and its strategic thinking (Davidson, 2005; Ortega, 2009) reinforcing lines of reporting, the dominance of certain nationalities and nepotism across the organisation (Arsali et al, 2006; Lewis, 2006; Aldraehim et al, 2012; Najm, 2015). This creates an environment that would not be considered acceptable by Western standards, but is tolerated and maintained because of the dominance of the Arab culture:

'I worked for another company in HR where I was shocked by the practices and I felt really French in my view of human rights because when the CEO asked me to fire all the people who were not good looking I felt that this was really not for me'. SMJ05

Strategic Responses

In terms of organisational co-alignment, strategy should set the direction of the company and establish the parameters within which choices can be made (Olsen, West and Tse, 1998; Harrison and Enz, 2005; Okumus, 2010; Olsen and Zhao, 2010; Olsen, West and Tse, 2014; Evans, 2015; Tribe 2016). However, Buchanan and

Huczynski (2017) have suggested that the pace of change can create a lack of clarity and understanding with traditional approaches to strategy (Mintzberg, 2008; Johnson & Scholes, 2006) lacking relevance in contemporary business environments.

'we have no time for strategy, for the talent strategy for building capability, for long term strategy. Especially now with Dubai now, we never know with the level of uncertainty is a problem'. SMJ05

'the manic mode that we are in a bit is not helping us to calm down and to project where we need to go, what we need to do'. SMJ05

As identified in the previous section on organisational culture the strength of Arabic values within the organisation and the increasing presence of Emirati leadership within the business is contributing to an organisational structure that has fueled bureaucracy (Alford, 2014). This would appear to have a negative impact on strategy in terms of the long-term direction of the business:

'We are not very visionary'. HAJ01

'I just don't think we have always got a clear direction in terms of what needs to be done and where we are going'. PAJ02

'since 2005, or 2006, we have never been able to make a decision on what we should do'. ACJ03

If, as the literature highlights, there is a causal link between strategy and direction (Olsen, West and Tse, 1998; Harrison and Enz, 2005; Okumus et al, 2010; Olsen and Zhao, 2010; Olsen, West and Tse, 2014; Evans, 2015; Tribe, 2016) then a lack of vision and direction is likely to impact on a number of critical factors including, the speed and effectiveness of decision making, propensity for change and awareness of how to achieve competitive advantage. This potentially creates stagnation within the business.

'We are all sitting in the same pot trying to re-engineer the old way of working and to give it another name and a couple of tweaks here but there is no fundamental change in the way we run our business'. HHJ06

This lack of strategic direction may also be linked to the Arab culture which is typified by risk aversion, the need for rules and the preservation of hierarchy (Hofstede, 1990; Lewis, 2006; Najm, 2015). The increasing presence of so many Emirati leaders within the company may in effect be slowing down and obfuscating the strategic direction of the business as the years pass;

'I was here before we came under the holding company, so I can actually look at both scenarios and I think before it was much easier for us to operate and to maintain the services levels and the efficiencies we had before. So I think they definitely have slowed the process down'. PAJ02

This may be frustrating for other nationalities at senior management level who can't get a decision and may be contributing to the higher levels of turnover at supervisory and management level where most 'Western' nationalities are employed:

'as a European I think we want a decision so if I go to my boss I want him to make a decision. I don't want him to go to his boss, to his boss, to his boss to come back with a decision. I go to him and I want a decision. Can I get this – yes or no? And I think as Europeans that that's what we sort of expect and it doesn't happen'. PAJ02

If, as Harrison & Lugosi (2012) point out, the hotel is a socio-technical system whereby norms and practices are guided by the organisational hierarchy and the corporate culture of the brand, the influence and strength of the Arab culture may also create challenges to change in that the company is *'slow, we are just slow'* (ACJ03) and in terms of innovation:

'I do feel that the company is quite stagnant at the moment and doesn't have a great interest in new ideas'. HAJ01

'We aren't different! It's all the same now. The only thing we should do is follow LQA' (Leading Quality Assurance Standards). ACJ03

'they are talking about that as phase 5, it hasn't been approved yet. It was on the table, but I think now with the financial situation it's sort of wait and see'. PAJ02

'Everything beats around the bush here and nobody wants to say 'no' so that's why strategic decision making just gets dragged on for years'. HAJ01

There may also be issues attached to the ultimate aims of the company in light of the focus on economic gain and profit, that was highlighted in phase one of the analysis but is also associated with the business culture in Dubai (Khomsi & Kadri, 2017).

'in terms of strategy, or response when we have a bit of dip in the economy and things like that, I would say that the reaction is often a bit too extreme'. SMJ05

'At times there are lack of confidence to take the decision, also a lack of appetite to take a decision as we might think the issue will go away if we wait. Or we will hold on to the decision due to financial constraints'. HAJ01

From a strategic perspective this reluctance to make decisions and drive the organisation forward is likely to be an outcome of ownership and the dynastic tribalism of the ruling families of Dubai (Davidson, 2005; Ortega, 2009), in that the organisation will not be allowed to fail as it is attached the brand and reputation of Dubai and subsequently there is no need to think strategically. The analogy of 'resting on your laurels' may apply here in a hotel chain that has some of the best locations in Dubai, some of the most iconic buildings, and the security that comes from being part of a holding company that owns much of the city.

'I feel there is a lot of fence sitting. Everyone sits and waits for something or someone. I have become quite a bit of that myself as well because there is just this continuous 'no we are not going there, we are not doing that, and let's wait till next year comes

and then another year rolls round and you get into a pattern of behavior'. HAJ01

'we talk about all these things that we think we should be doing but we don't actually, physically do anything' which is an outcome of 'bureaucracy, err, complacency in decision making, err, not wanting to take risk'. ACJ03

This represents a classical defensive or reactionary strategy (Miles and Snow, 1978) that is characterised by limited product offerings, seeking stability, lacking a coherent strategy and being change averse (Zammuto et al, 2000). As discussed in the literature this may be an outcome of the Dubai environment, but interestingly may also be an outcome of the power of the Arab political agenda which controls the environment in which competition exists. This potentially creates an environment in which these patterns of behavior are embedded and strategy, rather than seeking to create change, becomes about consistency:

'We should focus on being consistent. We must be consistent in everything we do.'
ACJ03

This consistency is reflected in the policies and procedures that exist within the organisation and is consistent with the more mechanistic organisational cultures identified by Charles Handy (cited in Cattiattalo, 2014). The use of KPI's (Leon-Darder et al, 2011) is part of the balanced scorecard approach identified by Kaplan and Norton (2004) which can be used to strategically align assets within the organisation creating metrics for analysis and the creation of strategy. KPI's in company A appear to revolve around aspects such as gender, performance results and profit:

'It's a KPI target, it's a balanced scorecard target for gender and demographics. We have to have a 70-30 split for men and women'. ACJ03

'The company tends to evaluate things like customer feedback, financial profits, colleagues' opinion surveys and yearly performance results'. HAJ01

And the balanced scorecard appears to be used more for tracking rather than as a strategic tool for development:

'Well the scorecards are not complex in their set up anymore they are fairly simple and straightforward, but they are more of a tracking measurement than a strategic decision-making tool I would say'. HAJ01

'it's not really a strategic decision-making tool, its more they give us the objective, we populate our actions towards the objective and then from that we are either in green, orange or red basically'.SMJ05

The fact that managers are given their objectives reinforces the top down approach to strategy and may limit the extent to which strategy can be co-aligned with the external environment. This may subsequently impact on the investment choices that are made when it comes to determining competitive advantage (Olsen et al, 2007, Enz, 2010).

Competitive Advantage

The creation of a *competitive advantage* for the organisation is a critical output in terms of generating long term success and is an outcome of the strategic choices and investment in hard and soft assets that combine to deliver the customer experience (Olsen et al, 2007, Enz 2010; Bessant and Tidd, 2014). The competitive advantage of Company A is attributed largely to location and the facilities offered as part of the tourist experience.

'Location is our competitive advantage, along with our facilities an no one can be next to us, so we can provide quite a private experience for our guests'. HAJ01

'Our product is the hotel and the beach, we have one of the longest beaches'. PAJ02

'It's the location because the Palm is a premium location and we have a Turkish design, so the property is beautiful'. SMJ05

The advantages of company ownership are evident here with the Palm, the Beach and Sheik Zayed road close to the World Trade Centre as prime locations. The emphasis on location rather than people may reflect Zeglat and Zigan's (2014) concerns that managers of the hotel industry in the Middle East still fail to see the value of human capital as a means of competitive advantage, relying instead on brand (Rauch et al, 2015) and hard assets (Lashley, 2008).

The brand was identified as an important differentiator for the company, and as an influence on the guest:

'our brand promise, is a big differentiator for the company and the level of service'. SMJ05

'Our brand equity is high so more than 20% of our guests return year on year'. HAJ01

Since quality of service can determine satisfaction and loyalty (Ariza-Montes et al, 2017), particularly in five-star hotels, it was surprising to find that quality of service was only identified by one manager, making the link between employees and the guest experience Van der Meer-Kooistra and Zijlstra (2001):

'I think also that at this level of service our colleagues are amazing, and they make the difference, but I don't think it's enough to rely only on that now, so we need to find a way to think about what are the other services we could offer that our competitors don't have?' SMJ05

The observation that service is no longer enough may be linked to the growth of Dubai and the type of guests now visiting the destination, and may account for the lack of value attached to employees:

'we all walk around all sort of saying 'Happy Colleagues, Happy Guests, they spend more in return – Well do they?' CJJ04

The increase in choice now offered to the international visitor is still 80% five-star (Top Hotel Analytics, 2014) but the fact that supply now exceeds demand has created a downward spiral in room rates that makes Dubai affordable for a completely new type of customer. The academic view that hospitableness (Lashley, 2008) and authentic experiences (Stephenson et al, 2010; Andrades and Dimanche, 2014; Evans, 2015) are key, may need to be reconsidered, implying the need for a different approach to the development of a competitive advantage:

'Of course they want to see the Arabic tassels and the colours and smoke the Shisha pipe and look at the Arabian gulf and all that, but they are not ready to compromise the luxury of speaking their own language and eating their own food in that environment as well'. HAJ01

'Many of the tourists aren't interested maybe because you come to Dubai for the sun and the beach. How many people do you see in the spice souq or in the old parts of town really going into detail of what it is. Drink a coconut water, take a photograph and off they go'. ACJ03

This new type of customer with a different attitude and a different budget has created a change in attitude and a change in revenue streams as the luxury tourist synonymous with Dubai is displaced by the wholesale market (DB03, Interview 2016):

'we have no time to think and then the high-end customer sees who is there in the hotel and they will not come back'. SMJ05

'we are full all the time and I am sorry to say that with this type of clientele you are shot because they are not our usual type of client. I don't know maybe what would have been better was to maintain our position in the market and to remain firm on

that and stay with who we are, and I think that maybe we have lost a bit of our brand identity and our positioning, which is not good for us'. SMJ05

The change in levels of income coupled with Arabic aversion to risk and the drive for economic gain has created a range of cutbacks in all areas of the organisation, including redundancies at corporate level and a freeze on recruitment (Section 4.2.5.4). This limits the opportunity for the creation of high-performance practices and the creation of employee engagement (Ruzic, 2015; Evans, 2015) which require as the drive for higher occupancy rates, higher targets and reduced investment dominates strategic thinking:

'I think the problem is that our budgets and our targets are really high, and I think a lot of the time I personally feel that our budgets are too aggressive in terms of making money'. PAJ02

'When all the new hotels come online though, how we will respond to that, I think we might be two steps behind and I think what we are doing is making as much money as we can now and then we are going to hit a wall'. PAJ02

'The accountants are in charge and that's not a good thing as well, because we haven't maybe shown the innovational passion or drive that we used to have'. ACJ03

'That decision was purely greed and now 30% of the business comes from China. But it's not the right people because we have lost the people that eat the caviar and drink the champagne'. ACJ03

This drive for profit, the reliance on location and the skepticism expressed in terms of the value of the workforce potentially creates issues in terms of investment in core competencies and capabilities (Galbreath, 2005; Zeglat and Zigan, 2014) which are seen as key to organisational performance and co-alignment (Olsen et al, 2007, Enz, 2010, Evans, 2015).

Investment Choice

With several landmark properties in their portfolio the investment in hard assets is obvious for Company A but this has served to create a strong brand profile synonymous with the reputation of Dubai (Anthonisz and Heap, 2017a). However, much of this investment took place when the company was first established and since then the number of competing landmark properties has escalated dramatically in all areas of the city and this will continue on the run up to Expo2020.

The company has most recently added (2013-2017) a new property to its existing resort location in Dubai, which now has six hotels on the same site. Having complete ownership of these hard assets may have contributed to the success of Company A (Martin, 2014) and all managers in Company A highlighted that investment was very much orientated around hard assets:

'We tend to invest in our hard assets rather than our people'. PAJ02

'In the last five years I think we have mainly invested, first in technology, second in the property and third in green technology to make savings on the cost of utilities. We don't invest much in people because we have so many applications'. HAJ01

However, the addition of a new hotel property to the portfolio in Dubai, is interesting as a decision in light of the lack of investment in the other properties:

'we have got XXX which is going to be our new hotel, but we have also got XXX which is our old hotel, so we need to refurbish, and I think that's now scheduled for next year, but it's been delayed for a few years as well. Whether or not that goes ahead next year is a question but if it doesn't go ahead I think that could be a big problem for the property'. PAJ02

'our hotel is old and is desperately in need of a big investment to bring it back up and

if they don't do that it's just going to get more and more run down and with all these hotels coming on line I think it's going to show that up a lot quicker'. PAJ02

The lack of investment in the older properties in the portfolio may be eroding the competitive advantage of the established brand reputation (Teece et al, 1996) and was identified as a critical issue by Harris Consulting in phase one of the research, highlighting the high number of hotels in Dubai that needed to make an investment if they are to compete with the new build properties. It would appear also that investment in hard assets may only be centred around customer facing areas:

'if it's a back of house area and it's not in the public eye so why do we need to spend money on it? and quite often back of house is where our colleagues actually go and spend a lot of their time, so I think it is an area that is over looked'. PAJ02

While adding a new property to the portfolio of Company A may be seen as a sign of growth fetishism (Hamilton, 2003) linked to the Arab desire to remain competitive it may just be a ploy (Mintzberg et al, 2008) providing the illusion of wealth where perhaps there is none? Given the lack of investment in hard assets, the lack of investment in soft assets is possibly to be expected even though it is generally identified in the literature that only investment in soft assets can secure inimitable competitive advantage (Peterlaf, 1993; Fitz-enz, 2000; Galbreath, 2005; Lashley, 2008). Some managers did indicate that investment was being spent on other things but these are more about short term operating costs which is a reactive measure (Buyens and DeVos, 2001) rather than evidence of strategic thinking at corporate level. One manager for example commented on current investment in recruitment, rather than training which is only part of the employee journey (Anthonisz et al, 2017):

'Well at the moment we are not investing a lot in people and training because we are still recruiting so we are spending money on recruiting, but we are not spending money hardly on training'. SMJ05

While another manager highlighted that investment in L & D was directly linked to the employment of Emiratis only, indicating preferential treatment and a failure to acknowledge the value of all employees in the organisation which may create negativity but is likely to be an outcome of Arabic cultural values and ownership (Lewis, 2006):

'the investment is wrong in the training and L & D side of things, where we are investing heavily in the Emiratis, which we should do but then we hear from other hotel companies – why?' ACJ03

For Galbrieth (2005) if this alternative investment was enhancing skills or capabilities within the company then this would add value and contribute to the firm's success but this was not the impression given by managers who obviously felt that the investment should be elsewhere or that investment created negative outcomes in terms of organisational competence and capability (Baron, 2011):

'Organisational competence I believe is one of our company's limitations, too many people in various positions gets involved in the decisions that belongs to individual experts'. HAJ01

'internal competition is also something that we have invested heavily in. In the wise words of someone, I read something in 'the company that competes within will fail'. I sit in meetings and we grumble that our own hotels are stealing our customers'. ACJ03

The general lack of investment in existing hard and soft assets of the company is likely to impact on the long term competitive advantage of the company (Olsen et al, 2007; Tavitayaman, 2012) and potentially places considerable pressure on those responsible for the management of human capital as the HR remit focuses on maximising employee performance and reducing costs associated with recruitment, selection and turnover; all areas that are traditionally problematic in hospitality (Ruhanen and Cooper, 2009; Evans, 2015; Wood, 2015; Faz, Anthonisz and Yang, 2017).

4.2.5.4 STRATEGIC MANAGEMENT OF HUMAN CAPITAL

The development of a positive human resource management practices can increase competitive advantage and provide a direct and economically significant contribution to organisation performance (Tavitayaman et al, 2011) but as identified in phase one of the research, there are a number of challenges to the strategic management of human capital in Dubai, and additional challenges to the development of appropriate HR practices. CIPD Middle East has accused HR managers in Dubai of being too traditional in their approach to people management, calling on them to be more analytic, to challenge the status quo and to become more commercially minded (MM04, CIPD Middle East).

One manager within the company had just participated in a three-day CIPD workshop where she was told what skills and competencies were needed to become an HR Vice President, the new title being given to the existing HR Directors. She identified that:

'They ask us to be more strategic, to be more analytic, to be more curious and to be able to know what is happening outside of our world and bring that on the table but we were too busy and we were not really doing that'. SMJ05

They have also told HR to:

'sit in the business review meetings in order to understand the strategy and of course to share information in regards to the workforce'. SMJ05

The value of this, according to one manager who happens to sit on the CIPD leadership team was that *'if we all tell ourselves we are all business partners now, and we go and sit in the business, we face inwards, we deal with our counterparts, we sit in executive teams, we get on the board, then we have lost that traditional aspect'. CJJ04*

This inward perspective does not necessarily create a holistic view of the organisation (Sainaghi, 2015), and is a rather simplistic take on the development of an integrated

strategy that requires more than just sharing information. As Buyens and DeVos (2001) point out, HRM policies must be appropriately integrated into the organisational strategy if they are going to improve performance and organisational effectiveness. Several managers identified that their approaches to managing staff focused mainly on the lower level employees where issues of staff turnover, recruitment and included policies that linked to appraisals, talent management and employee motivation and rewards but it was also identified that:

'we are just pushing, pushing, pushing the people throughout the year with no break and there is no pause where we can ask people to take their vacation, where we can train people, where we can re-motivate'. SMJ05

Staff turnover in particular was identified as a challenge for HR with the VP for Organisational Development and HR commenting that the company *'has got a churn of about 20-22% so with a company like us you are looking at a maximum churn of about 2,500 people a year, predominantly in your sort of junior and middle management.'* CJJ04

Turnover figures were variously reported by other managers as anywhere between 11% and 28% which is below the Dubai average but in light of the fact that many of these appear to be at supervisory and management level this will be a significant cost to the business (Faz, Anthonisz and Yang, 2017). As the VP for Talent Management pointed out *'we have far better retention than other companies. That doesn't necessarily mean that we are good, it just means that we are less likely to lose people'*. HHJ06

The main reason identified for the turnover at supervisory and middle management level was lack of promotional opportunities:

'A lot of the people move on to promotions in other companies and that's typically a lot of your middle to senior management that move for promotions, and a lot of the reasons they move is because they aren't getting the promotions here or they are not

getting the chance to show what their abilities are, especially with this company'

PAJ02

'Dubai doesn't really have those learning journeys within many of the organisations because there are so many people involved with a journey within a function and there aren't very many clear careers paths because historically promotion has been given on tenure rather than merit'. CJJ04

'if you have 69% or higher internal promotion then you are considered to be a learning organisation and I think now we have 35% so we have a way to go'. HHJ06

Company A is currently changing a number of its HR practices and restructuring the role of HR in order to create greater strategic alignment within the business at corporate level which has the potential to create a direct and economically significant contribution to performance (Tavitayaman et al, 2011):

HR is now part of the ExCom 'and we are invited to the business review meetings but the role of the Director of HR has changed and we are transitioning from an HR Generalist Role to an HR Business Partner Role so in this new model we are having this central function with DH shared services, moving the recruitment from the property to central recruitment, and the same for L & D which is part of what we call 'project simplify'. SMJ05

The HR Strategy 'has been split into two components, ...a more traditional model where we have got centres of excellence (a common approach in the hotel industry (Bowen and Chen, 2001;Olsen et al, 2007) and talent management looking after traditional talent management and learning as well as talent acquisition, and then organisational development (Sharma & Upneja, 2005), and then I guess, our business support areas, the guys looking after the day to day operation'. CJJ04

These approaches do not appear to be demonstrating the innovation suggested by CIPD, and instead reflect convergence with the US model of homogenous managerial

practices identified by Mellahi et al (2013) and the traditional approaches that are already considered to be outdated in the hotel industry (Wood, 2015).

The HR strategy had been developed at corporate level *'but unfortunately, half of the plan is now, we don't know where, because 80 people from corporate have been laid off'*. SMJ05

What has been left of the HR strategy includes trying to *'facilitate integration by moving the business model to 'business support and centres of excellence models so we can have a very strategic focus but a very close interaction with the business support'* but can this be achieved knowing *'that we are never going to get rid of that pastoral care element'*. CJJ04

The pastoral care role, as identified in the SLEPT framework is governed largely by the legislative requirements of government with companies being held responsible for the health and wellbeing (Carey, 1999) of their employees, from the point at which they fly them in to the country, to the point at which they fly them back out. While this pastoral role can be considered unique to hotels in the Middle East it does not signal a move away from the more basic approaches linked to personnel management (Bal,2011; Kaufman, 2016).

The other element of the HR strategy revolves around talent management which is increasingly seen as a source of competitiveness (McKinsey, 2012; WTTC 2017) and a force shaping HR (Phillips and Phillips, 2014). But the talent management team is *'a team of two'* HAJ01, which may result in rather limited impact given the size of the company and may not resolve the more general concerns of nepotism given that the previous Director of Talent was made redundant in the same year (Arsali et al, 2006) discussed in 4.2.5.3:

'Talent management in Company A I would say is non-existent, they have tried to establish a talent management system.... but your manager decides if you are on the list and there is no transparency in that'. HAJ01

The emphasis on the talent management role, which was a new appointment in the organisation for 2016 also appears to be orientated around profit maximisation and the use of KPI's with the VP for Talent Management commenting that his role was about:

'How we can get the highest profit using services within the company so that we make sure that we can compete with other companies'. HHJ06

'Well we have the KPI's for the operation, which is the most important topics for business'. HHJ06

'whether its figures, whether it's about people and one of the things that I really started to implement since I came is to have clear dashboards of what this success looks like'. HHJ06

The use of KPI's is an outcome of adopting the balanced scorecard approach to managing the business (Kaplan and Norton, 2004) and also appears to be how HR is aligned to the business:

'Well we are aligned through the balanced scorecard. It's taken about ten iterations, but I think we are there'. CJJ04

But an emphasis on data and metrics does not necessarily determine an HR strategy, and if the balanced scorecard objectives (Kaplan and Norton, 2004) are set at corporate level then HR is not integrated into the business model (Buyens and Devos, 2001) and cannot be used as a force for co-alignment (Olsen et al, 2008):

'I think that the strategy is there, its whether it fits into the business model of what the business wants, that's the key, and quite often the missing bit. We are doing what they want but does it deliver what they need?' CJJ04

'I came from an owned and operated group where there was always a lot of relationship and checking to ensure that we were always aligned but my GM says we are a managed property, don't think this way so sometimes there is a bit of conflict there'. SMJ05

Even with a presence at ExCom and the opportunity to sit in on the strategic meetings that take place across all properties in the portfolio, the economic drive still appears to be the main focus indicating that the drive to become more analytical (CIPD) may just serve to highlight the cost of HR on the balance sheet:

'The board want to know, how productive can we make these people, how much quicker can we bus them in from x to y, so they can be more productive at work'. CJJ04

4.2.5.5 COMPANY A SUMMARY

As a locally owned and operated brand the dominance of the Arab culture that exists across the whole of Dubai is propagated by the move towards Emiratisation at senior management level. It is evident from the analysis that there are a number of HRM practices specific to Dubai as a destination (Kaufman, 2016) that reflect the pastoral care of the employee and reinforce the dominant cultural values within the organisation (Gill, 2018).

While there may be benefits to this in terms of the predictability of business, typified by the dynastic tribalism of Dubai (Davidson, 2005; Ortega, 2009) it does appear to present a number of challenges to the strategic management of human capital when it comes to decision making, the structure of the organisation and the value placed on human capital, that is dependent on nationality (Lewis, 2006). The implication is that strategy is reactionary (Miles and Snow, 1978) and that investment in people as a means of sustainable competitive advantage is limited. These outcomes will be further explored via the comparative analysis conducted in Section 4.2.7 where they culminate in the zone of non-strategic thinking and the model of the 'Vortex of Culture' (see figure 20, p. 233).

4.2.6 COMPANY B ANALYSIS

In keeping with the analysis conducted for company A, the starting point for the discussion begins with a categorisation of interviewee comments through the use of a SLEPT framework (Mintzberg et al, 2008). As an international hotel chain operating via a different management contract for each property it was anticipated that there may be a difference in the importance placed on change in the external environment, and that potentially there may be greater awareness of the need for co-alignment and a more global view of the business.

4.2.6.1 THE EXTERNAL ENVIRONMENT

In keeping with the initial analysis conducted for Company A, a SLEPT framework was employed as a means of grouping management responses for Company B. It was assumed that as an international chain operating under management contract in Dubai, that managers may express a different understanding of the changes in the external environment and their potential to impact on the success of the organisation.

Social Indicators

There was very little comment with regard to social change in Dubai, with only one manager commenting on the pool of labour (Baum, 2008) and suggesting that this is not sufficient in size to accommodate the growth in demand for a suitably skilled and qualified workforce:

'I would love to draw on a more global labour market as its such as small pool here that some of the huge properties suck them in so easily and a smaller property like me has to suffer'. SDSM03

This would appear to be a challenge, particularly for the smaller properties in Dubai who have to compete for the same resources (Sainaghi, 2010) but lose out to the larger hotels that can potentially offer higher salaries, better levels of pastoral care

created by economies of scale, and perhaps better career opportunities, depending on nationality.

The other observation more aligned to work-life balance and the impact that pace of growth in Dubai was having on the drive for performance in the workplace.

'in a place like Dubai it's so dynamic that things are changing rapidly and there is no time to stop and rest, there is no time to think and the owner thinks we are only here to work and there is no time for family as you wake up, get up and come to work to deal with the challenges. I don't think that will change'. SDSM03

This drive was attributed to ownership of the company (Slattery, 2002) which focuses on minimising spend, short term payment and investment returns (Harris, 2013; Wood, 2015). The requirements in terms of time spent in the workplace, particularly in the private sector are not governed by existing legislation which is why many Emiratis choose to work in the government sector (Forstenlecher and Rutledge, 2011).

Legal Indicators

The challenges in terms of legislation were identified by several managers, particularly in terms of the visa restrictions that serve to limit the international pool of labour that hotels can draw on (Baum, 2008).

'some other countries of course they still have some restrictions on visas for example so this is very much what is available'. KBM02

But some comment was made in terms of the issues of employment contracts, which provide little security in terms of employment pay and conditions, a situation that is being exploited by some of the newer properties to create an initial appeal to staff:

'one waiter that was here he went to a new property with a huge salary and now after six months he is asking me to come back and I say, 'why are you asking to come back' and he said because they want to change the contract'. MNM04

As yet, no legislation has been passed to insist on the employment of Emirati nationals. This is unusual in the Middle East with countries such as Bahrain and Saudi insisting on employment quotas. The VP for HR, Middle East and Asia commented on this as a positive for the business in terms of the potential for adding to labour and turnover costs (Forstenlecher and Rutledge, 2011) with limited return to the company.

‘with the rate of turnover with Emiratis and their salary expectations, even if we started it now thinking it was coming in, in three years, the people that we employ now probably won’t be with us, so it would be like a viscous circle that would be very expensive, and we don’t think we would be any better off’. FSM01

The views expressed in terms of the workforce are consistent with both Davidson et al’s (2006) observation that globally, cost minimisation employment strategies appear to dominate hotel management and Baum et al’s (2016) view that employees are a cost and not an asset to be invested in.

Economic Indicators

Almost all of the managers interviewed commented on the economic climate in Dubai, indicating that they felt the UAE was moving towards convergence (Giddens, 1999). *‘in 2008 we were all living in our perfect world and things were simple, people would jump from one job to another for a higher salary and if you went back home then that’s where the reality was and if you were in Dubai then you were in a bubble. Now we are moving into more of an economic reality, the same as exists in other countries’.* SDSM03

The implication is that since 2008 when the global economic downturn hit Dubai, that there are now some signs of a move to a free market economy where you cannot jump from one job to another in order to secure more money, but this view was not consistent with the comments on turnover and higher wages made by all other managers in the company. All other signs appear to indicate that the pace of change in Dubai and the growth of the city is in fact adding to real estate values (Arabian

Business.com [01/09/2015]) and impacting on the cost of living, which is perhaps where the reality of Dubai in terms of economic change is happening:

'For 2020 they are maybe moving too fast. For the residents they are increasing the parking, train, metro, taxis, whatever they can think of they are increasing so they can compensate for what they are spending now'. DSM05

'Some people are telling you that real estate is slowing down but the fact is different you know so with the high supplies, of course all accommodation, domiciles, or a campus will rise up the prices, everywhere'. KBM02

The rising costs in real estate values, labour, supplies and accommodation will all be affecting revenues of hotel operations in Dubai and possibly elsewhere in the Middle East which has an impact on the local owners of the hotels who then put pressure on the international hotel chain to generate more profit:

'right across the region, a lot of owners aren't even making enough money to pay the interest on their debts so they are pushing for more money but where do you want us to get it from?' FSM01

Political Indicators

Several managers commented on the strength of political will (Brent-Ritchie and Crouch, 2010) in Dubai and the fact that whatever happens in terms of change in the external environment, there will be no failure, and that the government has the ability to adjust to whatever happens:

'if you look at the growth of Dubai, and you look at the leadership and how they are thinking then I am sure they have something in mind. It's not like other countries where people are letting things happen, here people are going out and making things happen' SDSM03

'in Dubai I think they have a very good thing because when they feel that the economy

is coming down then the country itself adjusts to have something'. MNM04

'if it's in my country, I know it will collapse but here they always manage to create something new and I still believe that something new will come and they will move on'.

MNM04

The implied flexibility of Dubai to respond to change is an outcome of its ability to control all aspects of its growth with the destination being run like a private company (Khomsî & Kadri, 2017) and the emirate being managed through an entrepreneurial philosophy and vision (Almührzi et al 2017) that stems from the royal family and their closest connections retaining much of the power that would otherwise go to the incoming international corporations (Davidson, 2005; Ortega, 2009).

Technological Indicators

None of the managers discussed aspects linked to technology, or its inclusion in the strategic management of the workforce. This seems quite unusual in light of the impact that international hotel chains can have on the use of technology in a destination (Ivanov and Ivanov, 2016) and the potential to bring new connections for the movement of goods, services, capital and people (Yu et al, 2014).

The lack of commentary in terms of the external environment perhaps reflects the extent to which the company is embedded in the Dubai context (Niewiadomski, 2014) and possibly the extent to which managers feel that they have any control over these factors and their impact on the business (Olsen et al, 2007; Dawson and Andriopoulos, 2017). This may create a greater focus on the task environment and the immediate competitive challenges that managers are confronted with.

4.2.6.2 COMPETITION

As expected all managers from Company B made comments relating to the competitive dynamics of the Dubai hotel industry which are characterised by a high

volume of hotels offering substitutable products (Matovic, 2002). The nature of the competition for the hotels operating as part of Company A seemed to be focused on the size of the property in terms of the view that larger properties had an automatic competitive advantage created by economies of scale:

'if you were to say that in the next few years the business is going to be the same as this year and last year then that's going to be bad because we cannot compete with the big hotels.' DSM05

Managers also commented that a number of locations (sub markets) in the city were now at capacity, creating congestion, competition for resources (Baum and Mezias, 1992) and a challenge to development of existing business, an outcome of the low barriers to entry that exist in Dubai (Porter, 1985). Managers did not appear to affirm Kalnins (2016) view that they could learn (or possibly copy) from the competition, and may also attract more customers by being close to others :

'We have here a monster hotel (gestures across to the walk area) it will open next month, and their capacity is around 400 plus so multiply that by say 1.5 average guests and they will accommodate 600 guests and we have little space to widen our services'. KBM02

'in some areas maybe they can build, but in JBR, it is full, and with this amount of hotels, we are you know fighting with each hotel just to get our folio completed'. KBM02

It was also identified that the change in the market and the economic downturn in 2015/16 was not only affecting staff turnover, but also creating challenges to hotels who were being made to implement a freeze on recruitment:

'we would have expected that because of the slump, that turnover would be reduced but then because there are so many new hotels opening and so many new restaurants opening people still have opportunity'. SDSM03

'From March until now (September) we didn't hire anyone but now we are starting to hire because Dubai Parks stole a lot of people so in October we will be very, very short so we started to hire'. MNM04

The inclusion of Dubai Parks in the discussion of competition indicates the proximity of the hotel to the Ibn Battuta area of Dubai, but also highlights the wider diversification of Dubai as a tourism product, and the need to continue to invest in new attractions as part of its 'theme park' strategy (Anthonisz and Heap, 2017c.). Hotels operating in certain submarkets of Dubai may have additional HR challenges as they compete with visitor attraction as well as other hotels, leading to a greater need for performance control (Assaf et al, 2017).

As an international company with a number of local owners, Company B operates across several of the sub markets of Dubai, which is common to all international hotel chains looking for a means of overcoming domestic competition and establishing a market presence (Assaf et al, 2017). However, it was interesting to note that a number of the managers viewed their environment in terms of a submarket, rather than in terms of a citywide presence. This approach to managing competition is referred to by Baum and Mezias (1992) as 'organisational ecology' in which managers take a very localised view of the competition (Sainaghi, 2010; Kalnins, 2016)).

SUBMARKETS

This practice of identifying only a few firms with whom the hotel competes is commonplace in an industry where managerial resources are limited (Mohammed et al, 2014) and reflects the bounded rationality (DuBrin, 2011) and number of external factors over which a manager has little or no control. Li & Netessine (2012) in their research on hotel competition in Manhattan identified that most hotels had an average of six to eight close competitors with whom they benchmarked performance.

