

Department of Business Studies  
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**An investigation into the nature of the financial  
work undertaken by General Managers in the  
Donegal hotel industry**

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This dissertation is submitted in partial fulfilment of the requirements for the Degree of MA in Accounting, Letterkenny Institute of Technology.

**DECLARATION**

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## **ABSTRACT**

### **Overview**

The hotel industry represents an important part of the wider tourism and hospitality industry in Ireland. Although it takes more than one person to effectively manage a hotel, the person with the overall responsibility for running the business is the general manager of the hotel. Hotel financial experience has become mandatory for general managers in the modern day hotel industry, but there are concerns over the nature of the financial work undertaken by general managers and where these skills were attained.

### **Purpose**

This paper explores the actual nature of the financial work undertaken by general managers in Irish hotels, and more specifically in the County Donegal region. It specifically focuses on the financial work carried out by general managers, determining where financial skills and competencies were attained, discovers what financial work is outsourced by hotels and investigates the areas where general managers lack financial expertise.

### **Findings**

General managers were found to undertake a wide range of financial tasks as part of their job. Financial work was deemed to be important to the work of hotel general managers, although concerns were raised over the possession of these financial skills, particularly accountancy related skills among general managers. A combination of qualifications and work experience were identified as the most common methods used for attaining financial skills. Accountancy was discovered to be highly suitable for outsourcing, but suffered from low implementation rates in Donegal hotels.

### **Future research**

Further research is required to analyse the usefulness of the material taught during courses in order to evaluate how closely aligned these courses are to the required industry standards for the work of hotel general managers. Another subject that would merit further research would be the whole area of delegation of financial work to lower level managers.

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## **Chapter 1**

### **INTRODUCTION**

#### **1.1 Prologue**

The hotel industry is one of the major sectors responsible for the success of the Irish economy. Tourism and mainly hotels has helped contribute significantly to economic growth in this country. The hotel industry is a fast changing industry where the participants are constantly trying to adapt and gain a competitive advantage (Kobjoll, 2002) over their hospitality sector rivals namely other hotels, bed and breakfast houses and hostels.

Within this highly competitive industry, it is vitally important that general managers have some sort of financial experience in addition to the other generic management skills. Good financial skills within the hotel industry can help to optimise revenues, lower costs and ultimately maintain profits (Singh & Schmidgall, 2004).

According to Burgess (2007), the responsibility for control within the industry has started shifting in the direction of general managers instead of towards the accounting departments, but the concern here is that general managers lack the financial skills required to manage these changes effectively. General managers are now required to have a greater knowledge, understanding and awareness of the importance of financial information to their jobs as they become more accountable for their actions.

#### **1.2 Research question and objectives**

The research question is:

- What is the nature of the financial work undertaken by hotel general managers within County Donegal?

The research objectives are:

- To describe the nature of the financial work currently carried out by general managers.
- To determine how general managers attained their financial skills and competencies.

- To discover what financial work is outsourced in hotels.
- To investigate and identify specific areas where general managers feel they are lacking in financial expertise.

### **1.3 Justification for the research**

The researcher found no previous peer reviewed studies on the actual nature of financial work carried out by hotel general managers in Ireland. Previous studies into the work of hotel general managers have dealt with issues such as the skills (Damitio, 1998; Kay and Russette, 2000; Kong and Baum, 2006) and essential competencies (Damitio and Schmidgall, 1989; Wood, 2003; Mayo and Haysbert, 2005) required to work in the hotel industry. Another researcher (Burgess, 2007) carried out research to identify whether or not general managers actually possess these financial skills and competencies.

The literature suggests that financial skills and competencies are important to the work of the hotel general manager (Harper et al., 2005; Gibson, 2004). Research would also suggest that qualifications appear to have an important role in the development of general managers in the hotel industry (Gamble and Messenger, 1990; Harper et al., 2005). There are other authors (Connolly and McGing, 2006) who would argue that experience is more important than qualifications in career development.

Researchers have found that general managers are quite often not trained in the whole area of accountancy (Tas, 1988), and accountancy expertise has been found to be useful for the work of hotel general managers (Damitio and Schmidgall, 1989). The whole issue of outsourcing in hotels has become more popular in recent years. Lamminmaki (2006) recently examined the outsourcing of accountancy within the hotel industry. The research will provide further insight to this concept in an Irish context.

This study attempts to bridge the gap left in the research by exploring the actual nature of the financial work undertaken by general managers in County Donegal hotels. Seventy percent of the researched population requested a copy of the research findings.

## Chapter 2

### LITERATURE REVIEW

#### 2.1 Introduction

This literature review examines the relationship between financial skills and the work of hotel general managers, specifically the importance and need for financial skills and competencies in the hospitality industry. The literature review also provides perspectives on the role of qualifications in the development of hotel general managers.

The review focuses on several areas including the relevance of accountancy to the work of hotel general managers, the outsourcing of hotel accounting functions and some of the future financial/non-financial challenges facing hotel general managers.

#### 2.1.1 General Managers

*“Management, in simple terms, is the act of getting things done through other people. Management involves making decisions, allocating resources and directing activities of others to attain goals...The people who oversee the entire activities of others and who are responsible for attaining goals in these organisations are general managers”* (Oshins, 2002, p.26)

According to the work of Li and Tse (2007), *“Hotel general managers hold the key executive position in the hotel industry and have great influence on the success of a hotel property”*. (Li and Tse, 2007, p.263)

#### 2.1.2 Hotels in Ireland

A hotel can be defined as *“an establishment providing lodging, and frequently meals and certain other services, for the accommodation of travellers, semi permanent residents etc, all for a price”* (Webster New World Dictionary, 1970, p.874)

Maher and Stafford (2000) commented on how *“hotels are a particular business type with certain differentiating characteristics but ultimately, the principles of effective management can usefully function in any business”* (Maher and Stafford, 2000; cited Brophy and Kiely, 2002, p.166)

The hotel industry represents an important part of the wider tourism and hospitality industry in Ireland (Keating and Harrington, 2003). Recent reports suggest that there are almost 900 registered hotels in Ireland, with a total capacity of over 54,000 rooms and providing employment for approximately 249,000 people. (Fáilte Ireland, 2008)

### **2.1.3 Definition of Competencies/Skills**

An early definition of management competencies was contributed by Selznick (1957), who described competencies as the leadership capabilities responsible for transforming a public organisation into a successful operation. A similar contribution by Klemp (1980, p.56) defined competence as *“an underlying characteristic of a person which results in effective and superior performance in a job”*. These definitions align closely with the work of Boyatzis (1982, p.43), who defined competencies as *“characteristics that are causally related to effective and superior performance in a job”*.

Further research by Parry (1998) defines a competency as a *“cluster of related knowledge, attitudes and skills that affects a major part of one’s job; that correlates with performance on the job; that can be measured against well-accepted standards; and that can be improved via training and development”*. (Parry, 1998, p.61)

Other researchers have different views on the whole area of competencies, namely Albanese (1989), who asserts that *“no single set of competencies can fully capture the mystery of the managerial role and that there are many job-specific skills that influence effectiveness in particular managerial roles”*. (Albanese, 1989; cited Hayes et al., 2000 and Brophy and Kiely, 2002, p.167)

#### **2.1.4 The work of hotel general managers**

Although it takes more than one person to effectively manage a hotel, the person with the overall responsibility for running the business is the general manager of the hotel (Eddystone and Ghei, 1993). Eder and Umbreit define a general manager as “*the key implementer of the business strategy for the property and the behavioural role model for the entire management team*” (Eder and Umbreit, 1989, p.27). It can therefore be argued that the general manager is the central figure in the hotel business. (Ladkin, 1999)

The role of general manager encourages the use of business related tasks over operational issues, a view supported by the arguments of Gamble (1994) and of Guerrier and Lockwood (1989) who suggested a move away from craft skills and traditional “hands on” operational perspective to a more functional, business orientated hotel manager.

Research by Eddystone and Ghei (1993) looked at the job demands of general managers in the hotel industry from three main perspectives, firstly the short term, then the intermediate term and finally the long term. According to them, the short term aspect of a hotel general managers job dealt with the day to day operational control of service, costs and revenues. They then commented on how the intermediate term focused on the training and development of subordinates and also on the refinement of the organisational structure. Finally they explained how the long run considered the importance of the strategic and capital expenditure decisions which are made within hotels. (Eddystone and Ghei, 1993)

#### **2.2 The importance of financial skills to hotel general managers**

The importance of financial skills to the work of hotel general managers should not be underestimated. Hotel financial experience has become mandatory for managers in the modern day hotel industry, especially with the ever-increasing need to maintain profits and stay ahead of competitors (Gibson, 2004). Subramaniam believed that improved financial skills by management could also enhance their commitment to the organisation. (Subramaniam et al., 2002)

Various authors have researched and emphasized the importance of financial skills to hotel managers, namely Kay and Moncarz (2004) and Harper (2005). Harper found that general managers with good financial skills are more likely to achieve success than those without the necessary financial skills (Harper et al., 2005), while a study by Kay and Moncarz confirmed that sufficient knowledge in financial management issues will help to play a significant role in the careers of general managers in the hospitality industry (Kay and Moncarz, 2004).

These views differed somewhat from the earlier work of Mia and Patiar (2001), who questioned the impact of general managers placing a greater emphasis on the financial measures in place within hotels, suggesting that it could potentially impact adversely upon the behaviour of lower level management. Their argument centred around the theory that it is usually easier for general managers to obtain information quicker and more conveniently than their lower level counterparts, who do not always get the information they require. (Mia and Patiar, 2001)

Previous research from Ladkin and Riley (1996) has identified that managers use mobility to develop their skills, and general manager's careers demonstrate a high level of mobility (Ladkin and Riley, 1996; cited Ladkin, 1999). Ladkin also looked into identifying what skills are important for a general managers job, but added that she knew little about how these skills were accumulated. DeSouza and Awazu (2004) believe that general managers must have better financial skills, if they want to be more effective at managing their whole operation.

Although all these authors focused on the identification and importance of financial skills to the work of hotel managers, Burgess went further and actually tested to see if hotel general managers had these necessary financial skills. She found evidence that these skills were not always visible in practice. Some of her further findings highlighted the widespread concern of controllers as to the financial shortcomings of general managers. She believes that *“they just do not have the developed skills to enable the hotel to be managed effectively, either for day to day control or for further longer term tasks such as accurate forecasting and planning”*. (Burgess, 2007, p.192)

These findings were consistent with an earlier study carried out by Burgess (2006), which found that participants were sceptical about the levels of financial expertise among general managers. She believed that these general managers should not only manage the finance function within the hotels but also act as an advisor to other lower level management, who may not be as financially aware as the hotel business requires. She saw these advisory aspects of increasing importance to general managers especially with the focus now shifting towards increasing profitability. (Burgess, 2006)

### **2.3 Essential competencies required by hotel general managers**

A competency is a skill, ability or attitude that is required to successfully perform a specific position (Tas, 1988). There is an abundance of research available regarding the various competencies deemed to be critical to the work of hotel general managers. Tas (1988) found that hotel general managers rated managing guest problems as the most essential skill, but also noted other skills such as professional standards, appearance, communication, legal aspects and customer relations as being of high importance. Tas suggested that the result of his research could be used as a foundation to develop hotel management curricula at third level institutions.

Breiter and Clements (1996) found leadership to be the most critical competency, followed by managerial communication and employee relations. These findings coincided with similar results from a later study by Kay and Russette (2000), who concluded that although leadership was again rated as the most essential skill, technical competencies were rated higher than interpersonal skills.

Reddie believed that there was also a need for the accurate budgeting and forecasting from general managers given the complexity of the typical hotel operation (Reddie, 1999). Perdue, Ninemar and Woods (2002) agreed with the work of Reddie and later found that the development and implementation of budgets was considered to be the most essential competency.

According to the research of Mayo and Thomas-Haysbert, the main competency that should be held by hotel general managers in today's industry is the ability to manage revenues and costs. The other main competencies identified by the same study included financial accounting, staff motivation, good listening skills, planning of

meetings and knowledge of legal issues. (Mayo and Thomas-Haysbert, 2005)

This paper went on to describe the thoughts of industry general managers on the issue of revenue management, noting that greater importance has been placed on the area, especially in the aftermath of the September 11<sup>th</sup> tragedies in the United States due to the decline in worldwide sales in the years following the attacks. (Cited Burgess, 2007)

#### **2.4 The role of qualifications in the development of hotel general managers**

Research undertaken by Harper in 2005 regarding the usefulness of qualifications to hotel general managers in Scotland found that “*Formal qualifications do appear to play an important role in the career development of contemporary hotel general managers*” (Harper et al., 2005, p.64). According to Harper’s study, 76 percent of the sample population were qualified and the general consensus was that formal qualifications were an integral aspect of a hotel general manager’s career development, supporting similar findings from (Gamble and Messenger, 1990). Harper also noted that those who were formally qualified tended to achieve hotel general manager status two years and eight months earlier than their unqualified counterparts, indicating that formal qualifications are now the starting point for many managers within the hospitality industry. (Harper et al., 2005)

These findings by Harper differed substantially from earlier research completed by Baum in 1989, which suggested that just 40 percent of hotel general managers held a formal qualification and also that qualifications were of little importance for career development (Baum, 1989). This discrepancy may be due to the fact that Baum’s research was completed nineteen years ago and focused on the career development of hotel general managers at that stage, where some of the managers surveyed may have joined the industry up to 20-30 years earlier, at a time when formal qualifications may have been classed more as a luxury rather than a necessity. (Harper et al., 2005)

Guerrier conducted research in the UK in 2001, which found that the hotel sector did not traditionally place a high emphasis on academic qualifications and also that it was possible to progress with few or no formal qualifications. She went on to conclude however that a degree is increasingly perceived as desirable for general manager roles. (Guerrier, 2001)



A similar study in Ireland (Connolly and McGing, 2006) into the education of general managers in Dublin hotels, found that 100 percent of respondents said that experience was necessary for a general management position. The study also revealed that 97 percent of respondents felt that a degree was not a hospitality requirement for the same general management position.

On the issue of the relevance of third level education to hotel management, Rimmington found that hospitality educators are increasing the emphasis on the business and financial subjects in their courses, with the aim to provide their graduates with the necessary business managerial skills required to succeed in the industry (Rimmington, 1999). Further findings from Connolly and McGing's (2006) study cited earlier contradict Rimmington's results, with 68 percent of respondents feeling that degree courses did not meet today's industry needs, a view supported by the work of Raybould and Wilkins, (2005).

### **2.5 The relevance of accountancy to the work of hotel general managers**

Accountancy has become more important to the work of hotel general managers (Damitio and Schmidgall, 1989). Findings from this research identified a strong correlation between the views of general managers and educators on the importance of accountancy skills to general managers and also of the most important skills. This study found that the skills considered important to hotel general managers were also identified as equally important to the educators. (Damitio and Schmidgall, 1989).

Past research shows that general managers in the hotel industry believe that managerial accounting skills are considered very important to hotel general managers (Damitio, 1988), results later backed up by the findings of Woods et al, (1998). A recent study in China by Li and Tse (2007) contradicts these findings by suggesting that accounting was not perceived to be of high importance to general managers in Chinese hotels. (Li and Tse, 2007)

There is some concern in the industry as to whether general managers are properly trained in the area of hospitality accounting (Tas, 1988), a view supported by Lasky who remarked that “*hotel managers are quite often weak in certain basic areas of accounting such as interpretation of balance sheets and income statements*”. (Lasky, 1988, p.65)

In hotels, Downie (1997) suggested that general managers have two main sources of information, market research and accounting information. Traditionally, market research is used to evaluate customer needs and satisfaction, and forecast future business, while accounting information is used to analyse past performance, evaluate opportunities and establish budgets. (Downie, 1997)

Downie (1997) also focused on the link between the work of the hotel accountant and general manager. She commented on how “*It is often the responsibility of the general manager, rather than the accountant, to set the budget, monitor performance and control costs; the accountant then takes responsibility for compiling and reporting the figures to the general manager*” (Downie, 1997, p.307). This would suggest that the general managers role would demand an understanding of the financial aspects of the business.

As a result of the new standards in corporate governance, hotel businesses will need to be increasingly vigilant about their financial statements and this must start with the hotel general managers (Marshall and Heffes, 2005). In the future, there will be a perceived need for much better management of revenues and expenses, especially as hotel managers begin looking at various measures to reduce costs. (Singh and Schmidgall, 2004; cited Burgess, 2007)

Weldon (1999) considers accounting to be a support service to managers, not just a process driven function, and believes that it should provide “*financial leadership to the business*” (Weldon, 1999; cited Burgess, 2006, p.18). Even if management of processes is not required, there is still a need for interpretation of results, and advice to other, less financially aware, lower level managers as to the actions that need to be taken to optimise profits. (Burgess, 2006)

## 2.6 The outsourcing of hotel accounting functions

Outsourcing can be defined as “*the subcontracting of a process, such as product design or manufacturing, to a third-party company*” (Webster New World Dictionary, 1970, p.1456). The decision to outsource is often made in the interest of lowering firm costs, redirecting or conserving energy directed at the competencies of a particular business, or to make a more efficient use of the labor, capital, technology and resources available. (Clott, 2004)

Global outsourcing is fast becoming more popular in economies all over the world, with researchers estimating that over the next 12 years, approximately 3.3 million jobs will move offshore, accounting for over €136 billion in wages (McCartney, 2003; cited Clott, 2004). Outsourcing has been called “*one of the greatest organisational and industry structure shifts of the century*”, with the potential to transform the way businesses operate. (Drucker, 1998, p. 82)

Heyward believed that businesses are constantly looking to cut costs in order to maintain profitability (Hayward, 2002). Radigan’s approach to reducing these costs consisted of trying to establish what functions were core needing to be managed in-house, and what may be managed externally from the unit (Radigan, 2001). With businesses trying to identify new ways of organising their work, tasks that are not seen as ‘core’ could be contracted out to third parties. (Lankford and Parsa, 1999)

According to Quinn, the benefits to global outsourcing include the ability to reduce costs, improve asset efficiency and improve profits (Quinn, 1997). The main criticisms of outsourcing have been in the areas of changing employment patterns, globalisation of the labour force, and its effects on individuals and organisations (Clott, 2004). Other authors however highlighted the danger that only short term gains are considered stressing that the organisation needs to consider its strategic objectives before making a final decision. (Kakabadse and Kakabadse, 2002; DiRomualdo and Gurbaxani, 1998; Ettore, 1999; cited Burgess 2006)

In hotels, outsourcing has been around for many years for some operational tasks such as cleaning, but has only recently been considered for accounting functions (Lamminmaki, 2006). Hayward commented on how accountancy had traditionally

been performed in house, but that there was now a growing perception that accounting was no longer a core function (Hayward, 2002), a view supported by Laube (2002, p.38) who considered the accounting function in hotels as “*highly suitable*” for outsourcing. Cost savings are the main benefits associated with this movement towards outsourcing especially with hotels seeking to improve the quality of systems and processes. (DeFranco et al., 2004)

Some recent approaches suggest that the finance function can be separated into two distinct areas, firstly the accountancy function, dealing with the reporting aspects and secondly the financial management function, which would focus on the interpretation and planning issues (Scapens and Jayazeri, 2003). The location of the accounting function is less critical as technology allows the transfer of data, but the financial management aspects should remain within the organisation. (Caudron, 2003)

Although outsourcing has become popular in many industries, a study by Burgess (2006) raised doubts over its usefulness in the hotel industry, highlighting issues such as limited potential, the high degree of complexity involved in the operation and also the perceived requirement for on-site control. Her findings suggested that the ownership and management of a hotel would impact the degree of outsourcing allowed. She also believed that if outsourcing was not considered appropriate for a particular hotel, then centralisation of the accounting function might be seen as the most feasible solution. (Burgess, 2006)

## **2.7 Future financial/non-financial challenges in the work of hotel general managers**

Brophy and Kiely’s (2002) study into the use of competencies amongst management in Irish hotels found that most general managers believed that middle management within their hotels needed to become more financially focused. The results of the study stated that middle managers were not generally involved in the financial running of the hotel, although there was a strong desire amongst the same managers to become more actively involved. The challenge here for general managers is on deciding whether or not to delegate financial work downwards to lower level management and to what extent. (Brophy and Kiely, 2002)

According to recent research by Law and Jogaratnam (2005), future general managers in the hotel industry will face the challenge of integrating and using new technology applications along with their existing business operations. Hotel general managers will need to be constantly trained and developed to ensure these new challenges can be met, especially as management assume added responsibility within their hotels. (Burgess, 2000)

Law and Jogaratnam's findings recommended that general managers should embrace this "*technological revolution*" and take an active role in implementing information technology systems within their hotels, highlighting the main benefits of the new technology both to the hotel industry in general and then more specifically to the work of the general manager. (Law and Jogaratnam, 2005, p.178)

Yu and Huimin (2005) identified competition among hotels as a future and ongoing challenge, which most hotels will be faced with. They researched how competition has increased amongst hotels for the services of competent general managers and found that these professionals are in short supply in many markets, particularly the Chinese market, where they carried out their study. (Yu and Huimin, 2005; cited Li and Tse, 2007)

Stalcup and Pearson (2001) researched the causes of general manager turnover in US hotels and the effects it can have on the hotel afterwards. In relation to general managers reasons for leaving their positions, the survey found that only 9.5 percent left for reasons relating to lack of skills, knowledge or abilities. According to their results, general managers commonly left their jobs for career and financial advancement reasons. (Stalcup and Pearson, 2001)

In relation to the after effects of general management turnover on hotels, Stalcup and Pearson's findings found that the turnover of general managers could cost the hotel approximately \$6,600 per occurrence, findings supported by the earlier research of Hom and Griffeth (1995), who also commented on the large costs involved. In addition to this issue, they also identified the service problems that management turnover can bring with it, highlighting issues such as the adverse effect it can have on the hotel's reputation as well as on their competitive position. (Hom and Griffeth, 1995)

## **2.8 Conclusion**

The literature finds that financial skills and competencies are considered to be extremely important to the work of the hotel general manager. Accountancy expertise can be particularly useful to a general managers work, but the literature suggests that there are genuine concerns over their abilities to carry out such tasks in the workplace. These concerns over general managers accounting skills and the belief among some hotels that accountancy is no longer regarded as a core function, has led to outsourcing being considered in the hotel industry. Outsourcing is becoming more popular because of its ability to reduce costs, but some authors have cast doubts over the complexity involved and limited potential thereafter.

The literature expresses mixed opinions on the role that qualifications play in the development of general managers, but the general consensus was that experience was essential to developing as a general manager. The literature also focuses on future challenges to the work of hotel general managers, identifying issues such as the delegation of financial work to lower level managers, the effects of new technology in relation to general manager tasks and also the industry wide challenges among hotels of competition for general manager positions and the high costs involved in general management turnover.

## Chapter 3

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter illustrates the methodology of the research. It begins with a definition of research methodology, then moves on to identify the aims, objectives, designs, philosophies, approaches and participants involved in the research, discussing the processes for collecting and analysing the data and explaining the rationale for using the chosen research design tool. The chapter concludes with a discussion of the study's limitations, a chapter summary and a preview of the remaining chapters.

#### 3.2 Definition of research methodology

Research methodology refers to the systematic process of collecting and analysing information in order to increase the understanding of the phenomenon concerned. (Leedy and Ormrod, 2001; cited Duggan, 2007)

Brennan refers to research methodology as the way problems are approached with a view to seeking answers through the collection and interpretation of research information. (Brennan, 1998)

#### 3.3 Research aims and objectives

The aim of this research is to convert the research question into suitable research objectives and questions, which can then be used to answer the research question, a view supported by the work of Kallet, who believed that the aims of the research section “*should describe what was done to answer the research question, describe how it was done, justify the experimental design, and explain how the results were analysed*”. (Kallet, 2004, p.1229)

#### 3.4 Research design

The research design is the master plan, which specifies the main methods and procedures to be used in the collection and analysis of the required information. According to Kumar, the main function of the research design is to assist the

researcher in finding answers to their questions in a logical and coherent manner. (Kumar, 1999)

The researcher has subdivided the research design section down into five main categories, firstly the research approach, secondly the research philosophy, thirdly the research focus, fourthly the research tools, and lastly the instruments to be used for the data collection process. The researcher will now describe each of these sub-sections in more detail.

#### **3.4.1 Research approach**

Research approaches involve the use of theory, and according to Saunders (2003), there are two main types of research approaches to theory. The form of the research can vary substantially between the deductive approach and the inductive approach. The deductive approach involves the testing of theory from an existing body of knowledge, while the inductive approach concentrates on the development, building and understanding of theory from a new or unknown phenomenon. Saunders also comments on how it is possible to combine both approaches into a piece of research, but states that this can be difficult to achieve in practice. (Saunders et al, 2003)

The researcher believes that an inductive approach would be more beneficial to this particular study, especially as the research will be based on the opinions of hotel general managers rather than on scientific fact, an underlying assumption of the deductive approach. The use of interviews conducted using an inductive approach will allow the researcher to build theory from the data collected and help provide the researcher with a much wider view on the topic.

#### **3.4.2 Research philosophy**

The researcher must identify the most suitable research philosophy to pursue when they first begin to design their strategy in order to gather the required research. Two different philosophies exist within the research process; the first is known as positivism research, while the second is referred to as interpretive research.



#### **3.4.2.1 Positivism research**

Positivism is a structured approach to data gathering and tends to be analysed and interpreted in both a factual and statistical manner, with a key distinction being that the researcher should remain independent of the survey sample chosen, a view supported by Saunders, who characterises the positivist researcher as one who adopts an approach enabling them to collect and analyse their data independently and objectively. (Saunders et al, 2003)

According to the work of Jankowicz (1995), positivism is based on the theory that there is only one truth and that there is no alternative to this truth. He continues that truth is verified by matching the research results with the initial assumptions. Gill and Johnston (1997) commented on how positivism is a deductive approach, which seeks to explain and test the relationships between data collected through quantitative methods. (Gill and Johnston, 1997)

#### **3.4.2.2 Interpretive research**

Interpretive research is also known as phenomenology and is a flexible approach to data gathering, which focuses on the meanings and patterns behind the research, rather than on measuring just the facts associated with the research. Interpretive research, in contrast to positivism research, is based on the theory that there can be more than one truth on a particular subject matter. (Remenyi et al, 1998; cited Saunders et al, 2003)

According to Walliman (2001), Interpretive research seeks to understand the subjective reality of those being studied, making sense of their motives, actions, and intentions in a way that is meaningful to the research participants. (Walliman, 2001; cited Saunders et, 2003, Duggan, 2007)

#### **3.4.2.3 Research philosophy adopted**

The researcher felt an interpretive philosophy should be chosen for this study, given the benefits it provides in enhancing an understanding of the nature of the financial work undertaken by general managers. The main limitation is that both the researcher and the participants could introduce bias to the findings using this approach, depending on how they interpret the questions and findings. However, the research methodology and the research questions have been designed to limit this possibility.

The researcher felt that a positivism philosophy would not be appropriate for this particular topic, because the research will be based on the opinions of hotel general managers, meaning that no answer can be proved to be completely 100 percent correct. The nature of financial work undertaken by hotel general managers could possibly have many truths, indicating that an interpretive philosophy may be the best option to choose.

### **3.4.3 Research focus**

According to Saunders (2003), research can be carried out using four main classifications. The classification chosen will depend on the nature of the information, which must be collected in order to answer the research question. Multiple methods may be used depending on where the researcher intends to focus their attention. (Saunders et al, 2003)

#### **3.4.3.1 Exploratory research**

Robson (2002) commented on how exploratory research is a valuable means of finding out “*what is happening: to seek new insights; to ask questions and to assess phenomena in a new light*”. (Robson, 2002, p.59)

The main objectives of exploratory research are to gain background information, to define terms, to clarify problems, to establish research priorities and finally to develop questions to be answered (Saunders et al, 2003). It is appropriate to use where little information is known about a topic.

#### **3.4.3.2 Descriptive research**

The purpose of descriptive research is to find the what, when, who, where, why and how of the research and data collection is often carried out using interviews or questionnaires (Saunders et al, 2003), a view supported by Kumar (1999), who describes the research as a systematic attempt to describe a problem, situation, phenomenon, service or attitude towards an issue. (Kumar, 1999)

### **3.4.3.3 Explanatory research**

According to the work of Kumar (1999), Explanatory research attempts to clarify how and why there is a relationship between two aspects of a situation or phenomenon. (Kumar, 1999; cited Duggan, 2007)

### **3.4.3.4 Causal research**

Saunders (2003) describe causal research as an attempt to discover a relationship between two or more variables. It is usually tested for through a combination of the use of laboratory experiments and field tests. (Saunders et al, 2003)

### **3.4.3.5 Research focus adopted**

The researcher will use descriptive research to begin with in order to describe the financial tasks carried out by general managers and to discover what financial work is outsourced in hotels. Exploratory research will then be used to examine how general managers attained their financial skills and also to identify where they feel they are lacking in financial expertise.