Commentary on the submarkets in which managers operated varied and indicated

that Dubai as a destination was changing in terms of the growth and popularity of certain areas of the city:

'but for us Deira is increasingly becoming a very unattractive part of Dubai to try and sell'. FSM01

'Well the Bur Dubai property is struggling because its down that end of the town and the rates have dropped so we are now looking at groups and the groups come from India and China'. FSM01

Location still appeared to be a critical concern and the choice of submarket appears to create a different appeal to very different markets, impacting on the potential for growth and revenue (Santos, 2016). For one property, proximity to the airport still appeared to create an appeal for business travelers, many of whom are from the Asia Pacific region (www.firstgroup.com 15/2/17) and for GCC visitors that came in on government business.

'Well its quite near the airport so we get a lot of business travelers because it's quite convenient, but we are quite far from a lot of places like Sheik Zayed'. DSM05

This mix of nationalities creates a challenge to HR in hotels all over Dubai as the common practice is to recruit staff from the key source markets that the hotel attracts. For example a hotel that attracts Italian visitors will ensure that it has Italian speaking staff and an Italian restaurant (DB03, Interview 2016). This may create a significant cost to the company, particularly in catering to the Arab market as Arab employees are paid a higher salary (Forstenlecher and Rutledge, 2011) than their counterparts but must be available on a 24-hour basis if they are a source market for the property:

'you have to have at least one Arab employee per shift just in case there will be an Arabic guest and there will be complaints and an Arabic guest will not be willing to speak to another nationality, they want someone who speaks Arabic so there will always be someone who can speak Arabic to address the concerns of the guests'.

DSM05

For another property being located in JBR (Jumeriah Beach Residences) provided an appeal for both leisure and business travelers and it was observed that the majority of arrivals in the hotel were European and GCC which is likely to be an outcome of the proximity to the beach and the Walk, one of the most recent residential and commercial developments in Dubai:

'I think we are based in a property somewhere close to the new Dubai so although we are not in a place like Bur Dubai, or Sheik Zayed road, but we are still close to the Marina, which is sort of the new Dubai location so that works in our favour plus Jumeirah Lakes Towers (JLT) is well known for its business community so that is good for us'. KBM02

The concept of the 'new Dubai' indicates a shift in focus on development of the city from a location that used to include areas such as Karama, Deira and the Jumeriah Beach that are all close to the airport, to the other end of the city and the areas that will be closer to the theme parks and the Expo site. As an international hotel chain the need to keep ahead of these changes as a means of competitive advantage (Assaf et al, 2017) and to find key locations that ensure the highest returns (Yang et al, 2012) can be achieved is critical. In Dubai this is very much dependent on ownership which is linked to land and with so many international chains from both the East and West looking for a presence in Dubai, owners who are not happy with their return can 'reflag' their property relatively easily (Navin, 2017). Even if the owner is happy with the arrangement what might once have been a key location may become less profitable over time as new developments and submarkets spring up all over the city:

'Well it's the easiest place to do business in the GCC. In Business Bay, Downtown, Media City are the three locations where we are having new properties but no chance to get on the Palm because they are all gone'. FSM01

However, the overall increase in competition across the city would still appear to present the same challenges in terms of the fact that occupancies may still be high as they are driven by the wholesale rooms model (one manager commented that they

have full occupancy most of the time) but declining room rates and the associated fall in ADR and RevPAR (STR, 2016) was impacting on the bottom line. The pressure this exerts on the business in terms of limiting investment in both hard and soft assets (see 4.2.6.3) can impact on competitive advantage (Olsen and Zhao, 2008, Enz, 2010; Evans, 2015) and the level of service (Lashley, 2008) provided in the property as HR managers have to juggle issues of maximising employee performance with a freeze on recruitment.

‘whether you are on the Palm Island, or in a place like Jumeirah Lakes Towers (JLT) average room rates have decreased everywhere. I believe some of the luxury properties are still doing well, but not as well as they are used to doing’. SDSM03

These ‘clusters’ of competing hotel properties (Porter, 2000; Solnet et al, 2010) create localised socio-technical systems (Solnet et al, 2010; Harrison and Lugosi, 2012) that are potentially interdependent in terms of supply of resources and the reputation of the submarket as a whole but are also subject to change in the wider social and economic environment that is controlled by the government.

4.2.6.3 THE ORGANISATION

The strength of the organisational culture for an international chain operating in the Middle East is likely to impact on its approach to strategy, employment and the value that it places on human capital. International chains operating an ethnocentric or geocentric strategy (Go and Pine, 1995; Carvalho et al, 2017) are more likely to rely on standardised operations, favouring a resource-based paradigm (Littlejohn, 2005; Yu et al, 2014; Bowie, 2016) that negates some of the risk associated with international expansion (Andreu, 2017). The organisational culture is then reinforced by brand standards and cultural values that ensure consistency of delivery.

However, the management contract approach to expansion (Littlejohn, 2005) in a destination like Dubai may not provide the ‘low risk’ benefits associated with other parts of the world, and it would seem likely that with 51% Arabic ownership that there

may be a degree of complexity associated with managing the brand. The most obvious one being that an ethnocentric approach would be too expensive, and that a geocentric approach will be dependent on the Arab cultural view of nationalities (Lewis, 2006) and the visa restrictions that exist in Dubai (Forstenlecher and Rutledge, 2011).

The Organisational Culture

Several managers highlighted the value of the brand culture in terms of contributing to staff motivation and ensuring positive and consistent communication across all levels of the hierarchy, reinforcing the dominant values held within an organisation (Deal and Kennedy, 1982), and 'the way we do things around here' (Smircich, 1983).

'our organisational culture motivates people'. SDSM03

'we do have a positive culture and I think people still believe that because in one way we have a very clear position and we communicate, even when we had to make redundancies we had general meetings to explain what was happening'. MNM04

'our brand standards make it easy to communicate our culture to the employees, so they can deliver the experience to the guest'. SDSM03

One manager also observed that the organisational culture potentially acted as a leveler in terms of ensuring that everyone in the company had access to management but even then, there was an undercurrent of an 'us and them' attitude to the lower level employees and an indication that cultural values were imposed on employees, rather than adopted voluntarily implying an almost neo-colonial approach to the management of other nationalities:

'the best thing here is the culture because it doesn't matter what level people are within the organisation, everybody communicates with everybody and we meet up with each other so often and then the people at the lower levels have easy access to people like us'. SDSM03

'if you go to housekeeping they have this English only card that they have posted everywhere so everyone, such as the Sri Lankans they are not allowed to speak in their dialect, in their language'. DSM05

This view of employees, particularly the front-line employees of the company which are dominated by nationalities from the Indian subcontinent (Anthonisz and Brien, 2017) is hardly surprising in light of the Arabic cultural values linked to nationality (Lewis, 2006) which are embedded through ownership. Rather than reinforcing the corporate values of the international operation (Kotter and Heskitt, 2008), managers implement the stronger cultural values that are exerted through power (Gill, 2018).

In discussing the value of the company culture one manager also alluded to the need to acknowledge where you are (Tomlinson, 1999; Robertson, 2001) in terms of implementing Western standards (Levitt, 1983) utilised by the firm as these may be influenced by local culture and tastes in the creation /delivery of local products and services:

'You have first to understand the place where you are, and who the people around you are and then you can adjust. And you need to be fair with everyone, you cannot protect different people for different reasons so there needs to be some fair structure of policies' (MNM04). However, in making these observations on fairness and equity which are maintained through structure and hierarchy (Janicijevic, 2013) in many hotels it was also identified that nepotism rather than ability may be a challenge to the hotel. Arsali et al, (2006) highlighted this approach in terms of the ability to paralyse the value of human resource practices:

'In the Middle East, they put someone in HR just because they are polite with employees, and its 'oh this guy works in front office, but everyone loves him, so he goes to HR'. Which, I don't think is a very professional approach, okay, so sometimes people don't actually have enough knowledge to understand exactly what HR is'. MNM04

Several managers, all of whom are from outside of the Middle East and work in a company that does not enforce Emiratisation as a practice initially alluded to their own cultural values in terms of the management of people within the company:

'I don't see the point of hiring a person because someone says this nationality is better than this one'. DSM05

'at the end of the day we cannot pick someone because of where he comes from'. KBM02

'Of course we believe in equal job opportunities for everyone but again on the other hand we have to have that mix'. KBM02

'coming from Australia I was like 'you can't do that, you have got to give everyone a fair go'. FSM01

This would imply that a geocentric approach is adopted and that there is a value placed on the strategic management of human capital within the organisation as a means of ensuring the internal fit (Heery and Noon, 2008) of the HR practices within the company and the maximisation of human capital as an asset (Zeglat & Zigan 2014). However, it soon became apparent that managers' controlled nationality groupings, implementing practices that they know are not appropriate (de Gama et al, 2012), and instead enforcing the Arabic cultural values within the organisation.

Subcultures/Tribes

As discussed in the literature the Arab culture places specific emphasis on certain nationalities and their value within the organisation (Hofstede, 1980; Lewis, 2006) creating barriers to career progression for certain nationalities in Dubai and permitting discriminatory behaviours in terms of gender. Several managers appear to have acquiesced to these approaches, which as Gill (2018) points out, may lead to the HR function being used merely as an instrument to impose the agenda of those in power:

'I don't agree with having a gang of Pakistanis and a gang of whoever, but it works'.

FSM01

'Having said that I also understand that there is a requirement to manage the guests who are coming from different parts of the world so if you notice at the front desk right now we have two Eastern European girls over there'. SDSM03

'then I got to understand where he was coming from, from the business perspective'.

FSM01

'we are sending to head office every month the HR report and one big sheet of it about the nationality mix'. KBM02

'The GM told me ' I have got business men coming in from all around the world and they don't want to be served by Indian men.' MNM04

All of the managers interviewed across the hotels also managed the nationality groupings as part of the HR role in the property:

'I think now we have around 30% Indian, 22 % Filipino (a reflection of representation of these nationalities across the hotel industry in Dubai (Anthonisz and Brien, 2016), and the other 48% is divided between the other nationalities which is challenging a bit but again we still need the balance so 30% Indians is still a little high'. KBM02

'in a department (housekeeping, F & B) we should have a nationality mix and if for example there is already 30% of a nationality then you have to inform the HOD that if there is a recruitment then you have to choose another nationality if possible'. DSM05

In some instances, this was attributed to the availability of nationalities, which of course is controlled by the Dubai government visa system (Forstenlecher and Rutledge, 2011) or the reluctance of certain nationalities to work in areas like housekeeping which is often the largest department in Dubai hotels (Anthonisz and

Brien, 2017).

'we had about 24 nationalities, but you have to understand that in the pool of the labour market the highest percentage is Indians, Pilipinos, Sri Lankans'. SDSM03

'we do find it a challenge to get housekeeping staff from anywhere other than India, Philippines, Sri Lanka, Nepalese and maybe Kenya'. SDSM03

It would appear then that managers in Company B have sacrificed some of their national cultural values, and potentially the values associated with the company brand, in order to ensure efficiency and ease of operation indicating a level of detachment from the hotel operation (Guillet and Mattila, 2010; Harris, 2013). The VP for HR Strategy in the Middle East confirmed that from a company perspective *'we actually came to a compromise'* in terms of what was expected from ownership and how this would be accommodated within the hotel properties. *'But I do understand it because business is business and men are men, and this is how the world operates isn't it?'* FSM01 Rather than the CIPD view of HRM strategy as an instrument of change (www.cipd.co.uk, 2017) it would appear that it is more about maintaining the status quo (Caldwell, 2001) with Arab values giving this legitimacy as a strategy (Gill, 2018).

Ownership

As an international hotel chain, operating under management contract, a level of compromise is understandable but the strength of Arab ownership in Dubai and the challenge created by multiple owners may create rather unique challenges as a business model (van Ginneken, 2018). The standard approach to management contract should allow the brand to focus on the operational standards and strategy set at corporate level (Littlejohn, 2005) with minimal interference from the owner:

'owners shouldn't really be getting involved in the day to day operation, so technically they only have to approve the employment of the GM, the Director of Finance and the

Director of Sales, but it depends on each owner in terms of how much they get involved, you know, do they review the results every month and things like that. Let's just say that some are much more pleasant and easier to deal with than others'. FSM01

It was expected that managers would make comments on ownership, particularly in light of the management contract mode of operation, and there were mixed views in terms of whether these relationships were positive or negative, indicating that difference in ownership may in itself present a challenge to standardised operations (Yu et al, 2014) and corporate strategic thinking.

The main challenge of ownership appeared to be the drive for ROI (Return on Investment) which is a reflection of the drive for profit and the short-term orientation of the Arabic culture (Lewis et al, 2006; Najm, 2015):

'owners like to have profit at the end of the day'. KBM02

'Ibn Battuta (A submarket of Dubai) for example, if you compare us to the five competitors, we are leading, we are making more money, we have more occupancy and have a better average rate, but you know the owner keeps saying 'you have got to do better' and we are beating the market so there's not much better you can do'. FSM01

'lots of owners do not care too much about the brand, and the brand standards. They are looking for top line, bottom line and revenue'. SDSM03

Ownership, according to several managers also impacts on how much investment is made in the business, and where that investment is located. Having already provided the property and the land, the need to maintain and update the property as a reflection of the brand is important in terms of meeting with the guest expectations, especially in five-star hotels but management contract means that this has to be negotiated (Fleşeriu et al, 2014) and will vary by owner. However, where investment did take place managers indicated that this was focused very much on the hard assets of the business:

'if there is anything to be changed in our hard assets of course it will happen'. KBM02

'I think it is definitely more on the property side and less on the people side'. SDSM03

Investment in capabilities and human capital appeared to be more challenging with a number of managers indicating that they needed to demonstrate savings elsewhere in order to secure approval for spending on training, which is often the case during an economic downturn:

'I have my budget for the year which is say, AED350,000 for the year as a department expense, I make sure that I am doing some kind of profit protection plan so that there is a saving every month and then I go back and tell him 'Listen, look at the savings I have and I would like to do this training'. SDSM03

'I just had a discussion about training but for this year it was not budgeted so we have to align with the budget and all these things first'. DSM05

However, it was also identified that in some instances owners could be persuaded to invest as long as they could see the value in the request, but again this was usually linked to a return on that investment:

'So long as they can understand why they will say yes, but if they don't understand then forget it, no chance'. MNM04

'If you need money, let's say 200,000 AED to renovate the meeting rooms, the owner he will ask many questions. Why is this needed? What revenue will be generated? When shall I get my money back? And all these questions and of course as an operator in hotel management you have to be ready with the answers'. KBM02

The need to constantly negotiate on investment and the compromises reached in terms of managing people and maintaining standards within the company, potentially indicates that HR as a function within the organisation may be relegated to a more administrative role and the constant pressure to perform creates an environment that

revolves around rewards for short-term results (Gill, 2018) rather than strategic decision making and integration.

Strategic Responses

Managers in company B were focused mainly on their operational strategy, which is consistent with the more traditional role of HRM within the organisation (Boxall and Purcell, 2011). Policies focused on areas such as training, coaching and negotiating budgets were commonly identified as key aspects of the HR role, none of which fall into the 'high commitment, high performance' category identified in the literature (Ruzic, 2015; Evans, 2015; Buchanan and Huczynski, 2017). This is typical of the hotel industry which is often characterised as reactionary, and in Dubai is often associated with a knee-jerk reaction (CON 1, Director, Jumeirah Hotels 2014). Several managers highlighted the need to respond to the current situation, rather than to think long term, which is not consistent with the cultural characteristics of the hotel's country of origin which has a more long-term orientation (Hofstede, 1980):

'I think it's difficult though, isn't it to look long term these days. When I interview GM's and we look at their strategy and their indicators, to see if they are short term or long term. I do ask them, well what is long term for you and some of them say six months because the market is changing so much'. FSM01

'we do have our operational strategy for the hotels but it's often about responding to the current situation, or the competition'. FSM01

Managers also identified that developing strategy required support at managerial level within the organisation and that time often wasn't available to ensure that this was an option or that there was resistance to change:

'You can implement strategy, but it takes time and you need lots of support from the GM to deal with HOD's'. MNM04

‘Sometimes HOD’s wont implement policy so you have to tell the GM and then he will talk to them and usually they want to avoid that. But if you don’t have the support of the GM then you won’t be able to do it. So maybe CIPD needs to know that’. MNM04

The comment in relation to CIPD, was part of the wider conversation about *‘the need to be more strategic and to develop the analytical skills of HR managers’* (MM04) and in general this was considered to be a challenge given the time constraints and responsibilities attached to the role of HR:

‘I would like to sit with someone who tells me why don’t you try this and why don’t you try that, and I can sit and explain to them the challenges we face in terms of the economics of the business and the need to improve the turnover’. SDSM03

‘Whatever is analytical, the finance department tends to do this for HR, so you find that a challenge, you know because you do your own numbers, but finance always feels that you are challenging them’ MNM04

‘but it’s quite hard to implement change because there would be a comparison and they would ask why you would do such a thing here if other properties aren’t doing it’. DSM05

‘I try to do something new every day but like I was telling you before I have to fight because people are not used to the approach’. MNM04

The need to fight for change and the difficulties with implementing new policies are synonymous with an industry that is based on maintaining standardised operations and ensuring consistency of the brand (Reyes-Santiago, 2017). These predictable environments are criticised as being change averse (Zammuto et al, 2000), and focused on economic sustainability through growth and profitability (Linnenuleucke & Griffiths, 2010) placing serious limitations on creativity and experimentation (Buschgens et al, 2013).

4.2.6.4 STRATEGIC MANAGEMENT OF HUMAN CAPITAL

It was very noticeable in company B, that all of the property managers were focused on the lower levels of staff within the organisation and that their roles definitely orientated around the more administrative aspects of the operation (Bal, 2011; Kaufman, 2016), with key challenges linked to recruitment and turnover and the need to spend much of their time focusing on budgets. To an extent this is likely to reflect the structure and hierarchy of the business with a more traditional organisation chart, reinforced by function and lines of reporting (Burns and Stalker, 1961):

‘the line staff will go to their supervisors and their supervisors will bring their concerns to me and then I will bring the concern to the HOD or to the GM or the operations manager’. DSM05

Hotel management and operations are controlled via the regional head office, which is located in Dubai and creates a degree of centralisation within the company with some of the more strategic roles such as Finance and L & D (Learning and Development) being shared across all properties, although it was identified that the economic climate of the last two years meant there had been no L & D manager for some time:

‘We haven’t had an L & D manager for a while but there is a new person coming on the 1st October’. MNM04

At the time of talking to the company, the economic downturn in Dubai had generally resulted in many hotels implementing a freeze on recruitment as a means of cutting costs across the summer months when occupancies are traditionally lower:

‘This year we cut our manning from 480 people to 410. So, this means that you have to study how to increase productivity and how to push people, because you have to deliver pretty much the same but you have less money available with which to deliver the same results’. MNM04

This short-term response to change is driven by the Arabic ownership and management that is commonly evidenced in Dubai. For example, at the start of 2016, when room occupancies had declined with the loss of the Russian market one of the largest owned and operated hotel chains in Dubai, Emaar, had made significant redundancies in all of their existing hotels, in spite of the fact that they were opening a new property later in the year (SH02, Interview 2016).

This places considerable pressure on managers when 'turnover is maybe the biggest challenge that HR leaders face because there are some other consequences to turnover as it means more expenses, more training, more time and all that'. KBM02

In company B, turnover was reported at anywhere between 35 and 38% which is higher than the Dubai average of 30-35% but in the context of higher numbers reported elsewhere in the industry this seemed to be acceptable in light of the fact that *'we are not the worst'* (FSM01). This lack of concern may also be attributed to the fact that turnover is mainly linked to the movement of line staff, rather than management, potentially having less impact on the strategy of the business in terms of a loss of intellectual skills and capital. The tendency for line staff to move for *'a few hundred dirhams'* (KBM02), and in some instances *'as little as fifty dirhams'* (SDSM03) has always been a problem in Dubai and is not a phenomenon that can be specifically attributed to the recent growth in competition.

'the highest movers are the line staff as some will go for a few hundred AED. Anyone at management level, ExCom, levels 1,2,3 – we have a very low percentage'. KBM02

This is an outcome of the increasing levels of competition as identified in 4.2.6.2 but may also reflect a lack of strategic thinking across the wider organisation, which is probably impossible to do with several different Arab owners, all looking for a return on their investment:

'HR strategy is divided into different directions and it supports, highly, the hotels objectives and targets, and of course if we are achieving our targets as an individual

entity within the hotel the whole company will be moving forward'. KBM02

Based on the interview responses and the focus that almost all managers took with regard to their views, it was confirmed at all levels of the organisation HRM is not integrated within the overall business strategy of the company and is therefore operating at its least effective (Buyens and Devos, 2001) in terms of generating positive outcomes and securing co-alignment with the internal and external business environment (Olsen et al, 2008):

'HR is a department but at the same time it's a business support, so you have to support the company in its goal'. DSM05

'But it is a challenge, especially with finance sometimes because we are not really well integrated with them'. MNM04

'the executive office and the finance departments are the one who represents the property to the owner so I am not really involved with how the owners influence the HR or the brand and vice versa'. DSM05

This was a challenge for one manager in particular who had transferred to Dubai from another property in the company portfolio and had been used to integration:

'when I joined here in the Middle East there was a big fight because I didn't actually accept that we aren't integrated but I realised that we are usually not involved, and people don't fight to get their space here'. MNM04

4.2.6.5 COMPANY B SUMMARY

Company B, as an international brand operating in Dubai, adopts a management contract business model that is intended to limit risk and ensure consistency of operation (Littlejohn, 2005). This approach is common in the international hotel industry as it potentially provides a means of establishing a market presence in a short

space of time and helps overcome domestic competition (Assaf et al, 2017). These benefits are not so straightforward in Dubai, with all management contracts requiring 51% local ownership which for Company B entails a different owner for every property.

While it was acknowledged that some owners were easier to work with than other the Arabic cultural values of economic gain and competition still appeared to prevail and with no opportunity to challenge the status quo, all managers appear to have compromised on their more 'Western' values, instead implementing practices that they did not consider appropriate (de Gama et al, 2012). This may be a reflection of the extent to which the company is embedded in the Dubai context and the extent to which managers feel they have any control over the environment in which they operate (Niewiadomski, 2014). It may also be linked to the extent to which the Arab cultural values dominate and have become embedded into the organisational culture as discussed in 2.3.2.2 . Further analysis of the company is provided in the comparative discussion in section 4.2.3.

4.2.7 A COMPARATIVE DISCUSSION OF COMPANY A AND COMPANY B

Table 9 (section 4.2.4) introduced similarities and differences based upon the key words from the first run through of the data. They showed different rankings. For example, Company A had the external environment second, while B had the external environment third. Phase two of the analysis which considered the interview comments in greater depth identified that for each of those findings it was more pertinent to examine how managers interpretations of these concepts were explained within the operating environment of the hotel. In order to explore these interpretations further table 10 was developed to highlight key points of similarity and difference between Company A and Company B.

4.2.7.1 THE EXTERNAL ENVIRONMENT

In the external environment section of table 10 the social indicators show agreement

within the lack of diversity in the workforce and confirm outdated employment legislation which is confirming that the environment will dictate the HR operations and potentially the strategic management of human capital. It was noted by one manager from company B that work life balance is affected by management performance, again reflecting earlier findings that strategic HR in practice is not even playing lip service to current academic thinking.

In the legal environment both companies agreed that there is a lack of business support mechanisms and appropriate employee welfare legislation which confirms the suggestion that globalisation stops at the political level in Dubai as an outcome of dynastic tribalism (see figure 15, p.127 in phase one of the research). In terms of the economic indicators Company B identified that employment costs will rise as a reflection of the move towards a free market economy, but Company A only identified the lower cost of employment which confirms the earlier findings that the bottom line today was the most important economic measure and that the whole of the strategy was based upon short termism at an operational level (Miles and Snow, 1978).

For technology, both companies were surprisingly unforthcoming in terms of the adoption of new technology within their organisations. The statement that people are cheaper than technology within this environment is actually counter to the existing literature which seems to place an emphasis upon the drive to digitisation, the use of robotics and the need for everything to be media driven. It is also interesting

Table 10 – Company A and Company B comparison

Research Area	Key Discussion Points	A	B
The External Environment			
Social Indicators	Global views on working conditions	✓	
	Lack of diversity in the workforce	✓	✓
	Outdated employment legislation	✓	✓
	Work life balance is affected by management performance expectations		✓
Legal	Business support legislation	✓	✓
	Employee welfare legislation	✓	✓
Economic	Cost of payroll is less in Dubai	✓	

	Dubai is moving towards convergence (free market economy)		✓
	Increased cost of living		✓
	Increasing cost of real estate		✓
Political	The strength of political will to drive Dubai forward	✓	✓
	The need to reflect the reputation of Dubai as a tourist destination	✓	
Technology	Investment in Technology (Communications, Green Technology)	✓	
	People are cheaper than machines so they have more people	✓	
Task Environment			
Competition	Erosion of the five-star brand reputation	✓	
	Competition for suitably skilled labour is high	✓	✓
	Staff turnover is linked to better opportunities with other companies	✓	✓
	Staff turnover is linked to proximity to visitor attractions		✓
	Occupancies are still high but declining ADR and RevPAR are impacting on the bottom line	✓	✓
	The move towards the wholesale rooms model drives occupancy	✓	✓
	Occupancy rather than revenue is the indicator of success for owners	✓	✓
	Hotels operate in submarkets	✓	✓
	Competition for key locations (submarkets) is high		✓
	Competition is determined by immediate competition in the submarket		✓
	Submarkets can determine the appeal for certain target markets		✓
	Location provides the competitive advantage	✓	
The Organisation			
Culture	Arab cultural values dominate the organisation	✓	✓
	The company has a strong brand culture	✓	✓
	Emiratisation impacts on the culture	✓	
	The culture has changed over time	✓	
	The culture has created a loss of focus	✓	
	The culture can contribute to motivation		✓
	The culture can create equity		✓
	The culture is risk averse	✓	✓
	Nepotism influences employment	✓	✓
High levels of bureaucracy	✓		
Subcultures	Subcultures exist by department and by level	✓	✓
	Subcultures create tribal behaviours within large department	✓	
	Individual objectives supercede the company objectives	✓	✓
	The workforce is male dominated	✓	✓
	Discrimination is accepted within the organisation	✓	✓
	Senior management nationalities are 'Western'	✓	✓
	The company has a blame culture	✓	
Hierarchy/Structure	Decision making is centralised	✓	✓
	Some HR functions are centralised	✓	✓
	The hierarchy is top down	✓	✓

	Communication if top down	✓	✓
	Employees are change averse	✓	✓
	Employees are managed through KPI's	✓	
	Management of employees reinforces Arab values	✓	✓
	There is a lack of communication	✓	
	Maintaining the status quo	✓	✓
Strategic Views			
Responses	No clear vision	✓	
	A slow-down in decision making	✓	
	Inability to respond to the current environment	✓	
	Lacking innovation	✓	
	Differentiation has given way to standardisation	✓	
	Complacency	✓	✓
	Defender/ Reactor Strategy	✓	✓
	Utilisation of the Balanced Scorecard	✓	
	Objectives are set at corporate level	✓	✓
	Lack of decision-making	✓	
	Short-term responses	✓	✓
Investment Choices	Investment tends to be in hard assets	✓	✓
	Investment is in new properties	✓	✓
	Investment is on updating properties		✓
	Investment is in staff facilities		✓
	Investment is in green technologies	✓	
	Good service is not enough to ensure success	✓	
	Authentic experiences are not needed	✓	
	Some Arabic elements are of value		✓
	Freeze on recruitment	✓	✓
	Department targets are very high	✓	✓
	Finance makes the decisions	✓	✓
	Economic drive dominates	✓	✓
HRM Integration			
Challenges	CIPD views on HRM won't work	✓	✓
	No one challenges the status quo	✓	✓
	HR is represented on the board	✓	
	Cultural values are about compromise		✓
	HRM focuses on performance	✓	✓
	Turnover is the key challenge	✓	✓
	Turnover is at supervisory and management level	✓	
	Turnover is at line staff level		✓
	As long as we aren't the worst it's okay	✓	✓
	Not a learning organisation	✓	
	Talent management is key	✓	
	HR is a centralised function dedicated to business support	✓	✓
	There is a convergence of HR practices	✓	✓
	HR reinforces Arabic values	✓	✓
	HR is driven by short term economic returns		✓
	HRM is not integrated into the overall business strategy		✓
	HR has been restructured at corporate level	✓	

that within this specific area of the service sector the emphasis is still on people, which is confirmed in the literature (see for example, Engstrom et al, 2003; Chen et al, 2004; Lashley, 2008; Evans, 2015 and Ariza-Montes et al, 2017). It may also reflect that at this level of management in company B they accept that strategic decisions for these areas will 'filter down' from the corporate level and that they would never be involved in driving the strategy either internally or externally. This may appear as a contradiction when we consider the drive by the Emirati to create a destination as a reflection of all that is modern; they accept globalisation in theory (Buchanan and Huczynski, 2013) but only bits of globalisation in reality. As the first to create snow sports in the desert, simply because they have the technology to do so is an example of these contradictions (Anthonisz and Heap, 2017c).

The whole of the section on the external environment is suggesting that for both companies even if employees are aware of the external drivers they are reticent to speak of them or cannot see where they could influence company policy. They do not have the time, and so why waste it, as they have accepted that the top down approach (Burns and Stalker, 1961) to strategic management and the need to consider co-alignment with the environment is for others.

4.2.7.2 THE TASK ENVIRONMENT

The comparison of company A and company B confirmed the outcomes of the first phase of the analysis in that the hotel industry in Dubai is currently challenged to find a supply of suitably skilled and qualified labour (McKinsey, 2012; Deloitte, 2014) although the strength of brand and international reputation appeared to benefit company A who receive up to five thousand applications a week. This figure has never changed over the past five years so it may be that the figure has become part of the 'company myths' (Schien, 1984; Hofstede et al, 1990) and is a great sound bite; the author could find no published evidence of the figure. Company A also appeared to have lower rates of staff turnover than company B although this was not commented on in relation to the strength of the brand. The overall tenet of the comparisons demonstrate that both A and B had concerns about competition, but also felt that they

were powerless to affect the strategic management of human capital too. For example, countering the skills gap within the sector by employing training and development strategies.

Company A was particularly concerned about the erosion of the five-star reputation of Dubai which is likely to be an outcome of being locally owned and operated as the need to align with the dominant political values of Dubai and the DTCM will be a priority (Ortega, 2009; Khomsi and Kadri, 2017). The erosion of the five-star brand was also highlighted as a concern by company A as it is contributing to growth in the number of tourists with lower levels of disposable income, who are driving away the high spenders. This impacts on ADR and RevPAR, and ultimately affects the bottom line (STR, 2015). Company B did not appear to be concerned by the erosion of the five-star brand which may be an outcome of the fact that as an international hotel chain, they have no vested interest in the overall reputation of Dubai (Niewiadomski, 2014) and are likely to be focused on the return on investment needed to meet with the demands of local owners (Guillet and Mattila, 2010; van Ginneken, 2018). Company B was more focused on the sub-markets it operated in which is common in highly competitive environments such as Dubai (Baum and Mezias, 1992; Porter, 2000). Benchmarking against those hotels that operate in immediate proximity to the property provides some measure of performance and can demonstrate the ability to compete well, albeit within a bounded rationality (Dubrin, 2011; Li & Netessine, 2012). This may appease owners looking for a return on investment if you can demonstrate higher occupancies than the properties operating in your competitive set. Company B's focus on submarkets is also an outcome of the link between ownership and land. The ability to operate in the more popular tourist locations of the 'new' Dubai is determined by the choice of owner and subsequently competition for key locations can provide an immediate advantage or disadvantage to the hotel chain (Santos et al, 2016). It can also intensify competition for key resources in popular sub markets (Mohammed et al, 2014) that are becoming highly congested or are located next to the new visitor attractions that are being developed as part of Dubai's theme park approach to boosting tourist numbers.

All of the above would seem to indicate a need to focus on employees within the organisation that are providing two-star to five-star (seven-star) service experiences, and that there would be a need for the short, medium and long-term strategic planning commonly identified in the literature (Mintzberg et al, 2008; Johnson et al, 2010; Johnson et al, 2017). The retention of key staff, for example seems to be difficult in a labour market that is simply monetary based, and a reflection of the local economic model of short-termism. The response by both companies to falling percentage revenues per available customer seems to be focused on price and not differentiation by service quality (Suarez, 2014), or the notion of hospitableness (Lashley, 2008). In all of the interviews there was no real sense that the organisations were even considering putting in place long-term strategic plans to address the problems perhaps reflecting the Arab culture view that 'Inshallah, it will happen'!

4.2.7.3 THE ORGANISATION

Both companies indicated the strength of culture, in terms of brand (Kotter and Heskitt, 2008), and also in terms of its influence on the organisation which was reported on more negatively in company A than in company B. The inference was that organisational culture reflected the ownership culture and that the drivers of the HR ethos were based in the conservative culture of the Emirati (Lewis, 2006). For company B this was interesting as the organisation has its roots in another 'conservative' culture so acceptance of a top down management structure was quite readily tolerated (Burns and Stalker, 1961; Scott and Davis, 2007). While managers in Company B identified that the culture facilitated motivation, communication and the potential for equity, the managers in Company A commented on the existence of a blame culture and high levels of bureaucracy (Alford, 2014) that were impacting on decision making and the lack of change within the organisation (Zammuto et al, 2000). To an extent, the size of the individual hotel properties in company A and the existence of a significant number of higher-level employees, all seeking to demonstrate their individual worth in the company are likely to contribute to this situation (Hendry, 2011; Gill, 2018). However, the more negative aspects also included challenges such as nepotism which are common in the Arab culture (Arsali et al, 2006; Lewis, 2006;

Aldraehim et al, 2012; Najm, 2015), currently being reinforced by the growing numbers of Emirati at senior management level. For company B the Arab cultural values were less prevalent within the culture of the organisation, but the Arabic values attached to nationality and their position in the company, afforded through ownership and management contract still appear to be enforced by managers who had compromised on their cultural views (de Gama et al, 2012).