## **3.4.4 Research tools**

The research tools section deals with the nature of the data required, distinguishing between qualitative and quantitative research, and explains the main data collection methods available, highlighting the methods which are to be used for this particular study.

### **3.4.4.1 Data Required**

The research procedure of any study can take a quantitative or qualitative approach, although the data required will dictate the research tool adopted. *“Both research methods have their own individual strengths and weaknesses. These need to be recognised so that the most suitable method can be applied to a research project”*. (O’Neill, 2006, p.84)

#### **3.4.4.1.1 Quantitative**

The quantitative approach is associated with numbers and quantifying the relationship between variables that can be illustrated by the use of charts, diagrams, tables and statistics. A quantitative approach is concerned with examining a particular situation

without being formally involved and is useful when trying to establish a trend.

Hopkins (2000) describes this research as a methodology that “*aims to determine the relationship between one thing (an independent variable) and another (a dependent variable) in a population*”. (Hopkins, 2000, p.74)

#### **3.4.4.1.2 Qualitative**

The qualitative approach is based on meanings expressed through words and collection methods include tools such as interviews, focus groups, observational protocols, case studies etc (Dey, 1993). This method is subjective as it involves the individual’s interpretation of events rather than focusing on facts and evidence. The researcher becomes actively involved in the research because of the lack of literature available on such a study. Interviews can produce solid information from open questions but it is time consuming both for the researcher and the individual being interviewed.

#### **3.4.4.1.3 Information Required**

The information required in this study combines both quantitative and qualitative research because both descriptive and exploratory methods are used. Quantitative descriptive research will be used to identify what financial tasks general managers undertake and outsource, while qualitative exploratory research will be used to determine general managers thoughts on where they feel they are lacking in financial expertise and also on how they attained their financial skills.

#### **3.4.4.2 Data collection methods**

Research data can be collected through both primary and secondary sources.

##### **3.4.4.2.1 Secondary data**

Secondary data is information that has been previously collected on a topic, and can include both quantitative and qualitative data (Saunders et al, 2003). Kumar (1999) comments on how the value of secondary data will vary depending on the availability, format and quality of the data. (Kumar, 1999)

The researcher found many peer reviewed literature articles with relevance to this study, with the majority of these produced by highly regarded authors in the subject

area. Although, some evidence of bias was discovered in certain pieces of literature, the researcher tried to overcome this by including contrary facts and opinions. The researcher found no previous peer reviewed studies on the actual nature of the financial work carried out by hotel general managers, but will attempt to bridge this gap by collecting the relevant data through primary data sources instead.

#### **3.4.4.2 Primary data**

Primary data can be collected using several methods. Kumar (1999) argues that the method chosen will depend on factors such as the purpose of the study, the resources available, and the skills of the researcher (Kumar, 1999). Each method has its own specific benefits and limitations, meaning that the researcher must select the most appropriate method to answer the research question while also considering their constraints.

#### **Method A - Interviews**

An interview can be described as a market research tool used to gather valid and reliable data during a purposeful discussion between two or more people (Kahn and Cannell, 1957). According to Walliman (2001), interviews are particularly suitable for gathering qualitative data, but may also be used in circumstances where quantitative data is required (Walliman, 2001). There are three main types of interviews, which can take place and these include:

- (1) **Structured interviews:** These interviews consist of a series of predetermined questions, which are useful for collecting descriptive and quantitative data as a means of identifying general patterns, similar to questionnaires. (Saunders et al, 2003)
- (2) **Unstructured interviews:** For this technique, interviews are more informal in nature and seek to explore a general area of interest or research, where there is rarely a fixed set of questions. This technique is useful for exploratory research, but requires researcher skill, and is open to interviewer bias and comparability as each interviewee can be asked different questions. Careful planning and preparation is required to ensure constraints such as limited sample sizes, time and financial issues do not affect the validity of the research. (Kumar, 1999)

- (3) **Semi-Structured interviews:** These interviews include a combination of elements from both structured and unstructured interviews. Techniques tend to vary from one interview to another and usually consist of a combination of standardised and non-standardised questions. The way questions are asked is not important and more questions can be added as the interview moves on. This method is useful for explanatory studies because it aids understanding of the relationships between variables. (Saunders et al, 2003)

### **Method B - Questionnaires**

Questionnaires are a useful way of collecting primary data, which is descriptive in nature. They can be used to measure the behaviour, attitude, awareness and characteristics from a large sample. Using a questionnaire lets the user standardise the wording and sequence of the questions, which will then allow the data to be recorded quickly and accurately. (Saunders et al, 2003)

### **Advantages of Questionnaires**

- Can be distributed to a large population
- Less expensive than other methods
- Standardised data enables comparisons to be made
- Data can be easily analysed
- Respondents can complete questionnaires quickly and easily
- Respondents have time to consider their answers
- Allows a large number of issues to be addressed
- Permit anonymity for respondents

### **Disadvantages of Questionnaires**

- Low response rate
- Ambiguous questions are not clarified
- Self selecting bias as some are not returned
- No allowance for spontaneous answers
- Responses affected by other questions as respondents read the entire questionnaire
- It is possible to consult others before answering
- Responses cannot be supplemented with other information (Kumar, 1999)

#### **3.4.4.3 Research tool adopted and justification**

After reviewing the various research tools available, the researcher decided that a combination of interviews and questionnaires were best suited to this particular research question, so other methods were discounted and therefore are not included.

Interviews were identified as an appropriate method of data collection for this study, given the research objectives and nature of the information required. The researcher decided to perform a series of semi-structured interviews focusing on the population of the Donegal hotel industry alone as opposed to the entire Irish hotel industry, noting that the primary information could be generated much easier from the smaller population, thus improving results by making the data more representative of the population.

The researcher identified the total population in Donegal to be fifty-five hotels, a result which meant that it would be virtually impossible for the researcher to interview every hotel general manager in the population, given the main constraints of the research, mainly being that there is only one researcher, who is completing the research part time while simultaneously working full time.

The researcher subsequently decided that the best option would be to use a combination of both semi-structured interviews and questionnaires, in order to accurately study the whole population. Using both data collection methods would allow triangulation of data to take place, meaning that the researcher would be more confident that the data is telling them what they think it is telling them. This would enable the researcher to make contact with all hotels in the population, which should lead to a better understanding of the responses given, whilst also allowing some of the disadvantages of both methods to be addressed.

Interviews will be the first data collection method used, with the researcher deciding that 25 percent of the population (i.e. fourteen hotels) should be examined by a series of semi-structured interviews. It was decided that each hotel in the population would be ranked from the largest hotel (i.e. most rooms) to the smallest hotel (i.e. least rooms), and that the fourteen largest hotels would be chosen for interview, with the remaining 75 percent (i.e. forty-one hotels) being surveyed using questionnaires.

The researcher felt that by performing the interviews first, this would then assist them with the design and construction elements of the questionnaires, as the questions and answers given in the questionnaires could be tailored to reflect the findings of the interviews. This would enable the researcher to build on the research already collected by testing the total population on the relevant issues, thus strengthening the results and improving the accuracy and validity of the findings.

The questionnaires will be administered via e-mail to the general managers of the remaining 75 percent of hotels not chosen for interview. E-mail was chosen because it offers greater control and also because most people read and respond to their own mail, which increases sample size, reliability and response rate. The e-mail addresses were obtained by searching the websites of every hotel. The questionnaires will be pilot tested and reviewed before being sent out.

#### **3.4.5 Constructing the research instruments for data collection**

The first instrument used to collect primary data was a series of semi-structured interviews. Fourteen interviews in total were carried out. The second method used was questionnaires, with the remaining forty-one hotel general managers in the population receiving a questionnaire.

##### **3.4.5.1 Interview design**

The use of semi-structured face-to-face interviews helped to increase response rates and corresponded with the belief of North (1983), who argued that managers prefer to be interviewed (North et al, 1983). On commencement of the interviews, the researcher, aware that the first few minutes are extremely important, attempted to make a good first impression by making the interviewee feel at ease and gain their confidence. The researcher assured the interviewee that their responses were for analysis purposes only and that they would remain completely anonymous. To overcome the issue of bias, the researcher prepared his interview approach carefully, ensuring that questions were asked in an unbiased and competent manner, making sure that the responses given were listened to and interpreted properly.



#### 3.4.5.1.1 Interview questions

The interview questions are derived from the literature, the research question and the objectives of the research. A combination of standardised and non-standardised questions was used in the interviews. The format and sequence of questions asked in the interviews were as follows:

- **Introduction:** The researcher welcomed the interviewee, introducing himself and explaining the title and rationale of the research topic.
- **Closed questions:** To begin with, the researcher asked a few closed questions to make the interviewee relax and also to confirm some facts and opinions.
- **Open questions:** The researcher then proceeded to ask a series of open questions, allowing the participants to describe and define their beliefs.
- **Probing questions:** The most difficult and sensitive questions were now asked to allow exploration of the responses given.
- **Conclusion:** The researcher concluded by giving the interviewee the chance to add any other information, which they felt was relevant. The researcher then thanked the interviewee for their participation.

#### 3.4.5.1.2 Recording the information

The researcher considered recording the interviews by tape but felt that this might inhibit the responses of the interviewees and make them feel uneasy that the information was permanently recorded. The researcher instead decided to make short notes by hand as the interviews took place and then write up a full record immediately after each interview, the disadvantage of this method being the possible introduction of researcher bias.

#### 3.4.5.2 Questionnaire design

Good questionnaire design will affect the response rate along with the reliability and validity of the data collected. This can be achieved by, careful design of individual questions, clear layout of the questionnaire form, coherent explanation of the purpose of the questionnaire, pilot testing and carefully planned and executed administration. (Saunders et al, 2003) The questionnaires were designed, at a cost using the services of an on-line survey company ([www.surveymonkey.com](http://www.surveymonkey.com)) and administered via e-mail,

thus achieving a professionally presented questionnaire appropriate for general manager use.

#### **3.4.5.2.1 Questionnaire questions**

The findings already collected by the interviews helped the researcher to identify which questions and answers were suitable for inclusion in the questionnaires. The questionnaire was designed to include mainly closed type questions, meaning respondents are provided with a list of alternative and predetermined answers whereby they must select the most appropriate response. A few open questions were also included allowing participants the freedom to reply in their own way. (Dillman, 2000) The following types of questions are included:

- **List questions:** Select all appropriate responses from a list of items.
- **Category questions:** Select only one reply from a given set of categories.
- **Ranking questions:** Place something in order.
- **Rating questions:** These questions use a scale to assess the relative strength of opinion.

#### **3.4.5.2.2 Data analysis**

The data will be analysed using Excel, with the responses being transformed into meaningful categories. (Parasuraman et al, 2004) As many of the questions are closed, they are already categorised, however the researcher will have to categorise the responses to the open questions.

### **3.5 Credibility of the research**

The credibility of the research findings are closely linked to the validity and reliability of the research (Kumar, 1999). Evidence should be made clearly visible to the readers that the findings are both valid and reliable.

#### **3.5.1 Validity of the research**

Smith (1991) defines validity as “*the degree to which the researcher has measured what he has set out to measure*” (Smith, 1991, p.106; Kumar, 1999; Duggan, 2007)

### 3.5.2 Reliability of the research

According to Moser and Kalton (1989), *“A scale or test is reliable to the extent that repeat measurements made by it under constant conditions will give the same result.”* (Moser and Kalton, 1989, p.353; Kumar, 1999; Duggan, 2007)

### 3.5.3 Generalisability

Saunders (2003) refer to generalisability as the extent to which the research findings are representative of a larger population, also known as a type of external validity. (Saunders et al, 2003)

### 3.5.4 Evaluation of the credibility of the research

Readers can evaluate the credibility of this research as they explore the linkages between the research question, the research objectives, the questions used in the interviews and questionnaires and finally the findings for evidence of a research methodology appropriate to the research question.

### 3.6 Ethical Issues

Kumar (1999) describes ethics as a code of behaviour appropriate to academics and the conduct of the research (Kumar, 1999). This research is conducted in an ethical manner.

### 3.7 Limitations of the research

*“As with any study, there are factors that limit general application of the results”* (Nickerson, 1993, p.30). This research has several limitations, many of which stem from the constraints of the research. The researcher had the following constraints:

- **Time:** Undertaking the research part time while also working full time limited the time available to the researcher to interview every hotel general manager in the population. To counteract this time constraint, a questionnaire was issued to the remaining hotels not chosen for an interview.
- **Financial:** This study was privately funded meaning the researcher had to incur any extra costs associated with the collection of the primary and secondary research.

- **Human resources:** The research was carried out by only one researcher. To overcome this, the researcher concentrated on researching the Donegal based hotel general managers only, as opposed to the entire Irish hotel industry. Although this reduced the overall population, there was still a significant amount of work to be carried out by just one researcher.
- **Interview constraints:** The use of interviews for data collection also entailed certain constraints, the main factors being reliability (lack of standardisation), bias (both from an interviewer and interviewee perspective), validity and generalisability issues (interpretation of responses) and finally the time consuming process involved in completing interviews.
- **Questionnaire constraints:** The main limitations associated with the use of questionnaires include the following factors: the researcher is never sure who completed them nor are they sure that they were completed in earnest with both having the potential to affect the credibility of the findings. Questionnaires prevent the exploration of the meanings that lie beneath the responses, while the answers provided may have influenced the participants contributing to researcher bias.

### **3.8 Conclusion**

This research was carried out to investigate the nature of the financial work undertaken by hotel general managers within County Donegal. The research will take the form of interpretive research using the inductive approach. It will be descriptive in nature leading to exploratory research. The data collected will be both quantitative and qualitative in nature. Interviews and questionnaires are used to collect the primary data, with the entire population being contacted by a combination of both methods.

The remainder of this dissertation is dedicated to reporting and analysing the data collected during the interviews and questionnaires. Chapter four reports the findings of the data collected, while chapter five, the final chapter, concludes the dissertation with an overview of the study, the analysis of the data and its implications for hotel general managers in regards to the financial work that they undertake.

## Chapter 4

### RESEARCH FINDINGS AND ANALYSIS

#### 4.1 Introduction

The findings of this research are based on a combination of the fourteen semi-structured interviews carried out and also on the twenty-six survey questionnaires returned, which in total represents seventy-two percent of the entire population. The researcher was quite happy with the response rate, especially considering that the research was carried out over the month of July, at a time when most professionals would usually begin taking their annual holidays.

The fourteen interviews carried out represented one hundred percent of the interview population, working out at twenty-five percent of the entire population. The researcher based his questions around the schedule set out earlier in chapter three (See Appendix 3 for complete version), the questions being subdivided down into the four main categories of interest, each category reflecting one of the research objectives. Within each category, a series of open, closed and probing questions were asked. The list of questions were not always rigidly followed, meaning that the interviewer could adapt his technique to suit each individual interview depending on the interviewee's circumstances and their initial responses.

In relation to the interviews, the researcher interestingly noted that none of the general managers selected and subsequently approached for interview purposes refused the option of being interviewed, which would corresponded with the aforementioned beliefs of North (1983), who argued that managers prefer to be interviewed (North et al, 1983).

The findings collected by the initial interviews helped the researcher to identify a set of suitable questions and answers for inclusion in the questionnaires. In total, twenty-six questionnaires were returned out of forty-one, representing sixty-three percent of the questionnaire population and forty-seven percent of the entire population, a return rate exceeding the average questionnaire response rate of approximately thirty percent. (Saunders et al, 2003)

Included in these twenty-six returned questionnaires were two partially completed questionnaires, where only the general information was completed. Interestingly, these respondents had no qualifications and stopped the questionnaire as soon as they reached the first question relating to financial related tasks. The researcher interpreted that the respondents did not have the requisite knowledge to complete the questionnaire.

## 4.2 Findings and analysis

The researcher analysed the results of the interviews and questionnaires separately in order that a comparison could be made between both research instruments. In general, the questionnaire results will be explained using a combination of charts and narrative methods, while the interviews will be discussed purely in narrative form, with both sets of findings then being compared with each other.

### 4.2.1 General information

The research confirmed that males (56%) held a greater percentage of general manager positions in Donegal hotels as opposed to females (44%), although reasons for this slight variance could not be identified from the research. Most general managers (29%) were identified as belonging to the 30-39 years of age group bracket, although three other age group brackets also exceeded the twenty percent mark, indicating that there was no real evidence of any form of correlation between a person's age and them holding a general manager position.

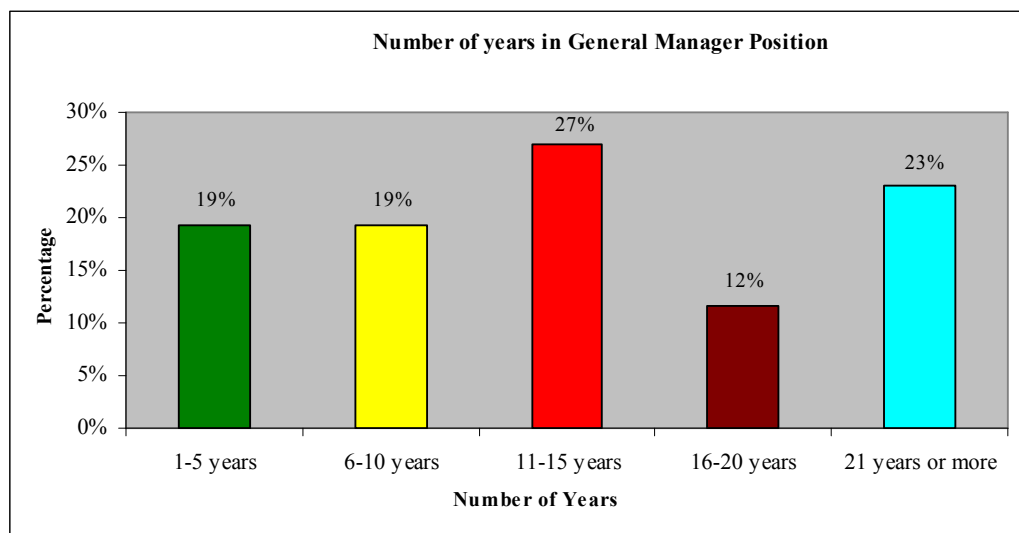


Table 4.1: The number of years in a general manager position

It is interesting to note that 62% of general managers have been in that position for over eleven years, suggesting that managers tend to settle down after reaching a general manager position, maybe due to job security and satisfaction with their respective career paths.

#### 4.2.2 The nature of the financial work carried out by general managers

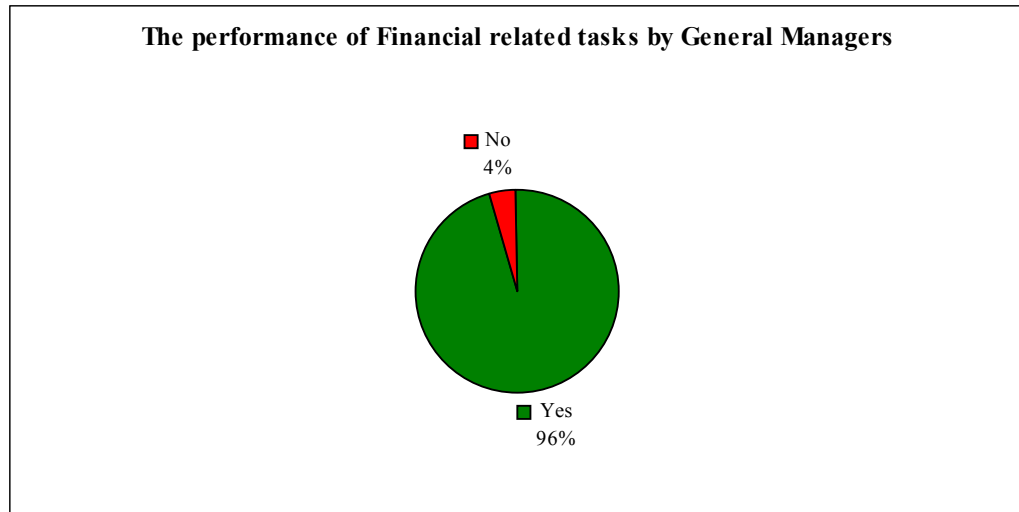


Table 4.2: The performance of financial related tasks by general managers

Almost all respondents both interviews (100%) and questionnaires (96%) confirmed that they perform some sort of financial tasks in their jobs as general managers, the exception including one general manager, who commented on how he instead *“delegates all financial tasks to his personal assistant”*, a reply not considered by the researcher as representative of the population.

#### 4.2.2.1 The types of financial work carried out by general managers

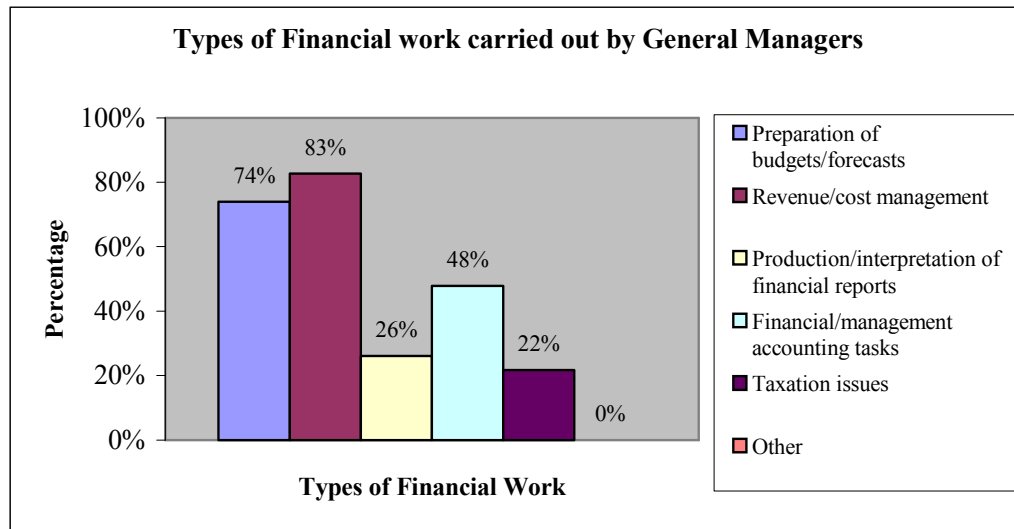


Table 4.3: Types of financial work carried out by general managers

The management of revenues and costs (83%) coupled with the preparation of budgets (74%) tends to reflect the majority of the work carried out by general managers. These results coincided with the figures collected from the interviews, with almost all respondents highlighting the forecasting and budgeting tasks as very relevant to their jobs on a weekly, monthly and annual basis. Other financial work identified during the interviews as being carried out by general managers included the updating of financial information for the in-house accountants, the preparation of staff wages and also the completion of hotel VAT returns on a bi-monthly basis. One general manager also mentioned the “*handling and lodging of cash to the bank*” as part of his daily routine.



#### 4.2.2.2 The importance of financial work to general managers

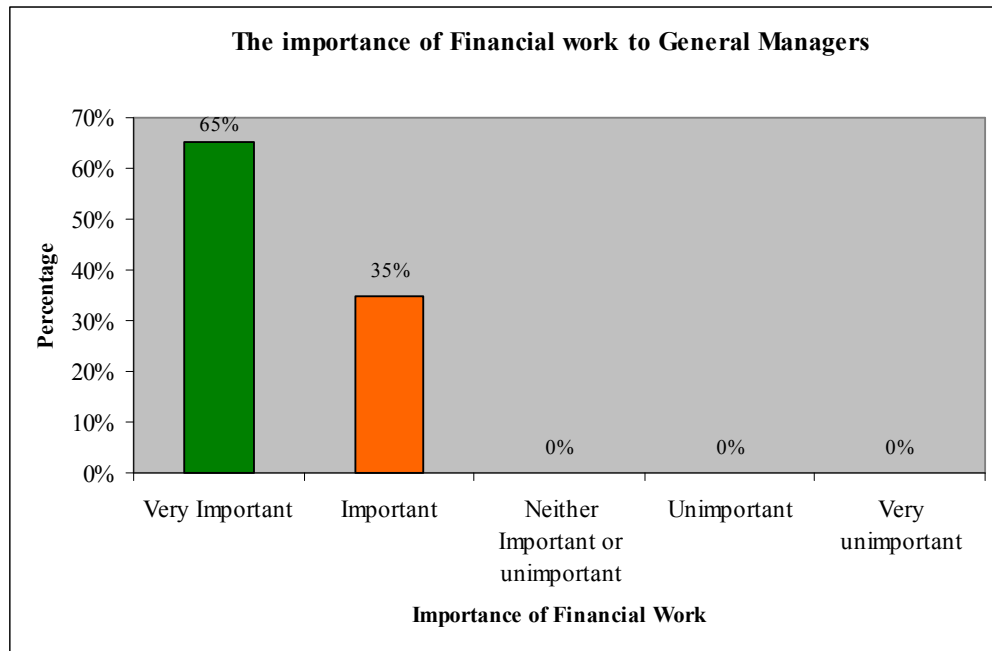


Table 4.4: The importance of financial work to general managers

The responses here were consistent with the earlier studies of Kay and Moncarz (2004) who emphasized the importance of financial skills to the work of hotel general managers. All respondents agreed that financial work was either important (35%) or very important (65%) to their work as general managers.

These findings were further strengthened by the results of the interviews where most participants identified financial work as being of high importance to their jobs as general managers, although a few respondents claimed that the finance function alone was not the single most important aspect of their jobs. One general manager identified the day-to-day running of the hotel as the most important part of his job, while another ranked financial issues third in terms of importance behind customer satisfaction and the day-to-day running of the hotel. Hands-on work was also noted as being important to general managers, but all participants acknowledged that financial tasks couldn't be ignored.

When pressed on the issue of whether a good understanding of accountancy was important to their jobs during the interviews, the majority of general managers agreed

that it was very important, corresponding with earlier research carried out by Damitio (1998), who found accountancy skills to be of high importance to the work of hotel general managers.

One respondent believed that general managers needed an *“above average understanding of accountancy issues, especially in a continually changing economic environment such as Ireland”*, a view somewhat contradicting the thoughts of another respondent who stated that *“although general managers should probably have an understanding of accountancy, it was not necessary as much where in-house accountants are involved in the hotel”*. Another general manager agreed that accountancy was very important to his job, but mentioned that his *“assistant manager dealt with the majority of the accountancy related tasks within their hotel, because he wouldn’t have a great knowledge of accountancy”*, which would support the argument of Lasky (1988), who believed that hotel managers are quite often weak in basic areas of accountancy.

**4.2.2.3 The financial skills deemed important by general managers**

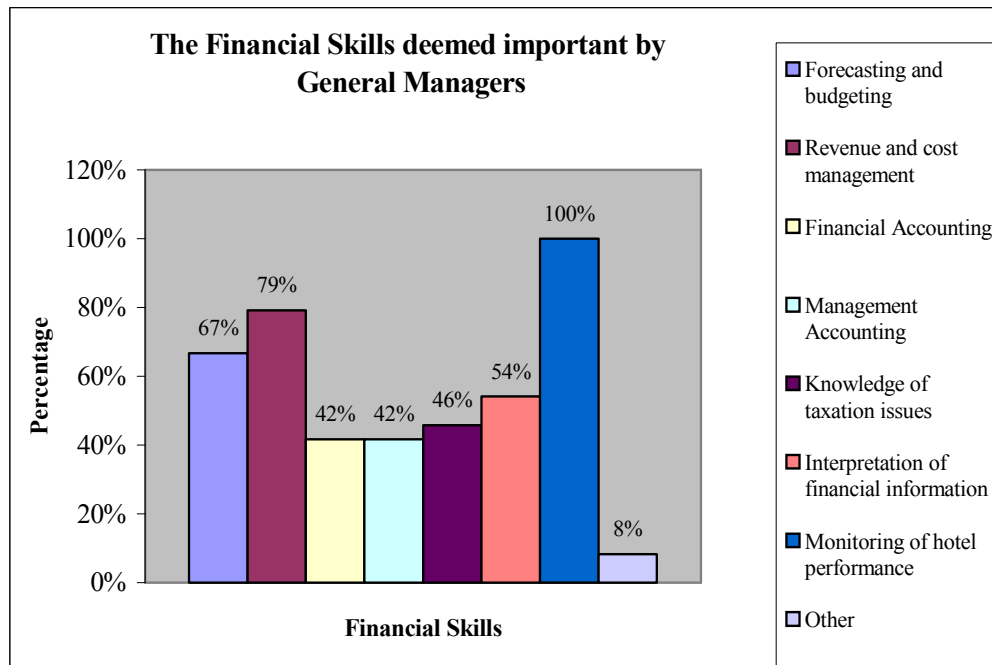


Table 4.5: The financial skills deemed important by general managers

As shown in Table 4.5, the monitoring of hotel performance (100%) was considered to be important by all participants. Research conducted by Mayo and Thomas-Haysbert (2005) identified the ability to manage revenues and costs, as the most essential competency required of general managers, a belief also evident in this research as 79% of general managers felt it was an important skill. Similarly, the work of Perdue, Ninemar and Woods (2002) considered forecasting and budgeting to be highly important to hotel general managers, and again 67% of respondents agreed with this belief.