The cultural imperative may actually be a strength as well as a weakness. A weakness as the conservative nature may slow down change, exclude dynamism and restrict intrapreneurism, but its predictability has created a level playing field, in that everyone knows where they stand. *'We are risk averse, our brand reflects our cultural values and the sense of a family bond strengthens our organisations'* could be either a series of strap lines or a mission!

The cultural imperative for both companies is shown in the way they manage the nationality groupings within the organisation, in order to ensure that no one nationality dominated within a department. Company A highlighted the challenges associated with tribes of individual nationalities forming in both the work place, and in the accommodation compounds provided by the hotels, perhaps suggesting that strong groups had the ability to reject changes they did not agree with. The management of these employment groups was also more formalised in Company A, with KPI's attached to nationalities and the representation of gender across the company. In terms of equity these would seem to be at odds with westerns core values, but they were accepted by company B as a necessity (Gill, 2018). The male dominated work force that has a national identity that is assigned to roles, responsibilities and levels of management in the organisation is strategic, if somewhat at odds with the notion of globalisation. Senior managers are Emirati or 'Western', middle managers are 'Western' and occasionally Indian and lower levels of the organisation are Sri Lankan, Pakistan, Indian, Pilipino and Nepalese. Strategic thinking is strong when there is certainty even if that certainty is discriminatory, but it does restrict the options open to create a more western style of HR and its inflexibility is

therefore conversely a threat. There is again a feeling that we have an employee strategy which we work with so why would there be a need for a new set of objectives?

Both organisations indicated that the culture was more about maintaining the status quo (Caldwell, 2001), rather than implementing any radical change to the business. Where risk aversion is dominant, as it is in the Arab culture (Lewis, 2006; Aldraehim et al, 2012) this is likely to be the outcome and performance is focused on 'not being bad' by comparison with the competition, but there was no drive to be the best. The contention of this thesis is that unfortunately, or perhaps fortunately, this traditional model is being challenged by a better-informed workforce that is in a seller's market (especially those with key service sector skills) as demand rises linked to 2020 and others destinations come on stream in a global context (McKinsey, 2012; Deloitte, 2016; UNWTO 2017). There appears to be no movement that can be identified within this research that would suggest any new directions for the strategic management of human capital in Dubai.

4.2.7.4 STRATEGIC RESPONSES

The extent to which managers from Company B commented on the strategy of the organisation was limited, but as part of an international hotel chain, corporate strategy is set in the remote environment and communicated to head office in Dubai (Go and Pine, 1995; Olsen et al, 2007; Enz, 2010). Individual hotels would then have the objectives determined outside of the operation and as such there may be little need to comment on this. The HR function within company B also appeared to be focused on the maintenance of extensive HR policies and procedures (Buchanan and Huczynski, 2017) that are an outcome of the level of pastoral care provided to hotel employees in Dubai. This relegates HR to a planning function that focuses on short term economic gain rather than long term strategic thinking (Gill, 2018).

Company A commented quite extensively, but negatively on strategy, or the apparent lack of strategy, but with a number of managers having worked for the brand for more than 8 years, this appeared to be linked to changes over time. Their concerns appeared

to be ignored which is similar to those in Company B, but they were happier to rehearse these concerns with the author. This was perhaps so that they could justify their position on those dictats from above and appeared to welcome some parts of the directives. The balanced scorecard (Kaplan and Norton, 2004) for example was being used as a set of metrics to show how well their departments were performing. The opposite was that the managers were recognising that the strategy was unresponsive, slowed down decision making processes and meant they concentrated on short term responses (Miles and Snow, 1978; Buyens and DeVos, 2001). The use of strategic tools such as the balanced score card reflect the drive for revenue and performance rather than long term vision, but as staff turnover is high in Dubai perhaps this is a part of a personal employee's strategy to show success to potential employees for greater financial reward. In other words, why would they consider long term strategies? The recent decision in company A to increase the number of Arabs in key decision-making positions has contributed to the more defensive approach to strategy which is an outcome of risk aversion (Hofstede, 1990). This leads to paralysis at senior management level and is likely to frustrate managers from other nationalities, who will choose to compromise because of the incentives attached to their position, or they will move on, and possibly back out of the country. Again, it is easy to identify frustration within the employees, but also how they justify accepting the lack of training, development and long-term planning as they will not be involved in its inception.

Both companies confirmed that strategy in Dubai was only ever reactionary, which is common in the hotel industry generally, but the drive for profit in Dubai reinforces the need for short termism that maximises occupancy and income, and short-termism in employee contracts. It is difficult to see how it would be possible to produce a strategy to facilitate co-alignment in the academic theorist way as there appears to be no way past that short-termism.

4.2.7.5 INVESTMENT CHOICES

In strategic terms both companies indicated that investment was focused on the hard

assets of the business, which for company B consisted of updating facilities, and for Company A centred around the building of a new property. This is not surprising within a destination that has created a brand around being the biggest, the most innovative, the ultimate facilities and the best at all of these. In some ways this is the easy part as capital that is necessary for investment is readily available, through cultural ties. The return on investment that comes with these ties essentially drives the HR strategy. The lack of investment in soft assets has been shown in this thesis to reflect of the Arabic values associated with human capital as an asset to the organisation and a failure to appreciate the value of people in terms of knowledge and skills and their impact on the guest experience. But it is perhaps predicated upon by the economic model upon which Dubai has been created and operated. There may not, therefore, be any room for developing a strategy away from the drivers of cause and effect; even if there was desire for change.

The lack of investment in people provides an indication of the lack of importance placed on the HR function and the need for human capital to be seen as a contributor to the company bottom line. The challenges section was reviewed in the context of how it may be possible to integrate, accept, respond to the challenges that were outlined by the both companies.

4.2.7.6 THE STRATEGIC MANAGEMENT OF HUMAN CAPITAL IN DUBAI

The challenges to the strategic management of human capital in Dubai are complex.

There are numerous variables created in both the external and internal environments that are beyond management control and lend themselves to Boxall and Purcell's (2008) analogy of the HRM function as a 'black box' in which any number of variables, including the capability of managers, can impact on the effectiveness of the policies and procedures designed to enable organisational performance . This, along with the other challenges discussed here would appear to indicate that there may be little opportunity to adopt the strategic and analytical approaches advocated by CIPD Middle East.

While some managers were open to the view that the approaches adopted as part of managing HR in Dubai can be considered to be too traditional, managers from both companies also identified that the economic imperative driving the operation and the year-round occupancy levels that require staff to be constantly pushed, create time pressures that do allow for the necessary reflection and assessment that is essential to developing staff engagement and the high-performance practices identified in the literature (Ruzic, 2015; Buchanan and Huczynski, 2017). Both companies also observed that the recruitment freeze that appears to have been imposed on all hotels across Dubai in 2016, also added to these pressures. The slight downturn in the economy at the end of 2015 had prompted this response, that appeared to exist, almost without exception, a possible reflection of the dynastic tribalism of Dubai (Davidson, 2005; Ortega, 2009) and the city being run like a private company.

In company A, the inclusion of HR managers on the executive board, was identified as a move towards integration, as was the move to the adoption of a talent management strategy that is reflective of the more modern roles associated with HRM. However, the HRM function has recently been restructured and rather than developing a team of people capable of developing a comprehensive strategy that maximises the value of human capital in the organisation, the department has been split into centralised and decentralised elements. Half of the corporate team has been laid off, and the leadership of the department has been allocated to several senior Emirati individuals. Rather than creating an integrated HR function this restructure appears to have created a greater disconnect between senior management and the thousands of staff on the front line. The talent management function was focused on the upper levels of the hierarchy, rather than using this as internal staff development process. This lacked transparency and possibly contributed to the existing nepotism that was part of the organisational culture (Najm, 2015). The changes to the structure appear to be reinforcing the Arab cultural values (Lewis, 2006) ensuring that they are fully embedded in the organisation, and that no one can challenge the status quo.

Company B, as an international chain had identified the brand as a potential equaliser of nationality within the business and while several managers indicated that their own

cultural values did not conform to the Arabic approach to managing people, they had compromised these values over time and had adopted the Dubai standards associated with managing the mix of cultures within the hotel departments. The value of human capital and the role of HRM in Company B was limited, and it was observed that the drive for return on investment and profit that is a priority for both the company and the owner had relegated HRM policies and practices to little more than a planning function, concerned with the welfare of the employee (Carey, 1999). The opportunity to co-align HRM within the organisation did not exist and the traditional approaches consistent with the international hotel chain operation reinforced a change aversion across all levels of the company.

It was observed that all individuals involved with this research came from a range of backgrounds and had experience in other locations either in the Middle East or Europe, with several working for other international brands. It can therefore be assumed that individual views on both the business environment and the company responses to that will be subject to personal interpretations of environmental, social and governance norms (Bielak et al, 2007). It is however evident from the analysis that in HRM there are a number of practices specific to Dubai as a destination (Kaufman, 2016) and that HRM is subject to a number of variables and constraints potentially affirming Boxall and Purcell's (2008) view that HRM strategy is a 'black box' where the processes and mechanisms of HRM performance are disconnected from their impact on the organisation. This is coupled with the strength of the Arab culture which is referred to by Lewis (2006) as a 'cultural black hole' (p.103) in which the national cultural beliefs and values cannot be questioned. Lewis perhaps has adopted the analogy of the 'black hole' because it reflects the power of the Arabic cultural mindset and in theory, nothing can escape from its gravitational field, and while material may fall into a black hole, no information or energy can escape from it.

While there may be benefits to this in terms of the predictability of business, typified by the dynastic tribalism of Dubai (Davidson, 2005; Ortega, 2009) it does present a number of challenges when it comes to decision making, the structure of the organisation and the value placed on human capital, particularly for those

nationalities (usually from the Indian subcontinent) that are not revered by the Arab culture (Lewis, 2006).

The suggestion is that the combination of the Boxall and Purcell's (2008) 'black box' of HRM and Lewis's (2006) black hole of the Arab national culture potentially creates a vortex within each company that may be subject to different variables but ultimately culminate in the same outcomes (see figures 20 and 21) contributing to what can only be considered to be an 'inorganic' strategy that does not challenge the 'status quo' (CIPD) and possibly never will. This is confirmed within the research for this thesis as in section ... both case studies suggest

The creation of these vortex's, while confirming the theory from Boxall and Purcell (2008), contradicts the contemporary view of strategic HRM as a force for change within the organisation, and that only an investment in soft assets can determine successful outcomes for the business. Rather than being a force for co-alignment within the internal and external environment, the strategic management of human capital in Dubai is market driven and manipulative (Heery and Noon, 2008), reinforcing the cultural values and the Arabic ownership of the industry (Ortega, 2009).

The management focus on short term performance and the pressures to deliver a return in an economic climate characterised by declining revenues obfuscates strategic thinking and the ability to develop HRM practices that can contribute to superior performance (Evans, 2015). Hotel management appears to be at a loss in terms of communicating their own, and their employees value to the organisation, or perhaps do not feel the need to do so in light of the inherent barriers to development that exist at lower levels of the organisation.

In combining the outcomes of phase two of the research with the general industry concerns identified in phase one it can be observed that the changes linked to the environment and the political will (Brent-Ritchie and Crouch, 2010) that is driving Dubai as a destination, create a vortex of culture that exists within the hotel industry and that this vortex can potentially be extended to include Dubai as a destination.

Figure 20 - The vortex of culture – Company A

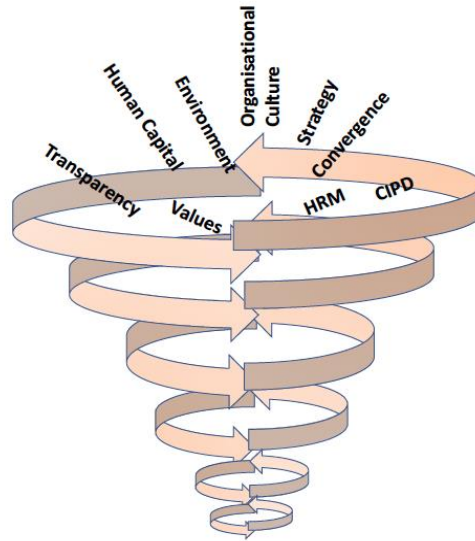
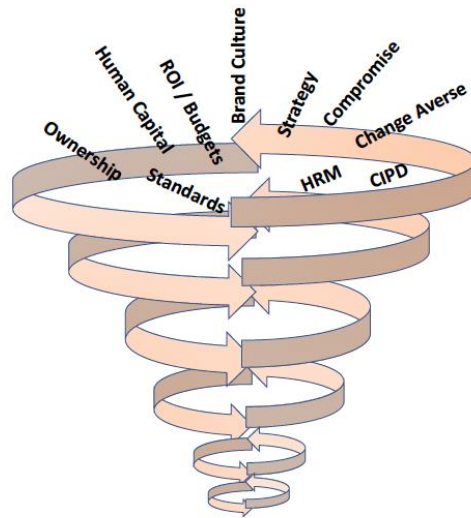


Figure 21 - The vortex of culture – Company B



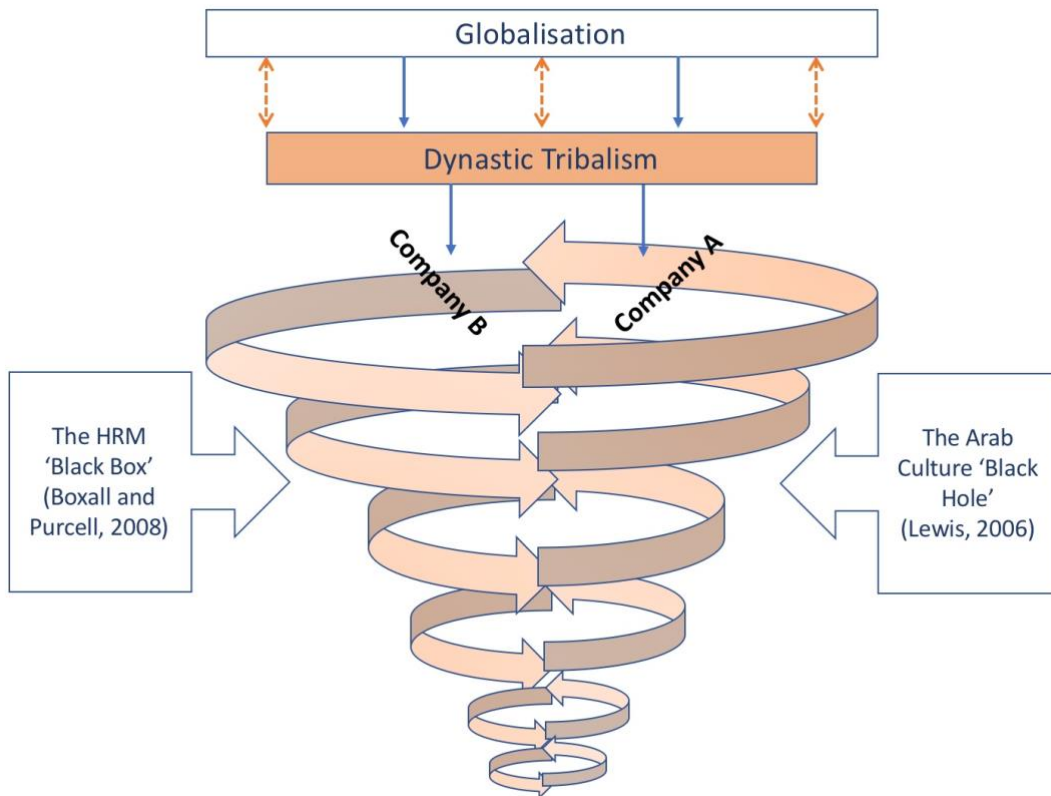
It was readily acknowledged by industry managers, industry consultants, and to an extent the DTCM that Dubai required a suitably skilled labour force to ensure the success of the industry both pre and post 2020 and that human capital would be a key determinant in maintaining the Dubai reputation for luxury and service. The downward pressures of globalisation have contributed to the growth of Dubai with the presence of the international hotel firm providing positive contributions to reputation and growth in tourist numbers. However, the presence of the international chain has clearly been managed through ownership and will only be developed in line

with the Arabic cultural values of the destination, ensuring that control over the industry is maintained and that responses to globalisation are appropriately filtered (see figure 22). It can therefore be assumed that all hotels, both locally owned and management contract may succumb to the vortex of culture in Dubai, creating a self-perpetuating agenda that imbues the Arabic cultural values with legitimacy. For the home grown brands this vortex will have been in place since the inception of the business and is embedded in the organisational culture. For the international hotel chains entering Dubai the impact of the vortex on the application of corporate level strategy (Mintzberg et al, 2008; Johnson et al, 2010; Johnson et al, 2017) that would normally be operationalised by management at the destination may require a new approach if they are to compete in the 'zone of non-strategic thinking' and overcome the risks associated with international expansion into emerging destinations (Andreu et al, 2017).

The initial objectives outlined at the start of the thesis have been met as part of the research process and the two phases of analysis conducted as part of this thesis. A socio-constructivist stance (Cresswell 2013; Bryant 2012) was adopted as the world view which aligns itself with a grounded theory approach (Smith, 2010; Sirakaya-Turk et al, 2011) that has culminated in an applied research design that utilises two five-star hotel cases embedded within the context of Dubai as a destination. In completing the outlined objectives, the following conclusions and potential areas for further study can be drawn from the research.

The modelling of the vortex identifies a gap in the relationships between academic thinking and operational application and identifies the risk areas in the strategic process/application and the realisation of competitive advantage (see objective four of this thesis). This in itself is a contribution to knowledge, but it is also a contribution to the industry whereby the vortex can be eliminated by simply creating a human capital strategy that accepts the custom and practice within the specific destination;

Figure 22 – The vortex of culture in Dubai



in this case Dubai. The problem with this acceptance is that it may be seen to be illiberal and ethically unacceptable for the global organisation. The answer seems to be in Dubai that it happens by default, and as long as the returns on investment are realised then it is the norm.

CHAPTER 5 CONCLUSIONS

This thesis begins and ends with an exploration of the dynamics of the five-star hotel operating environment in Dubai. Firstly through the critique of current academic thinking and, secondly through the formation of a contextual framework and thirdly through the primary research process. This research was phased as a reflection of grounded theory that determines a cyclical process. The analysis then leads to the identification of the contributions to knowledge that are themselves the justification for further research.

As a destination Dubai has shown exponential growth over the past forty years which in itself would have led to a complex set of challenges for the international hotel industry. The thesis then introduced and explained the nature of that growth and the power relationships that are associated with the growth. Dubai has often been called 'unique' and this thesis suggests that both the uniqueness and the power/control comes from the culture of the Emirati and their desire to create 'the unique destination' (Davidson, 2005; Ortega, 2009). The vehicle to explore the hotel industry in Dubai has been through the lens of strategic planning and co-alignment (Olsen et al, 2008). Academic and industry thinking in hospitality has almost slavishly adhered to a series of academic models that were created by western economists, financiers, marketers and people managers over a period of 50 years with a number of authors calling for research that provides greater insight into the development of hospitality strategy (Enz 2010; Harrington et al, 2014; Harrington and Ottenbacher 2011; Roper and Hodari 2015; Wood, 2015). This thesis set out to question those paradigms within the operating systems in five-star hotels in the emirate of Dubai and the understanding of the strategic management of human capital from an international hotel chains perspective, and from the locally owned and managed perspective. The thesis concludes that if growth and the power (and if this power is absolute) behind that growth is culturally driven then it follows that organisational culture, management culture and the strategic management of human capital as a means of sustainable competitive advantage will need to understand and adjust to those with

that power. This in itself suggests that the theory of globalisation presented in the literature (Levitt 1983; Yip, 1989; Dwyer, 2015; Ivanov and Ivanov, 2016) is inherently flawed and that Dubai, like the USA under president Trump are suggesting the return of the 19th century nation state, and one could suggest that Dubai is the epitome of a nation state in an era of 'post-globalisation'.

The assessment of the hotel operating environment as the first phase of the research provided a template (guided by the concerns raised by the industry in Dubai) for the critique of the literature. It also confirmed that the exploration of the soft assets of the hospitality industry (the people) as a means of co-alignment would guide the methodology for the research (based within social constructivism) with the industry confirming that the projected employability gap for Dubai could negate the investments made in hard assets. Simply building new, unique hotels and attractions would need a doubling of the number of employees in the service sector in the country for 2020. The research therefore explored whether there was an effective HR strategic response in the academic literature or whether new paradigms and responses were possible. The conclusion is that there are new responses possible within remodeling (cultural vortex) the theoretical challenges to the strategic process in Dubai which leads to a 'zone of non-strategic thinking'. There are three suggestions that could be considered: to either achieve co-alignment (Olsen et al, 2007), accept the present strategic drift (Tribe, 2016) that was in the hotel industry in Dubai or question the organisation's globalisation strategy.

The theory of globalisation would suggest it was, and is, a key driver for growth as a destination, but the thesis confirms there is not a simple fit with the concept and it suggests that we revisit the definitions and assumptions of globalisation to be case or destination specific. All destination seem to manifest factors of current globalisation theory and globalisation development, but do not manifest all those factors over given time periods. The academics and hotel industry theorise whilst the people within the organisation adapt to the changes within the operational environment more quickly and pragmatically. The theses suggests that the research for the case studies has provided conduits through which to study the interface between globalisation and

perhaps glocalisation.

The theory also says that globalisation should be a key driver for the growth of Dubai as a destination, but it was clearly identified that the tribal dynamism that dominates all aspects of the development and management of Dubai as a brand, has acted as a filter through which Dubai can present itself as an international tourist destination, synonymous with safety and modernisation (Anthonisz and Heap, 2017), while simultaneously ensuring the maintenance of traditional values and cultural beliefs (Lewis, 2006) via government legislation (Forstenlecher and Rutledge, 2011) and the establishment of the DTCM, which controls all facets of the international hotel industry. The locus of power and control lies within government and local ownership legislation and was evidenced (in phase 1 and 2 of the analysis) both in relation to the external dynamics of the hotel business environment and within the internal culture and values identified as part of the five-star hotel industry.

The competitive nature of the Arabic culture (Khomsi and Kadri, 2017) ensured that the 'build it and they will come' approach to destination management was guaranteed through high levels of FDI (Basit, 2014). The thesis confirms that in Emirati terms there is no alternative but success, a sentiment that is reflected in the growth of the destination. The manifestation of that success is the five-star hotel industry which the thesis also confirms has always been at the forefront of this development, and has always supplied high occupancy levels, high levels of RevPAR and ADR, and ready access to a pool of labour keen to work in the destination. This validated the choice of five-star hotels for research into the responses to high end growth which require high staff to customer ratio's and, in theory, development of the staff base.

By winning the bid to host Expo2020 in November 2013, the Dubai government changed the dynamic of the destination and introduced a dilemma and a dichotomy within the continuation of the five-star label to Dubai. Maintaining the growth in tourism, would mean offering a more diverse portfolio that could cater to a wider target market (from 7-star to 2-star product) (Vision2020 Conference, 2014). The associated diversification that accompanies this agenda was paralleled by critical

changes in the external environment, including the loss of the Russian market in 2015 (STR, 2016) and the growth of tourism and hospitality in the Asia-Pacific region, affecting the flow of labour to Dubai. These new trading positions appeared to come as a surprise to hotel management (the power brokers) and has led to uncertainty within the five-star hotel industry; the competition now includes three and four-star provision that are better than some of the ageing five-star properties and the price/quality economic equation began to alter the profit margins. As increasing numbers of hotels appeared across the submarkets of Dubai, the DTCM continued to build the number of international arrivals, and although the current room supply exceeds demand, occupancy rates have largely been sustained (STR, 2017). The challenge for the industry is the changing nature of the tourist, with occupancy driven by wholesale group bookings and half board deals (RQ01 and DB03, Interviews, 2016). The response by the industry in Dubai was (as is often the case in Hospitality) to review affordability in terms of human capital, amenities and re-investment. This removal of entire departments of staff, now considered to be redundant placed additional pressure on HR in terms of the appropriateness of their existing practices. The pressures were wholly financial, but the consequences were wholly operational and imposed upon middle management. Corporate HRM strategies disappear and contingencies and response mechanisms replace that critical strategic process.

In academic terms declining room rates and the prevalence of packages and wholesale offers reflects a low-cost strategic approach (Ansoff, 1985; Porter, 1985) to dealing with competition. This potentially creates a downward spiral of cost cutting that impacts on quality of service and reputation (corporate brand strategy). This is at odds with both the DTCM agenda which emphasises the need to maintain Dubai's reputation, and with the academic literature, which identifies that competitive advantage should revolve around the creation of a differentiation strategy (Suarez, 2014). With the elimination of the concepts of exceeding customer expectations and providing a unique value proposition (Mintzberg et al, 2008), differentiation through investment in the hard and soft assets business (Teare et al, 2008, Enz 2010) being excluded there is only place remaining in terms of hotel property design as available for the strategic imperative of differentiation.

The logical responses therefore would be to re-focus on the investment in soft assets, or people, which is confirmed in the literature review (Olsen et al, 2007, Enz 2010; Bessant and Tidd, 2014; Xiao et al, 2012) and is where the potential for co-alignment and sustainable competitive advantage lies. The first phase of the primary research confirmed that the type of organisational culture that values human capital is present in the construction of the corporate strategic responses. But that there appeared to be a disjoint between the alignments of those responses with the changes in the external environment in Dubai.

The research had to confirm if the organisations understood the value of their employees and whether they employed traditional hierarchies (Burns and Stalker, 1961; Mullins, 2001; Tavitiyaman 2012; Onday, 2016) and approaches to HR that revolved around universal best practice rather than best fit. Could the Western management techniques deal with a multi-national work force? But the research only confirmed that their strategies were linked with enhancements in the bottom line at the expense of creating loyalty and good will; which is difficult to measure and requires time and an understanding of the workforce.

The interviewees kept returning to the complexity of an ever-changing operating environment in Dubai. The strategy had traditionally relied on a simple reward basis with benefits including a tax-free wage, visas, medical insurance, housing, uniform, flights, meals at work, and school fees (Brien and Anthonisz, 2016). This led to the creation of paternalistic cultures, with companies responsible for the care and wellbeing of their employees, but in return it allowed them to dictate behaviours and to hire and fire at will. The logic is therefore that the only mechanism available for managers to respond to the complex environment was staffing, not training and development, but hire and fire. This in turn relegated the HR function to that of a planning and administrative role (Buyens and DeVos, 2001) managed by KPI's tied up in an endless round of paperwork and government approvals (the power of the state). This was particularly evident in the analysis of company B where the HR team was commonly identified as consisting of the HR manager and two to three support staff all involved in dealing with 'looking after the colleagues'. Even in Company A which

indicated a strategic architecture that included VP's for talent management and Organisational HR Development, the relative size of the department indicated the limited value associated with the function.

The research also showed that Investment in soft assets, over and above the compliance with industry standards appeared to be largely determined by ownership. In all cases in Dubai this is Arabic and therefore links back to the concept of, tribalism (Davidson, 2005; Ortega, 2009), with its extension of control. This in Dubai's case negates the development of an HR strategy that extends beyond the role of planning, as the Arabic views on competition and success drives an economic agenda in which all investments must be seen to provide a return that impacts on the bottom line.

The thesis then explores in more detail the notion of cultural, power and control manifest in the pattern of ownership and how it affects delineation across the hotels in terms of nationality and gender. This situation, which in any other destination would be considered to be discriminatory, was seen in Dubai as the norm. To remain competitive the logic is that the international chain would have to follow this cultural lead, at the expense of the organisations central strategic steer. The dominance of the male workforce, for example, was evident in both of the companies and is a reflection of the Dubai hotel industry and Dubai as a destination (Brien and Anthonisz, 2017). For example, in contrast to many Western hotel properties, women are often less than 30% of the workforce, and often work in customer facing roles such as reception, where aesthetic labour is considered to be vitally important to the hotel image

The thesis then identified that division by nationality is evident in terms of department and the level in the organisational hierarchy. Company B appeared to maintain some of the attributes of transparency and equity, probably associated with host country ownership, but the GM and the senior management, who act as the interface between local ownership and the company, were of 'Western' origin. Company A, however, which is owned and managed by one of the most important Arab families in Dubai exhibited clear patterns of delineation, with the lower levels of the hierarchy populated by nationalities from the Asia Pacific region, while 'Western' nationalities,

and Emirati management (an outcome of the company Emiratisation policy), become more evident as management responsibility increased.

The thesis therefore concludes that dynastic tribalism that characterises the external environment is propagated through ownership. This in turn creates an organisational culture that demonstrates nepotistic tendencies at management level (Najm, 2015), where appointments are made on the basis of 'who you know' rather than 'what you know', and also limits career progression to those nationalities considered to be 'less valuable' to the organisation. In adopting this 'approach' to human resource management, the organisation necessarily evolves into a series of sub cultures or 'tribes' that are managed via employment KPI's to ensure that no tribe becomes too strong within a department. The concept of organisational culture, which is considered in the literature as being the 'glue' that holds the strategy together (Freiling and Fichtner, 2010) instead dictates a strategy and not strategies. It drives investment choices, the value placed on various nationalities within the organisation and dictates the only HR strategy that can be integrated within the long-term view of the organisation.

This cultural view of human capital also impacts on the attitude to staff turnover and whether this is a positive or negative for the organisation in Dubai. While levels of turnover can be healthy for the organisation, the associated loss of knowledge and expertise, damage to the service experience and impact on reputation, as well as the cost of replacing staff are also concerns when turnover exceeds a manageable level (Faz, Anthonisz and Yang, 2017). The loss of staff at senior management level in Dubai is associated with even higher costs to the company as projects are introduced and then invariably changed every time a new manager arrives. Both companies involved in this study reported turnover between 25% and 38%, but company A has established a reputation as a 'revolving door', especially at senior management level. High levels of churn have impacted the company's ability to set a definite direction in terms of its strategy.

Turnover in company B, was higher according to HR managers, because of the

submarkets in which they operated where new properties were offering better packages to staff and effectively 'poaching' large numbers of front-line employees looking for any way to improve their economic situation. For properties located close to a new theme park or visitor attraction this problem was exacerbated, with employees often being offered double their existing wage if they would change company. For HR managers this tended to reinforce the view that the strategic response of investment in capital would have a limited effect on retaining staff and was therefore limited to onboarding and language training. It also created difficulties in providing a justification for further investment. From an Arabic perspective this was just a reflection of the nature (culture) of the employee at that level. The industry average is only 1200AED per month, and all companies provide the additional benefits, so this difference in wage is possibly the only indicator of self-worth in a labour market where skills are now in short supply. The ability to negotiate with a previously inflexible employer has created a very different dynamic for the hotel industry. The thesis suggests therefore that the rigid position adopted by the local ownership must lead to a change in cultural responses to the labour market

By evaluating the nature of the hotel operating environment in Dubai, and relating that to the concept of organisation culture, the thesis identified a lack of relationship between cause and effect in terms of strategic responses. It appears that changes to the environment in terms of the labour market in Dubai have led to the complete opposite of the theory of strategic HR planning (Bal, 2011; Kaufman, 2016), whereby recruitment, training and development are part of a long term organisational strategy. In Dubai it is a free for all that is dictated by short term trends, management responses on the ground and acceptance that loyalty does not exist so why spend money in training and development?

The evaluation of managing human capital in Dubai is, therefore, at odds with the classic theories of management within the service sector. The final objective of the thesis was to identify approaches to integrated approaches to human capital strategy in Dubai; the conclusion is there are none!

These concepts are modeled in the cultural vortex shown on page 235. The model suggests that the processes develop a vortex where the pressures of globalisation (sustaining continuous pressure on growth, returns on investment and competition for labour) are concentrated in a downward spiral by the inflexibility of the cultural imperative of the Emirati and their demands for the growth levels necessary for 2020. The responses should follow as strategic plans for HR, but instead they are destroyed in the vortex as any long-term plans (even if they are created) are forgotten as the daily demand for labour today takes over. The suggestions from CIPD and within the academic literature on strategic thinking, and the theory of globalisation all fail to affect change in Dubai and would appear to do so for the foreseeable future up to 2020.

The outcomes do need further investigation within both developed and developing destinations to identify any patterns and links between culture, local power relationships, and the suggestions of power distance decay for multi-national/global hotel companies. This then opens up further discussions around the requirements, and value, of human resource strategies if that distance decay renders them inoperable. This may lead to expediency being the only strategic response available to management in particular destinations.

The contributions to knowledge are:

1. The traditional modelling of strategic planning for destinations like Dubai need to be more rationalised and adapted to reflect local power based cultural philosophies. The theories of globalisation suggest convergence of cultures this thesis suggests divergence based upon economic necessity. The responses may not be rational, based upon economic models, but they are real and culturally driven.
2. The sustainability agenda, based upon involvement of all stakeholders, may need to be more flexible if it is to succeed as is exemplified in the management of human capital in Dubai. The inflexibility that is culturally driven by the Emirati may at times be discriminatory, and this is obviously not to suggest that

organisations should reflect that discriminatory approach, but it may mean that it is impossible to avoid. This is the antithesis of the current academic definitions of globalisation and neo-liberal economic theory. The data suggests that we may be leading into a post globalisation, post neo-liberal stage of economic development theory. Investment portfolios for hotel development may have to better reflect the local cultural environment and may also dictate, by culture, those willing to invest in specific destinations.

3. That national culture of the destination is embedded within the organisational culture of the international hotel chain and that this impacts on the culture of the brand dependent upon location. That this dictates the value placed on cultures at different levels of the organisation and can lead to the creation of tribes within departments that are managed and controlled via KPI's in what is potentially a form of neo-colonialism. The strength of culture in effect overrides the organisational strategy and creates an emphasis on organisational economics that makes it impossible for HR managers to justify additional investment in human capital, over and above the industry standard.
4. The skills gap and demand for employees that has been created by continual and continuous high levels of development in a destination (in Dubai's case the 2020 agenda) has exacerbated the challenges to the application of an HR strategy, and may render them as inoperable. The fall out of this phenomena in high levels of employee turnover and a year-round occupancy level of around 80% leaves no time for strategic thinking or the development of new approaches that might fit with a culturally diverse workforce. In the case of Dubai best practices that have evolved in Western operations are relied on to create motivation and loyalty but the dynamics of the labour market have created an environment in which many are motivated simply by money, negating these approaches and their value within the hotel industry.
5. The thesis confirms the criticisms of existing HR strategies, levelled at the hotel industry by CIPD. They identified that in order to be successful, HR managers

must become more analytical if human capital is to be appropriately represented on the company bottom line. But it also confirms that in an environment characterised by short termism and knee-jerk reactions to the latest changes in the hotel operating environment this view may have little currency in destinations like Dubai. The cultural imperative of profit orientation of ownership means that the managers will not receive the level of investment in both time and money needed to develop a range of analytical processes appropriate to managing employees the destination.