The interpretation of financial information (54%), knowledge of taxation issues (46%) and accountancy tasks, both financial (42%) and managerial (42%) were also rated importantly by a number of general managers. One respondent also listed the “*ability to set prices in the face of severe competition which will not seriously damage profitability*” as another important skill required for general management positions.

The responses generated from the questionnaires were also in line with the information gathered from the interviews, with budgeting, revenue management and the minimisation of costs re-occurring themes throughout. One general manager commented on how it was extremely important to “*keep budgets tight and ensure over-runs were kept to the absolute minimum*”, a view supported by most respondents. Various general managers also acknowledged working capital management as an important support skill.

#### 4.2.2.4 The financial skills possessed by general managers

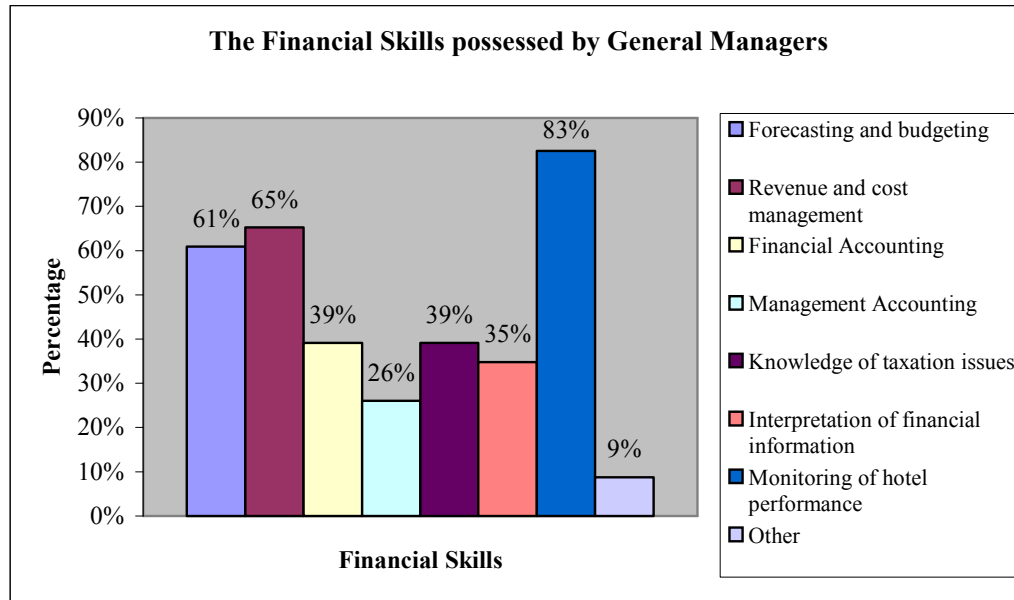


Table 4.6: The financial skills possessed by general managers

It is interesting to note the substantial variance in some of the skills deemed important by general managers and the actual skills possessed by the same general managers. Although 100% of the surveyed population deemed the monitoring of hotel performance to be a very important skill, only 83% of general managers felt they possessed this skill. The researcher noticed similar trends in regards to revenue and cost management (79% rated it as important, while only 65% possessed the skill) and management accounting issues respectively (Deemed important by 42%, with the skill being possessed by only 26%).

On a more worrying note, only 35% of respondents claimed to be able to interpret financial information, a large discrepancy from the 54% of general managers who earlier highlighted its importance. These discrepancies were consistent with some of the findings of Burgess (2007), who questioned the levels of financial expertise possessed by hotel general managers.

The results were more promising in the interviews with most respondents claiming to be fairly competent in carrying out a large range of financial tasks, including budget preparation, the management of revenues and costs, the interpretation of financial

results and the week-by-week monitoring of hotel performance. One of the general managers explained why financial skills weren't considered completely necessary in her position, stating that her hotel belonged to a group of hotels, where the majority of their financial information was *“dealt with by the head office accounts department”*.

#### 4.2.3 The attainment of financial skills by general managers

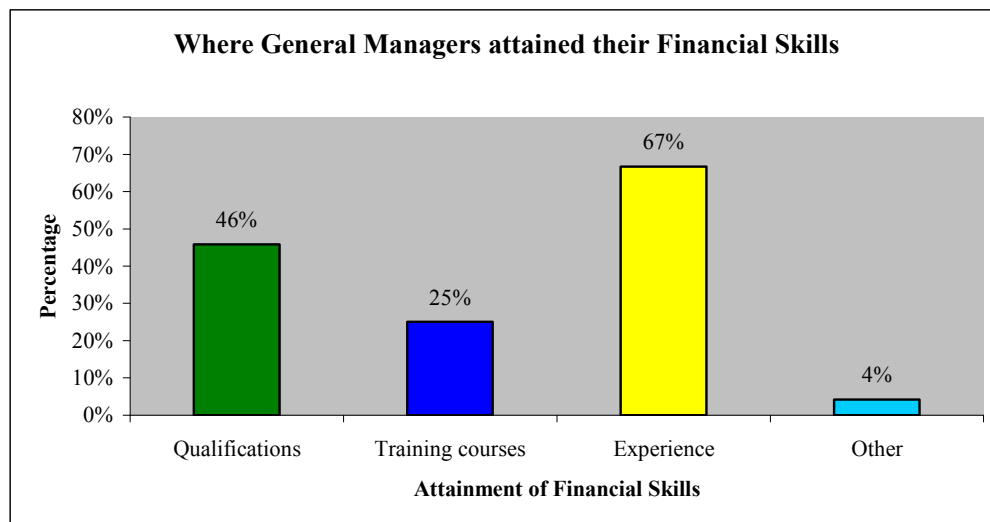


Table 4.7: Where general managers attained their financial skills

The research highlighted experience as the main learning source responsible for the attainment of financial skills by general managers, with 67% of respondents claiming to have acquired the sufficient expertise needed to carry out their respective financial duties through this method. General managers also commonly mentioned experience throughout the interview process as the main area responsible for helping them attain their financial skills and competencies, with one respondent claiming to have acquired his financial skills from the experiences of being *“almost sixty years in the business”*.

Another participant described experience as the best way for a general manager to update their financial skills, stressing that *“general managers must continuously update their skills to keep pace with an ever-changing industry, with hands-on experience the most efficient way of learning these new skills”*. These findings agreed with the study of Connolly and McGing (2006), who found experience to be a necessary component for a general management position.

The researcher also noted that only 46% of general managers felt that qualifications helped them to attain their financial skills, which would contradict the research carried out by Harper (2005), who found that qualifications do play an important role in the career development of general managers. Despite these results, most general managers were found to have some sort of formal qualification, as shown below in Table 4.8.

#### 4.2.3.1 The qualifications held by general managers

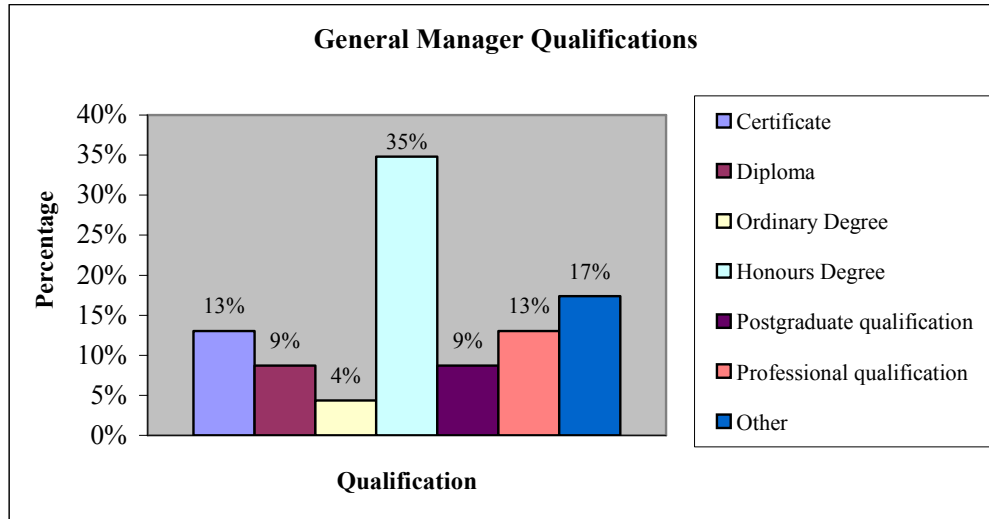


Table 4.8: General manager qualifications

The research confirmed that 83% of general managers had some sort of qualification, with an Honours degree (35%) being the most commonly owned qualification. These findings were more consistent with the results of Harper (2005), who also found 76% of his sample population to hold a qualification. Again, both of these results were a marked improvement on the older research carried out by Baum (1989), where only 40% of general managers held a formal qualification. The 17% other category reflected the respondents who did not hold any type of qualification, with one individual interestingly commenting on how he “*wished he had attained some formal qualifications*”, although no other details were given on the matter.

The information collected from the interviews again coincided with the questionnaire results, finding that most participants had at least a basic qualification, although a few

of the more experienced general managers said that they had no qualifications, insisting that it was not a necessity for a general manager position.

#### 4.2.3.2 The number of years needed to reach general manager status

This section was split between qualifications and work experience.

##### 4.2.3.2.1 Qualifications

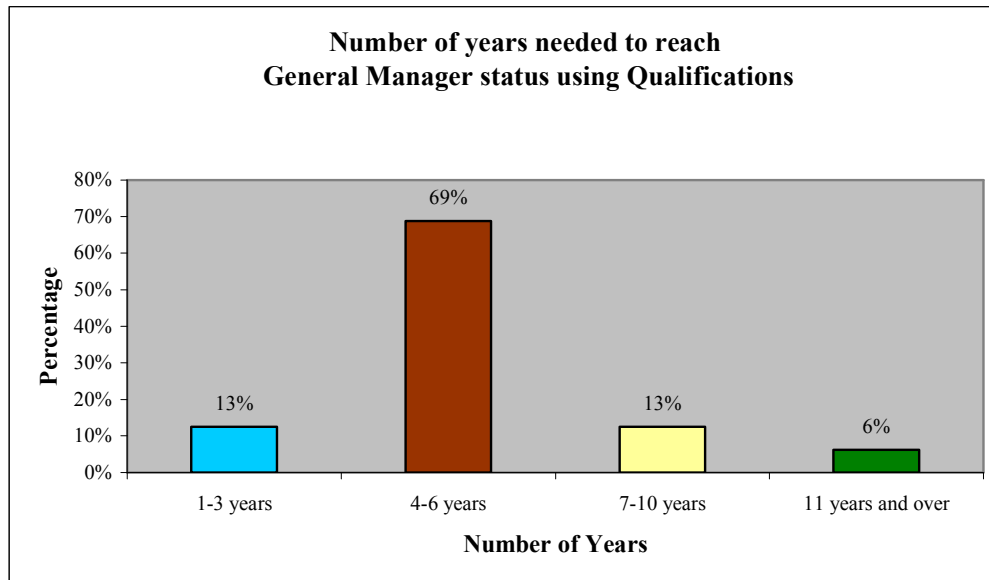


Table 4.9: Years taken to reach general manager status using qualifications

The general consensus from the research indicates that 69% of graduates would normally need to spend four to six years in the job before realistically reaching general manager status. One interview participant clarified this a little insisting that even after qualification, *“most individuals still have to complete the relevant management exams before they can even expect to rise through the hotels hierarchy and apply for a general manager position”*.

Interestingly, no respondents either in the questionnaires or interviews claimed to walk directly into a general manager position after successful attainment of qualifications, indicating that experience in the job was a requirement, no matter what qualifications were held by an individual.

#### 4.2.3.2.2 Experience

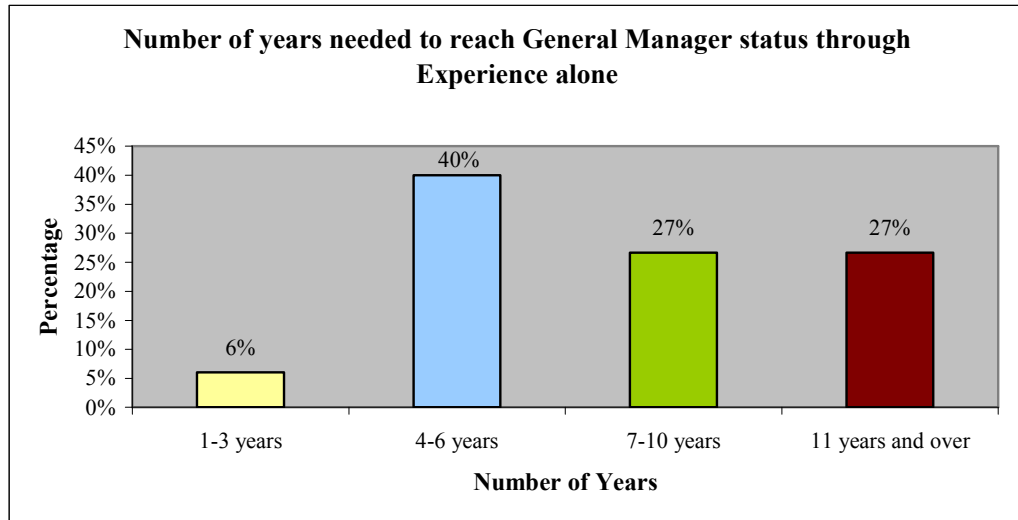


Table 4.10: Years taken to reach general manager status through experience

Although experience in the job was identified as a requirement in order for one to attain the position of general manager, it would appear that experience alone without qualifications would tend to increase the number of years work experience necessary in order to become a general manager, a finding which was also evident from the responses gathered during the interviews.

By comparing the number of years taken to become general manager using qualifications and also through experience alone, it was evident from the research that 54% of respondents required seven or more years to become general manager using experience alone, while only 19% of respondents who held a formal qualification took longer than six years to reach general manager status. These findings were consistent with that of Harper (2005), who noted that general managers holding a qualification normally reached that position two years and eight months earlier than their unqualified counterparts.