6. The 'vortex of culture' models generated for both Company A and B are new to the academic debate as they have not previously been explored within the context of the hotel environment. They show the outcome of the downward spiral that is dictated by the dynamics of the labour market as Dubai heads towards Expo2020. The spiral now suggests a conflict with the Arab cultural imperative of profit orientation as it is leading to an inflationary wage spiral as those with the skills become more saleable. It is simply labour market economics reflecting a growth spiral versus the constraints of a strong cultural imperative.

In confirming the validity of these contributions to knowledge and applying the 'vortex of culture' more generally to the international hotel industry it is suggested that additional research could be extended within the two companies to analyse the extent to which the strategic management of human capital is aligned in other countries of operation. This may be particularly interesting for Company A as the influence of the Arabic cultural values may exist beyond the boundaries of Dubai. The pervasiveness of these values may vary depending on the country culture. For example, the London property may reveal very different outcomes when compared with Dubai or the Maldives property.

Additional confirmation of the theory may also be identified through conducting more extensive research into international and domestic operations in the five-star sector in Dubai or more broadly across properties in the two, three and four-star hotel

sectors. Variables such as size of property, number of employees, etc. may also be further explored to identify particular influences on the 'vortex of culture'.

Finally, the suggestion from the analysis on the data seems to indicate that there is a cross over point within the process of destination development and the decline in strategic thinking when viewed over time. The cross over point which the author has provisionally suggested may be the 'zone of non-strategic thinking' may reflect power distance decay theory, be culturally linked and must be destination specific. This is another area for further exploration and modelling, initially within the context of Dubai.

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APPENDICES

- Appendix 1 Map of the Submarkets of Dubai
- Appendix 2 Characteristics of mechanistic and organic organisations
- Appendix 3 Initial Research – Idea Generation
- Appendix 4 Sample Interviews
- Appendix 5 Key Word Comparison
- Appendix 6 Interview Comments by theme

APPENDIX 1
SUBMARKETS OF DUBAI

<https://www.wpmap.org/map-of-dubai/dubai-top-tourist-attractions-map-05-a-z-list-of-most-interesting-sites-souk-markets-accommodation-hospitals-famous-beaches-top-golf-clubs-high-resolution-jpg/>

Content Removed for Copyright Reasons

APPENDIX 2

THE CHARACTERISTICS OF MECHANISTIC AND ORGANIC ORGANISATIONS
(BURNS AND STALKER, 1961)

http://www.valuebasedmanagement.net/methods_burns_mechanistic_organic_systems.html [01/02/18]

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APPENDIX 3

INITIAL RESEARCH – IDEA GENERATION

In order to establish the context and focus for the PhD a number of industry forums/conferences/seminars linked to the hotel industry were attended in order to identify whether key themes were emerging as a consequence of the confirmed EXPO bid in November 2013.

Information was documented utilising a range of methods that were considered to be appropriate to the session and to the level of personal engagement with the process, and the opportunity to obtain detailed opinion.

There were several themes that seemed to run through the sessions attended. These linked to the challenges for managing the Dubai brand in terms of luxury, issues of growth, and concerns over the resourcing and retention of staff as the hotel industry expands. An initial search of the content obtained from these sessions demonstrated a clear pattern of repetition, even where events were focusing on other aspects of development for the industry. There are also indications that the business environment within which the five-star sector operates will become increasingly challenging as the industry diversifies and some reference to the fact that existing strategies and approaches adopted in the hotel industry may not be appropriate from both a cultural and industry perspective.

The recurrence of these issues appeared to indicate that these would continue to be highly topical and therefore worthy of further exploration in terms of both literature and more detailed primary research.

Conference/Seminar/Forum	Date Attended	Key Themes Linked to Research
HSMAI Expo 2020 Series 1	18 th March 2014 Research Approach –Note Taking	<p>Examining the impact of Expo2020 on Dubai as a tourism destination (Copy of Slides Obtained)</p> <p>Will the hotel industry benefit from Expo2020?</p> <p>Theming Dubai Expo ‘Connecting Minds- Connecting Futures’</p> <p>IATA 2020 Forecast (Copy of Slides Obtained)</p> <p>Harris International – The cost of development for 2020 (Hotels in Dubai need to upgrade if they are to compete with the new build) (Copy of Slides Obtained)</p> <p>Comments – Regional GM of Marriott for 15 years –</p> <p><i>‘A new economy built on centres of excellence – a model the world can adopt’</i></p> <p><i>‘Who will benefit the most – is it blue skies or black clouds?’</i></p> <p><i>‘Rooms will double by 2020 to 160,000 with tourism generating 300bn in revenue’</i></p> <p>Comments – Expo 2020 Supreme Team Representative</p>

		<p><i>'Dubai's agenda is to move to the global stage with hotel occupancy at 80-90%' 'The focus is on family business, global events and Dubai's status as a business destination'</i></p> <p><i>'The tourism dirham will be used to fund development with a tourist tax of 15 dirhams per room, per night'</i></p> <p><i>'Tourism will drive a major part of the shift to the knowledge economy'</i></p> <p><i>'Connecting Minds – connecting futures will drive growth in sustainable energy, logistics and import/export commerce'</i></p> <p>Comments - Area Manager IATA –</p> <p><i>'GDP from aviation will be 14% by 2020 with the Middle East leading air travel growth'. 'The Middle East has the highest annual growth in international passengers – 6.3% per year for the next 5 years, predominantly from China'. 'Even without Expo2020 tourism numbers for Dubai would reach 18 million'.</i></p> <p><i>'Expo is not an end game but a symbol of a comprehensive strategy but the key challenges will be – infrastructure, HR, political instability and marketing the Dubai brand'</i></p>
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		<p>Comments – Harris International –</p> <p><i>Annual spending on major programmes across the Middle East between 2013 and 2019 is estimated at 640 billion dollars.</i></p> <p><i>Some of the hotel assets in Dubai are now over 15 years old and to maintain the quality of the offering, protect the brand and meet customer expectations, refurbishment programmes are becoming a requirement’.</i></p> <p><i>‘The quality of the hospitality accommodation in Dubai is very high and with the new wave of hotel construction in the pipeline we will see some operators forced to undertake refit and refresh of their older hotel assets in order to remain competitive.</i></p> <p><i>‘Dubai has an estimated 12000 rooms currently in need of refurbishment’ ‘The cost of renovation per key is 350,000 – 550,000 dirhams and this may increase leading towards Expo2020’ ‘Dubai has a reputation for five-star luxury, reflected not just in the hotels, but in the attractions and the type of events it hosts and existing marketing reflects this’ ‘Will budget hotels add value to the destination?’ ‘Dubai may see an economic dip between 2017 and 2019’ ‘Escalating construction will take Dubai back up to its former state of development in 2005 when it accommodated</i></p>
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		<p><i>25% of all world cranes. The companies that survived the bubble and have not made money for several years will now use this as a chance to make money. Many new build properties will be hospitality related'. 'The management contract model may mean escalating room rates'.</i></p>
<p>HSMAI Expo2020 Series 2</p>	<p>25th March 2014</p> <p>Research</p> <p>Approach –Note</p> <p>Taking</p>	<p>The impact of Expo2020 on the Dubai Brand</p> <p>Changing Expectations of Service</p> <p>Managing HR Challenges for 2020</p> <p>Comments – SpotonPR –</p> <p><i>'As the world wakes up to 2020 we will gain more attention, some of it will be most unwelcome'. 'There will be a need for 'New World Thinking', accepting it won't all be perfect and people may be unhappy'. 'We can't keep emphasising we are the biggest and the best without being able to back that up' 'So far, innovation in the region has all been copy-paste'.</i></p> <p>Comments – (Panel Discussion) –</p>

		<p><i>'Staff must deliver the marketing promise'. Staff training is a priority – awareness of cultural diversity and how we learn and onboard information must be considered'. 'There is a dual issue – marketing creates expectations and service delivers them. As we approach Expo2020 there is a real danger of a disconnect'</i></p>
HSMAI Expo2020 Series 3	<p>1st April 2014</p> <p>Research Approach –Note Taking</p>	<p>Global Events – The Impact on Host Cities (Copy of Slides Obtained)</p> <p>Challenges to Room Occupancy and Revenues for 2020</p> <p>What lessons can the hotel industry in Dubai take from previous Expos</p> <p>The Event Infrastructure in Dubai must be developed for 2020 – there are not enough facilities</p> <p>Comments – CON 10, STR Global –</p> <p><i>'There is a danger that hotels will focus on technology at the expense of service'. 'If Dubai over pushes the Expo there is a danger that this will deter existing markets'. 'There is a need to focus on training in hospitality, not just more bodies'. 'All hotels have a local partner but will local partners have realistic expectations with regard to room rates as we move towards 2020'. 'Is Dubai trying to wear too many hats?'</i></p>

		<p><i>You can't be all things to all men, we need to manage expectations and Dubai's reputation is for luxury'.</i></p> <p><i>'There is room for mid-scale hotels but budget may devalue the product and put off existing supply'. 'Dubai needs to keep all channels of distribution open and not focus on the Expo as the message – this will put off or push out existing markets'.</i></p> <p><i>'You just need to run a search online for 'hotel rooms London Olympics' to see what can go wrong. Additionally, run a search for 'Brazil hotel prices world cup' and you will see that we really haven't learnt our lessons at all. Dubai is already different from most destinations, where demand is already high and prices are at a premium so what can we learn from all past mistakes that will make sure we get it right, generate profit and manage our reputations?' 'Dubai's current growth rate in terms of ADR is not sustainable'.</i></p> <p>Comments – GM – Frasier Suites –</p> <p><i>'What hotel chains fail to appreciate is that organisational culture established in a western context with western employees is difficult to translate into other locations, especially in the Middle East, where the labour market is imported. You</i></p>
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		<p><i>can't take a cookie cutter approach in the same way as you would to your hard assets'.</i></p> <p>Comments – Former MD of Emirates Golf Clubs</p> <p><i>' The philosophy of business in Dubai has changed. When Dubai was first established as a tourist destination the aim was to be the best in terms of service excellence and luxury but that has all changed. Since the downturn in 2008, business has become about making money and cutting costs. Anyone can cut costs but we have to think about the customer experience and the value that they are getting. The Emirates golf course used to be the best in Dubai in terms of service and quality and the owner was concerned with reputation rather than revenue. New ownership has been about making money. When the company changed hands the first thing they did was to cut 40% of the staff and axe the training budget. Everything is refurbished but it is cheap and value designed – nothing is good quality. The reputation for luxury in Dubai, needs to be maintained by investing in people.'</i></p> <p>Comments – CON 9 – YouGov</p>
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		<p><i>'The hotel industry in Dubai needs to find a way to work together in order to remain competitive on the run up to the Expo and to develop a strategy for after the Expo. Unfortunately the hotel industry doesn't work together, they see everyone as competition.'</i></p>
Hospitality Plus Events	<p>19th August 2014</p> <p>Research Approach – Photographs and Note Taking</p>	<p>Vision 2020 Hospitality Initiatives</p> <p>DTCM Impact on the Tourism Industry</p> <p>The Competitive Environment and Hotel Industry Diversification in Dubai</p> <p>HR Challenges for the Hotel Industry</p> <p>Key points from industry presenters – Dubai is at the consolidation stage of the lifecycle of the hotel industry and will quickly move into the next stages of diversification, followed by increased rate compression and market sophistication as the economy and independent hotel offerings increase pre-2020.</p> <p>Each of the submarkets that make up Dubai will develop at their own pace with each market presenting different opportunities. This is key to growth in Dubai and will drive the explosion of new projects and brands in the city. For hotel chains, a diverse portfolio will be essential.</p>

		<p>Dubai is the ideal location for international chains such as Radisson to pilot and test new concepts and brand offerings that link to increasing numbers of lifestyle concepts.</p> <p>Two new offerings are discussed – Radisson Red, Quorvus Collection.</p> <p>Key challenges for industry are – increased competition for talent, choice of location, it's not all about price – you can't create demand through discounting, continuing to deliver the expectations that have been set so high by brand Dubai.</p> <p>Millennium Copthorne presented their 2020 Vision – to manage 100 hotel properties in MENA which will require 10,000 employees over four years. Their staff offering will set them apart from the competition – they will manage staff by:</p> <p>A 3 times a year appraisal system, KPO's for everyone, Training and succession plans for everyone, fast tracking staff, having policies that will take them forwards and not hold them back, dedicated training professionals in each hotel, GM's who will have targets for internal growth, comprehensive on the job skills programmes provided by corporate office, on line learning modules, assessment and development centres and modern psychometric testing.</p> <p>Millennium Copthorne plans to be 5 times bigger in 6 years!</p>
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<p>HSMAI Networking Event</p>	<p>25th September 2014</p> <p>Research Approach – Note Taking</p>	<p>Keynote Speaker – VP, Emirates Airlines</p> <p>Subject - Emirates Competitive Strategy pre2020</p> <p>The overall theme was growth and expansion and Emirates leading the way in the region and globally. Growth is facilitated through massive investment in a new A380 fleet to cope with capacity and 25 billion investment in the new airport, 600 million in upgrading the existing lounge in terminal 3 with further planned investment up to 2040. Emirates has 300,000 seats per day with 80% occupancy. For Expo the plan is for 70% international visitors and 30% regional/domestic – never been done before.</p> <p>Emirates are concerned with increasing hotel rates as a deterrent for growth.</p>
<p>Vision Conference (Part of the Hotel Show 2014) Aim of the conference is to highlight and discuss the key issues and challenges confronting the hotel industry in Dubai and the Middle East</p>	<p>28-30th September 2014</p> <p>Research Approach – Photographs and Video</p>	<p>Opening Keynote Speaker – Dubai Corporation for Tourism and Commerce Marketing (DTCM).</p> <p><u>Recorded Presentation (3.41 minutes) 28th September</u></p> <p><i>....to maintain the quality of hospitality, for which Dubai has become known. Whether it's a five-star luxury beach resort, a three-star city option, or a cosy boutique guesthouse, it's the standard of services that will be remembered. The welcome at the door, the friendly waiter that takes time to explain the menu, the</i></p>

		<p><i>concierge that intimately knows the city and can make the right suggestions and recommendations. Along with outstanding service we must also be able to impress visitors with unrivaled facilities and experiences. In recent years we have seen a whole range of tourism focused developments, attractions, festivals and events and there are plenty more in the timeline with new projects announced almost on a weekly basis. This continued enhancement of our destination offering will ensure that people come to Dubai and that they keep coming back. We don't want tourists to simply visit Dubai, we want them to experience what Dubai has to offer. Moving forward we need not only build more hotels and increase the supply of rooms in order to meet growing demand, we also need to diversify the hotel sector offering. Great steps have been taken already so that we can offer a range of quality products that meet the full spectrum of the visitors' budget requirements as well as tastes. Dubai's hotels should cater for all types of tourists, whether they are here on business, or here with family and kids in tow, or simply have the need for a relaxing getaway. In recent months, under the guidance of His Highness, Sheik Mohammed bin Rashed Al Maktoum, the UAE Vice President of Tourism and Ruler of Dubai, the Department of Tourism and Commerce Marketing has introduced a number of incentives to encourage diversification of the hotel sector and we have</i></p>
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		<p><i>already seen positive results with the number of three and four-star hotels on the rise. Luxury is our trademark but it is vital that the city broadens its appeal, while remembering that cheaper categorically does not mean lower standards. Instead it means high quality, lower cost accommodations. There is no doubt that our Tourism Vision 2020 is ambitious but it is Dubai's determination to constantly break new ground and reach new heights that makes it so attractive to hoteliers, as well as visitors alike. According to the MasterCard, global destination city index in 2014 Dubai will be the fifth most visited city in the world, a jump of three places in two years. Our pipeline shows that we will add between 15,000 and 25,000 rooms by the end of 2016 and by 2020 we are targeting a portfolio of approximately 160,000 rooms for the industry. This means boundless opportunities. Expo2020 is set to attract an anticipated 25 million people with 70% of these predicted to come from overseas. Yet while the event is undoubtedly a landmark moment in Dubai's timeline it is important to stress that it is certainly not the end of the journey. With this in mind we will continue to work with all of our partners and stakeholders, many of whom are here today, maintaining close relationships, as well as an open dialogue. We are committed to long term and sustainable growth driving repeated visitors and shaping the growing reputation of Dubai as a world leader in tourism</i></p>
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		<p><i>and hospitality. This strong spirit of partnership will ultimately ensure that Dubai remains competitive, with new leisure attractions on the horizon such as new golf courses and theme parks including Legoland, the expansion of new leisure projects in Jumeirah such as Blue Water and Mall of the World, the future is definitely bright. We can expect continued growth and the Hotel Show plays an important and vital role in driving that growth. I wish you a successful three days ahead. Thank you very much.</i></p> <p>Sessions Attended:</p> <p><u>Hotel Development hotspot Middle East</u> – Caroline List, Sales and Product Manager, TOPHOTEL PROJECTS</p> <p>Top hotel analytics focus only on five-star luxury hotel development. Across the Middle East there are 482 projects (183 first class and 299 luxury). The UAE as a whole has 138 projects in the pipeline. Within that Dubai currently has 81 projects, totaling 30,644 rooms. The schedule of openings is 8 in 2014, 31 in 2015, 16 in 2016 and 19 in 2017 with 7 still TBC. 72 of these projects are in progress, 7 are delayed and 2 are vision.</p>
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		<p>There are currently 634 hotel properties in Dubai, totaling 88,680 rooms. The average stay is 3.9 days.</p> <p><u>What should hoteliers really expect from Expo2020 and the World Cup 2022?</u> – Panel Discussion</p> <p>Some interesting data provided but the focus was largely on the challenges for development of Qatar, rather than the Expo. It was interesting to note that the panel were of the view that Dubai will benefit more than Qatar from the World Cup as many visitors are likely to stay in Dubai where rules on alcohol consumption are more liberal and fly to Qatar just to watch the match.</p> <p><u>Mega Events and Their Legacy</u> – CON 10 STR Global</p> <p>The presentation was a repeat of the views presented at the earlier HSMAI Expo 2020 Series session.</p> <p><u>Development and Growth of Mid-Range Hotels in Dubai</u></p> <p><u>Talent Management, Leadership, Retention and Reward</u> – Panel Discussion</p>
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		<p>Comments - DTCM –</p> <p><i>‘For us to become the number one destination for the family demographic we have to invest in offerings that can cater to different budgets and classes, henceforth why we have invested so much effort and focus on developing the mid-market’.</i></p> <p><i>‘The hotel industry in Dubai currently stands at about 89,000 keys and we are looking to go up to about 140 – 160,000 keys by 2020’. ‘Approximately 60-80,000 keys will be in the mid-market, including hotel apartments and having a big chunk of the market like that shows drive towards catering to the different budgets’. ‘It is a number that we have seen quite a good response to since the launch of the incentive plan and we have had 51 applications since the beginning of the year so that’s a good response from the market’. ‘We would look to the private sector to focus and plan accordingly with their partners to ensure that they plan it right and to time it right and we are here to assist the private sector at the end of the day’</i></p> <p>Comments - Laurent A Voivanet, CEO – Hospitality Management Holdings – <i>‘Let’s see if we get the 300 new hotels will take place, that’s the goal, but also we like to see and believe what we see at the same time’. It doesn’t matter if you are midscale, mid-market hotel or upper mid-market hotel, getting the right talent is</i></p>
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		<p><i>always extremely complicated. Here in the UAE we have so many regulations, each of the Emirates for example have their own set of regulations. Obviously if you are a five-star brand, working for a big company, you are attracted to a big, big name because it looks better on the resume. A company like HMH we are having a big mid-scale hotel up to five stars so is it complicated for us to get the right talent, the answer is no, is it complicated to retain the right talent, obviously yes, which has a major impact on the benefits and salaries as we mentioned earlier, but the associates today are looking for a stable environment, good employment opportunity and growth. Now, the challenge that we are facing at the moment and it true for every single one of the brands, is that you have a lot of countries now where the associates are not really willing to relocate in the UAE, or anywhere else in the Middle East, for one very simple reason, their economies are growing up quite well, and therefore they can find exactly the same type of job in their country without leaving their family, that makes sense. Like India for example and it doesn't matter if you are looking at the executive level, but even if you are looking at the working staff level, it is getting more and more challenging to get the right talent because the economy went so up in India that they don't need to come here to find a job, they can get a job that is very well paid. Therefore we have to go for</i></p>
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		<p><i>new markets, where unfortunately, for example, the market may not be able to provide a skilled worker, as for example, countries without a history of hospitality. If you go to the Eastern countries, for example the level of hospitality for the last 20, 30 or 50 years is not the same as it has been in countries like India, that's why I say, the challenge is the same, it doesn't matter if you are a five-star hotel or a three-star property, we are facing exactly the same challenges. Getting the right staff, retaining the right staff and at the end of the day, I am sorry guys but those of us in the three star and four star, we are the best training provider for the five-star hotels. But where will the staff come from? Well if we are helped by the regulations, definitely Africa, but again they can be very friendly and can be a hard worker if you know how to deal with them but we are facing also some challenges about restrictions. Europe could definitely be a solution for us, and I would also not be surprised, if language is not an issue, so for example, South America.</i></p> <p>Comments- DTCM – <i>What the government has noted is that the quality of the skill sets on the ground in this expansion and growth in the number of offerings and it is very important that we look at their qualifications and skill sets for us to go forward as an industry. So</i></p>
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		<p><i>for example we are starting a tourism vocational college which will focus on developing those skillsets and we are looking to have the interim model to support that by the end of the fourth quarter of 2015, with a full-fledged state of the art campus open by end of 2016, or first or second quarter of 2017 so we are looking to help and figure out ways of getting those people who are lesser skilled in order to assist those hotels that will face challenges with induction of staff and initial development, so the government is looking to assist by expediting the level of skills that exist by focusing on vocational education. We are looking to develop stronger ties with the industry and hotel operators like yourselves to see what are the industry needs to ensure that skill sets are gained by current and future staff.</i></p> <p>Comments - TRI Hospitality Consulting</p> <p><i>The goal of 20 million visitors is certainly achievable. If you just look at 6% growth annually this is achievable. So taking the Expo aside we still need to have the hotel supply to meet the demands of the market. Add Expo on top of this and it's going to be a great time for hoteliers in the city but afterwards there still needs to be enough demand to support the number of hotels and there are a number of things that are being done to try and support that. If we look at the large leisure</i></p>
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		<p><i>developments such as the three theme parks that are coming on board, the Dubai canal project which is going to help drive more demand through there and the overall growth and diversity in attractions that visitors are going to experience. An interesting point was made earlier today. If we continue to diversify the leisure attractions you ultimately increase average length of stay. If we increase it by one day we ultimately increase occupancy levels throughout the whole entire market and I think that's a key way of increasing demand and it starts with the diversification of the attractions that visitors are going to be able to enjoy while they are here not only in transit, and extended transit but actually looking to come to Dubai as their key choice of place as a destination outside of Europe and Asia.</i></p> <p>Comments - DTCM –</p> <p><i>There are many place making initiatives throughout Dubai at the moment, so we have the development of Legoland, the Dubai Opera District, and a number of other attractions, not necessarily tied to the areas that already attract visitors. We also have a number of redevelopments such as the Jumeriah Corniche which is being</i></p>
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		<p><i>developed, the Al Quoz art district being developed which is a change of zone so all in all new things are popping up all over Dubai.</i></p> <p>Comments - Laurent A Voivanet, CEO – Hospitality Management Holdings –</p> <p><i>I just have another comment about the mid class market – if we look at the mid class market today, 2013, according to Reuters this basically represents 2 billion people, by 20130 the mid class market will represent 4.9 billion. What is interesting is where that mid class market is coming from. At the moment 44% is coming from the US and Europe. By 2030 it will only represent 22%. So that means that the market from the US and Europe is going to shrink by 50%. What is extremely important is that the mid-market from Asia, which includes China, Thailand, Indonesia, India, Malaysia, Vietnam, they are going to grow from 30 to 60%. Again according to Reuter that 60% will have the wealth of 40% of the mid-market consumer so again if we build in the three-star market, the mid star market, let's not forget that 2020 is only a milestone and we need to go further than that, 2030 is only 15 years away, 15 years away, 5 billion people compared to 2 billion which are able to afford the mid mark market.</i></p>
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<p>Fourth Strathclyde Round Table</p>	<p>18th October 2014</p> <p>Research</p> <p>Approach –</p> <p>Participant</p> <p>Discussion and</p> <p>Note Taking</p>	<p>Track 1 - The Challenges of making strategy in practice in the Middle East –</p> <p>Opening Keynote Address – CEO, International Hospitality Company</p> <p><i>‘For each of the hotels in Dubai, the challenge will be to understand what their core business is and how they differentiate from the competition. Traditionally demand has always exceeded supply so each of the hotels has been able to dip into the various niche markets whenever there has been a downturn in business. For example, they dip into the Russian market because they are high spenders, they dip into the MICE markets because they can use business travelers out of season, they dip into the British market with special deals in the summer, everyone has a Friday brunch to appeal to the locals etc. etc. Hotels all compete with each other for the same niche markets and that is okay when business is good but now the industry is diversifying and you can’t take the same approach. Hoteliers need to think about what their core business is, what their USP is and how they can set themselves apart from the competition. The problem is that many hoteliers don’t know how to do this and they don’t know how to integrate this into their strategy so that they invest in their core business and develop their reputation for a certain type of hotel product’.</i></p>
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		<p>Companies face a multitude of challenges in Dubai. There are many tools and frameworks available to support the planning process but are these useful in practice and are there specific challenges in applying them in this region? In particular to what extent are strategies just ‘handed down’ by head offices in faraway lands, having been prepared by people with limited knowledge of the region? How can regional directors of strategy facilitate and engrave the strategy making process within the regional organisation?</p> <p>Track 2 - Heading towards Expo 2020 – the challenges of balancing growth and sustainability – Dominant management theories argue that pursuing balanced growth strategies, i.e. by managing the triple bottom line of sustainability – people, profit, planet – will create long-term profitability. But is this borne out of practice or are economic growth and sustainability mutually exclusive?</p> <p>Track 3 - Marketing and branding for major events – Expo2020 raises potential marketing opportunities that will reach a global audience. But what can marketers do to stand out from the noise of 2020 and what can those with no association with Expo do to leverage the nation?</p>
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		<p>Summary from Track 2 – Questions raised</p> <p>Expo 2020 is taking place in an economy that is already increasing and very different from when the bid went in in 2009. Is the pace of development too fast for the country to cope? The World Economic Centre has shifted from West to East. Expo2020 will create jobs but what will be the quality of those jobs and what will be the duration of employment? What will be the impact of Expo on long-term economic growth? How can education (universities) make a contribution in the economy? Do we need to develop new courses and extend collaboration with industry?</p> <p>Discussion</p> <p>Sustainability is about balancing a combination of factors that link to the following: Innovation and growth should be organic and revolve around value creation/appropriation and capture and maintaining the reputation for quality of service. People are scared of innovation and Dubai does not have the support networks of other countries.</p> <p>Government should support innovation and entrepreneurship and provide political empowerment.</p>
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		<p>Education should involve educating both residents and visitors to the city.</p> <p>FDI in the city should be long term not based on quick gains.</p> <p>Urban planning needs to consider new projects and concepts linked to sustainability.</p> <p>Projects should focus on preservation of local culture but Emiratisation as an approach could create challenges for business.</p> <p>Business practices should focus on sustainable economic growth that does not deplete reserves and affect quality of life. Embedded sustainable business practices will create value, allow for risk to be managed more effectively and generate efficiency.</p>
I-UP Forum (Industry and University Partnership Forum)	<p>December 10th 2014</p> <p>Research Approach – Photographs and Note Taking</p>	<p>More needs to be done to align Higher Education with Industry needs. Summary of key points in hospitality and tourism –</p> <p>The growth in the UAE hospitality market will outpace the overall GCC market, which is expected to increase at 8.1% per year until 2016.</p> <p>Tourism contributed to 14% of the UAE economy in 2012, which is above the global trend of 9% (WTTC Report –Travel and Tourism Economic Impact 2013).</p> <p>1 in 9 jobs are resulting from the UAE tourism industry, which is over the global average of 1 in 11 (WTTC Report –Travel and Tourism Economic Impact 2013).</p>

		<p>In 2012 a total of 383,500 jobs were supported by travel and tourism in the country and by the end of 2013, the number is expected to climb 2.6%, compared with a global expected increase of 1.7% (WTTC Report –Travel and Tourism Economic Impact 2013).</p> <p>By 2023, international tourist arrivals to the country are forecast to total 25.8 million, generating visitor expenditure of AED207.1 bn (\$56.4bn), an increase of 5% per annum.</p> <p>Aviation is critical to the economy in the UAE, with the sector opening foreign markets to UAE exports, lowering long distance transport costs and increasing the flexibility of labour supply. The aviation industry contributes more than 6% to the UAE’s GDP.</p> <p>According to the TTC (Travel and Tourism Competitiveness) Report 2013 the UAE is ranked number 1 in the world for ‘Effectiveness of Marketing to attract tourists’ and number 6 in the world for ‘Government Prioritisation of the Travel and Tourism industry, and number 3 in the world for ‘Air Transport Infrastructure.</p> <p>Key themes reflected across the GCC are reported as including:</p> <p>Growth in strategic partnerships between operators and multi-brand developers.</p>
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		<p>Growth in Shariah compliant brands, delivering authentic tourism experiences.</p> <p>Growth in niche tourism, particularly sport, ecotourism and adventure tourism.</p> <p>Growth of the budget hotel segment, particularly serviced apartments.</p> <p>Growth in MICE with the UAE dominating the sector, Major aviation expansion.</p> <p>Increased competition and new brands such as Fairmont, Raffles, Banyan Tree etc.</p> <p>Branded Hotels are looking at managing residential properties alongside their core hospitality operations.</p> <p>Between 2011 and 2015 the number of employees in the hotel and tourism industry in the UAE will increase from 160,000 to 174,000, a CAGR of 2.12%.</p> <p>The top skills in demand are CRM, Event Management, F&B Management, Hotel Management, Retail Management, Restaurant Management. There is a particular deficit in these areas at middle and senior management level.</p>
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APPENDIX 4

SAMPLE INTERVIEW – COMPANY A

How long with the company? 13 months, formerly Hilton and Hyatt

How long in the industry? 21 years

How long in Dubai? 13 months

Nationality – Egyptian/Dutch

AA: Before we start could you please tell me a little bit about your role and how that fits in within the HR strategy of the company.

HHJ06: Sure. I have three different components that I support. One which is talent management and the second one is UAE national recruitment and development and the third one is talent acquisition. If I take the first one – talent management, this has different branches, one is performance management so making sure that everyone has a good understanding of what is their personal objectives, whether they are specific or not and whether people have got a plan about how they can develop and understand the competencies. The second part is about supporting the succession planning environment within the company, focusing on high potential, high performer and using this as a platform to benchmark succession planning within the company, and the third is the leadership development and the learning development that are required in order to help people through transition. So that's the first bucket basically. The second bucket which is the recruitment and development of the UAE nationals because it's an important thing for our company to focus on this nationalisation. I, with support from the people close to me, identify people who would like to move from other industries to the hotel industry and to make sure that we have a pool of people to work within the company as a direct hire, but more importantly where the main focus would be to develop programmes that can help Emiratis to hook into the business and to make sure they are 100% focused on having a hospitality career and transferring to the business as soon as they have finished training. That's pretty much the Emirati part, and the third thing is talent acquisition which is not necessarily

recruiting people but is focused on making sure that we have the right process in place and the right platform to make sure that we have the best quality hire and the speediest possible way of onboarding people with the most cost-effective way of hiring people and how we put this process in place so that HR can deliver the hiring from the right perspective.

AA: So you work quite closely with CJJ04.

HHJ06: *XXX and XXX, they are the main two people, so XXX is my client so he is the HR operation who will deliver what I put in place in terms of strategy and processes. When it comes to working with a third party to get for example, let's say we decide to get a new platform for equipment then I will go to XXX and see how we can plan this and how we can place it in the organisation.*

AA: So would you say you are the person that is responsible for developing the HR strategy for the company.

HHJ06: *Yes, part of the strategy is the talent piece and that is quite important for us. So my time across all the different functions that I have I would say I spend 15-20 % of my time on UAE national development and recruitment because it's a mature department, It's been there for a long time and team are mature and qualified and deliver what they are supposed to deliver so my role is to challenge the current programmes and look at how we can make it better and how we can be sure that we can attract people in the best way possible from the Emirati national pool in order to come to the business. The majority of my time is under the talent management, succession planning piece because its new, we started this in 2015 and it requires and it requires quite a lot of work to embed the mindset of performance management and succession planning in the business so it takes about 40-45% of my time. The rest of my time is sitting under talent acquisition, it's a new function and is sitting under my leadership and it's a work in progress where I spend a long time making sure that I can understand the dashboard in terms of where we stand so far in terms of a benchmark*

and put the line in the sand and say where we stand as a company from a recruitment perspective and how we can be better.

AA: Okay, so that's a new process that you are trying to implement across the company. So when you were brought in 13 months ago was it with a view to developing all of these aspects and putting in processes that weren't there before?

HHJ06: *Actually the mandate started with the performance management and succession planning and leadership development and this mandate extended in the last couple of months to include the UAE nationals because it sits nicely with the rest of the job role, and very, very recently the talent acquisition also came into my arena as well, so it evolved rather than being the starting mandate.*

AA: So when working with your colleagues do you feel that the HR strategy in the company is well integrated within the business strategy in terms of where the company wants to be in the future?

HHJ06: *To a large extent yes. We know that the business strategy is all about being a high-end luxury service provider. Possibly the best provider in the space of hospitality and our work is to select the right caliber of people to allow us to deliver this promise to our guests and also making sure that this will be done in the most effective way for us to be a profitable organisation. How we can get the highest profit using services within the company so that we make sure that we can compete with other companies. So to a large extent we are trying to think with a business feed and work hand in hand to make sure that we can get the best caliber of colleagues who can come to the business and who can deliver the brand promise in a very smart way without any complication or any situation that doesn't add value to the business, so if I give you an example of working with the business – so the CEO said to me ' This business requires a certain personality in order to be successful so how can we detect and screen people based on personality ?' Is there anything else we can teach? So, I need to see what is the best tool that can give me the caliber of people who can be successful in the business. How we can validate this and make sure that it can be cost effective and*

where it can be, in the process of hiring and screening to ensure that we don't spend a lot of money but ensure that we get the best quality people who can be successful and we can predict their success. So this is the kind of relationship that I always have with the business 'Tell me what you want in the human capital arena and we work hand in hand in order to give you the best solution and we can serve you, so if I can give you an example about asset management, which we talked about before the recording, 80% of our IBITA comes from our owned assets which is fairly easy to work in because you have the financial person saying how was your profit, but it becomes more complicated and difficult when you work in the management contract arena where you have to work on behalf of the owner to work on their own asset so we are not as good at running assets on behalf of owners as we are at running our own asset and that was detected as part of a training analysis so that was raised to be as part of that observation and I have been working with the Emirates academy and Cornell to deliver an Asset Management and Ownership course that will be coming in January, to ensure that all of our general managers will understand the concept of managing an asset on the behalf of the owners and even if you work in an owned property one day you might get a transfer to a managed property and you need to learn how you can play this role so this is our relationship all the time – tell me what you need and ask and we will make observations and find the solutions in the best way possible in order to deliver to the business and make an impact on what we do.

AA: But obviously that's quite long term as a process because they might tell you what they want but it could take some time for you to be able to deliver on their expectations?

HHJ06: Correct.

AA: So do you find that can be particularly challenging because one of the things that XXX mentioned yesterday was that when you talk about HR one of the problems is getting people to understand how HR can contribute to the business and this is because you need HR analytics so that they can understand the outcomes. Is that a problem for you?

HHJ06: *(Sighs) Its very problematic and I cannot say any more than the fact that data is the key in business in general, whether its figures, whether it's about people and one of the things that I really started to implement since I came is to have clear dashboards of what this success looks like. So for example, if we do performance management I want to know what is the usage of performance management, what does good look like. Another question, build and buy, how many people when they come to the company when we have vacancies, how many are external or internal talent and what is the right balance. So for all these things, unless you know where you stand and what you aspire to do and why then you will just make actions for no particular good business reasons. So for the last period of time we have started to have dashboards for measurements of success and a dashboard of activities and try to monitor it on a regular basis and the last dashboard that I am trying to put together is talent acquisition, exactly on the three things that I said to you. Cost per hire, what is a good cost per hire when benchmarking with outside and what do we do at the moment. Speed of hire, what is a good speed of hire for the UAE market because it is a special market and also quality of hire and what this quality means and how we can do this, and where we are, what is the process and where we have a problem and how we can do certain actions so that we can make sure that these three measures will be done in the most smart way possible in that case so data is important. We are struggling in certain areas. Where we have data systems in place then data are extracted easily providing the system is configured well. Where we don't have systems or there is a centralised approach or a fragmented approach then it becomes very difficult for us.*

AA: And when you talk about a dashboard, is it something like a balanced scorecard or is it an HR dashboard that is specific to the company?

HHJ06: *Well we have the KPI's for the operation, which is the most important topics for business which are five different components which are done in the business which are important for the GM or SBU head to know. The other part is for every function, then we need to know what does good look like, so if its talent acquisition or succession planning, in succession planning we want to see how many people can we grow from within the ranks in order to say that we invest in people and we are a preferred*

employer. What is the percentage, that when we hit it we can really say we are a learning organisation and according to the statistics if you have 69% or higher internal promotion then you are considered to be a learning organisation and I think now we have 35% so we have a way to go, or maybe 39% if I am not mistaken? So that's the benchmark of saying I need to do something about it and I need not only to provide the higher percentage, I have to justify that the higher percentage will be more business driven so you might have more people internally but maybe this isn't the right formula. When I said that to our CEO in the last meeting he said – why do I have to go to 65%, what is the business rationale for it? It's not because everybody else is doing it. You have to tell me the cost of growing somebody internal, the cost of somebody from outside, I want to know what is the added value if we get somebody internal or from outside, which market is it better to do this, which market not, so it's not just the details here, but different markets might even have a different benchmarking if you know what I mean so the dashboard is important but it has to make sense or we will not do it. And like I say, 'build or buy' is a question that we ask ourselves and there are things which are clear, so for example cost of hire we have linked in, and we have Cater Global (a recruitment company), we have certain portals and we have an applicant tracking system but we have to know how much this costs us and what is the added value. Can I just say I don't want to use Linked-in anymore. It's nice but maybe it doesn't give us enough people to be recruited or should we say that Linked-in is there as a branding for us and it's not necessarily there to get a large number of people for recruitment but for the employee branding proposition so we ask questions, do the analysis and make decisions based on what we have analysed so data is very important for us.

AA: So when you are talking about talent management are you talking about supervisor level and up or management level or is it all levels of the business?

HHJ06: Well it depends on my involvement but at a general level my involvement is to have a consistent curriculum for everybody so if we have an orientation, we have a consistent orientation for everybody. We have a curriculum that goes from entry level to supervisory level to management to leadership and executives so my role is to

ensure that this curriculum is fit for purpose and that we can offer good learning solutions to our people and to be able to demonstrate the competencies that we have, we have 9 different competencies so all the courses are linked to the competencies and help people in all the functions within each of the SBU's to be better at what they do and to help them to grow. When it comes to leadership and above I go more in depth and I just analyse it and manage it myself. While for the lower level of the organisation I make sure that the overarching learning and development component is there and people will deliver it, when it comes to general managers, for example and vice presidents and the corporate world I get involved in the whole B2B service so I see who are the organisations, what are the organisations that can deliver the solution, I mentioned the asset management company for example. I contact people, I invite the company, I observe if the learning is taking place or not. Any customisation I get involved in it and see the impact. So when we go to general manager and above in operations and vice president and above I am almost 100% involved in the story.

AA: Okay, and I note that you are mentioning competencies a lot along the way. Is that because a lot what you do builds into trying to reinforce the company culture or the company brand when it comes to staying different. Do you get involved with how people can help the company stay different?

HHJ06: *Yeah. We have actually programmes for all of the colleagues about how we can deliver the 'stay different' culture and what does it mean for you and how can you do your personal branding as an individual, as part of the organisation that you are in so there is a programme that fits to each competency, every value and the brand promise that we have.*

AA: And are there particular challenges when it comes to developing that when it comes to the dominance of certain nationalities within the hotel industry. So do certain nationalities have trouble understanding what the company brand is and what their personal brand is and how they can be developed?

HHJ06: *Apparently not. I don't think that the diversity of colleagues that we have is a challenge for us in terms of understanding what we want to say. I mean I worked with Hilton where there was also different nationalities and Hyatt was exactly the same so I think in my career in past years I think that more often than not, the way of thinking of the individual and where you are coming from would be influenced by the organisational culture rather than the other way around. If the culture of the company is very strong people tend to align with the organisation rather than come up with a deviation in terms of what they believe in. And stay different can mean different between different people of course but I would consider our company culture to be very strong and we are very clear about what we want to deliver in terms of our brand promise and what we stand for in a very simple way, that can allow anybody, regardless of your level of understanding, your intellectual capacity and personality, to know where we are coming from and what we talk about is pure customer service to make money, and to make sure that we are very special in pampering every guest in every way possible, and even in ways that are not possible, in order to do that so one of our hallmarks for example is never say no as an answer for the guest and its very important. Anybody can understand this and if they don't understand then we can help them to understand. So I don't see the diversity of the team in terms of where they are coming from or any kind of demographic becoming a challenge in terms of what we want to achieve.*

AA: One of the things that has been commented on in terms of the growth of the hotel sector in Dubai is that there are a lot of challenges for HR managers. When you look at your role within the company is staff turnover creating a challenge for you in terms of being to get your job done.

HHJ06: *Well I am a strong believer that turnover is good as long as it done in a way that doesn't disturb the business and as long as it is done in a way that it doesn't impact on our high performers. Having low turnover is not a good thing to have because you will stagnate so again if we go back to the data and look at the average turnover that we have we, and average is not a good thing because it can mean anything, but we have 24% so if we look at the bigger picture with thirty plus percent*

turnover as the benchmark within the industry here we have far better retention than other companies. That doesn't necessarily mean that we are good, it just means that we are less likely to lose people. Where it becomes problematic is when turnover is in the high performer pool where we need to take extra care with them, and that has started to happen in the last twelve months because we have started to have systems that help us to agree about who is a high performer, who has high potential and then we can have a good database of those people so that we can retain them and make them aware that they can be promoted or that they can be a mentor or something. WE have to do something with these people. We can't just say you are a high performer and good luck. So as I said, turnover, I don't think it is a disturbance at the moment for the company, but more data will be better when we start to look at the high potential pool and work out how we can keep them within the company. That's the most important part, because we have a lot of people who are meeting expectations so out of our 12,000 plus people, 9,000 plus meet expectations so if 20% of them are leaving it will not affect the company. But if 5 % of our employees are high performers and these people leave then that is a concern, so that is the kind of analysis that we need to do.

AA: That's interesting as a strategy. Have you, based on your previous experiences come across any challenges that you think are unique to Dubai?

HHJ06: *I think in.... as I said I did 16 years in Europe....so I think in HR in Dubai the main challenge in Dubai is that you are in charge of the colleague or employee 24/7. So in Europe medical you take care of, accommodation, you find your own accommodation, you find your own transport. So here you sign up to be part of a family, not to have the work only. So that's quite unique because it puts a lot of pressure, a lot responsibility, a lot of accountability on the HR colleagues who are working here, in comparison to the HR colleagues who are working in Europe. And I think the second part where it is very different in terms of how HR is done is that, and its good and bad, is that payroll as a percentage in the UAE is far less than it is in Europe, in part because of things like social security and the salaries etc. etc. so it makes us more complacent about the productivity of people. You can do the same with less people here but we*

don't have the urge to do it. It's not high on the agenda of any CEO because if you get somebody in or out its 300 dollars or 600 dollars but if this was Europe it would be five times that so it would be 3000 dollars because of national insurance and social security and everything else. So I think Dubai should focus on productivity, not because of the money but because of the need to get things right. Money should not be the factor for being productive or not productive, but that's just my thoughts.

AA: It does tend to be the factor though doesn't it?

HHJ06: *It does, and I said you know, if you get a machine and a colleague and a machine can do it quicker and better then use the machine but here we say let's do the colleague because it's cheaper and easier. However, you know, looking at it the human factor is very complicated and very difficult and I think the less number of people who work with a clear direction and a clear mission it is better because it is about the quality and not the quantity and I think that's something that we need to learn here in Dubai so we have to focus on quality and not quantity in order to deliver what we want to deliver and its getting there, it's just that it's an evolving process. So for me that's the two main differences actually.*

AA: I suppose one of the things in that respect is that with the company brand you have so many people applying for jobs, that it's easy to keep replacing them. So there isn't really a need to think about performance management if you haven't got a shortage of applicants.

HHJ06: *Correct, but again it's not about the quantity of the applicants but the quality of the applicant and that's what I am trying to fight for. When I was with Hilton we are not fighting with other companies we are fighting with every organisation whether they go to work as an HR specialist in Paris, or whether they are here, I am fighting with them so I have applicants but I need the best applicants, not only quantity, and that is something that hospitality in general has to get better at. When I used to go to hotel schools in Europe, in Lausanne, in the UK, in Germany, in Holland I would stand there competing with other industries and we all take from the same pool when it*

comes to talented people and as an industry we are about thirty years behind in terms of developing our work environment, how we do business, flexibility of working, you know, a more advanced way of attracting good people if you look at all hospitality, not just this company.

AA: Well I suppose it is a big challenge and we know that hospitality has often been criticised for being so far behind but then HR in the hospitality industry is also criticised for being behind and that our approaches are very traditional. Would you say that your company is very traditional in that respect or is it trying to be different?

HHJ06: *I think we are good as other companies, if not better in some aspects, but as I said I am evaluating the whole industry. I went to conferences where others such as Radisson Blue, SAS, Marriott, Intercontinental and Hilton. We are all sitting in the same pot trying to re-engineer the old way of working and to give it another name and a couple of tweaks here but there is no fundamental change in the way we run our business and I think one of the things in the industry, not in my company, is that you get people who did not work in the hospitality industry or in hotels, to come and be the leader of the organisation in order to ask questions that have never been asked before. I had it with Hilton, Simon Vincent was the CEO in Europe, Middle East and Africa. And he started to say why do we do this, and the answer is because we have done it before like this, all the hotels are doing this. But we need to know what is the rationale, can it be done in a different way? And have you tried? And you know we are so reluctant about trying something different and it can be as simple as taking the food and beverage manager and the finance manager and swapping them and they will say what!!? You have to know every type of wine, can we learn this? Yes. Can you manage people, are the soft skills the same? Yes. So why don't we do that more often. It's because you have to go through the ranks and do 1,2,3,4 before you do level number 5. So the more we get wind of people from outside who are influenced by the traditional view of 'this is hospitality' the better we can be as an industry. We need a bit of a shake in terms of the way we think.*

AA: That approach could be very challenging in Dubai though, given the age of the country and the hospitality industry here is maybe even more traditional....

HHJ06: *Correct, correct.*

AA: Do you see your company taking a Starwood Approach and bringing in the ex-CEO of Nike to run the company?

HHJ06: *Well our CEO is a hotel individual and he is a businessman and he has started to implement the procedures I just told you about and to ask questions and we need to see what else can be done rather than giving lipstick to something that is already there and we are making small tweaks. So that's one thing and you might be able to implant people from different industries in some of the functions in order to try and make this change. There will always be the general manager who needs to understand the business. I give you a simple example, the general manager in the company used to be, or is all the time, almost, food and beverage or rooms division. It is very seldom that you have somebody commercial going into the business. The same happened in Hilton when I worked with them. There was some new people coming in whether they worked in hotels or came from outside. Commercial awareness is the most important thing. You might have a director of finance to be a general manager because he or she understand business analytics in a good way and if you hire the right people underneath you then they will run the operation right, or you have the Director of Sales or the Director of Revenue as the GM. As long as you have the right team and you ask the right questions that is the most important part so you have a methodology to run the business in a good way. It took Hilton 10 years to get close to what it should be. We are not there yet. This is one of the things that I am trying to work on with HR and operations, to say, why don't we try to get better and don't stop to try and have a business leader, not a general manager who knows how to carry the plate, order the wine and check somebody in on the property management system but someone who wants to make the business successful and asks how we can make it successful and that's the most important part.*

AA: Do you think that sort of approach might be met with quite a lot of resistance?

HHJ06: *It will, it will. And I think that's the interesting part about changing a culture. It will take time, we need to have a lot of believers. I always make this metaphor of religion. You know when the prophet comes and everybody throws stones and then you start to get some believers and it goes. Only nowadays when you have a singer with like 40 million or 400 million likes on YouTube. YouTube didn't happen during the prophet's time otherwise it might have been very quick to pass religion in a good way but in business it's the same, it will take time. You have to have the right rationale with it and make sure that you have some low hanging fruits with some success and then grow bit by bit and make sure that you can make real change, otherwise you just work hard to maintain the status quo and do more of the same and that does not make our industry very competitive at all.*

AA: I have spoken to other companies here who operate on a management contract basis and they are starting to take out layers of management in order to be more agile. Do you see your company taking the same approach?

HHJ06: *We have started this already at corporate level. There have been a lot of changes in the way we do business, a lot of complexity we are taking out, a lot of extra service that is not necessary because everything has got a cost. I mean you can do whatever you want as long as it's nice but there is a cost that comes with it so there are some changes in the way we do business that some under the umbrella of fit for growth where we have started to think and see how we can do things in a smart way, in a more effective way and add value to the business without doing too much or do things that doesn't have a major value. Whatever we do, if it doesn't improve one of the KPI's of the operation directly or positively then we don't do it or we put it as a plan B while we look at other things.*

AA: So as a fairly young company that has got very large quite quickly in terms of organisation, do you think the sudden change that is taking place now in trying to become agile, might impact on the reputation of the company?

HHJ06: *I don't think so because we do it for the right reason. If we do that because we have a pressure then maybe but the good thing is that we don't have pressure because we are our own company and we are not a company on the stock exchange. I have worked with two types of organisation. If you are on the stock exchange you have to declare everything but if you are your own company you can do whatever you want in order to change it and make it as healthy as you can and after that you can just publicise it in the way you want. So I think this will not affect us because, as I said we have a really good rationale for why we are changing. The only caveat here is that we want to make sure that once we do the change, which I believe in the last 13 months are the right changes, that we stay the course and don't make change on top of the change if you know what I mean. That's not very smart. You have to have time to test it, to implement it, see the fruits of it and then you can go further. It has to be an evolving thing, we cannot stop and change because it is an evolving business and it should continue to be an evolving business.*

AA: Do you think that's one of the challenges for HR though because if change takes a long time then people lose patience and they then want to change it back or to reorganise again.

HHJ06: *Actually, while you are talking something just came into my mind. I have a general manager that I work with and he says that everything is relative. If you are driving at 50 kms and somebody is driving beside you at a hundred then he is very fast. If you are on the highway and driving at a 100 and someone else is driving at 100 that is normal so it depends on where you are and I think my observation the company is very much 50kms per hour and we are driving all the time within the city and not on the highway. If you want to go on the highway, you have to get used to a 100 because everybody else is 100. If you drive 50 you are slow. Some people might be shocked and say that is so quick if someone is driving at 120 but not if you are driving 100 so you have to be careful about what you wish for because if you are used to a certain speed that is not the speed that the rest of the world is doing and you have a telephone and you have for five years the same. If you don't have every six months or 1 year an upgrade then you are out of business. So whatever used to be the case in terms of we*

are doing a lot of changes, now we ask what changes?! It is just about what you are used to.

AA: But of course the pace of change has increased dramatically since the expo bid was announced.

HHJ06: *And that is good, I think it's good for the business. If we use the metaphor of somebody who is working in the hospitality industry and every four years you are in a different country and you have kids who are flying from one place to another getting schooled then that is a big change but then you have other families who, if they change schools within the same city, they say that this is a big change but how is that a big change. You are still going home but you are going right instead of left. So its relative in terms of how you look at it. And everybody has this right to say that is big or that is high, but if you want to be successful and be sharp and compete then you need to change, for the better of course, and if you change and fail then you adjust it and do better and there is nothing wrong with that.*

AA: Well I suppose once you get used to change then that can have a knock-on effect in terms of innovation and how agile we are and how we view the business and will become more important with another 20,000 rooms in the pipeline.

HHJ06: *Absolutely correct.*

AA: How do you think your company will cope in the next three to four years. Obviously, you are one of the best known five-star brands in Dubai but a lot of the new hotels are also five stars. What do you think will be impact on success for your company going forward?

HHJ06: *I think with us being a UAE based international company that we have the mandate not only for the business to be successful but for the country that we make sure that we establish the company as a hub for international, global, luxury service. When I came here I said, you know what, the Americans are known for their hospitality*

and for their hotels, Hilton, Marriott, Hyatt, they are all American hotels. They are spread all over the world and they are very successful and they have thousands of hotels and I think what we need to do in going to 2020 is that we need to be very good in proving that the Middle East, with its culture and with the hospitality roots that we have in this part of the world, will influence the mindset of having a very good, water tight, management proposition that can give luxury a different dimension that can be spread around the world. I think that in 2020 we have to be ready to show this because we will be the showcase of luxury for a lot of people coming to the UAE, and to Dubai in particular and it's kind of like making a sales call or a show case. Come and see how luxury works in my sector of hospitality. You want to copy this then we can do it for you. We have all the plugs, just give us the resources and we can provide the service. So we have to be very ready, very quickly in order to showcase the Dubai and the luxury properties in hospitality.

AA: So do you think it's important that Dubai retains that luxury reputation?

HHj06: *For sure. I mean you need budget in order to run the city, in order to attract people from different markets so that you are not Monaco, you are not the Riviera. I don't think that's where we should be, we should be able to cater for everybody. I think my company at a certain point of time we might go to different five star or five-star plus properties. Just form what I have seen from the likes of Hilton where you have twelve brands, all the way from Waldorf Astoria to Hampton Inns, it is possible that my company may go down this route where you have this differentiation of grades but I think we would have to look at a different business model, or almost a different sub company otherwise we will confuse the DNA of the brand. It has to be a very clear differentiation. If we have Company A as a brand and then you come up with a new brand you have to have a very clear brand proposition with altogether different people running this and you only work on synergies that are not guest orientated or not guest operated businesses. So things like beds need a different supplier and a different costing model so where we can have synergy in operations we have to do this very carefully. For a Hampton Inn you have 20 people, for a Hilton you have 100 people, for*

a Waldorf Astoria you have 200 people so you have to be very careful because your proposition is very different as it depends on the brand and the brand promise.

AA: So do you see your company then developing brands that are not linked to Company A's name?

HHJ06: *Correct, we are just looking at a new four-star brand at the moment which is a lifestyle brand so the manning guide and the proposition will be slightly different which will affect everything so for the price that you pay it will be the size of the room, it is the investment in people, it is the quality of the service, the caliber of the person, it is the whole cycle.*

AA: But the first hotel isn't opening here, is there a reason for that?

HHJ06: *It's in Germany and there's no particular reason and it is now a question mark. Maybe we shouldn't do this just because its ready, maybe it's better to wait a little bit and launch this in Dubai and make sure that we master it before we do this outside so there are discussions about this as we speak now.*

AA: And the last question is linked again to the Expo. Do you think the post 2020 situation might represent a whole new set of challenges?

HHJ06: *I don't think so because it depends how you are organised as a city and we are quite organised as a city to present Dubai in the best way possible. I lived in Dubai from 1990-98 so I saw Dubai before it became Dubai. So we have 1990 where there was nothing and then when I came back in 2015 it's a different world altogether. So within this 25 years Dubai has managed to put together a structured approach to make sure that they can position themselves as an attractive destination. I remember when I left in 1998 they were talking about the Summer festival and people were saying who will come here in the summer but they managed to get this done and they managed to get enough traffic using the infrastructure, using the airlines, using the hotels. So I believe that 2020 will be a very good time to showcase Dubai, not because of what is*

happening now, but because of the work that has been done in the last 20 plus years in order to show the world that this is Dubai and we are a destination. The same as they did with Barcelona. Nobody new Barcelona before the Olympics and they didn't do as good a job as Dubai but Barcelona became a destination after the Olympics and I think the same will happen here. Of course, I think there will be a spike and then a drop but it will be better than before 2020, that's for sure and it is a great opportunity to sell the city to more people that we never thought would come here. But of course you need to have a fair wind to help you so hopefully the economic conditions will be in our favour but hopefully we will be stronger in order to deal with that.

General conversation and thanks.

INTERVIEW ENDS

SAMPLE INTERVIEW – COMPANY B

How long with the company? 3 years

How long in the industry? 16 years (Starwood, GLA Hotels)

How long in Dubai? 1 year in Dubai, 2 years in Qatar

Nationality – Portuguese

Company Ownership – Seven Tides

AA: Okay, so just as a starting point, you have a fantastic property here but you are quite out of the way so what do you think is the competitive advantage of the hotel?

MNM04: *You mean, why would the guests stay here?*

AA: Yes, so why do they come here rather than going anywhere else?

MNM04: *Well, what we have, we have access to the beach through the Oceana Beach Club, which belongs to the same owner, so we have access to the beach on the Palm and I don't know if you realise but in the town the rates are much more expensive than here so the guests can still have access to the beach but stay here at the same time so that's one of the advantages. The other actually, is the service is good and if you can go to a property and not take the risks, so you came here once and its fine so you keep coming here.*

AA: So is your occupancy good or are you suffering the same as the other hotels in Dubai?

MNM04: *Yes, but not in occupancy but in rate. The occupancy is pretty much the same but the room rate dropped.*

AA: So does that create challenges for you?

MNM04: *It does create a lot of challenges because we are expecting to have a certain GOP (Gross Operating Profit) and where we get GOP is in rooms, because that's where we have less cost so of course if you have to drop that room rate then it will reflect in the end of the month and then at the end of the year.*

AA: So why are the room rates dropping, is it because of online booking engines or because of competition?

MNM04: *Well, all the competition are dropping the rate because Dubai decided to open hotels, hotels, hotels so it's the same people coming to hotels but now they have more hotels to go to so the rate drops!*

AA: Not an ideal situation for you. So when you say that you have the beach access do you have to shuttle them back and forth.

MNM04: *Yes we do, all day.*

AA: So what are the facilities like there?

MNM04: *At XXX, we have the beach, we have swimming pools, we have kids club, we have Marina bar, we have restaurants, we have the lazy river so people can definitely go and relax and it's on the Palm which is good.*

AA: So have you always had this option for your guests? How old is the property?

MNM04: *We have always had this option. The property opened in 2010.*

AA: So when it comes to looking at the property and the customer experience, when it comes to investing in the property, does the company invest more in the hotel property or in the level of service?

MNM04: *Well when it comes to the service experience, if it is not good then people will not come, no matter how beautiful is your property so definitely we need to have proper people who are well educated, and who like what they are doing because they need to serve people so if you go to a restaurant the restaurant is very nice but no one comes to your table or people are rude, you will not come back again so it's not just that the product needs to be nice, because in Dubai you have too much nice products, so you have to compete with them, but definitely the people you have, they need to make a difference. So even if we go to trip advisor or our surveys for the guests we can see that the property is beautiful but we can see that the comments are always related to the service and the employees.*

AA: So service is obviously very important but I did notice in the lobby that you had the brand promise on the tables, but that reflects the nationality of the brand but this hotel concept is very Arabic, and then you have a multi-cultural service staff so does that create any challenges for you in terms of conveying the company values?

MNM04: *Not really, because people understand that it's a Swiss brand and so they know it is reliable and all of that but we are in an Arabic country and we are a themed hotel, and they know this is a themed hotel so because we have the Ibn Battuta shopping mall next to us, every floor is themed to reflect a country but with a past so one is China, another is Egypt, one is Andalucía, another is Persia. So it's a totally themed concept so if you go to the elevators you will have the floor and the theme next to it.*

AA: So obviously a property like this needs a lot of investment in order to maintain the decor and how it looks so when it comes to investment, are the owners happier to invest in this than in aspects of HR like training and development?

MNM04: *No. They are okay. I have never felt any problems with the owners and what we feel, and not from the owner, but often from the HOD's (Heads of Department) is that you sometimes fight to have people on training. So it's like, you organise a*

training and everything was approved and its organised and then you struggle to have people on your sessions.

AA: Is there a reason for that?

MNM04: *Well sometimes, you know for the HOD's , they feel that they need to reinforce the operation and not the training so you struggle a bit with that but it depends, because when I was Qatar, we didn't have a lot of resources but we had a good L & D manager so we were able to create trainings and use, not that big an amount of money but we could deliver the trainings.*

AA: So do you have an L & D manger here?

MNM04: *Recently we stopped but a new person is coming on the first of October.*

AA: Okay, so when you say you have problems with the HOD's is that because they feel you are taking staff away from their operation.

MNM04: *Yes, that is correct. They don't see too much the value of this. So it's not actually the owner, its more in the field so then when you have a problem, oh we had this issue, of course you had this problem because the person was not trained so it's more on that perspective because people don't give the value they should give to the training. At the lower levels they really want to go to training but sometimes their HOD doesn't want to send them.*

AA: Do you think that this is just certain nationalities who have this attitude?

MNM04: *Well some understand better than others but I think this is just HOD's in general.*

AA: Okay, you have challenges when dealing with the HOD's but how does this apply to the GM. Does he understand the need for training and the role of HR?

MNM04: *Well in this particular property I think the GM, he understands the need, he understands HR.*

AA: And what nationality is he?

MNM04: *He is British, but in Qatar the GM was French so I have never had a problem with this.*

AA: Okay, so it's good to have that support. So if we can just look at the bigger picture in Dubai, you mentioned the hotel growth but do you think the increase in hotels is creating specific challenges for HR?

MNM04: *Well, I think the property needs to adjust to the market, we have less money and with the owners, no matter the nationality, usually when they build a hotel they ask money from a bank so they have to pay their bills. So it doesn't matter how much they understand us but at the end of the month they need a certain amount. So the business needs to adjust to that need and that's pretty much how it is.*

AA: So how do you do that? Is it just about cutting costs?

MNM04: *Of course, I mean, let me give you some examples. This year we cut our manning from 480 people to 410. So this means that you have to study how to increase productivity and how to push people, because you have to deliver pretty much the same but you have less money available with which to deliver the same results. So you definitely have to look at your contracts, to see if you will keep with this, if you will keep with that. You have to try other solutions, other ideas and you have to become a bit creative.*

AA: And when it comes to increasing productivity, how have you tried to do that?

MNM04: *You have sometimes to change the process a bit and I think you are in the Middle East for some time, and usually you have a structure like a pyramid structure,*

and in Europe for instance your structure is more like a brush, so it's pretty much about trying to bring those two structures together. And even in benefits, in the past you if you have like the Director, the Assistant Director, the Manager and so on, so people need to become more multi-tasking and then everything needs to shrink. So if I give you a very specific example, we did in engineering. So we had an assistant maintenance manager and we had four supervisors. The assistant maintenance manager was transferred to another property and we don't replace him. We just got the tasks and we divide them in to the other four people. So we have the job done but the structure gets shrunked.

AA: Okay, so basically you are taking out a layer of management.

MNM04: *Exactly.*

AA: So have you paid the supervisors any more money for taking on more tasks or is this just empowerment?

MNM04: *Even if you pay them something, if you give them a small increase, which we did. So we give them a small increase but even the four increases together, it's cheaper than the salary of the manager, plus the visas of the family, plus the one-bedroom house, plus the tickets every year, plus, plus, plus.*

AA: Well I suppose that makes sense given how much extra you have to provide as an employer. Do you also have a freeze on recruitment at the moment as well?

MNM04: *We stopped in March actually. From March until now we didn't hire anyone but now we are starting to hire because Dubai Parks stole a lot of people so in October we will be very, very short so we started to hire.*

AA: So are you losing a lot of staff to the new properties?

MNM04: *Yes, because they are paying much more.*

AA: So does that mean you will now have to start paying more?

MNM04: *Kind of. What you see here in the Middle East is that people opening a new property they give big salaries, and then after six months they reduce everything. Actually, one waiter that was here he went to a new property with a huge salary and now after six months he is asking me to come back and I say why are you asking to come back and he said because they want to change the contract. So it's kind of, yes in the beginning they will offer a lot, but then they will be competing in the same market as we are and we don't pay more because we cannot pay more and they will be pretty much the same and they will have to drop it. But of course in the period that everyone is hiring, which is now, they will steal from here because we pay a waiter, the average salary of the city, it is one thousand two hundred and Dubai parks is offering two thousand so they can take from whatever hotel they want and it will be very easy.*

AA: Well perhaps the theme parks can afford the salary because their revenues might be different I suppose. But obviously they require a lot of staff.

MNM04: *And they are taking them because they are paying a lot.*

AA: So where do you usually recruit from, is it in Dubai?

MNM04: *No, usually we recruit from other countries. Our main nationalities are usually Indian and Pilipino, but we try usually to select by skills so if he is Pakistani, he is Pakistani, if its Uzbekistan, its Uzbekistan.*

AA: So you don't try to manage the nationality breakdown in the property?

MNM04: *Not particularly but I do try to avoid having lots of one specific nationality in one department because then they will become a group, so I try to manage inside to have the diversity. But it's not our major concern.*

AA: That's interesting because a number of people have commented that certain nationalities can be quite tribal.

MNM04: *It depends on the nationality and on the region. So for example if they are Indian and you have everyone from the same region, like in the south, then it becomes almost like a union. But if you recruit from across the whole of India then they have a different language and a different culture, you know so it's not a problem.*

AA: So if we look at your role within the company do you feel that HR is properly valued in terms of being involved in the strategic decisions within the company?

MNM04: *Yes, that is actually a problem. Okay, in the erm.. Okay, so in my country it is exactly the opposite to when I joined here in the Middle East there was a big fight because I didn't actually accept it but yes I realise that we are usually not involved and people don't fight to get their space.*

AA: So do you feel that you have to fight for HR?

MNM04: *The thing is, the feeling I have, and maybe it's wrong, it's just an opinion. The Middle East, they put someone in HR just because they are polite with employees, and its 'oh this guy works in front office, but everyone loves him so he goes to HR'. Which, I don't think is a very professional approach, okay, so sometimes people don't actually have enough knowledge to understand exactly what HR is. In Doha I was very lucky because when I reached there, I had to fight, and I remember I had the training manager sending me emails saying I don't like the procedure you implemented, just change it. And I said no I am not going to change it because you are telling me to. So there, it was six months of fighting and I was putting procedures in place, and I remember the GM sending a note to everyone, to all the HOD's saying that if HR is telling you to do this – you do it. And since that day my life changed completely.*

AA: Well, it was good that you got the support. So when you say that you were putting policies and procedures in place, do you design those policies and procedures based on your experience in Europe?

MNM04: *No. If it was like that this will never survive because people will run away. You have first to understand the place where you are, and who the people around you are and then you can adjust. And you need to be fair with everyone, you cannot protect different people for different reasons so there needs to be some fare structure of policies so if a person is working here then it is because he has some value, so if someone deserves to be trained, he deserves to be trained so I work pretty much like that. So it takes time but people get used to it, and sometimes they don't (laughs).*

AA: So when it comes to the brand, are there any particular HR policies that the company insists on?

MNM04: *Yes there are quite a few.*

AA: So does that create challenges when you try and fit them in to the local environment?

MNM04: *Well, honestly they understand when it's for the others but when it's for themselves they don't (talking about the staff view). Like for instance I can give you an example to explain better. We have a policy for example, for tickets. Okay. And our policy for tickets is that we provide the ticket and it's the cheapest and it's the cheapest quotation, as long as budget companies are not included so to make sure that they have a proper company and a meal and everything and they cannot be stopped somewhere more than three hours. So that is our policy and everyone is happy with that but then if it's their ticket and they have to wait somewhere for two hours, then two hours is too much. And you say but our policy is three and they say yeah, yeah, but for me it's too much (laughs). So it's pretty much like that but you have to manage your way, with a smile and a joke and you move on.*

AA: So despite the challenges to HR do you feel that the strategy is quite well integrated within the overall business of the hotel?