### 4.2.3.3 The usefulness of qualifications to general manager roles

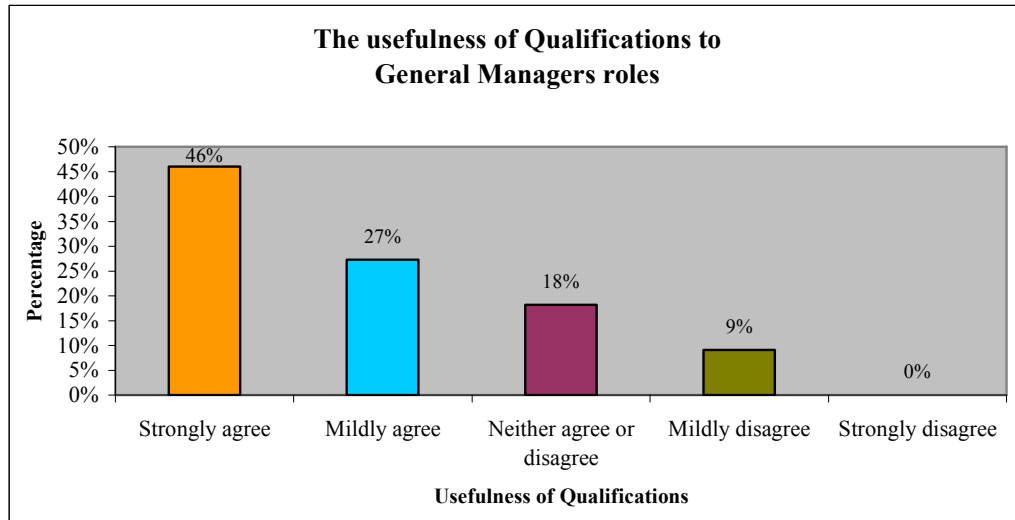


Table 4.11: The usefulness of qualifications to general manager roles

The research shows that 73% of respondents either strongly agree (46%) or mildly agree (27%) that qualifications are useful and have helped prepare them well for life as a general manager. From the remaining questionnaire respondents, 18% were indifferent to the usefulness of qualifications to their jobs, while 9% mildly disagreed insinuating that qualifications were not very useful to their jobs.

There was mixed opinions received during the interviews on the usefulness of qualifications to their jobs. Some respondents agreed that their qualifications had prepared them well, while others maintained that experience was more important than qualifications, with one general manager remarking “*even someone with all the qualifications in the world would find it hard to be general manager without experience in the job*”.

Other interview findings agreed with this remark by suggesting that hands-on experience and in-house training were more beneficial to general managers than qualifications could ever be.

#### 4.2.3.4 The relationship between qualifications and financial work

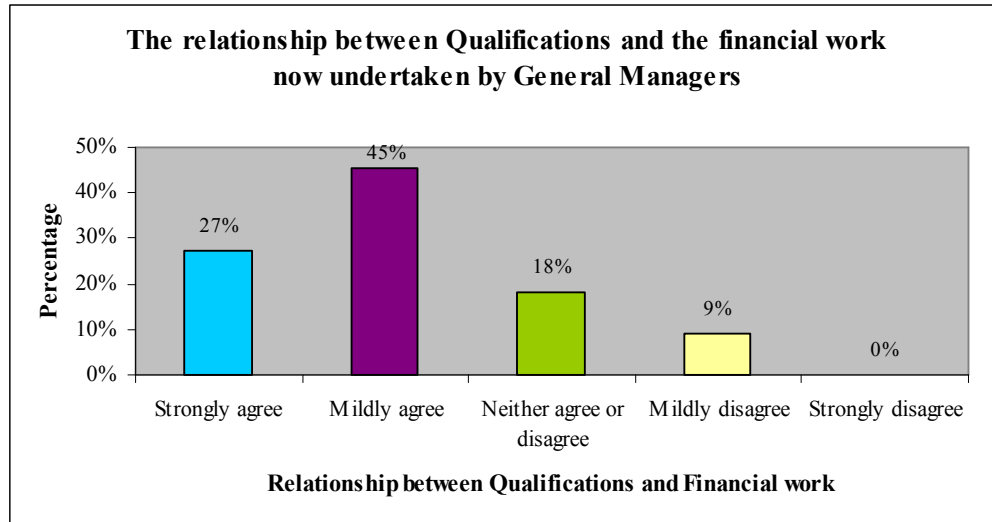


Table 4.12: The relationship between qualifications and financial work

These findings differed somewhat from the literature, with 72% either strongly agreeing (27%) or mildly agreeing (45%) that the courses and qualifications they completed were closely aligned with the financial work they now undertake as general managers, whereas in previous literature, Connolly and McGing (2006) found that 68% of their population believed that their courses and qualifications did not meet the required industry standards.

The information generated from the interviews also strengthened the notion that the financial work now undertaken by general managers was closely aligned with the material taught during courses, with one individual commenting on how she felt that the courses were “*accurate enough to a certain degree, but general manager jobs keep changing, so it is important that courses update themselves too*”.

#### 4.2.3.5 Most useful learning methods for general managers

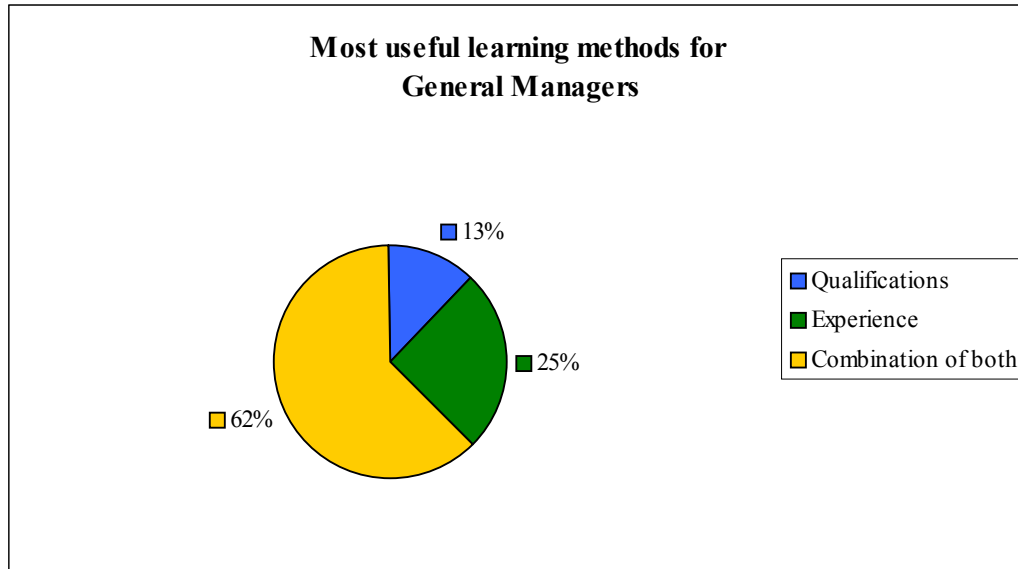


Table 4.13: Most useful learning methods for general managers

The results confirm that a combination of qualifications and work experience (62%) appear to be the most efficient method for general managers when learning how to carry out a set of financial tasks. One particular interview respondent backed up these findings by describing the benefits a combination of both can have by suggesting *“qualifications help teach you the theory aspects of the skills required, while work experience teaches you how to put these skills to use in a hands-on environment”*.

Another general managers beliefs were consistent with the literature findings of Connolly and McGing (2006) with his comment that *“experience is vital for a general manager role, and while qualifications would be desirable for such a role, they are not essential”*.

#### 4.2.4 The financial work outsourced in hotels

All responses collected both from the interviews and questionnaires indicated that general managers were familiar with the whole process of outsourcing. Interestingly, most general managers indicated that the outsourcing of at least some type of service took place within their hotel, as evident below in Table 4.14.

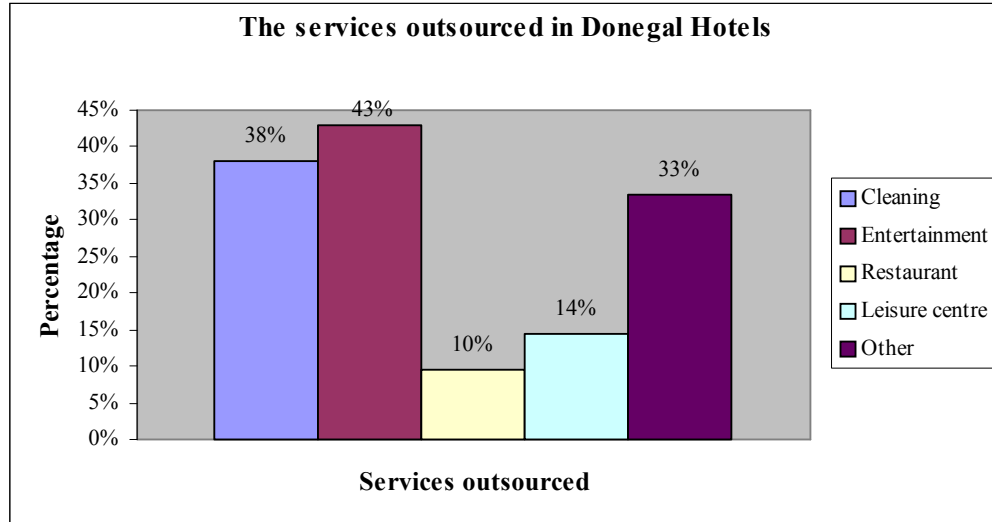


Table 4.14: The services outsourced in Donegal hotels

The outsourcing of entertainment (43%) and cleaning/laundry (38%) services are seemingly commonplace amongst the majority of hotels in Donegal. Other services (33%) also outsourced by some hotels included activities and services such as golfing, fishing, cash machines and vending machines.

Some other respondents confirmed that no outsourcing of any kind took place within their hotels. The interviews helped the researcher ascertain the various reasons why some of these hotels didn't outsource any services, with typical responses including *"We don't think outsourcing would be particularly suited to our hotel"*. Another respondent indicated that his particular hotel was satisfied with their current in-house services commenting: *"Our hotel has all the necessary departments and expertise in-house, hence we have no need to look elsewhere"*.

**4.2.4.1 The outsourcing of accountancy in Donegal hotels**

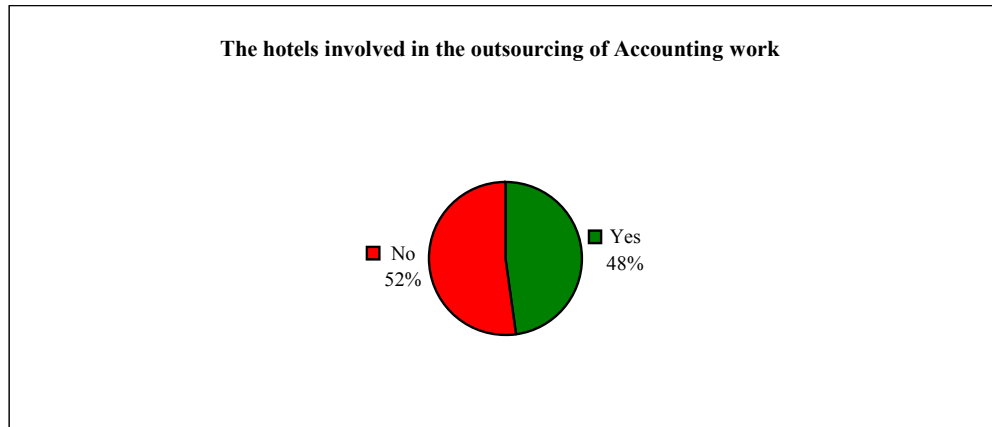


Table 4.15: The hotels involved in the outsourcing of accountancy work

The research collected shows a small variance in favour of hotels not currently involved in the outsourcing process (52%), to those who do outsource accountancy work (48%). This would correspond with the view of Hayward (2002), who believed that accountancy is traditionally performed in-house. The interview responses were also consistent with these results, with quite a few general managers indicating that they had employed accountants within their hotels responsible for the updating and general completion of the majority of the hotels accountancy related tasks, with the same work only being outsourced in order to have external auditors sign off on the books.

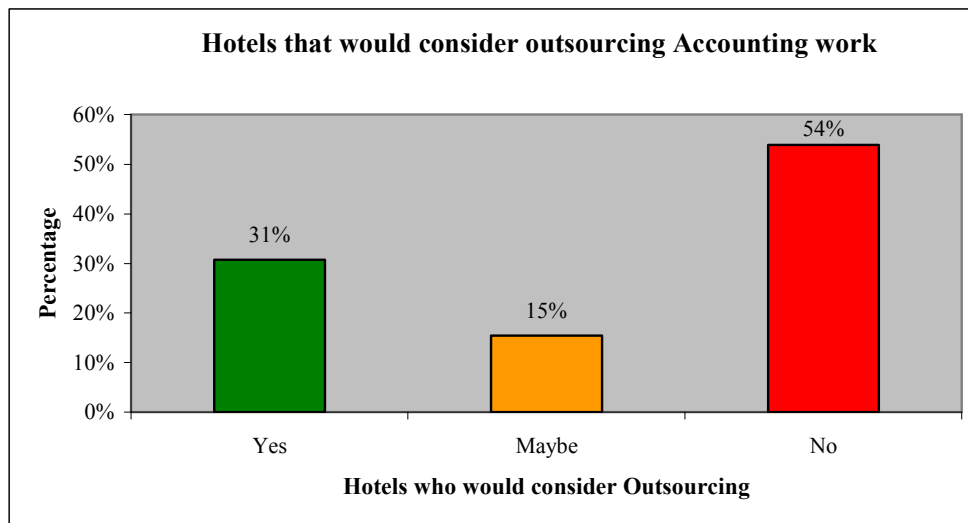


Table 4.16: The hotels that would consider outsourcing accountancy work

The researcher found it interesting that of the 52% of general managers not currently involved in the outsourcing of accountancy tasks within their hotels, 54% of these respondents also said that they would not even consider outsourcing accountancy tasks in the future, despite some of the obvious advantages, which were discussed in the literature. One general manager gave an insight to this trend during her interview, when she remarked, “*Outsourcing is of no benefit to our hotel, especially when our in-house accountants carry out a similar service, and at a much cheaper rate than what would be expected externally*”.

On a more encouraging note, 31% revealed that they would be open to the possible outsourcing of accountancy tasks at some point in the future, while 15% indicated that they might consider it, supporting the work of Laube (2002), who considering the accountancy function in hotels to be highly suitable for outsourcing.