MNM04: *Actually the structure of HR, we changed it very recently, it was an HR very oriented for nationalities and we changed it totally so now we have 1 Pilipino, 1 Indian, 1 Egyptian.*

AA: So it was all one nationality before?

MNM04: *Yes, it was all Pilipino so we were recruiting all Pilipino. So we had situations like 'oh you are my friend so I will get you a better ticket' and then we had a bunch of complaints so we definitely changed the culture and you feel that people definitely respect the structure much more because they understand it's a more fair environment, even when they don't like it. And then we have the GM's support, and the support from the F & B director, because he is the person with the biggest team so he supports us a lot. So if the biggest team supports us this is good and we can work much easier.*

AA: So if F & B is the biggest team then I assume you have a lot of outlets in here.

MNM04: *Yes, in F & B its around two hundred people*

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AA: That interesting because housekeeping is often the largest team in the hotel.

MNM04: *It is but here we have nine outlets.*

AA: And how many rooms?

MNM04: 396

AA: So a lot of F & B for that many rooms. Is there a reason for that?

MNM04: *No there is no particular reason but we have a lot of people from outside.*

AA: Is that people from the Mall?

MNM04: *Probably.*

AA: So when we look at HR from a strategy perspective, we are usually talking about what we plan to do in the long term. Do you see any challenges to that approach given the environment here in Dubai?

MNM04: *In my opinion you have to have a solid base and then you can work on it but you have to create a solid base that can be flexible in case you need to do changes.*

AA: Like when you cut from 490 staff to 410 (laughs)

MNM04: *No you don't have to... how can I explain... when you put so many costs on top, this is more European but you know, for instance, you have enough staff for 80% occupancy, for instance, okay. And if you are not usually in 100% then why do you need to increase your manning. You can keep it on staff for 80% and then you have casual companies here so you can work with that when you have peaks. I think here you need to be flexible, because here to get a person means getting an apartment, getting this, getting that, getting a contract of the apartment is one or two years, if you want better prices its two years. So if you have your basic structure then you can work on it. But if you have a structure so heavy that it doesn't allow you in the lower months, to breath, to me this doesn't actually make a lot of sense. I think you can have your structure, a solid structure that can deal with the guests, that can deliver good service, can train people, and all of that. Of course, if you don't have that much people, their benefits can be slightly better and their salary can be slightly better, than having people that you actually can work without. And we have proof of this so we had a security team, which was 18 people, fixed ones. And then if we had five contracting because we were considering that we have the Friday brunch and we have this and we have that. If you check, then you can reduce the team and if you have an event you can increase the*

casual team. So if you have a more flexible structure there are lots of costs that you don't have to consider.

AA: So are you looking then at subcontracting for particular departments, similar the approach in Europe?

MNM04: *Actually we did that already with security because we have reduced from 18 to 14 so with some of the areas we are looking at this so that we can be more flexible.*

AA: There does seem to be an increase in this approach in the hotel industry. So when it comes to looking further at HR strategy, CIPD recently commented that HR strategy is a bit traditional and old fashioned in Dubai. Would you agree with this comment?

MNM04: *Well for me I try to do something new every day but like I was telling you before I have to fight because people are not used to the approach so it's like they are forced but then when they get used to the approach they are fine. But it takes a lot of time because we have people that are working here for the past six years, so when you are here six years in a place and you only saw the same thing you will not accept something new.*

AA: Do you think we are also traditional because we are talking about the hotel industry?

MNM04: *(Laughs) Well we have lots of people in hospitality that they grow in their position, like someone was a waiter and they grow, but they actually don't get extra education and yes that means that skills wise they are very good but sometimes, attitude wise, not management oriented and sometimes they are like the big father in the department which depending on the nationality can work but strategically thinking it's not the best and that still happens a lot in the Middle East.*

AA: And I suppose if you have high staff turnover then people can progress in their career quite quickly.

MNM04: *Well yes, but then they don't maybe have the skills, or maybe the knowledge to be a good manager. I was in a training actually and I was talking to a French chef and he was saying that in France, for someone to get an executive chef position, he needs to work at least ten years, ten or fifteen years. Here they work five years or four years and they become executive chef so maybe the skills are good but the management thinking is not there. So I think sometimes the company should see it, not as he's good skill wise so let's promote him, they should see the big picture.*

MNM04: *We have.*

AA: And is this a different department to HR?

MNM04: *No this is part of HR and in our situation we have corporate office which supports us and we do a plan for everyone but that happens here. I know lots of places which doesn't do this.*

AA: So can you make decisions or do you have to go back to head office all the time.

MNM04: *We don't have to but usually we do because we are so used to doing this so every time we want to promote someone to HOD level, usually from corporate office they want to interview or they want to speak to them and see the person.*

AA: And does that slow down processes?

MNM04: *No they deal with these things quickly because they are in Dubai, but even when I was in Doha the head office was quite fast.*

AA: Okay, so if I can just follow up on the CIPD comments, they also said that HR needs to become more analytical if it wants to be valued in hotels. Do you find that a challenge and do you try to be analytical?

MNM04: *You know, here, almost all HR staff in the Middle East, whatever is analytical, the Finance Department tends to put for them so you fill that a challenge, you know because you do your own numbers but finance always feels that you are challenging them so when you do it, so in Doha we did a productivity analysis comparing this year and that year for us to understand where can we remove people, where should we add people, emm, when you present it, people don't react well because you will be able to prove, that for example, last year we were performing better and people were producing more and this and this and this so we can reduce by one or two. And they will come back and say, 'oh but if I have an emergency leave and if I have this, or I have that'. So you can do it and your GM will listen to you but some HOD's they will not.*

AA: So the challenge is that you can have your strategy but then it is difficult to operationalise because of your HOD's.

MNM04: *You can do it, but from do it to implement it takes time and you need lots of support and your GM needs to say 'guys, it's this and this'.*

AA: So if the GM says it has to be done do they do it?

MNM04: *Usually they do, because if they don't then you tell the GM and then he will talk to them and usually they want to avoid that. But if you don't have the support of the GM then you won't be able to do it. So maybe CIPD needs to know that (laughs). But it is a challenge, especially with finance sometimes because we are not really well integrated with them.*

AA: Well a lot of hotels in Dubai seem to be relying on asset managers to cut costs as a way to deal with the changes in the environment, which is not ideal if you are trying to develop an HR strategy. Especially given that we are heading towards Expo with another 20,000 hotel rooms. Do you think that is going to make things more challenging?

MNM04: *Honestly in Dubai I think they have a very good thing because when they feel that the economy is coming down then the country itself adjusts to have something. So they are creating these parks and they have so many initiatives that will bring more people to Dubai and hopefully we will have more guests, and people who will actually pay for it. And that definitely is something that Dubai has and the others they don't have, my country doesn't, Qatar no way, and so on, but Dubai has that so honestly I think after 2018 that the business will pick up again. My concern is after 2020 what will happen. Because, will the country be able to get the same demand of 2020. So that is a concern because it might be just the same again.*

AA: Yes, post 2020 could be very challenging for Dubai as a tourist destination, even if they keep building new attractions and hotels.

MNM04: *Yes, I would agree with that. In 2022 they can be smart and get people from Qatar to here because they won't allow alcohol and all sorts of other stuff so they can easily organise shuttles between the two. So they can have great business in 2022, but after that I don't know.*

AA: Do you think Dubai will run out of ideas.

MNM04: *They will never run out of ideas in this place. They always have ideas.*

AA: Do you think that's sustainable though?

MNM04: *It's like, I know if it's in my country, I know it will collapse but here they always manage to create something new and I still believe that something new will come and they will move on but they will need to have a strategy I guess (laughs).*

AA: And so will you, obviously because you will need to manage post 2020.

MNM04: *Then it will be time to go home.*

AA: So does your property cater to particular nationalities?

MNM04: *Mainly European, but maybe that's because we are a European brand. I think it's about reliability so it's not just because it's Swiss but it's also because they know they will not have any surprises.*

AA: So do your European guests like European service?

MNM04: *They like our Arabic coffee server in the lobby and they like the small differences but of course, you have at least to fulfill their expectations that is for sure. They like the Arabic coffee but then they also want to have their espresso so we have to make sure it's there. They like the experience of Arabic breakfast but they always ask for bacon and eggs so of course they like the difference but they like to be in their corner in their comfort zone as well. That is for sure.*

AA: So if you have a lot of European customers, do you have a lot of European employees?

MNM04: *Not really no.*

AA: So do you need to focus on language training for the staff.

MNM04: *When we hire, skills is not really what we look for, we focus first on language and then the attitude.*

AA: And as an aside to the attitude aspect, do you have a lot of millennials in the hotel?

MNM04: *We have some, they are terrible. I don't know. I have the feeling that they were so protected that it's difficult to let me give you an example, there was a lady who had one hour to have lunch and the lady decided she would never have lunch in our cafeteria and I said that's fine, it's up to you, but this is your timing, it's one hour, and then she was always coming 20 minutes late and she was complaining that one*

hour is not enough to go and come from the mall. And I said, 'that's not my problem, we provide food here'. So they are sometimes a problem and you have some with this mindset but then you have proper ones as well. Actually we have a boy from Belgium and he came because he knew someone very important so we interviewed him and he was very proper, so I said let's see, and he is actually very proper and very good even though he is someone whose parents have done very well in life so I think it also depends a bit on the education. Not all of them are spoilt.

AA: Just one last question as I know you are busy but looking around here everyone seems to be working hard, but also enjoying themselves but you said you had a freeze on recruitment and a few other issues. So do you think you have a positive culture here and what do you do to manage that?

MNM04: *I think, yes, we do have a positive culture and I think it's that people still believe that in one way we have a very clear position. Like when we did the redundancies we spoke with people but with the rest we told them, 'look this was the reason and this is how we are, this is how we plan' s o I think this is the reason. So actually at that time what we did we are doing some general meetings and the GM said at that time that we have to figure out a way of delivering the message so we started to go to briefings with all the departments to explain, what we did, why we did it and a lot of people asked, 'what about my position, what about this, what about that' and we tried to explain the best we could. We told them that the plan was not to terminate people because mainly we terminated levels, as I told you, what we have done. This was the plan, it is done, now whatever comes, who resigns we will not replace but we will not make any other positions redundant. And then people asked several things, which we informed exactly what was the idea and we think that helped.*

AA: So having that open communication was important.

MNM04: *Yes, but even now, we have something every month which has an informal environment and we invite some employees and they usually ask how the market is and they ask how we are, how tis, how that. And the GM is very open in this. Even in*

the last one he said, look, you guys don't have to think about it, that is our task. We are doing whatever we can and this is how we are now and the perspective for next year is this. So he tries to be very clear with the message that's communicated. Because one lady came and said there is a rumour and he said yes I know, you are not the first person who is telling me but from your side there is nothing for you to worry about.

AA: And do you think the redundancies have impacted on people's motivation or productivity?

MNM04: *In the beginning I think they were definitely thinking about their job security but we decided when we did this that we would do everyone in one day because if not people would come in and say' oh today, maybe it's me, maybe tomorrow its him' you know so we decided that whatever we have to do we do it in one day and after that we talk with everyone and that's pretty much what we did. But after we did it, for the next month everyone was shaking but then people realised that they were seeing no more redundancies and we didn't make any.*

AA: When it comes to the strategic decisions do you find that the local ownership are very supportive when it comes to investing in the staff. So if you said I need a million for staff training would they say okay.

MNM04: *So long as they can understand why they will say yes, but if they don't understand than forget it, no chance.*

AA: And do you think they understand investment in property rather than investment in people.

MNM04: *I can actually give you an example of this, not linked to training but to the accommodation because the owner he has the accommodation and he has us, he has someone with another management contract and we are all living in the same place. And we actually have a meeting to cancel some flats because we have more than what*

we need now because we reduced the staff and when we said we could relinquish more flats if we do this and then we can save this money, so instead of shared two we make it shared three and his question was 'okay, but what is the impact on their motivation if we do this, will half of them go?' So they definitely care because they said that they would not take this risk. So if we explain its fine. So we asked, we have some studios and we have the normal furniture but there is no rest chair so they said look, if they have someone like a visitor, they have to sit on the bed so just buy chairs for all the studios. So if they understand, I mean these are just simple things, but if they understand then it's okay.

General conversation and thanks

INTERVIEW ENDS

APPENDIX 5
KEY WORD COMPARISON

Words/Expressions	Company A	Company B	Difference
Task Environment			
Compete/Competition/Competitive/Competitor	21	12	9
Advantage	6	1	5
Competitive Advantage	4	0	4
Company	87	49	26
Environment	11	2	9
Location	8	5	3
Business	71	51	20
Challenge/s	36	24	12
Change	67	24	43
Pace/Speed	13	0	13
Economy	7	3	4
Market	51	25	26
International	4	4	0
Global	7	1	6
Growth	8	2	6
Western	2	6	4
Product			
Authentic / Arabic	6	16	10
Luxury	25	2	23
Brand	45	15	30
Different/Differently	82	25	57
Differentiate(d)	5	0	5
Product/s	17	6	11
Service/s	40	17	23
Quality	15	8	7
5 Star	14	0	14
Unique/USP	8	2	6
Guests	56	26	30
Experience	20	2	18
Expectation(s)	9	3	6
Strategy			
Strategy/ies	46	24	22

Strategic(ally)	8	2	6
Plan/Planning	24	25	1
Decision/s	54	9	45
Decision-Making	18	4	14
Strategic Decision/s	9	0	9
Long Term	5	3	2
Short Term	4	2	2
Vision	9	2	7
Impact	18	7	11
Targets	7	10	3
Benchmark/s/ing	11	6	5
Objectives	7	2	5
Competence/ies	10	1	9
Direction	5	1	4
Process(es)	16	5	11
Policy/ies	4	12	8
Standard/s	17	12	5
Procedures	2	7	5
System(s)	21	7	14
Alignment	6	2	4
Performance	9	5	4
Operation(al)	20	6	14
Culture			
Leaders / Leadership	31	12	19
Innovative	12	4	8
Traditional	16	4	12
Organisation/al	32	3	29
Structure/d	18	14	4
Managers/HOD's	29	46	17
Management	47	15	32
Culture/Cultural/Culturally	45	16	29
Centralised/Centralisation/Centrally	14	3	11
Top Down/Vertical	6	1	5
Corporate	22	7	15
Bureaucracy (Red Tape)	7	0	7
Communication	7	6	1
Value/s	20	8	12
Owner/ship	29	35	6

Department(s)	13	36	23
Economic			
Investment	36	5	31
Budget	12	17	5
Capital Investment	5	0	5
Finance/Financial/Financially	6	6	12
Profit/able	18	4	10
Price	14	3	19
Cost/s	22	14	22
Revenue	6	16	10
Resources	6	4	2
Rates	19	8	11
Money	61	38	23
Property	72	37	35
Facilities	15	2	13
Human Resources			
Human Capital/ HC	7	1	6
Employees	18	53	35
People	278	174	104
Colleagues	55	18	37
Staff/Staffing	18	23	5
Labour	4	5	1
Team	19	17	2
Tribe/Tribal	15	1	14
HR/Human Resources	63	62	1
Recruitment	25	24	1
Hire/s/Hiring	24	15	9
Retain/Retention	7	7	0
Turnover	16	13	3
Experience	20	14	6
Expectation	10	11	1
Attitude	5	10	6
Skills	7	11	4
Integrated/Integration	6	0	6
Analytic	15	1	14
Trained / Training	33	50	17
Talent	28	3	25
Learning	17	9	8

Development	21	18	3
Performance	9	5	4
Effective /Effectiveness	9	0	9
Productive/ity	11	5	6
Salary	9	18	9
Pay/ment	28	13	15
Incentives/bonus	9	1	8
Motivation/s	7	4	3
Engagement	7	9	2

APPENDIX 6

INTERVIEW COMMENTS BY THEME

Theme	Company A Responses	Company B Responses
Human Resources	<p><i>I am not CIPD certified, I am qualified through my experience and I just did one certification through Cornell on HR Practices online when I transitioned from L & D to HR. SMJ05</i></p> <p><i>in the company now is what they call the CCC which is the Colleague Consultative Committee which is a kind of union but a very light version because we are not allowed unions here but we give the colleagues the possibility to voice what they want, to get their feedback. SMJ05</i></p> <p><i>from the HR world the Director of Culture and Engagement is gone, the Talent Director is gone, we still have the L & D but now we are just going to wait until February to see if we are still going to have the strategy or if they are going to change everything because some people who were driving that strategy are not there anymore. SMJ05</i></p> <p><i>we have been through a lot of changes since 2014 when WW was merged with JBH, when we had 'project simplify' and now we have a change of structure because of redundancies and corporate office needs to change. SMJ05</i></p> <p><i>I think now the most important thing is the succession planning because I think we were lacking that in the company and we were losing a lot of colleagues to the competitors while we have so many hotels locally where we can just keep them all in house. I think there is no awareness of who is ready for the next step, who is good, who is not good. SMJ05</i></p> <p><i>When I used to go to hotel schools in Europe, in Lausanne, in the UK, in Germany, in Holland I would stand there competing with other industries and we take from the same pool when</i></p>	<p><i>We have been on a recruitment freeze for the last few months because of business, and because of summer, and we have been waiting for September to see what's going to happen in the last quarter. FSM01</i></p> <p><i>I don't really know if it's an employer's market or an employee's market... people are getting made redundant so there might be more people on the market but we kind of don't need them right now because we are not really recruiting, especially for the key positions like sales, etc. FSM01</i></p> <p><i>When I did a survey with all the hotels in Dubai about turnover rates we were somewhere in the middle, we weren't the highest, and that's kind of where we set ourselves with everything FSM01</i></p> <p><i>for comparison purposes, we look at the question which is, I would recommend the company as a place to work, so the Net Promoter Score, and that went up by ten points, which to me is a bit ridiculous because that is getting too high now. FSM01</i></p> <p><i>'The only thing worse than training your employees and having them leave, is not training them and having them stay'. I don't know if it was Richard Branson who said it. FSM01</i></p> <p><i>I think the value placed on HR is situational because I think it depends on the competence of the HR manager, or HR director in the property. FSM01</i></p> <p><i>some HR directors know the business so well and they are very influential and the GM's really rely on them, and then there are the other hotels where the HR manager is an administrator, and I think maybe that depends on the style of the GM and how they view HR. FSM01</i></p>

	<p><i>it comes to talented people and as an industry we are about thirty years behind in terms of developing our work environment, how we do business, flexibility of working, you know, a more advanced way of attracting good people if you look at all hospitality, not just this company. HHJ06</i></p> <p><i>we've moved away from that maternal/paternal instinct, you know, we stopped calling ourselves personal, and then it was human resources, and now well it's a bit fluffy so we'll call ourselves human capital and people might think we're like finance and not come and see us. CJJ04</i></p> <p><i>On HR in Europe - 'Well look, if we all tell ourselves we are all business partners now, and we go and sit in the business, we face inwards, we deal with our counterparts, we sit in executive teams, we get on the board, then we have lost that traditional aspect'. CJJ04</i></p> <p><i>In Dubai everybody is an expat and people come here from a multitude of countries, backgrounds, cultures, religions, and HR unfortunately within the region has to be that maternal/paternal figure to be able to integrate all those people. CJJ04</i></p> <p><i>HR has to play a huge pastoral role within that arena, and that is one hat of everybody's job, but it's a huge part because we are talking about thousands of people. CJJ04</i></p> <p><i>For HR it's hard to say how do you innovate? How do you pay someone differently? How do you recruit differently? How do you appraise differently? And I think where we are getting to today, is the innovation for us is around technology and the use of technology platforms. CJJ04</i></p> <p><i>I think then for management seeing around innovation its 'how can I manage my team better than I do today?' CJJ04</i></p>	<p><i>I don't have so much input into the strategy in terms of where they are going to search for business or whatever. I don't have any influence on that but I know what's going on in all our properties across the region, and what the plans are and how can our people fit into that. FSM01</i></p> <p><i>So sometimes if the HR person doesn't have the intellect it's because of what the company can afford for that position, sometimes it's because of the attitude of the GM, and sometimes when we have got a local as an HR director because we have to have by law they can't influence anything. FSM01</i></p>
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	<p><i>I would foresee is a lot more outsourcing of functions, whether it be, you know, cleaning staff is predominantly outsourced in public areas and there is a huge population of housekeepers employed directly across hospitality, food and beverage, life guards, chefs. I see those sorts of more traditional, bulk areas of employees being outsourced more so we have some flexibility. CJJ04</i></p> <p><i>it's very easy to start pulling HR data out of systems but its then overlaying it with that finance and commercial data that really drives the commercial value of HR and gives HR that business context that they need to be taken seriously going forwards.CJJ04</i></p> <p><i>if you have 69% or higher internal promotion then you are considered to be a learning organisation and I think now we have 35% so we have a way to go. HHJ06</i></p> <p><i>if you get a machine and a colleague and a machine can do it quicker and better then here we say let's do the colleague because it's cheaper and easier. HHJ06</i></p>	
Training	<p><i>we do a lot of employee training but I sometimes think that with the new hotels coming on line is that we don't hold on to the employees as well as what we used to do and I sometimes think that when we employ new employees or are bringing new people in, we are not taking them on a higher level and we are not going back to basics and trying to bring them up to the standards very quickly. PAJ02</i></p> <p><i>I think we should focus on what we do as L & D, why do we have to change our training all the time. ACJ03</i></p> <p><i>I think we have a very good system of learning and development with a strong departmental trainers' team who are reinforcing and delivering on the customer experience. SMJ05</i></p> <p><i>I have been working with the Emirates academy and Cornell to deliver an</i></p>	<p><i>we have a graduate development programme where we take students from one of the Swiss Hotel Management Schools, EHL is a good one for us. FSM01</i></p> <p><i>we have got two guys at the moment who did the graduate programme. One of them has left because we are on a recruitment freeze and we couldn't place him, which, is ridiculous, we spent two years salary training this guy and we couldn't find him a job. The other one, we extended for six months and put him in this office and now a job has come up in Bur Dubai, at just under 3000AED, and he said 'No, I need more than that, I expect higher than that, and my opinion, from having him here, is 'Well, I don't know if you are worth more' and he has done his hotel school and paid big money, and he's done a couple of years with us and you sort of wonder what he is doing here. FSM01</i></p>

	<p><i>Asset Management and Ownership course that will be coming in January, to ensure that all of our general managers will understand the concept of managing an asset. HHJ06</i></p> <p><i>my involvement is to have a consistent curriculum for everybody so if we have an orientation, we have a consistent orientation for everybody. We have a curriculum that goes from entry level to supervisory level to management to leadership and executives so my role is to ensure that this curriculum is fit for purpose and that we can offer good learning solutions to our people and to be able to demonstrate the competencies that we have, we have 9 different competencies so all the courses are linked to the competencies and help people in all the functions within each of the SBU's to be better at what they do and to help them to grow. HHJ06</i></p>	<p><i>On Emiratisation - with the rate of turnover with Emiratis and their salary expectations, even if we started it now thinking it was coming in, in three years, the people that we employ now probably won't be with us so it would be like a viscous circle that would be very expensive and we don't think we would be any better off. FSM01</i></p> <p><i>We are always trying to train our people and we have a strong L and D structure which means that everyone should go into training and into development so that they can serve the guest betterKBM02</i></p> <p><i>there are some mandatory trainings, but then we can add things to make sure that we are contributing to the people's growth and development. SDSM03</i></p> <p><i>We have a training officer who comes round and is shared across the three properties. SDSM03</i></p> <p><i>'the reports are all centralised so the training that has been covered monthly, the number of participants, and the various aspects of the training that is covered' SDSM03</i></p> <p><i>When we implement training we evaluate the reviews of the guests so if there are some comments that are not on the positive side we go back to L & D DSM05</i></p> <p><i>We haven't had an L & D manager for a while but there is a new person coming on the 1st October MNM04</i></p> <p><i>At the lower levels they really want to go to training but sometimes their HOD doesn't want to send them. MNM04</i></p> <p><i>Even in the last general meeting people were asking how we are performing and the GM said, look, you guys don't have to think about it (the company strategy), that is our task. MNM04</i></p>
Recruitment	<p><i>I have to say that we need to be more organised than before and we have to stretch our people in a different way than we did in the past, but the type</i></p>	<p><i>With recruitment I agree that it's never really that successful and that it's not a good indicator, the way we have been doing it. FSM01</i></p>

	<p><i>of people that we can get, whether they are fit or not, I can confidently put my hand on the heart and say, no, I don't think we have a problem with recruitment. HAJ01</i></p> <p><i>the last time we had an assistant manager position vacant, I think we had about 360 applicants. HAJ01</i></p> <p><i>I interview every single candidate that comes into our team from D grade up to A grade. 90% of those candidates, I would say, already work in Dubai, and when I ask them the reason why they want to join here the first thing they mention is the brand, and the second thing is the salary. HAJ01</i></p> <p><i>Previously, many people would have been hired without references in the sense of credentials and they sort of floated in because their brother was here and needed a job. HAJ01</i></p> <p><i>When we are hiring people as well we have really slow process so quite often we miss opportunities cos somebody will wait, wait and wait and then suddenly they will have another job and by the time it's approved – too late I have moved. SMJ05</i></p> <p><i>we have always fished in the same pond, but then we have talked about recruiting the unemployed people from Spain for 8 years, but we don't do it. We don't do anything, because we don't change. ACJ03</i></p> <p><i>we get about 5000 plus a week so our issue is that we just can't cope with the volume so a new applicant tracking system would give us that intuitive search through all those CV's and we should be able to find better people. CJJ04</i></p> <p><i>the challenge is that everyone is recruiting for the same roles, so somebody might apply five times for the f and b manager, but in five different properties, and then you might get five phone calls and then it starts getting a bit messy. CJJ04</i></p>	<p><i>We do assessment centres for our leaders so for anyone becoming a general manager, or the next level down. FSM01</i></p> <p><i>you have got to get the buy in of the General Manager if you want to change things and they generally just tend to fall back on the way that they have always done it. FSM01</i></p> <p><i>If we want someone like a grocery attendant or something, we don't really care what they have done, just so long as they have that desire to serve customers. FSM01</i></p> <p><i>On front line staff - The recruitment process will go for four hours and it's a bit like flight attendant recruitment where there will be various things to do, and if you don't pass part of it then you'll be gone. FSM01</i></p> <p><i>We have started using recruitment days for positions like waiters so that we'll have people ready to go instead of waiting for the vacancy to come up, like the traditional method where you wait for it to come up, then you advertise, screen, interview, then offer. FSM01</i></p> <p><i>The HR Director said 'You know I spend all this money for the recruitment function but then I don't get to choose who is joining the hotel so the input into recruitment is taken away from them. FSM01</i></p> <p><i>Dubai is the prime location that everyone wants to work so it's easy to get people from Doha and Kuwait to transfer in. FSM01</i></p> <p><i>we generally don't have a problem with filling our senior positions but the competition is getting greater and greater and we could go and do recruitment trips from the Philippines, like we used to years ago but because there is a pool of labour and a good employment market here now, we don't have to spend that money. FSM01</i></p> <p><i>Some GM's say, 'well they are going to go so why invest in them anyway', but my response is 'if you are an employee</i></p>
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	<p><i>so I have applicants but I need the best applicants, not only quantity and that is something that hospitality in general has to get better at. HHJ06</i></p>	<p><i>and you are just left in the corner because you are a number then you would probably leave as well. FSM01</i></p> <p><i>in our survey, 90% of the colleagues said they were willing to put in a great deal of effort to the success of the hotel. If 90% of the people said this it means that they are committed to that and they don't have the attitude of 'I don't care.KBM02</i></p> <p><i>Some colleagues they still believe 'we cannot express ourselves, we cannot complain if something is going wrong' but the actual fact is different. KBM02</i></p> <p><i>I would advise people to make mass recruitment from abroad, because at least people who are abroad don't know what is going on here. because of the high demand and expectations of the current colleagues because they see they are being offered something somewhere else and they will come to you with a new contract and ask for more money. KBM02</i></p> <p><i>Some hotels, okay, they provide better opportunities, but will it last? KBM02</i></p> <p><i>people they go and then you have to post again, to recruit and pay flights and visas and medical etc. and we are watching the recruitment expenses, everyone is.KBM02</i></p> <p><i>I would love to draw on a more global labour market as its such as small pool here that some of the huge properties suck them in so easily and a smaller property like me has to suffer. SDSM03</i></p> <p><i>From March until now (September) we didn't hire anyone but now we are starting to hire because Dubai Parks stole a lot of people so in October we will be very, very short so we started to hire. MNM04</i></p>
Talent	<p><i>Talent management in Jumeirah I would say is non-existent, they have tried to establish a talent management system. There was quite a lot of emphasis on it in 2005, 2006, 2007, then the downturn came in 2008 when we were looking more</i></p>	<p><i>from the HR perception, we will have some lack of talents, because we need to fill our hotel with talented employees so they will take from me, from you, from him, and again, we repeat the cycle again. A lot of hotels are opening now, a lot of companies are opening,</i></p>

	<p><i>at getting rid of people rather than taking them forward in the organisation. HAJ01</i></p> <p><i>We have just started talent management this year (2016) but your manager decides if you are on the list and there is no transparency in that. HAJ01</i></p> <p><i>This business requires a certain personality in order to be successful so how can we detect and screen people based on personality ?' Is there anything else we can teach? So I need to see what is the best tool that can give me the caliber of people who can be successful in the business. HHJ06</i></p>	<p><i>and they are absorbing the people and to get new people from outside the country we need some time actually to take them through the track of the company and get them used to it so I think this will be a challenge, and of course this will hike up the rates when it comes to the salaries and then real estate is getting crazy.KBM02</i></p> <p><i>we cannot say that the employee is good without proving that he has followed our standards.DSM05</i></p>
<p>Role in the Company</p>	<p><i>From the HR side we are just pushing, pushing, pushing the people throughout the year with no break and there is no pause where we can ask people to take their vacation, where we can train people, where we can re-motivate. SMJ05</i></p> <p><i>the broader HR strategy is split into two components, and we have split it up into, I guess a more traditional model where we have got centres of excellence – two- talent management looking after traditional talent management and learning as well as talent acquisition, and then organisational development, and then I guess, our business support areas, the guys looking after the day to day operation. CJJ04</i></p> <p><i>In the HR governance space, this is again really looking at all the facets that surround HR and the strategy, the compliance, the HR audits but looking at the wider picture of how we integrate with the organisation, maybe through our delegation of authorities, our approval processes. CJJ04</i></p> <p><i>In the HR planning space its more around workforce planning, pre-openings, err, closures unfortunately, our HCM, our systems capability and how we really drive global similaritiesCJJ04.</i></p>	<p><i>HR they play a good role to be behind the people, to give them the environment to work in and to give them all the structure that they need in their work, the tools, equipment, the training. To make sure that their lifestyle is good, to make sure that they don't have a challenge in accommodation, or medical and food and transportation. KBM02</i></p> <p><i>'we are sure that if we cannot satisfy employees that means we cannot make satisfied guests and this is what we believe and HR does not make extraordinary things but we do the normal things in an extraordinary manner'.KBM02</i></p> <p><i>So HR plays a good role and we have a strategy to train people and to develop them and of course to correct things if we need to. If it needs more training sessions, if it needs coaching, maybe they don't understand the system well.KBM02</i></p> <p><i>If they are getting, let's say two thousand AED, some people they save 90% of their income because the company, we, provide them with everything actually. From the moment he wakes in the accommodation he has breakfast, water, transportation, he has medical cards, airline tickets, everything, so we are taking care of everything for them.KBM02</i></p>

	<p><i>HR planning - it's a team of two! I have a team of three for the broader HR strategy. CJJ04</i></p> <p><i>'Tell me what you want in the human capital arena and we work hand in hand in order to give you the best solution and we can serve you, HHJ06</i></p>	<p><i>in HR we no longer have the luxury of sitting back and just thinking about the human aspect, we have to look at this from a business aspect as well so we have to make sure that the teams are thinking about the business, making sure that they are taking ownership because they are driving the business. SDSM03</i></p> <p><i>the team size has shrunk in HR because of the current conditions and the last HR coordinator that resigned did not get rehired, so we are about two people in the department, me and my HR coordinator, then a housing officer and a visa coordinator who also does other things, and the housing officer does half a day in housing and half a day in training and HR. SDSM03</i></p> <p><i>For me HR is about the admin, the reports for management..... I handle that and mostly the employee engagement activities which includes recognition programmes, welfare committees, team building activities and things like that. DSM05</i></p> <p><i>I look after the welfare of the staff in terms of accommodation, transportation, cafeteria, tickets and all of these things. DSM05</i></p> <p><i>I will inform him of the problem and make my recommendation but at the end of the day the GM is the decision maker. DSM05</i></p> <p><i>most of the time he will say if it is according to the HR policy which is our operational standard (our OSM) and its according to UAE labour law then he will say go ahead but if it's something that is not specific to UAE labour law and not specified in the standards so we discuss what would be the pros and cons and what would be the best solution for that problem and I will give my feedback a and he will give his feedback and then we will meet half way. DSM05.</i></p> <p><i>HR is a department but at the same time it's a business support so you have to support the company in its goal. DSM05</i></p>
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<p>Integration</p>	<p><i>Well we are aligned through the balanced scorecard. It's taken about ten iterations but I think we are there. CJJ04</i></p> <p><i>I came from an owned and operated group where there was always a lot of relationship and checking to ensure that we were always aligned but in a managed property my GM says we are a managed property, don't think this way so sometimes there is a bit of conflict there. SMJ05</i></p> <p><i>HR is part of the ExCom and we are invited to the business review meetings but the role of the director of HR has changed and we are transitioning from an HR Generalist Role to an HR Business Partner Role so in this new model we are having this central function with DH shared services, moving the recruitment from the property to central recruitment, and the same for L & D which is part of what we call 'project simplify'. SMJ05</i></p> <p><i>Well the HR strategy came from corporate but unfortunately after that, half of the plan is now, we don't know where, because 80 people from corporate have been laid off. SMJ05 we need to be focusing on this, we need to be taken seriously and the board doesn't really want to know about who was fighting with who during the cricket match, or they want to have a swimming pool. They want to know, how productive can we make these people, how much quicker can we bus them in from x to y so they can be more productive at work. CJJ04</i></p> <p><i>that's part of the reason to move our model to business support and centres of excellence models so we can have a very strategic focus but a very close interaction with the business support, knowing that we are never going to get rid of that pastoral care element. CJJ04</i></p> <p><i>I think that the strategy is there, its whether it fits into the business model of what the business wants, that's the key, and quite often the missing bit.</i></p>	<p><i>HR strategy is divided into different directions and it supports, highly, the hotels objectives and targets, and of course if we are achieving our targets as an individual entity within the hotel the whole company will be moving forward. KBM02</i></p> <p><i>we have open channels of communication and the amount of meetings we have not only to design strategies, but like, we are meeting every month for quality assurance, for department heads meeting, for HR meeting. KBM02</i></p> <p><i>I do believe that the HR strategy is aligned 100 % with the hotel strategy. We are setting our objectives and our strategy of course, in a way to support the hotels because if I get it wrong this means a failure to the hotel, which means the owner, he will not be happy, which means the company will start to have question marks. KBM02</i></p> <p><i>So my strategy is to give them a good platform, which of course aligned with the financial strategy because we have to allocate, so yeah we are very much engaged and everyone of the ExCom and the leaders they know the strategy before it is published and normally we are having agreement from each one to make it 100% fine. KBM02</i></p> <p><i>We make sure that we are very switched on and understand the business so I know that tomorrow I will have to manage my expenses based on the revenue for the month so if my expenses are high I cannot justify that to my financial controller. SDSM03</i></p> <p><i>the executive office and the finance departments are the one who represents the property to the owner so I am not really involved with how the owners influence the HR or the brand and vice versa. DSM05</i></p> <p><i>when I joined here in the Middle East there was a big fight because I didn't actually accept that we aren't integrated but I realise that we are usually not involved and people don't fight to get their space here. MNM04</i></p>
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	<p><i>We are doing what they want but does it deliver what they need? CJJ04</i></p> <p><i>We know that the business strategy is all about being a high-end luxury service provider. Possibly the best provider in the space of hospitality and our work is to select the right caliber of people to allow us to deliver this promise to our guests and also making sure that this will be done in the most effective way for us to be a profitable organisation. HHJ06</i></p> <p><i>It's very problematic and I cannot say any more than the fact that data is the key in business in general, whether its figures, whether it's about people and one of the things that I really started to implement since I came is to have clear dashboards of what this success looks like. HHJ06</i></p>	<p><i>But it is a challenge, especially with finance sometimes because we are not really well integrated with them. MNM04</i></p>
Turnover	<p><i>over the last few years a lot of our senior management and probably a lot of the good people have left and gone as well so I think with them going, unfortunately when we get people that replace them some of them are just here for the short term and they are too focused on their budgets so in other words, 'why must I pay 1500 dirhams from this person when I can employ somebody for 800 and in two years they move off to another company and whoever is here is left stuck with the same problem. PAJ02</i></p> <p><i>I think leave the company unfortunately for promotions and I think that's because we aren't that good at working out how to get people through the company. PAJ02</i></p> <p><i>A lot of the people move on to promotions in other companies and that's typically a lot of your middle to senior management that move for promotions, and a lot of the reasons they move is because they aren't getting the promotions here or they are not getting the chance to show what their abilities are, especially with this company PAJ02</i></p> <p><i>after a year in our company you are a very marketable candidate. And then</i></p>	<p><i>Turnover is a key and sometimes, whatever you do, people they will still go so there are reasons for that and yeah there is a lot of supply when it comes to hotels and losing to a new hotel is like a vacuum because they mass recruit, by hiking a little bit the stakes, just to get people in, and after that they will see how is the business going'KBM02</i></p> <p><i>This is one of the biggest challenges that we face. For me, actually it doesn't matter what you are doing for them, we tried all way possible, activities, performance, training but still the people, sometimes they will go for that difference.KBM02</i></p> <p><i>'our percentage last year was 38 and sometimes you hear more shocking numbers'KBM02</i></p> <p><i>turnover is maybe the biggest challenge that HR leaders face because there are some other consequences to turnover as it means more expenses, more training, more time and all thatKBM02</i></p> <p><i>the highest movers are the line staff as some will go for a few hundred AED. Anyone at management level, ExCom, levels 1,2,3 – we have a very low percentage.KBM02</i></p>

	<p><i>the other companies can make the difference by offering two or three hundred dirham more and then that's enough to attract those candidates. SM</i></p> <p><i>when I joined it was 28%, we reached 24% last year and it looks like we are better this year because year to date we are at 6% and the same time last year we were at 11%.HHJ06</i></p> <p><i>we have got a churn of about 20-22% so with a company like us you are looking at a maximum churn of about 2,500 people a year, predominantly in your sort of junior and middle management.CJJ04</i></p> <p><i>So do we need more positive turnover, to actually make the business more agile and more profitable? CJJ04</i></p> <p><i>Now we are all fishing in the same pool and the challenge we have is because the rest of the industry knows how much time is invested in our people we generally become the picking ground for a lot of other properties. CJJ04</i></p> <p><i>Well I am a strong believer that turnover is good as long as it done in a way that doesn't disturb the business and as long as it is done in a way that it doesn't impact on our high performers. HHJ06</i></p> <p><i>out of our 12,000 plus people, 9,000 plus meet expectations so if 20% of them are leaving it will not affect the company. But if 5 % of our employees are high performers and these people leave then that is a concern, so that is the kind of analysis that we need to do. HHJ06</i></p>	<p><i>In some companies I know that this is because they are not giving equal salaries and benefits and when you discover after six months that your colleague is getting something different, you feel a little bit cheated so that's why they will decide to go. KBM02</i></p> <p><i>everyone here knows what he is getting is in line with the hotels internal P and P's (policies and procedures). That's why we don't have actually major leavers. KBM02 This contradicts the previous comment that turnover is 38%</i></p> <p><i>our net promoter score which is the company benchmark is 86% satisfaction KBM02. But turnover is 38% ?</i></p> <p><i>If we are paying a receptionist, let's say, two thousand, maybe the new hotel will pay two, two, or two, five, because of course they have to have more salary to get the people. KBM02</i></p> <p><i>when Dubai was doing well we still had the challenge and now that Dubai is not doing well we are still having the challenge. Most of the current properties are facing the same challenges as us and whether you speak to a Fairmont on the Palm or whether you speak to a Sofitel, we are all facing the same thing. People were willing to leave for AED 50 in 2008 and people are willing to leave for 50AED today. SDSM03</i></p> <p><i>the market has changed and we would have expected that because of the slump that turnover would be reduced but then because there are so many new hotels opening and so many new restaurants opening so people still have opportunity. SDSM03</i></p> <p><i>If you are motivated by salary or wages alone then obviously there will be turnover but if you are also motivated by job satisfaction and culture then you will notice that there are still quite a few people staying with the company for quite some time. SDSM03</i></p> <p><i>People are being offered higher positions somewhere else and because</i></p>
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		<p><i>we are a small property and we are cutting down on budget we cannot actually promote someone at the moment, even if we want to, because it's an impact on the budget for the payroll. DSM05</i></p> <p><i>Some companies, they will offer a hundred dirhams difference for the salary but if the position is higher or they want the money then they will go and this is a challenge because you cannot stop them. DSM05</i></p> <p><i>What you see here in the Middle East is that people opening a new property they give big salaries, and then after six months they reduce everything. Actually one waiter that was here he went to a new property with a huge salary and now after six months he is asking me to come back and I say why are you asking to come back and he said because they want to change the contract. MNM04</i></p> <p><i>in the period that everyone is hiring, which is now, they will steal from here because we pay a waiter, the average salary of the city, it is one thousand two hundred and Dubai parks is offering two thousand so they can take from whatever hotel they want and it will be very easy. MNM04</i></p>
Importance	<p><i>We feel we can't do anything because we have to fill in a form and a piece of paper, and we want to empower the people but we want three signatures, which end up being nine signatures, and if we do give the bottle of champagne away, we have to fill in a security report. ACJ03</i></p> <p><i>If the CEO wants data he would go to finance. HR would be a secondary thought, you know, 'I need to tick a box, I'll ask HR' CJJ04</i></p> <p><i>We pull data on labour turnover, cost per hire, time to hire. Very traditional, I guess, one-dimensional analytics which only really help HR to say, hey, we are doing an okay job but we don't have anything to bench it on. CJJ04</i></p>	<p><i>Guests of course are our main priority, and then our employees because employees are the people who are giving the happiness and the satisfaction to others. KBM02</i></p> <p><i>the people who are serving the coffee or making the check in, they are the ones who make the difference, not the ones who are writing the SOP on how to serve the coffee and which tray we have to use. KBM02</i></p> <p><i>any strategy on the paper will not work without the soldiers, the people. KBM02</i></p> <p><i>Everyone feels that he is important to the company. KBM02</i></p> <p><i>I know that as HR it is important to make sure that people are getting at least a decent meal in the cafeteria and</i></p>

		<p>to make sure that their transportation is decent, to make sure the people are providing good service to the client. SDSM03</p>
Rewards	<p>I think what happens is that the lower level get a good package on accommodation and I think that's better than with most of the competitors and the salary is quite good but what happens is they will get offered 200 dirhams more per month and they will move for that.</p> <p>Our average pay is 1500AED which is about 300 pounds. But then if you take it in the broader context of – you have got your accommodation, you get three meals a day, you get transport to and from work, you get uniform – that 300 pounds is your money to do whatever you want with and spend. You sort of have to ask the question – how many people in London are left with 300 pounds to do whatever they want with as disposable income... so there is some global context that needs to be put around this. It's not about these guys getting low wages ...CJ04</p> <p>one of the big things about the wages is people say, well it's a lot more money than they would be getting in their home country and it really annoys me.... whether you are the pot wash or the CEO, yes you are probably earning more money than in your home country. CJ04</p>	<p>we are enhancing the rewarding system in the hotel. We are having every month 'the employee of the month', we invented something called 'best rookie' or best newcomer so sometimes in the probationary period, maybe he can get a certificate to say he is the best performer during the probation. We have some other programmes like the 'Cherish' programmes, 'Upselling' programmes and we are a pioneer in that and they will be rewarded with certificate, with money and the biggest one is best employee of the year.KBM02</p> <p>On incentives - I mean we are probably not the best in the market but we ensure that we are up there. SDSM03</p> <p>we just had our annual party and we awarded one staff who was the employee of the year, we gave an award, and some monetary reward and even some gift prizes and a week later I got their resignation.DSM05</p> <p>Even if people want to stay they have to think of the family and now everything in Dubai is expensive, compared to when I joined here four years back, it has become a lot more expensive.DSM05</p> <p>So we have to give the awards, we have to recognise the employees and they always look forward to this kind of party where they see that they get something. Even if you just give them a blender or a toaster, this kind of thing means so much to them.DSM05</p> <p>it's not just that the product needs to be nice, because in Dubai you have too much nice products, so you have to compete with them, but definitely the people you have, they need to make a difference. MNM04</p>
Retention	<p>Some people have been over promoted because the brother again was, the boss, of the boss, of the boss and he had recommended strongly this person and then again when he got promoted and I tried to stretch</p>	<p>we would rather lose an employee to one of our own properties than another property outside of our brand. So as a company, we are trying, as much as possible to try and retain the employees within our brand. DSM05</p>

	<p><i>him or implement something new there was zero response on that because again it would make him very uncomfortable. HAJ01</i></p> <p><i>The good thing is that there are no redundancies for the moment and we continue to recruit and the hotel is busy. SM</i></p> <p><i>We are launching in my hotel, a high potential programme where we have identified the top performers and where we want to put them under the spotlight for one year. So I hope that will be a good tool to help motivate and engage.SM</i></p> <p><i>we had a great annual staff party that was very successful with a lot of prizes to win, with entertainment and I hope that this is as well important for them to feel that they are recognised and I think it's important to share and to celebrate successes. SM</i></p> <p><i>We have actually programmes for all of the colleagues about how we can deliver the stay different and what does it mean for you and how can you do your personal branding as an individual, as part of the organisation that you are in so there is a programme that fits to each competency, every value and the brand promise that we have. HHJ06</i></p> <p><i>as the benchmark within the industry here we have far better retention than other companies. That doesn't necessarily mean that we are good, it just means that we are less likely to lose people. HHJ06</i></p>	<p><i>if you are retaining an employee the visa cost is distributed for three years but if the employee will go after one year or two then you have lost money already and you will have to hire again.DSM05</i></p> <p><i>People progress too quickly here but then they don't maybe have the skills, or maybe the knowledge to be a good manager.MNM04</i></p> <p><i>I think sometimes the company should see it, not as he's good skill wise so let's promote him, they should see the big picture in terms of his management thinking. MNM04</i></p>
<p>In relation to CIPD</p>	<p><i>Well I suppose we should look at human capital multipliers and how to make people, you know, hire one and get the work of three out of them and all this sort of stuff. But we really haven't got the time to get through all the paperwork. We could just tell people to work hard and get on with it. ACJ03</i></p> <p><i>We just had a three days work shop with CIPD explaining what are the skills and competencies of an HR VP</i></p>	<p><i>So whether we are doing things differently or out of the box in terms of what can be done... I mean I would like to sit with someone who tells me why don't you try this and why don't you try that and I can sit and explain to them the challenges we face in terms of the economics of the business and the need to improve the turnover, so if someone has something that can help me then why not. SDSM03</i></p>

	<p><i>versus the previous HR Director role within the company. They ask us to be more strategic, to be more analytic, to be more curious and to be able to know what is happening outside of our world and bring that on the table but we were too busy and we were not really doing that. SMJ05</i></p> <p><i>they have made it very clear that we should sit in those business review meetings in order to understand the strategy and of course to share information in regards to the workforce. SMJ05</i></p> <p><i>Maybe for the millennials we are a bit too traditional and we need to be a bit more innovative in what we do. I think maybe we need to be more clear about where we are going to in 2020. SMJ05</i></p> <p><i>IF they are saying we are traditional I would be interested to know why they are saying that, I don't know that we can do more. SMJ05</i></p> <p><i>Well I sit on the CIPD leadership team so I think that statement is fair. I think HR is very traditional and I remember going for my first interview back at Hilton, and my boss at the time, who was everything I aspire not to be today, said to me, she looked me in the eye and she said, 'We don't do tissues and tampax', CCJ05</i></p>	<p><i>if you compare us Western countries in general and you look at companies, for example Google where HR is quite innovative, they promote engagement of the employees quite differently than here but it's quite hard to implement change because there would be a comparison and they would ask why you would do such a thing here if other properties aren't doing it. DSM05</i></p> <p><i>I would love to be more analytical because to be honest I am a registered nurse so this is really far from what I have studied. I have a lot of ideas and I want to do a lot of things but I still need someone to support me in implementing this. DSM05</i></p> <p><i>I try to do something new every day but like I was telling you before I have to fight because people are not used to the approach so it's like they are forced but then when they get used to the approach they are fine. But it takes a lot of time because we have people that are working here for the past six years, so when you are here six years in a place and you only saw the same thing you will not accept something new. MNM04</i></p> <p><i>Whatever is analytical, the Finance Department tends to do this for HR so you find that a challenge, you know because you do your own numbers but finance always feels that you are challenging them. MNM04</i></p> <p><i>Sometimes HOD's wont implement policy so you have to tell the GM and then he will talk to them and usually they want to avoid that. But if you don't have the support of the GM then you won't be able to do it. So maybe CIPD needs to know that. MNM04</i></p>
<p>Task Environment</p>	<p><i>if we want to position in the Middle East, okay fine, fair enough but it depends on which playing field we want to participate as an international brand. HAJ01</i></p> <p><i>The negative of the growth in Dubai is that we erode five-star luxury - we don't want the tattooed man with the Choitram bags'. ACJ03</i></p>	<p><i>when people ask me what is the occupancy because this is the benchmark that everyone looks at, we say, we are running full occupancy and they say wow, but it's not the occupancy that is important now, it's the room rates and the ADR. SDSM03</i></p> <p><i>we have sort of entered a downward trend where the customer is not looking to spend their entire purse in the</i></p>

	<p><i>there are several elements in there where you could make your business more agile and flexible but the legal requirements and infrastructure aren't there to help support that and I think Dubai is 24/7, more than London, probably more than New York and we don't create an environment for people to work part time. CJJ04</i></p> <p><i>there are small changes happening with things like the length of maternity leave where we are talking an additional 15 days to get up to 60 which is nothing compared to Europe or the Americas, but then we have also got to be cognizant that Dubai is 45 years old. CJJ04</i></p> <p><i>on the whole there is enough skill in Dubai now and with Dubai's flexibility around the freedom of movement now, people can pick and choose jobs as and when they want to which they couldn't used to do so it gives us that flexibility. CJJ04</i></p> <p><i>Are we going to have to, as an industry, or as individual companies, put in special measures? Are we going to have to put in place fixed bonus schemes in the year leading up to and the year over, and the year after to get people to stay? CJJ04</i></p> <p><i>If we offer 3, 4 star and lifestyle brands then we have a lot more to offer and people have got a lot more choice, to do what they want to do, at their price point and it pushes the high spenders back into the five stars. CJJ04</i></p> <p><i>We are all sitting in the same pot trying to re-engineer the old way of working and to give it another name and a couple of tweaks here but there is no fundamental change in the way we run our business. HHJ06</i></p> <p><i>I think what we need to do in going to 2020 is that we need to be very good in proving that the Middle East, with its culture and with the hospitality roots that we have in this part of the world, will influence the mindset of having a very good, water tight,</i></p>	<p><i>property, they want to check out other places and this is challenging for us. SDSM03</i></p> <p><i>if you look at the growth of Dubai, and you look at the leadership and how they are thinking then I am sure they have something in mind. It's not like other countries where people are letting things happen, here people are going out and making things happen' SDSM03</i></p> <p><i>in 2008 we were all living in our perfect world and things were simple, people would jump from one job to another for a higher salary and if you went back home then that's where the reality was and if you were in Dubai then you were in a bubble. Now we are moving into more of an economic reality, the same as exists in other countries. SDSM03</i></p> <p><i>For 2020 they are maybe moving too fast. I felt that they have done a lot of changes for 2020 expecting that it will boost the economy and maybe for the Expo it will but now already we are feeling that they are getting more money from the citizens here. For the residents they are increasing the parking, train, metro, taxis, whatever they can think of they are increasing so they can compensate for what they are spending now. DSM05</i></p> <p><i>In Dubai I think they have a very good thing because when they feel that the economy is coming down then the country itself adjusts to have something. MNM04</i></p> <p><i>if it's in my country, I know it will collapse but here they always manage to create something new and I still believe that something new will come and they will move on. MNM04</i></p>
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	<p><i>management proposition that can give luxury a different dimension that can be spread around the world. HHJ06</i></p> <p><i>So we have to be very ready, very quickly in order to showcase Dubai and the luxury properties in hospitality. HHJ06</i></p> <p><i>On problems post 2020 - I don't think so because it depends how you are organised as a city and we are quite organised as a city to present Dubai in the best way possible. I lived in Dubai from 1990-98 so I saw Dubai before it became Dubai. So we have 1990 where there was nothing and then when I came back in 2015 it's a different world altogether. So within this 25 years Dubai has managed to put together a structured approach to make sure that they can position themselves as an attractive destination. HHJ06</i></p>	
<p>Competition</p>	<p><i>We have actually seen this year how the rates have dropped. As more hotels come on line there's more competition and I think room rates are going to be a very big part of that. SMJ05</i></p> <p><i>For us we are expecting a big, big challenge as there will be four or five new hotels on the Palm so our market share is going to be impacted, definitely. SMJ05</i></p> <p><i>everything is relative. If you are driving at 50 kms and somebody is driving beside you at a hundred then he is very fast. If you are on the highway and driving at a 100 and someone else is driving at 100 that is normal so it depends on where you are and I think my observation is that the company is very much 50kms per hour and we are driving all the time within the city and not on the highway. If you want to go on the highway, you have to get used to a 100 because everybody else is 100. If you drive 50 you are slow. Some people might be shocked and say that is so quick if someone is driving at 120 but not if you are driving 100 so you</i></p>	<p><i>in some areas maybe they can build, but in JBR, it is full, and with this amount of hotels, we are you know fighting with each hotel just to get our folio completed. KBM02</i></p>

	<i>have to be careful about what you wish for. HHJ06</i>	
Challenges	<p><i>Everything beats around the bush here and nobody wants to say 'no' so that's why strategic decision making just gets dragged on for years because nobody wants to say no even though the decision itself in the cards is 'no this might not be suitable' but nobody says it. HAJ01</i></p> <p><i>I don't know who it is that makes the decisions anymore because nobody seems to be authorised to do it. HAJ01</i></p> <p><i>I think that one of the other challenges that we have, not specifically for 2020 is that we are lacking diversity in the workforce. I think that because we have not been able to go on recruitment trips these past years that we are not diversified enough in terms of nationality because we are recruiting only locally. SMJ05</i></p> <p><i>we are full all the time and I am sorry to say that with this type of clientele you are shot because they are not our usual type of client. I don't know maybe what would have been better was to maintain our position in the market and to remain firm on that and stay with who we are, and I think that maybe we have lost a bit of our brand identity and our positioning, which is not good for us. SMJ05</i></p> <p><i>we have no time to think and then the high-end customer sees who is there in the hotel and they will not come back SMJ05</i></p> <p><i>As and when all these hotel brands, multi-national and boutique, start opening, the most easy thing and most cost-effective is to draw on resources within the current market so I think that is going to be a challenge, CJJ04</i></p> <p><i>I think in HR in Dubai the main challenge in Dubai is that you are in charge of the colleague or employee 24/7. So in Europe medical you take care of, accommodation, you find your own accommodation, you find</i></p>	<p><i>On the labour market - some other countries of course they still have some restrictions on visas for example so this is very much what is available really and when it comes to the work side they are very good. KBM02</i></p> <p><i>Some people are telling you that real estate is slowing down but the fact is different you know so with the high supplies, of course all accommodation, domiciles, or a campus will rise up the prices, everywhere. KBM02</i></p> <p><i>The infrastructure like The Walk, if you are coming in the evening sometimes you need 45 minutes just to get out of the traffic which means that we have more struggle if we build more hotels. We have here a monster hotel (gestures across to the walk area) it will open next month and their capacity is around 400 plus so multiply that by say 1.5 average guests and they will accommodate 600 guests so they need go and they need to come with cars, with buses for employees, and, and, and ... So if we want to improve the supplies, okay, but on the other hand we have little space to widen the services so yeah. KBM02</i></p> <p><i>in a place like Dubai it's so dynamic that things are changing rapidly and there is no time to stop and rest, there is no time to think and the owner thinks we are only here to work and there is no time for family as you wake up, get up and come to work to deal with the challenges. I don't think that will change. SDSM03</i></p> <p><i>In peak season there is a struggle for revenues, off peak there is also a struggle for revenues, so if we need cover in the summer I also have to think about how we are going to cover Ramadan, how are we going to let people go on vacation, so it's not as simple as it used to be. SDSM03</i></p> <p><i>if you were to say that in the next few years the business is going to be the same as this year and last year then</i></p>

	<p><i>your own transport. So here you sign up to be part of a family, not to have the work only. So that's quite unique because it puts a lot of pressure, a lot of responsibility, a lot of accountability on the HR colleagues who are working here, in comparison to the HR colleagues who are working in Europe. HHJ06</i></p> <p><i>The other challenge is that payroll as a percentage in the UAE is far less than it is in Europe, in part because of things like social security and the salaries etc. etc. so it makes us more complacent about the productivity of people. HHJ06</i></p>	<p><i>that's going to be bad because we cannot compete with the big hotels. DSM05.</i></p> <p><i>The occupancy is pretty much the same but the room rate dropped which creates a lot of challenges because we are expecting to have a certain GOP (Gross Operating Profit) and where we get GOP is in rooms, because that's where we have less cost so of course if you have to drop that room rate then it will reflect in the end of the month and then at the end of the year. MNM04 I think after 2018 that the business will pick up again. My concern is after 2020 what will happen. Because, will the country be able to get the same demand of 2020. So that is a concern because it might be just the same again. MNM04</i></p> <p><i>One of the challenges we will face will be the revenue management. With the high increase in hotels the price levels will become vulnerable. So far we have been able to increase rates year on year, and in the high season had a great profit conversion due to high demand for our product and services. KBM02</i></p>
Sub Markets		<p><i>but for us Deira is increasingly becoming a very unattractive part of Dubai to try and sell. FSM01</i></p> <p><i>Well it's the easiest place to do business in the GCC. In Business Bay, Downtown, Media City are the three locations where we are having new properties but no chance to get on the Palm because they are all gone. FSM01</i></p> <p><i>Well the Bur Dubai property is struggling because its down that end of the town and the rates have dropped so we are now looking at groups and the groups come from India and China. FSM01</i></p> <p><i>JBR is a good position among all the competitor sets here in JBR Dubai, and we are always thinking how we can improve our services KBM02</i></p> <p><i>whether you are on the Palm Island, or in a place like Jumeirah Lakes Towers (JLT) average room rates have</i></p>

		<p><i>decreased everywhere. I believe some of the luxury properties are still doing well, but not as well as they are used to doing. SDSM03</i></p> <p><i>I think we are based in a property somewhere close to the new Dubai so although we are not in a place like Bur Dubai, or Sheik Zayed road, but we are still close to the Marina, which is sort of the new Dubai location so that works in our favour plus Jumeirah Lakes Towers (JLT) is well known for its business community so that is good for us. KBM02</i></p> <p><i>Well its quite near the airport so we get a lot of business travelers because it's quite convenient but we are quite far from a lot of places like Sheik Zayed. DSM05</i></p>
<p>Strategy</p>	<p><i>We are not very visionary. HAJ01</i></p> <p><i>In our organisation I believe we are quite flexible in decision making, however not timely. HAJ01</i></p> <p><i>At times there are lack of confidence to take the decision, also a lack of appetite to take a decision as we might think the issue will go away if we wait. Or we will hold on to the decision due to financial constraints. HAJ01</i></p> <p><i>It's just a bureaucratic decision to be honest, it's not strategic HAJ01</i></p> <p><i>it's not really a strategic decision-making tool, its more they give us the objective, we populate our actions towards the objective and then from that we are either in green, orange or red basically. HAJ01</i></p> <p><i>I do feel that the company is quite stagnant at the moment and doesn't have a great interest in new ideas. HAJ01</i></p> <p><i>I feel there is a lot of fence sitting. Everyone sits and waits for something or someone. I have become quite a bit of that myself as well because there is just this continuous 'no we are not going there, we are not doing that, and let's wait till next year</i></p>	<p><i>I think it's difficult though, isn't it to look long term these days. When I interview GM's and we look at their strategy and their indicators, to see if they are short term or long term. I do ask them, well what is long term for you and some of them say six months because the market is changing so much. FSM01</i></p> <p><i>'we do have our operational strategy for the hotels but it's often about responding to the current situation, or the competition. FSM01</i></p> <p><i>In my opinion you have to have to work from a solid base and then you can work on it but you have a to create a solid base that can be flexible in case you need to do changes. MNM04</i></p> <p><i>sometimes they are like the big father in the department which depending on the nationality can work but strategically thinking it's not the best and that still happens a lot in the Middle East. MNM04</i></p> <p><i>You can implement strategy but it takes time and you need lots of support from the GM to deal with HOD's. MNM04</i></p>

	<p><i>comes and then another year rolls round and you get into a pattern of behavior. HAJ01</i></p> <p><i>they are talking about that as phase 5, it hasn't been approved yet. It was on the table but I think now with the financial situation it's sort of wait and see. PAJ02</i></p> <p><i>Our thinking is a bit short term but I think that's a cultural thing. PAJ02</i></p> <p><i>if you go to other companies which are very successful, the company will decide most things as managers are only there for three or four years but, if we want to refurb something here we have housekeepers, engineers, IT guys and they have all got a say and I think that's why we face so much difficulty in getting things done sometimes. PAJ02</i></p> <p><i>I just don't think we have always got a clear direction in terms of what needs to be done and where we are going... PAJ02</i></p> <p><i>We are extremely slow when it comes to decision making but not only slow, I sometimes think that people want to be involved but nobody wants to take the responsibility or make the decision to do it. HAJ01</i></p> <p><i>people haven't been involved in the decision-making process so there is a bit of resistance and if you don't have buy in all the way down then you are going to hit road blocks all the time and I think that's what we get a lot here. PAJ02</i></p> <p><i>since 2005, or 2006, we have never been able to make a decision on what we should do. ACJ03</i></p> <p><i>we talk about all these things that we think we should be doing but we don't actually, physically do anything. ACJ03</i></p> <p><i>Bureaucracy, err, complacency in decision making, err, not wanting to take risk. ACJ03</i></p> <p><i>We are too slow, we are just too slow. ACJ03</i></p>	
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	<p><i>We have a blame, culture. ACJ03</i></p> <p><i>We should focus on being consistent. We must be consistent in everything we do. ACJ03</i></p> <p><i>in terms of strategy, or response when we have a bit of dip in the economy and things like that, I would say that the reaction is often a bit too extreme. SMJ05</i></p> <p><i>we have no time for strategy, for the talent strategy for building capability, for long term strategy. Especially now with Dubai now, we never know with the level of uncertainty is a problem. SMJ05</i></p> <p><i>the manic mode that we are in a bit is not helping us to calm down and to project where we need to go, what we need to do you know. SMJ05</i></p> <p><i>We had a strategic retreat but it was more for the sake of doing it you know, instead of having a quality strategic retreat. SMJ05</i></p>	
Policy/ Procedure	<p><i>We have become a corporate discussion company making up new policies and procedures that they send over here for us to implement. I mean one day it is the attendance record, then next day it's the performance, the appraisals. First it was 15 pages then it became 12 then it became another 13. It's more time, it's more effort and nobody reads the document but it has to be done, so there you go. HAJ01</i></p> <p><i>Stay Different! It's all the same now. The only thing we should do is follow LQA (Leading Quality Assurance Standards). ACJ03</i></p>	<p><i>We have still our written procedures and we are monitoring, so attention to details is a key.KBM02</i></p> <p><i>so every piece of anything, every transaction, it should be monitored.KBM02</i></p>
Productivity / Performance	<p><i>Well the scorecards are not complex in their set up anymore they are fairly simple and straightforward but they are more of a tracking measurement than a strategic decision-making tool I would say. HAJ01</i></p> <p><i>The company tends to evaluate the effectiveness through things like customer feedback, financial profits, colleagues' opinion surveys and yearly performance results. HAJ01</i></p>	<p><i>it should be measured, the value of workers and what they are doing in terms of their contributions.KBM02</i></p> <p><i>We have an Employee productivity' report so for example if the people are working front office we see what was the room revenue, let's say that they conducted and we see how many employees are working in rooms division, housekeeping, front office, and we divide the employees and the</i></p>

	<p>And internal competition is also something that we have invested heavily in. The wise words of someone, I read something in 'the company that competes within will fail. I sit in meetings and we grumble that our own hotels are stealing our customers' ACJ03</p> <p>It's a KPI target, it's a balanced scorecard target for gender and demographics. We have to have a 70-30 split for men and women. ACJ03</p> <p>that whole Western economy that has been fluctuating for years and years and they have got a grip on how they can flex their workforce to meet the demands of the organisation and be more agile, whereas in the Middle East, I think it's the employment legislation which is a bit more of a stumbling block. CJJ04J05</p> <p>How we can get the highest profit using services within the company so that we make sure that we can compete with other companies. HHJ06</p> <p>Well we have the KPI's for the operation, which is the most important topics for business which are five different components which are done in the business which are important for the GM or SBU head to know. HHJ06</p> <p>I think Dubai should focus on productivity, not because of the money but because of the need to get things right. Money should not be the factor for being productive or not productive, but that's just my thoughts. HHJ06</p> <p>Whatever we do, if it doesn't improve one of the KPI's of the operation directly or positively then we don't do it or we put it as a plan B while we look at other things. HHJ06</p>	<p>revenue and we see what is the productivity of each and we have benchmarking. KBM02</p> <p>In the food and beverage, we consider the number of covers every month and we see how many are working in the F and B and if it is really a considerable amount and is it something that we have to increase, we have to reduce, so we need to know peoples value to the company. KBM02</p> <p>in some positions of we have to pay higher because we know that this position will contribute to performance. For example now we are looking for digital marketing, and we have of course marketing and communication. KBM02 By analysing the worth of employees by department this reinforces silos.</p> <p>we are controlling our staff and we are ensuring that we are maximising our staff by controlling recruitment. SDSM03</p> <p>Well with our standards for HR, we go with the core behavior in interviews so it's mainly on attitude and how you can determine what is the source of motivation for that particular employee. DSM05</p> <p>This year we cut our manning from 480 people to 410. So this means that you have to study how to increase productivity and how to push people, because you have to deliver pretty much the same but you have less money available with which to deliver the same results. MNM04</p>
The Organisation	I think we have got way too much red tape sometimes to get through. It's all paperwork and approvals. PAJ05	'its cultural but when we have got a Western GM, the results actually tend to be lower, and when we have got an Arab, or a high Arab headcount it tends