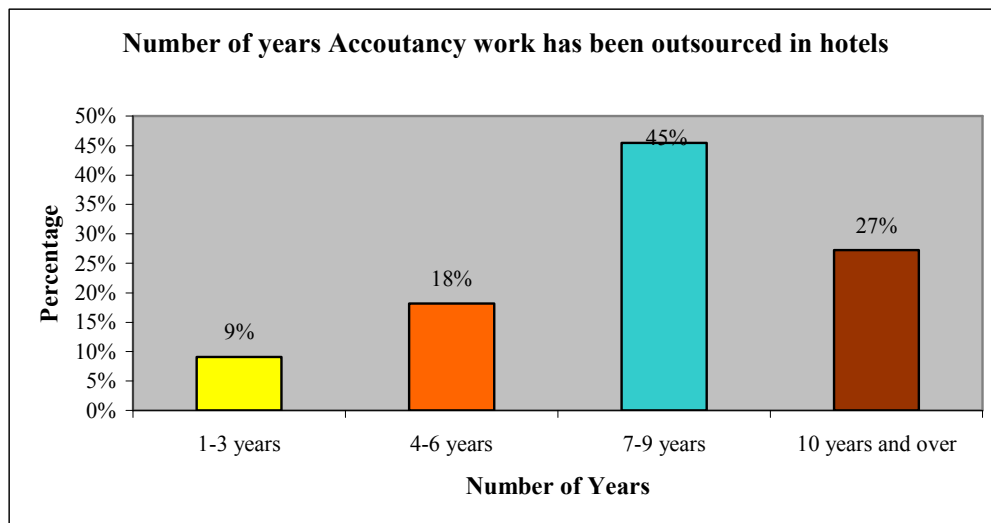


Table 4.17: Years accountancy work has been outsourced in hotels

It is evident from the research that those hotels that do outsource accountancy work have been doing so for many years, with 72% of these respondents currently outsourcing involved in the process for more than seven years, suggesting that fewer hotels are getting involved in outsourcing and utilising its potential benefits.

This trend was also identified during the interviews, with one respondent confirming that they have been involved in the outsourcing process for seventeen years. When

further explored, the respondent explained *“We have been outsourcing accountancy since the hotel first opened and have been involved with the same accountants throughout, mainly because of their superior knowledge and the competent service provided”*.

#### **4.2.4.2 The benefits of outsourcing**

Many respondents involved in the outsourcing process mentioned similar areas when asked to outline the benefits associated with the outsourcing of accountancy and other services. As expected, issues such as cost savings, competent experience in the field and professionalism were all mentioned throughout the interviews and questionnaire responses.

One respondent suggested the main advantage of outsourcing to be that *“The highly paid accountant is just used when needed, so saves paying a full time accountant”*, while another respondent believed that outsourcing was essential in the hotel industry, commenting that *“A hotel in this day and age can’t be run properly without the help of an external accountant to finalise the books and submit the appropriate tax returns”*.

Some other benefits mentioned during the research phase included issues such as less hassle for general managers, a reduction on the pressure placed on general managers during busy periods, more time for general managers to concentrate on their other tasks and duties, the financial aspects of the job are taken care off for general managers. All the benefits mentioned were in line with those also mentioned in the literature.

#### 4.2.4.3 The delegation of financial work

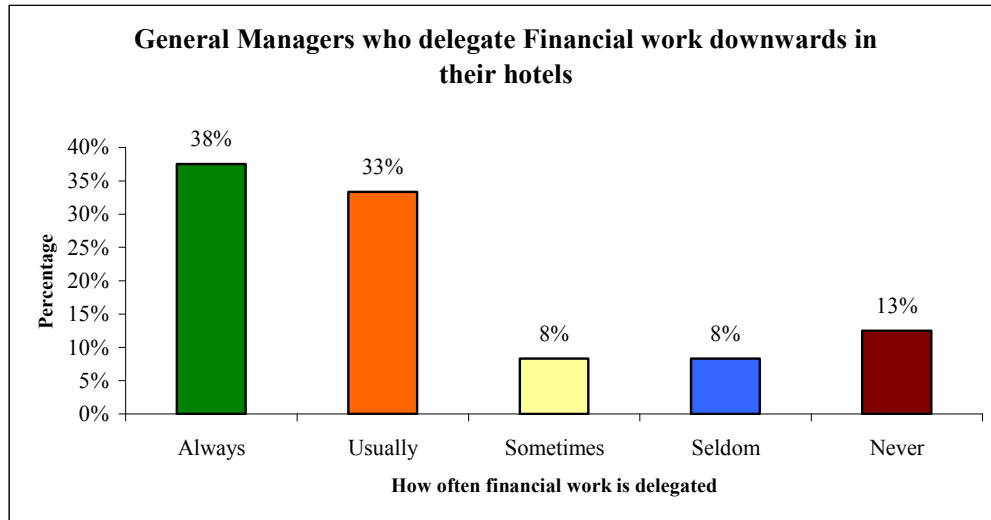


Table 4.18: General managers who delegate financial work in their hotels

It is evident from the results of the research that 71% of general managers either always (38%) or usually (33%) tend to delegate financial work down to lower level management within their hotels, which would seem to contradict Brophy and Kiely's (2002) study which stated that middle managers were generally not involved in the financial running of their hotels.

The interviews gave the participants a chance to elaborate on these findings with some interesting responses returned. One general manager confirmed he did delegate financial work, but only to his assistant manager and insisted that he would not delegate to anyone else stating that *"the less other managers and staff know about the financial side of the operations, the better"*. When asked to elaborate on this statement, the manager mentioned that the financial aspects should be kept confidential among just the key personnel, in order to prevent the threat of sensitive information falling into the hands of competitors.

Other managers mentioned the department structures in place within their hotels, whereby financial work would be delegated down to the appropriate department managers, who then have the power to delegate work further towards line managers and certain staff members, although the general managers confirmed that everyone would ultimately report back to them.



When asked about the benefits associated with the delegation of these financial tasks, the most commonly returned theme was the huge reduction in the workload of general managers. One respondent believed that delegation was a great way of *“updating the skills and competencies of the other managers and staff within the hotel”*, while also stating *“this should be a priority for all hotels”*.

#### **4.2.5 The areas where general managers lack financial expertise**

The researcher interpreted that the lowest ranked skills displayed earlier in Table 4.6 entitled the financial skills possessed by general managers to be the main areas where general managers felt they were lacking in financial expertise. It is evident from these findings that a lot of general managers believed they were lacking expertise in accountancy related tasks.

The results indicate that management accounting (26%) was the least held financial skill among general managers. Other skills such as the interpretation of financial information (35%), financial accounting (39%) and tax related issues (39%) were also in short supply among the majority of general manager skill sets.

The interview results were slightly more encouraging with some respondents very confident in their own abilities, while others weren't as optimistic. One respondent believed she *“would have no problems carrying out any type of financial work”*, while another confirmed that he would *“be very weak in regards to the legal aspects of finance and tax”*. Another general manager mentioned how he understood budgets, but reiterated that he *“wouldn't have the expertise required to prepare them”*.

Interestingly, 73% of the population confirmed that they would like to learn these new skills if they had the opportunity. The interviews helped the researcher identify some of the reasons why general managers would be interested in doing so, with a typical response being: *“It would be great to keep updating your own skills on a regular basis”*. Another general manager mentioned how the daily experiences of the job ensured he was continually learning every day.

#### 4.2.5.1 General managers abilities in the absence of financial skills

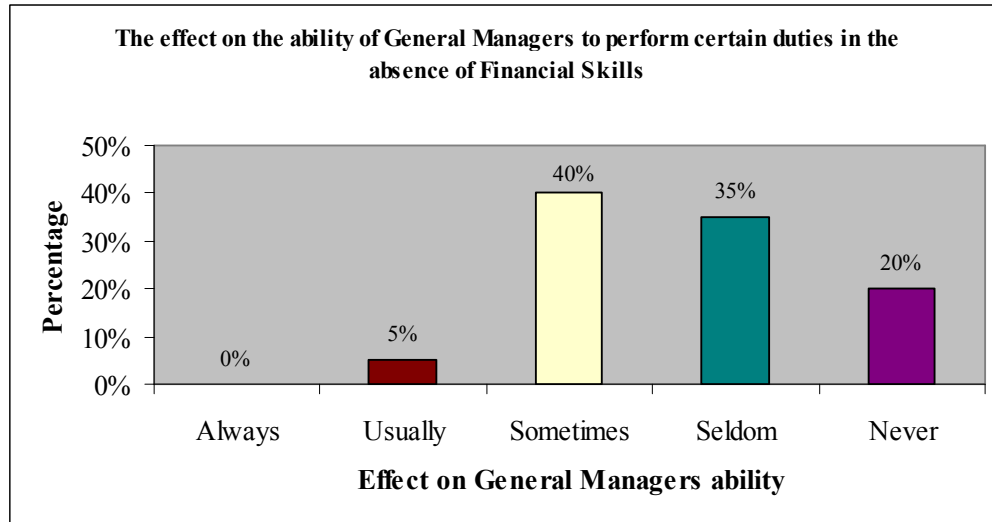


Table 4.19: Effect on general managers abilities in the absence of financial skills

The research found the absence of these financial skills to have very little effect on the overall ability of general managers to perform their normal duties, including financial work. Only 5% of respondents claimed to be regularly restricted in their jobs due to the absence of these financial skills, while 40% felt that the lack of these skills had an effect on their abilities only occasionally. The remainder of the population (55%) believed that they were rarely (35%) or never (20%) affected by the absence of these skills.

The interviews built on these results, with most participants not feeling particularly worried about the lack of these skills, with one respondent confirming that his hotels accounting department performs most of the financial tasks, meaning his primary role is to make decisions based on these figures, and not to worry about compiling the data. Another respondent expressed concern on the effects poor financial skills can have on a general manager, by stressing *“we are depending on the judgement of other people to keep us right, so it is vital to receive the proper advice from the right people”*.

When asked during the interviews if a lack of financial skills would ever cause them to leave their position as general manager, every general manager confirmed that they wouldn't leave their employment in the absence of skills. One participant commented

on how there is “*always help available from competent professionals, if necessary*”, while another general manager responded that she “*would only consider leaving her job if offered a new challenge with attractive terms, but never due to a lack of skills, as these things can always be taught*”.

#### 4.2.5.2 General managers competence in completing financial work

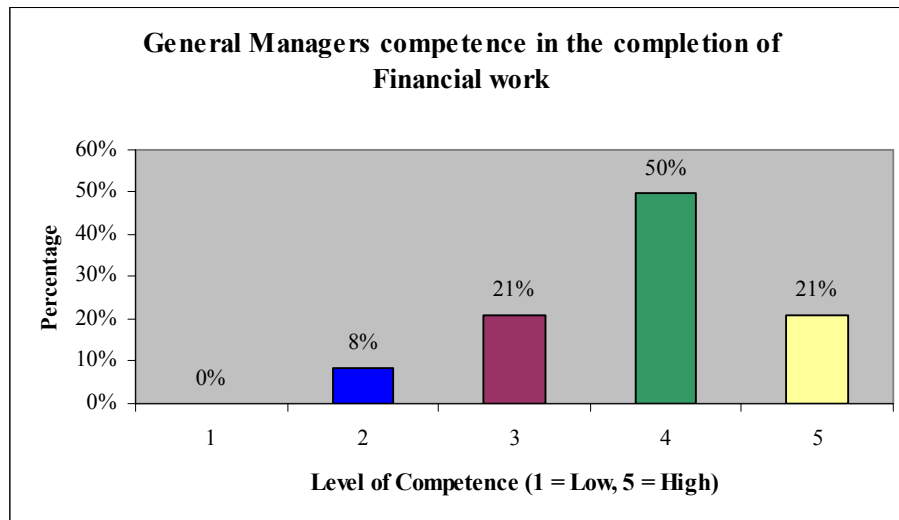


Table 4.20: General managers competence in completing financial work

When general managers were asked to rank their perceived level of financial competence on a scale of one to five (one representing low competence and five representing high competence), 71% of respondents interestingly believed that they were highly (50%) or very highly (21%) skilled in the completion of financial work. No respondents ranked themselves at the lowest level (0%), while only 8% of respondents felt they possessed low levels of financial competence. The remaining 21% ranked themselves in between both extremes. The average rating was found to be 3.8 on the scale, placing most respondents in the average to high competency level.

### **4.3 Conclusion**

The results of the interviews and questionnaires have revealed that almost all general managers carry out financial related tasks as part of their jobs, with the general consensus being that financial work is very important to the jobs of general managers. Most general managers were found to have some sort of qualification although hands-on experience was identified as a requirement for a general manager position.

The outsourcing of financial related tasks were found to have occurred in less than half of all Donegal hotels. The delegation of financial work was utilised by general managers in most hotels, and a large number of general managers were found to lack expertise in accountancy related tasks. In conclusion, the findings have answered the research question and met the research objectives.

## **Chapter 5**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

In this chapter, the researcher will outline the main findings of the research, drawing conclusions from those findings and making recommendations for further research.

#### **5.2 Overview of the main findings**

##### **5.2.1 The nature of financial work carried out**

Almost all general managers within Donegal hotels undertake financial work of some kind or another, with budgeting and revenue/cost management the main types of financial work carried out by general managers, corresponding with the literature.

All general managers agreed on the importance of financial work to their jobs, a finding again in-line with the literature. Although some parts of the literature suggest that general managers are in danger of placing too much emphasis on the financial aspects of their jobs at the expense of other areas, the researcher found no evidence of this occurring during the research, subsequently concluding that financial work is very important to the work of general managers.

The researcher concluded that there were substantial differences in relation to some of the financial skills deemed important by general managers and on the actual skills possessed by the same individuals, proving the findings to be consistent with the literature, which questioned the visibility of these financial skills in practice.

##### **5.2.2 The attainment of financial skills**

Although the research findings identified experience as a requirement for a general manager position, the researcher found that work experience coupled with the possession of an academic or professional qualification generally helped individuals to reach general manager status a few years before their unqualified counterparts, a finding consistent with the literature.

It was evident from the research that the majority of general managers held some type of basic qualification, with most agreeing that their qualifications were useful for their roles as general managers, but not essential, corresponding with the literature.

The researcher found inconsistency with the literature in regards to the alignment of qualifications with the financial work undertaken by general managers. Although the literature suggested that qualifications weren't closely aligned with the financial tasks of general managers, the researcher found evidence of some correlation between qualifications and the financial tasks undertaken by general managers. After much analysis, the researcher decided that no conclusion could be drawn without further research.

The researcher concluded that a combination of qualifications and adequate work experience were the most beneficial method for the modern general manager to attain their financial skills, a conclusion consistent with both the research findings and the literature.