	<p><i>You know, you need to look at the organization hierarchies and the structures and almost overlay it with the customer feedback reports and the mystery shoppers and again, I think that's something that the hospitality industry doesn't necessarily do – we collect a lot of data, but do we push it to predictive analytics, do we start overlaying data and start looking at trends from our colleagues to our guests to our mystery shoppers and I think that's an all new concept. CJJ04</i></p> <p><i>You have also got to look at the Middle East model of how we set up our organisations, where you walk into a coffee shop, someone will say hello to you and sit you down, then someone else will come and take your order, somebody else will bring you your coffee, somebody else will bring you your check and somebody else will bring you your valet, so to get a coffee you have probably seen about six people.CJJ04</i></p> <p><i>You have to have the right rationale with it and make sure that you have some low hanging fruits with some success and then grow bit by bit and make sure that you can make real change, otherwise you just work hard to maintain the status quo and do more of the same and that does not make our industry very competitive at all. HHJ06</i></p> <p><i>I think with us being a UAE based international company that we have the mandate not only for the business to be successful but for the country that we make sure that we establish the company as a hub for international, global, luxury service. HHJ06</i></p>	<p><i>to be higher, because the Arabs do put pressure on their guys and they do want to please their boss etc. etc. FSM01</i></p> <p><i>we as leaders, we have to provide employees with what they need,, whether it is manning, whether it is tools, materials, training etc.KBM02</i></p>
Structure	<p><i>if you were just to consider your A and B grade, it's just not that many people if you look at the operational positions which are there. HAJ01</i></p> <p><i>Organisational structure and competence I believe is one of our company's limitation, too many people in various positions gets involved in the decisions that belongs to individual</i></p>	<p><i>We try and decentralise as much as possible and we allow the GM's to run it as their own business and we don't have a central sales that sells on their behalf or a central reservations or anything like that so there's good and bad to that.... but there are decisions where we must be consulted and that does slow down the process for them. FSM01</i></p>

	<p><i>experts and the time lapse occurs as a result. HAJ01</i></p> <p><i>we have become a hierarchy of 'how can we please the boss' So whether it's the saving boss or whether it's the spending boss, that's what we do, because we all want to look good. HAJ01</i></p> <p><i>I think for the overall HR or HC policies that the company has brought through I think it is quite good that it is centralised so we don't have the individual abbreviations to it in the individual hotels. HAJ01</i></p> <p><i>We are very top down. HAJ01</i></p> <p><i>I was here before we came under the holding company so I can actually look at both scenarios and I think before it was much easier for us to operate and to maintain the services levels and the efficiencies we had before. So I think they definitely have slowed the process down. PAJ02</i></p> <p><i>for big decisions and strategic plans for long term I would say that it's all top down. PAJ02</i></p> <p><i>So sometimes you get the top people make a decision and they say yes go ahead and then in the middle it gets stuck. PAJ02</i></p> <p><i>Yes, so risk averse or whatever you call it. And then the layers of bureaucracy, and the layers of erm, you know there might be three signature lines on a piece of paper and there's 9 signatures on a piece of paper by the time it's finished. ACJ03</i></p> <p><i>How we are going to get away from this massive corporate structure which is huge – I don't know how we are going to do it. ACJ03</i></p> <p><i>when we are looking at the very highest of levels I think it's very easy to sit here and say everyone will have an annual appraisal, we'll rank everybody, then we'll do some succession planning and then we'll have this pot of people but we need to</i></p>	<p><i>I think, that in this hotel, we are always trying to flip the triangle and the line staff people, they are considered in the bottom line, they are in the top now, because we call them the front-line professionals (our FLP's). KBM02</i></p> <p><i>the line staff will go to their supervisors and their supervisors will bring their concerns to me and then I will bring the concern to the HOD or to the GM or the operations manager. DSM05</i></p> <p><i>I don't have a line manager right now but so I am directly reporting to the Operations Manager who is acting as the GM and indirectly to the VP for HR. DSM05 She commented that she has been without a line manager for 5 months and there are no plans to replace him as they think she can do the job well enough.</i></p> <p><i>I think more Western companies they are more lenient and flexible, not lenient in terms of they don't implement policies and they are not strict but they are flexible in terms of engaging employees. For example management blends with the line staff and here we have a hierarchy. DSM05</i></p> <p><i>We are always telling here, if there is anything with your superior please discuss it with someone higher, come to the HR, come to the GM, we have an open-door policy for them. KBM02</i></p> <p><i>We have the GM discussion table which is very important and we have a monthly employees gathering where we are presenting all the things and we are hoping for a Q & A if needed. KBM02</i> <i>This is top down so contradicts the previous comment on a flipped structure.</i></p> <p><i>usually you have a structure like a pyramid structure, and in Europe for instance your structure is more like a brush, so it's pretty much about trying to bring those two structures together. MNM04</i></p> <p><i>The assistant maintenance manager was transferred to another property and we don't replace him. We just got</i></p>
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	<p><i>drill down into those pots and then marrying it up and what are the overall strategic objectives of the organisation. CJJ04</i></p>	<p><i>the tasks and we divide them in to the other four people. So we have the job done but the structure shrinks. MNM04</i></p> <p><i>I think here you need to be flexible, because here to get a person means getting an apartment, getting this, getting that, getting a contract of the apartment is one or two years, if you want better prices its two year. So if you have your basic structure then you can work on it. But if you have a structure so heavy that it doesn't allow you in the lower months, to breath, to me this doesn't actually make a lot of sense. MNM04</i></p> <p><i>So if you have a more flexible structure, through outsourcing there are lots of costs that you don't have to consider. We have started doing this already in departments like security. MNM04</i></p> <p><i>We don't have to go back to head office but usually we do because we are so used to doing this so every time we want to promote someone to HOD level, usually from corporate office they want to interview or they want to speak to them and see the person. MNM04</i></p>
<p><i>The Individual</i></p>	<p><i>it's not a decision that when one manager leaves his vision is carried on by whoever comes in his place. You sort of start from square 1 so every time that somebody goes that's higher up in the decision making we go back to square one and I think that's one of the issue we also face as a company. PAJ02</i></p> <p><i>a lot of people are bonus driven, a lot of people are bonus driven so they are in it for the money. ACJ03</i></p> <p><i>I think a lot of people come in and it's their idea and that's what they want to implement, instead of looking at the whole organisation and saying how will this actually work with us? We spend millions on projects that start with one person, they leave and the next person wants to do something else. PAJ02</i></p> <p><i>I think that more often than not, the way of thinking of the individual and</i></p>	<p><i>we have just had a GM leave and the way he left we were very unhappy about and he made decisions that affected that business that we have only just found out about and now we are responsible to clean up the mess because it's not their business and they are not there forever and every decision that they make has an impact on us and the brand and it can then impact the relationship with the owner so when they sit there and say, 'oh this is my hotel and I should be able to make the decisions or whatever,. The answer is ' well it's not your hotel, you are just there temporarily to run it'. FSM01</i></p> <p><i>I had a GM in here this morning and we were signing off the check for his education for his kids and he was paying the check for the whole year, and I said do you get a discount for paying the whole year in advance and he said no, and I said cant you pay term by term and he said yes, so I said well we should set this up to pay per term</i></p>

	<p>where you are coming from would be influenced by the organisational culture rather than the other way around. If the culture of the company is very strong people tend to align with the organisation rather than come up with a deviation in terms of what they believe in. HHJ06</p>	<p>and his answer was well I have always done it like this, and you know I was thinking 'well you have the owners money sitting in the school bank account for the year when it could be in his account for another nine months or six months or whatever. If it was your money you wouldn't do that and really that's the difference between owning the business and being employed because for his personal interest and not having the hassle he is quite happy to spend the owner's money. FSM01</p> <p>our policy for tickets is that we provide the ticket and it's the cheapest quotation, as long as budget companies are not included so to make sure that they have a proper company and a meal and everything and they cannot be stopped somewhere more than three hours. So that is our policy and everyone is happy with that but then if it's their ticket and they have to wait somewhere for two hours then two hours is too much. MNM04</p>
<p>Tribes</p>	<p>in the last 24 months our company's senior leadership team has moved from being largely expatriates to being largely local management, this change over has impacted in the way the senior leadership take the strategic decisions and the speed that the decisions are taken. HAJ01</p> <p>I have found that people are tribal and like to stay in their own comfort zone. Also that many do not come forward with their opinions, rather use them as an undercurrent to disturb the change process. HAJ01</p> <p>when I came here, I found that we had a lot of people which were related to each other, not only that they were same passport but that there was some type of relation beyond that. I found was that even though I took certain decisions, if the head of that tribe didn't agree with me, it doesn't matter how much I was trying to implement it because nobody would really like to go there. HA</p> <p>when I started to shake that little castle there I would find that they would become even more tribal and</p>	<p>One GM said he feels that there are some challenges because the workforce can be a bit tribal, and so there are certain nationalities, like Pakistanis who work in engineering and if he tries to employ a Pilipino in their then they won't stay because they don't feel they are welcomed' FSM01</p> <p>I don't agree with having a gang of Pakistanis and a gang of whoevers, but it works. FSM01</p> <p>coming from Australia I was like 'you can't do that, you have got to give everyone a fair go' and then I got to understand where he was coming from, from the business perspective FSM01</p> <p>The GM told me 'I have got business men coming in from all around the world and they don't want to be served by Indian men' FSM01</p> <p>So we actually came to a compromise. But I do understand it because business is business and men are men, and this is how the world operates isn't it. FSM01</p>

	<p><i>more private meetings would be going on in Oasis village to discuss how we are going to deal with this madam. HAJ01</i></p> <p><i>I think Indians are very, very strong in that. Pilipinos is very strong in that. Arabs are very strong in that, also the Egyptians. HAJ01</i></p> <p><i>there are several departments across the company which is infested with husbands, wives, brothers, brother in laws, uncles but many of our hotels hire that way, but I don't. HAJ01</i></p> <p><i>those groups of certain cultures have their own objectives other than the organisation's objectives. HAJ01</i></p> <p><i>Yes, and we try and keep it that way as well so that when people are leaving we look at where they are from and we try and recruit the same nationality. PAJ02</i></p> <p><i>if we get too much of one nationality they form their own little syndicates, if you like. PAJ02</i></p> <p><i>the big groups want to continue to bring the same nationalities and they are not open to diversity because it's reassuring and it's like you are working at home. SMJ05</i></p> <p><i>I worked for another company in HR where I was shocked by the practices and I felt really French in my view of human rights because when the CEO asked me to fire all the people who were not good looking I felt that this was really not for me. SMJ05</i></p> <p><i>I have noticed this is more with middle managers. You know the executive chef will have the at willingness to diversify but the chef du cuisine will give the cv of a friend or someone from the save village so this is a challenge because you end up with a 95, 96, 98 percent in some departments with the same nationality. SMJ05</i></p>	<p><i>In the hotel now we have 27 nationalities and we are always watching month by month the nationality mix. KBM02</i></p> <p><i>we are sending to head office every month the HR report and one big sheet of it about the nationality mix KBM02</i></p> <p><i>Of course we believe in equal job opportunities for everyone but again on the other hand we have to have that mix. KBM02</i></p> <p><i>I think now we have around 30% Indian, 22 % Pilipino and the other 48% is divided between the other nationalities which is challenging a bit but again we still need the balance so 30% Indians is still a little high. KBM02</i></p> <p><i>We try to have some Emiratis, let's say Omanis, but the expectations are really high and if you count the CTC (cost to the company), honestly we cannot compete with that. KBM02</i></p> <p><i>at the end of the day we cannot pick someone because of where he comes from. KBM02</i></p> <p><i>When I was at Ibn Battuta Gate we had 46 different nationalities and when I came here we had about 24 nationalities but you have to understand that the in the pool of the labour market the highest percentage is Indians, Pilipinos, Sri Lankans. SDSM03</i></p> <p><i>Having said that I also understand that there is a requirement to manage the guests who are coming from different parts of the world so if you notice at the front desk right now we have two Eastern European girls over there, and then we also have English. SDSM03</i></p> <p><i>We do find it a challenge to get housekeeping staff from anywhere other than India, Philipines, Sri Lanka, Nepalese and maybe Kenya. SDSM03</i></p> <p><i>in a department we should have a nationality mix and if for example there is already 30% of a nationality then you have to inform the HOD that if there is a</i></p>
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	<p><i>I think with myself, we are only two or three now who are non-Emirati as a Director of HR position. SMJ05</i></p> <p><i>I think it's something that most hoteliers struggle with in terms of almost ghettos forming within the accommodation, and the cliques, and we know that's going to happen because human nature is that way. CJJ04</i></p> <p><i>a lot of effort certainly goes in from the accommodation team to make these things as inclusive as possible and okay, we almost go back to where we started now in terms of are we being traditional, are we being maternal/paternal?CJJ04</i></p> <p><i>You know, we have got, I think a 30% female split, which isn't right, but it used to be 20% so we are working very hard to get more females in.CJJ04</i></p> <p><i>there are specific nationalities that do specific jobs. Again if we go back to the lifeguards, the majority are from Kenya... Mombasa. If you look at the Abra Captains they are probably more from the GCC, certainly the drivers in the hotel and the housekeepers are probably more Pilipino, reception is probably Indian with some of the Stans thrown in there, so it is very difficult.CJJ04</i></p>	<p><i>recruitment then you have to choose another nationality if possible.DSM05</i></p> <p><i>We have quite a lot of Sri Lankan in housekeeping and they are reliable, they are hardworking, they don't complain compared to other nationalities who work in the housekeeping department so we prefer Sri Lankans but now we have reached the point where there is too much and if we keep hiring Sri Lankans then it is going to be a Sri Lankan team and even the executive housekeeper who is a Sri Lankan himself, doesn't want that because he knows we need to try to avoid clusters in the departments and if there are more Sri Lankans then they will tend to overpower the others and we are trying to avoid that. MNM04</i></p> <p><i>You have to have at least one Arab employee per shift just in case there will be an Arabic guest and there will be complaints and an Arabic guest will not be willing to speak to another nationality, they want someone who speaks Arabic so there will always be someone who can speak Arabic to address the concerns of the guests. DSM05</i></p> <p><i>I don't see the point of hiring a person because someone says this nationality is better than this one. DSM05</i></p> <p><i>I don't try to manage nationality but I do try to avoid having lots of one specific nationality in one department because then they will become a group, so I try to manage inside to have diversity. MNM04</i></p> <p><i>For example if they are Indian and you have everyone from the same region, like in the south, then it becomes almost like a union. But if you recruit from across the whole of India then they have a different language and a different culture, you know so it's not a problem. MNM04</i></p> <p><i>Actually the structure of HR, we changed it very recently, it was an HR very oriented for nationalities and we changed it totally so now we have 1 Pilipino, 1 Indian, 1 Egyptian. Before it</i></p>
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		<p>was all Pilipino so we were recruiting all Pilipino and they were treating their friends better which was causing complaints. So we changed it to make a fair environment. MNM04</p>
Investment	<p>In our organisation we to have a 5 years' investment plan along with the upcoming year's budget. HAJ01</p> <p>In the last five years I think we have mainly invested, first in technology, second in the property and third in green technology to make savings on the cost of utilities. We don't invest much in people because we have so many applications. HAJ01</p> <p>we have got XXX which is going to be our new hotel but we have also got XXX which is our old hotel so we need to refurbish and I think that's now scheduled for next year but it's been delayed for a few years as well. Whether or not that goes ahead next year is a question but if it doesn't go ahead I think that could be a big problem for the property. PAJ02</p> <p>our hotel is old and is desperately in need of a big investment to bring it back up and if they don't do that it's just going to get more and more run down and with all these hotels coming on line I think it's going to show that up a lot quicker. PAJ02</p> <p>We tend to invest in our hard assets rather than our people. PAJ02</p> <p>if it's a back of house area and it's not in the public eye so why do we need to spend money on it? and quite often back of house is where our colleagues actually go and spend a lot of their time so I think it is an area that is over looked. PAJ02</p> <p>the investment is wrong in the training and L & D side of things, where we are investing heavily in the Emiratis, which we should do but then we hear from other hotel companies – why? ACJ03</p>	<p>Just one hour ago I gave around a quarter of a million to the accommodation to improve assets, to buy duvets, to buy some gym machines, a pool table, because without these people you can't survive. KBM02</p> <p>if there is anything to be changed in our hard assets of course it will happen. KBM02</p> <p>I think it is definitely more on the property side and less on the people side. SDSM03</p> <p>as an HR manager, it's frustrating at times because it's not simple when you have a request, you have to prove to them and you have to explain to the GM why you need certain training or why you need a recreational activity. SDSM03</p> <p>I have to go back to the GM and say look at the improvement in the revenue, look at the savings in terms of expenses, we are making savings in HR expenses here and here, so how about we do this. SDSM03</p> <p>I have my budget for the year which is say, AED350,000 for the year as a department expense, I make sure that I am doing some kind of profit protection plan so that there is a saving every month and then I go back and tell him 'Listen, look at the savings I have and I would like to do this training'. SDSM03</p> <p>I just had a discussion about training but for this year it was not budgeted because there was no manager so we have to align with the budget and all these things first'. DSM05</p>

	<p><i>Well at the moment we are not investing a lot in people and training because we are still recruiting so we are still recruiting but we are not spending money hardly on training. SMJ05</i></p> <p><i>There is a project to renovate one of our beach concepts and so there will be a lot of investment in that area and after five years there is a lot of money on maintaining the building. SM</i></p>	
Culture	<p><i>I think it's just a cover my rear end attitude that we have here and I think that's what slows the whole process down PAJ02</i></p> <p><i>We used to be like a family owned hotel group where now it is just part of a holding company so it's now under one large umbrella. So before we were very hands on, very unique, and had different focus points. ACJ03</i></p> <p><i>as a European I think we want a decision so if I go to my boss I want him to make a decision. I don't want him to go to his boss, to his boss, to his boss to come back with a decision. I go to him and I want a decision. Can I get this – yes or no? And I think as Europeans that that's what we sort of expect and it doesn't happen. PAJ02</i></p> <p><i>Dubai doesn't really have those learning journeys within many of the organisations because there are so many people involved with a journey within a function and there aren't very many clear careers paths because historically promotion has been given on tenure rather than merit.CJJ04</i></p> <p><i>Not all nationalities fit within our organisation. We tried bringing in Brazilians to meet the needs of Brazilian guests but they didn't culturally fit in our company.CJJ04</i></p> <p><i>I would consider our company culture to be very strong and we are very clear about what we want to deliver in terms of our brand promise and what we stand for in a very simple way, that can allow anybody, regardless of your level of understanding, your intellectual</i></p>	<p><i>the best thing here is the culture because it doesn't matter what level people are within the organisation, everybody communicates with everybody and we meet up with each other so often and then the people at the lower levels have easy access to people like us. SDSM03</i></p> <p><i>Our organisational culture motivates people. SDSM03</i></p> <p><i>Your brand standards make it easy to communicate our culture to the employees so they can deliver the experience to the guest. SDSM03</i></p> <p><i>Even if you go to housekeeping they have this English only card that they have posted everywhere so everyone, such as the Sri Lankans they are not allowed to speak in their dialect, in their language. DSM05</i></p> <p><i>In the Middle East, they put someone in HR just because they are polite with employees, and its 'oh this guy works in front office, but everyone loves him so he goes to HR'. Which, I don't think is a very professional approach, okay, so sometimes people don't actually have enough knowledge to understand exactly what HR is. MNM04</i></p> <p><i>You have first to understand the place where you are, and who the people around you are and then you can adjust. And you need to be fair with everyone, you cannot protect different people for different reasons so there needs to be some fair structure of policies so if a person is working here then it is because he has some value, so if someone deserves to be trained, he</i></p>

	<p>capacity and personality, to know where we are coming from. HHJ06</p>	<p>deserves to be trained so I work pretty much like that. MNM04</p> <p>we do have a positive culture and I think people still believe that because in one way we have a very clear position and we communicate, even when we had to make redundancies we had general meetings to explain what was happening. MNM04</p>
Values	<p>So the vision of Dubai was very much instilled in the vision of our hotels. ACJ03</p>	<p>'We make moments' KBM02</p> <p>The vision of the company is to be the most preferred and upscale management company for guests, employees, shareholders and owners. KBM02</p> <p>We have changed to a more multi-cultural, and a more global concept now. KBM02</p> <p>So we promise everyone, to extend to them natural enjoyment, and part of natural enjoyment is you make a moment for someone, so yeah, multicultural we can say, we are very globalised now we believe this extends to everyone. KBM02</p>
Ownership	<p>the vision and the drive and the passion of the ownership that's key. ACJ03</p> <p>I know it might sound corny but the three hallmarks and the guiding principles are the one thing that we really stuck to but now we have lost our way, now we have become like the Hilton. ACJ03</p> <p>The main challenge is that there are a lot of decisions taken at these owner meetings, specifically for things like the salary review and there is often a discussion and a difference of opinion about these things. SMJ05</p> <p>but if the owner is too involved in some aspects of running the operation then you lose control. SMJ05</p> <p>they have Meridian, Hyatt and some others, so they obviously compare a lot of things between the hotels and it's not the same brand promise. SMJ05</p>	<p>Every hotel is owned by a different person, a company or individual maybe. FSM01</p> <p>Owners shouldn't really be getting involved in the day to day operation, so technically they only have to approve the employment of the GM, the Director of Finance and the Director of Sales, but it depends on each owner in terms of how much they get involved, you know, do they review the results every month and things like that. Let's just say that some are much more pleasant and easier to deal with than others. FSM01</p> <p>Right across the region, a lot of owners aren't even making enough money to pay the interest on their debts so they are pushing for more money but where do you want us to get it from? Ibn Battuta for example, if you compare them to their five competitors, they are leading, they are making more money, they have more occupancy and have a better average rate, but you know the owner keeps saying 'you have got to do better' and we are beating the market</p>

	<p><i>in HR if things have no cost then they will not interfere. SMJ05</i></p> <p><i>it can be more about proving that we can deliver to the owner and maintaining the relationship with the owner more than anything else. SMJ05</i></p>	<p><i>so there's not much better you can do. FSM01</i></p> <p><i>owners like to have profit at the end of the day. KBM02</i></p> <p><i>If you need money, let's say 200,000 AED to renovate the meeting rooms, the owner he will ask many questions – why? Why is this needed? What revenue will be generated? When shall I get my money back? And all these questions and of course as an operator in hotel management you have to be ready with the answers. KBM02</i></p> <p><i>they are supportive because they know that this is their business and sometimes they have to support the operation with money or approvals so that the hotel can run, especially when we are not the only hotel in the market. KBM02</i></p> <p><i>They know that we are doing a good job and that we are managing their assets and their money in a good way because they are receiving daily, weekly and monthly financial reports which means that they are aware of what's going on and they are quite happy with the results. KBM02</i></p> <p><i>there are pros and cons, especially in this kind of market scenario and the current economic conditions where lots of owners do not care too much about the brand, and the brand standards. They are looking for top line, bottom line and revenue. SDSM03</i></p> <p><i>it's like when you are on a flight and the oxygen masks fall off, they say the first person you help is yourself, so the thought process in all of the leader's minds and in the management company is that if you are doing well as a business that's the most important thing, and then the employees can be taken care of. SDSM03</i></p> <p><i>I have never felt any problems with the owners, but often from the HOD's (Heads of Department) is that you sometimes fight to have people on training because they feel they need to reinforce the operation and not the training. MNM04</i></p>
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		<p><i>we have less money and with the owners, no matter the nationality, usually when they build an hotel they ask money from a bank so they have to pay their bills. So it doesn't matter how much they understand us but at the end of the month they need a certain amount. Sot eh business needs to adjust to that need and that's pretty much how it is. MNM04</i></p> <p><i>So long as they can understand why they will say yes, but if they don't understand than forget it, no chance. MNM04</i></p>
<p>Organisational Economics</p>	<p><i>it doesn't seem to matter how many millions we are earning as a net profit, it never gets to be enough and very limited resources of that is put back in to the operation. HAJ01</i></p> <p><i>Well the room rates have been affected because there are now so many rooms available in the same type of class. I mean you have got the four seasons that has opened down the road and if they are not getting full they'll lower the room rates, emm, and if we want to stay competitive and get the head count coming in then we are going to have to start reducing ours as well. PAJ02</i></p> <p><i>I think the problem is that our budgets and our targets are really high and I think a lot of the time I personally feel that our budgets are too aggressive in terms of making money, rather than making enough money and putting some money aside that goes back into the properties erm, and I think that is probably where we lose a bit of ground at the moment. PAJ02</i></p> <p><i>When all the new hotels come online though, how we will respond to that, I think we might be two steps behind and I think what we are doing is making as much money as we can now and then we are going to hit a wall. PAJ02</i></p> <p><i>The accountants are in charge and that's not a good thing as well, because we haven't maybe shown the</i></p>	<p><i>they are making more money, they have more occupancy and have a better average rate, but you know the owner keeps saying 'you have got to do better' and we are beating the market so there's not much better you can do. FSM01</i></p> <p><i>Every month we are having a gathering and this is no exception, every month, and the GM he will give a very detailed business update about the previous month in terms of occupancy, in terms of revenue, what were the challenges that we have faced and our short and long-term vision we are planning to have. KBM02</i></p> <p><i>We had in this year, you know, some challenging months, but again we were smart enough in managing our expenses so that why nobody felt it and we did not sacrifice any quality or any employee's welfare. We start to negotiate more with suppliers, some things we say are not a priority this year so we will make it next year so we manage our expenses well so if there is lower revenue than expected it is not really noticed because expenses were also low. KBM02</i></p> <p><i>At the end of the day we are working for the one target, the same target, only. To have good financial results without compromising on the people's quality and our services. KBM02</i></p> <p><i>if you make a pay rise for one department, it means you have to make</i></p>

	<p><i>innovational passion or drive that we used to have. ACJ03</i></p> <p><i>That decision was purely greed and now 30% of the business comes from China. But it's not the right people because we have lost the people that eat the caviar and drink the champagne. ACJ03</i></p> <p><i>One of things that we are trying to do, or that we are doing this year will be colleague opinion survey in that the back end for us in corporate will be overlaying business results. So starting to look at performance scores, IBITA and profitability, labour turnover, CSI Scores. So to start looking at trends, because we all walk around all sort of saying 'Happy Colleagues, Happy Guests, they spend more in return – Well do they?CJJ04</i></p> <p><i>we have all this HR data but what does it cost us. What is the ROI on this? What are the savings we are making but doing this? What are the longer-term projections? And have we got that predictive element?CJJ04</i></p> <p><i>I think the mentality of employees is what is my cash, what is my take home. We haven't started exploring total rewards and it is certainly an element that we have put into our strategy so hopefully by the middle of next year we will be publishing total rewards statements so colleagues will be able to start to see their full value.CJJ04</i></p>	<p><i>a rise for another and we don't want to have that for now. KBM02</i></p> <p><i>On the cost of turnover - If it was twenty thousand last year we put almost the same but in the normal months (summer) we put maybe six, seven thousand because we know that we don't have much turnover. KBM02</i></p> <p><i>anyone who is active in the hotel now, we now by dirham what is the cost related to them. We are taking the months expense and the last column will be the total CTC (cost to company). Any expense related to anyone should be there and this is very much monitored. KBM02</i></p> <p><i>the medical insurance got high last year so this year we are looking for a little bit cheaper one with the same benefits. We have all these costs to company and anything might go up or down and will be immediately reflected in the P & L. KBM02</i></p> <p><i>before contracting, before issuing a ticket for an employee, we are getting five, six quotations from different companies. KBM02</i></p> <p><i>This means that I have to negotiate with my food person, I negotiate with my medical company, I negotiate with my transportation company, so I squeeze them. SDSM03</i></p> <p><i>It's not just the ADR that has dropped, other things have changed so if its F & B the average spend of the person has changed as well. SDSM03</i></p> <p><i>everything has a cost associated with it so I manage my expenses from a departmental perspective and like I said, everything gets negotiated and renegotiated so much that in the last year I negotiated my food costs but I still had to make sure that the menu was increased and upgraded to satisfy the staff so they could not stay that we are being cheap and they are being cheated as well. SDSM03</i></p> <p><i>Because the occupancy has dropped this has dropped the revenue and then we have to cut down on the payroll as well</i></p>
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		<p><i>because this takes a huge chunk of the revenue so we have to send people away and there is no recruitment for the past few months. DSM05</i></p> <p><i>the department already has saved a lot of money and we try as much as possible not to spend. I work on what I have and I work as much as possible to reduce any monetary amount for any activities. Although it would be good to spend a little more and make things much nicer but you have to work within your means because there is a certain target that the hotel needs to achieve at the end of the year and HR is a department but at the same time it's a business support so you have to support the company in its goal. DSM05</i></p>
<p>The Product</p>	<p>Location is our competitive advantage, along with our facilities and no one can be next to us so we can provide quite a private experience for our guests. HAJ01</p> <p><i>One challenge is our products age; even with a good upkeep many guests prefer to stay in new facilities where layouts and interiors are newly designed and installed. HAJ01</i></p> <p><i>Our product is the hotel and the beach, we have one of the longest beaches. PAJ02</i></p> <p><i>Our hotel is 20 years old but the design still means that we are high on the list of places to stay. We also have the new hotel opening soon which fits with our brand. PAJ02</i></p> <p><i>Many of the tourists aren't interested maybe because you come to Dubai for the sun and the beach. How many people do you see in the spice souq or in the old parts of town really going into detail of what it is. Drink a coconut water, take a photograph and off they go. ACJ03</i></p> <p><i>It's the location because the Palm is a premium location and we have a Turkish design so the property is beautiful'. SMJ05</i></p>	<p><i>Well some people come to Dubai and they say, 'Where is the city?' and I sort of say, 'Well I don't know'. FSM01</i></p> <p><i>I don't know if people want to come to see a local in a hotel and Dubai is becoming more about themes parks and shopping as well. FSM01</i></p> <p><i>Well I know what we budget and sometimes by the start of the year, the budget that you put together in September, you know it's not going to happen because things change. FSM01</i></p> <p><i>Our main US is the location as we are in a premium location here in JBR and most of the visitors they like to come and see this area. KBM02</i></p> <p><i>every time we look our revenue, if they have dropped we make sure that the quality of the service, the quality of the product is not going down. We cannot let our brand standards drop. SDSM03</i></p> <p><i>we have access to the beach through the Oceana Beach Club, which belongs to the same owner, so we have access to the beach on the Palm and I don't know if you realise but in the town the rates are much more expensive than here so the guests can still have access to the beach but stay here at the same time. At Oceana, we have the beach, we have swimming pools, we have kids club, we have Marina bar, we have</i></p>

		<p>restaurants, we have the lazy river so people can definitely go and relax and it's on the palm which is good. MNM04</p> <p>people understand our brand and so they know it is reliable and all of that but we are in an Arabic country and we are a themed hotel, and they know this is a themed hotel. MNM04</p> <p>They like our Arabic coffee server in the lobby and they like the small differences but of course, you have at least to fulfill their expectations that is for sure. They like the Arabic coffee but then they also want to have their espresso so we have to make sure it's there. They like the experience of Arabic breakfast but they always ask for bacon and eggs so of course they like the difference but they like to be in their corner in their comfort zone as well. MNM04</p>
Service	<p>5* luxury service to a level where price and demand is high. HAJ01</p> <p>We have hired colleagues from their countries to be able to know their preferences. And serve them in their own language. HAJ01</p> <p>The guest is expecting the Arabic experience but at the same time the guest is also wanting to have something from home. Like when the Italians travel the only thing they look for is an Italian restaurant so you know, it doesn't matter how many restaurants you have because the Italians go and eat in the Italian because they want to eat their pasta. HAJ01</p> <p>Of course they want to see the Arabic tassels and the colours and smoke the Shisha pipe and look at the Arabian gulf and all that but they are not ready to compromise the luxury of speaking their own language and eating their own food in that environment as well. PAJ02</p> <p>'our brand promise and a big differentiator for the company is the level of service' SMJ05</p>	<p>On service in a Japanese restaurant employing Japanese staff - 'the service was amazing but when Stuart got the bill, he said, 'this is ridiculous' and I said, 'well you know what, we are paying for this amazing service, these staff are very expensive.' FSM01</p> <p>I don't care if there are fifteen Indian guys serving me, so long as they are polished and if you go somewhere cheaper then you get what you pay for. FSM01</p> <p>They are like robots to me in terms of what you get and at the end when you ask for the bill they have already got it. And we are like 'wow, you're very perceptive' but it's one of the standards, that they have to have the bill ready at any time. It's a bit robotic though. FSM01</p> <p>the service culture in Dubai is generally frustrating, because in the five-star hotels its 'yes mam, no mam' and the guys just acknowledge Stuart, they don't acknowledge me, I don't exist, so that's all very cultural, and they say 'mam' rather than using names. FSM01</p> <p>Even at our Zurich property which is right where our head office they have</p>

	<p><i>I think also that at this level of service our colleagues are amazing and they make the difference but I don't think it's enough to rely only on that now so we need to find a way to think about what are the other services we could offer that our competitors don't have. SMJ05</i></p>	<p><i>got a procedure and they just follow it like a robot. FSM01</i></p> <p><i>The attitude and the willingness to serve here is better because here they need it because they have to feed their families, or they need it for their career. FSM01</i></p> <p><i>we are getting excellent rating and comments because our purpose as a company, as a hotel management is to make everyone happy in the hotel. KBM02</i></p> <p><i>The service is good too and if you can go to a property and not take the risks of something new, you keep coming here. MNM04</i></p>
<i>The Guest</i>	<p><i>Our brand equity is high so more than 20% of our guests return year on year. HAJ01</i></p> <p><i>We don't offer the individual experiences anymore, that onion has been peeled back quite a bit in order to save money. Our 'stay different' brand isn't so different any more. HAJ01</i></p> <p><i>the guests are maturing in terms of what they want as well and you don't necessarily want to walk into a Spanish restaurant and be met and greeted by Indian, Pilipino or Sri Lankan staff, not because you don't want to see them or you are racist but because you walk into a Spanish restaurant and you expect it to be authentic. CJJ04</i></p>	<p><i>Our Ibn Battuta property and JBR do the half board and the full board deals so that appeals to the Germans and the Brits. FSM01</i></p> <p><i>we are just in our third or fourth year of opening but the level of repeat customers is steadily increasing which is good. SDSM03</i></p> <p><i>There are certain targets that we have to achieve every month for guest satisfaction so every month there is this discussion with L & D and HR to try and get some more ideas on how we can engage employees to give a better hospitality than other hotels. DSM05</i></p> <p><i>even if we go to trip advisor or our surveys for the guests we can see that the property is beautiful but we can see that the comments are always related to the service and the employees. MNM04</i></p>
<i>Quality</i>	<p><i>the human factor is very complicated and very difficult and I think the less number of people who work with a clear direction and a clear mission it is better because it is about the quality and not the quantity and I think that's something that we need to learn here in Dubai so we have to focus on quality and not quantity. HHJ06</i></p>	<p><i>if we are performing well in quality, the financial ratios, the financial numbers will be achieved because if you are happy as a guest you will come back, you will recommend me to your friends, to your colleagues, and out of this positive word of mouth, of course people will come. KBM02</i></p>