### **5.2.3 The financial work outsourced**

Outsourcing was found to be commonplace in many Donegal hotels, but mainly for operational tasks such as cleaning and entertainment. The outsourcing of financial work including accountancy was being utilised by less than half of the research population, and of these hotels not currently involved in the process, only thirty-one percent confirmed they would consider outsourcing accountancy in the future.

The literature found accountancy to be highly suitable for outsourcing in the hotel industry. Even though the benefits described within the literature were consistent with those identified through the research findings, the researcher believed that only those involved in the process would realistically be able to identify the advantages associated with financial outsourcing, and subsequently concluded that general managers not involved in outsourcing wouldn't be fully aware of the benefits attached to the process.

Recent literature suggests that the outsourcing of accountancy is a generally new development within the hotel industry, contradicting the findings of the research,

where evidence was found to prove that hotels currently outsourcing accountancy had been involved in the process for many years. The researcher concluded that fewer hotels are getting involved and taking advantage of the inherent benefits associated with financial outsourcing, maybe due to the lack of information or expertise available on the area.

The researcher was not surprised to find that those hotels involved in the process have continued to outsource accountancy over a prolonged number of years, indicating that financial outsourcing is useful to the hotel industry, as the literature suggests.

The researcher concluded that there was inconsistency with the literature in the delegation of financial work from general managers down to lower level management, but acknowledged that the literature had been written approximately six years earlier, indicating that the use of delegation has increased substantially during the period since publication, as evident by the research findings. Further research would be required to confirm this conclusion.

#### **5.2.4 Areas where general managers lack financial expertise**

Accountancy was widely perceived as important to the work of hotel general managers, both by the research findings and the related literature. It was evident from the research that although accountancy skills were highly regarded, they were also amongst the poorest owned financial skills, with only a minority of general managers claiming to possess these skills, as suggested in the literature. The researcher concluded that the hotel accountants were filling this gap between the accountancy work undertaken in hotels and the absence of these accountancy skills amongst the majority of general managers.

The research findings indicated that the absence of financial skills had little effect on the ability of general managers to perform their financial duties. All respondents confirmed that the absence of financial skills alone wouldn't cause them to leave their positions as general managers, a finding consistent with the literature. The researcher believed that general managers would be somewhat restricted in their jobs if they had to undertake these financial tasks without the requisite expertise, concluding that other

competent individuals would need to complete these tasks, possibly through delegation or outsourcing.

Although the research found the majority of general managers to be of the opinion that they were highly competent in the completion of financial work, the researcher concluded that the respondents were relating their competence levels to the tasks they had substantial expertise in, and were not taking into account the financial tasks they undertake but lack expertise in.

### **5.3 Strengths and limitations of the research**

The strengths of this research are in the methodology of the research as every effort was taken to achieve credible results within the constraints of the research project, the accomplishment of the research aims and objectives and the creation of a document that provides extensive evidence of the nature of the financial work undertaken by hotel general managers within County Donegal.

Another strength is the high response rate achieved during the research stage. The researcher felt that by using a combination of survey instruments, it helped to improve the overall response rates, while subsequently allowing triangulation of data to take place.

However, there were limitations many of which were discussed earlier. The word count was a limiting constraint, as although much thorough in-depth research was completed and compiled, it had to be edited, excluding some evaluative analysis.

Another limitation is the small population size chosen. Although, the results are representative of the Donegal hotel industry, it is extremely interpretive whether the findings could be generalised to reflect the entire Irish hotel industry.

### **5.4 Overall conclusion**

In conclusion, general managers were found to undertake a wide range of financial tasks as part of their job. Consistencies with the literature existed on the importance of financial work to general managers and also in relation to the concerns raised over the possession of certain key financial skills, including accountancy by general managers.



A combination of qualifications and work experience were found to be the optimal method for the attainment of financial skills by general managers. Accountancy was discovered to be highly suitable for outsourcing, but lack of awareness by general managers over its benefits seem to be main factor responsible for the low implementation rates. The researcher realised at the outset that when completed, this type of research on a population as small as Donegal would only ever serve as an exploratory investigation that could pave the way for future research.

### **5.5 Recommendations**

The researcher recommends that this research should be repeated and expanded to include the entire population of hotels throughout the whole of Ireland, instead of just Donegal. Also, the researcher would recommend the use of semi-structured interviews for this task in order that responses can be explored further for in-depth meanings than would be possible through the administration of questionnaires.

### **5.6 Future research**

During the research phase, evidence of correlation was found to exist between qualifications attained from courses and the financial work completed by general managers, although the findings were inconsistent with similar studies previously undertaken on the topic. Further research is required on the usefulness of the material taught during courses in order to evaluate how closely aligned these courses are to the required industry standards for the work of hotel general managers.

Another subject that would merit further research would be the whole area of delegation of financial work to lower level managers. The findings suggest that seventy-one percent of general managers delegate financial work down to middle management on a regular basis, which would contradict previous literature on the matter. Further research is also required to evaluate this analysis.

**APPENDICES**

**Appendix 1 - Questionnaire**

This is a representation of the questions asked but the questionnaire was presented through an on-line survey package available at [www.surveymonkey.com](http://www.surveymonkey.com) to improve presentation and user friendliness.

**Questionnaire**

Letterkenny Institute of  
Technology  
Masters in Accounting



**Section A**

**General Information**

**Q1. Hotel Name:**

**Q2. Male or Female?**  
Male   
Female

**Q3. Age**   
(Please Specify)

**Q4. Number of years in that position**  
(Please select one of the following)  
1-5 years   
6-10 years   
11-15 years   
16-20 years   
21 years and over

**Q5. Qualifications**

(Please select one of the following)

Certificate

Diploma

Ordinary Degree

Honours Degree

Postgraduate qualification

Professional qualification

Other


**Q5a. If other, please specify?**

--

**Section B**

This section explores the nature of the financial work currently carried out by general managers in hotels.

**Q6. Do you perform any financial related tasks in your job as general manager?**

(Please select one of the following)

Yes

No


**Q7. If you do not carry out any form of financial related work, Is there any particular reason why?**

(If you answered yes to question 6, please ignore this question and proceed to question 8)

Reason:

--

**Q8. If you do perform financial related work, what types of financial work do you carry out?**

(Please select as appropriate)

Preparation of budgets / forecasts

Revenue / cost management

Production / interpretation of financial reports

Financial / management accounting tasks

Taxation Issues

Other


**Q8a. If other, please specify?**

--

**Q9. What financial skills would you perceive as important?**

(Please select as appropriate)

- Forecasting and Budgeting
- Revenue and cost management
- Financial Accounting
- Management Accounting
- Knowledge of taxation issues
- Interpretation of financial information
- Monitoring of Hotel performance
- Other


**Q9a. If other, please specify?**

--

**Q10. Which of the following financial skills do you possess (if any)?**

(Please select as appropriate)

- Forecasting and Budgeting
- Revenue and cost management
- Financial Accounting
- Management Accounting
- Knowledge of taxation issues
- Interpretation of financial information
- Monitoring of Hotel performance
- Other


**Q10a. If other, please specify?**

--

**Q11. In terms of importance, where would you rank the financial aspects involved in your job in relation to your other general manager tasks?**

(Please select one of the following)

- Very Important
- Important
- Neither Important or unimportant
- Unimportant
- Very unimportant


**Section C**

This section determines how general managers attained their financial skills and competencies.

**Q12. Where have you attained your financial skills?**

(Please select as appropriate)

(If your answer to this question is experience, please proceed to question 16)

Qualifications	<input type="checkbox"/>
Training courses	<input type="checkbox"/>
Experience	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Q12a. If other, please specify?**

**Q13. If attained through qualifications or courses, how long did it take for you to become general manager after becoming qualified or course completion?**

1-3 years	<input type="checkbox"/>
4-6 years	<input type="checkbox"/>
7-10 years	<input type="checkbox"/>
11 years and over	<input type="checkbox"/>

**Q14. Would you agree that qualifications have helped to prepare you well for life as a hotel general manager?**

Strongly agree	<input type="checkbox"/>
Mildly agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Mildly disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

**Q15. Would you agree that the courses and qualifications you completed are closely aligned with the financial work you now carry out as general manager?**

Strongly agree	<input type="checkbox"/>
Mildly agree	<input type="checkbox"/>
Neither agree or disagree	<input type="checkbox"/>
Mildly disagree	<input type="checkbox"/>
Strongly disagree	<input type="checkbox"/>

**Q16.If your financial skills were attained solely through experience, how long did it take for you to become general manager?**

(Please select one of the following)

1-3 years

4-6 years

7-10 years

11 years and over


**Q17.Do you think that qualifications or experience or a combination of both were more important when learning financial skills for your work as a general manager?**

(Please select one of the following)

Qualifications

Experience

Combination of both


**Section D**

This section deals with the outsourcing of financial work in hotels. Outsourcing can be defined as the subcontracting of a process to a third-party company.

**Q18.What services (if any) are outsourced in your hotel?**

(Please select as appropriate)

Cleaning

Entertainment

Restaurant

Leisure centre

Other


**Q19.Has your hotel ever outsourced accounting work?**

(Please select one of the following)

Yes

No


**Q20.If no, would you ever consider outsourcing accountancy work?**

(If your answer to this question is No, please proceed to question 23)

Yes

Maybe

No


**Q21. If you do outsource accountancy work, how long have you been outsourcing this type of work for?** (Please select one of the following)

- 1-3 years
- 4-6 years
- 7-9 years
- 10 years and over


**Q22. What do you think are the benefits of outsourcing?**

Benefits:

--

**Q23. Do you ever delegate financial work down to lower level management in your hotel?** (Please select one of the following)

- Always
- Usually
- Sometimes
- Seldom
- Never


**Section E**

This section investigates specific areas where general managers feel they are lacking in financial expertise.

**Q24. How would you rate your competence in relation to the financial work you carry out as hotel general manager?**

(Please select one of the following)

1	2	3	4	5

(The scale above – 1 being low competence and 5 being high competence)

**Q25. By not having these particular skills, do you feel it affects your ability in any way to perform your general manager duties?**

(Please select one of the following)

- Always
- Usually
- Sometimes
- Seldom
- Never


**Q26. Would you be interested in learning these skills if possible?**

(Please select one of the following)

Yes

No


**Q27. Would you be interested in receiving a copy of the results of this research?**

(Please select one of the following)

Yes

No




## Appendix 2 - Questionnaire Results

Questionnaires were sent to the remaining forty-one hotel general managers not chosen for interview. The results were analysed using Excel and then put into meaningful tables, which displayed the total number of respondents given per question along with the relevant percentages, the percentages being shown both in terms of the number of actual responses given per question, as well as their overall position in relation to the entire population.

### Results

<b>Question 1 - Hotel Name?</b>			
<b>Questionnaire Completions</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
No. of Respondents	26	100.0%	63.4%
Partial Completions	2		4.9%
Completed surveys	24		58.5%
Total Questionnaire Population	41		100.0%

<b>Question 2 - Male or Female?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Male	14	56.0%	34.1%
Female	11	44.0%	26.8%
<i>answered question</i>	<b>25</b>		
<i>skipped question</i>	<b>1</b>		

<b>Question 3 - Age?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
No. of Respondents	25	100.0%	61.0%
<i>answered question</i>	<b>25</b>		
<i>skipped question</i>	<b>1</b>		

<b>Question 4 - Number of years in that position?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
1-5 years	5	19.2%	12.2%
6-10 years	5	19.2%	12.2%
11-15 years	7	26.9%	17.1%
16-20 years	3	11.5%	7.3%
21 years or more	6	23.1%	14.6%
<i>answered question</i>	<b>26</b>		
<i>skipped question</i>	<b>0</b>		

<b>Question 5 - Qualifications?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Certificate	3	13.0%	7.3%
Diploma	2	8.7%	4.9%
Ordinary Degree	1	4.3%	2.4%
Honours Degree	8	34.8%	19.5%
Postgraduate qualification	2	8.7%	4.9%
Professional qualification	3	13.0%	7.3%
Other (please specify)	4	17.4%	9.8%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		

<b>Question 6 - Do you perform any financial related tasks in your job as general manager?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Yes	23	95.8%	56.1%
No	1	4.2%	2.4%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		

<b>Question 7 - If you do not carry out any form of financial related work, Is there any particular reason why?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
	1	100.0%	2.4%
<i>answered question</i>	<b>1</b>		
<i>skipped question</i>	<b>25</b>		

<b>Question 8 - If you do perform financial related work, what types of financial work do you carry out?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Preparation of budgets/forecasts	17	73.9%	41.5%
Revenue/cost management	19	82.6%	46.3%
Production/interpretation of financial reports	6	26.1%	14.6%
Financial/management accounting tasks	11	47.8%	26.8%
Taxation issues	5	21.7%	12.2%
Other (please specify)	0	0.0%	0.0%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		

<b>Question 9 - What financial skills would you perceive as important?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Forecasting and budgeting	16	66.7%	39.0%
Revenue and cost management	19	79.2%	46.3%
Financial Accounting	10	41.7%	24.4%
Management Accounting	10	41.7%	24.4%
Knowledge of taxation issues	11	45.8%	26.8%
Interpretation of financial information	13	54.2%	31.7%
Monitoring of hotel performance	24	100.0%	58.5%
Other (please specify)	2	8.3%	4.9%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		

<b>Question 10 - Which of the following financial skills do you possess (if any)?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Forecasting and budgeting	14	60.9%	34.1%
Revenue and cost management	15	65.2%	36.6%
Financial Accounting	9	39.1%	22.0%
Management Accounting	6	26.1%	14.6%
Knowledge of taxation issues	9	39.1%	22.0%
Interpretation of financial information	8	34.8%	19.5%
Monitoring of hotel performance	19	82.6%	46.3%
Other (please specify)	2	8.7%	4.9%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		

<b>Question 11 - In terms of importance, where would you rank the financial aspects involved in your job in relation to your other general manager tasks?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Very Important	15	65.2%	36.6%
Important	8	34.8%	19.5%
Neither Important or unimportant	0	0.0%	0.0%
Unimportant	0	0.0%	0.0%
Very unimportant	0	0.0%	0.0%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		

<b>Question 12 - Where have you attained your financial skills?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Qualifications	11	45.8%	26.8%
Training courses	6	25.0%	14.6%
Experience	16	66.7%	39.0%
Other (please specify)	1	4.2%	2.4%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		

<b>Question 13 - If attained through qualifications or courses, how long did it take for you to become general manager after becoming qualified or course completion?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
1-3 years	2	12.5%	4.9%
4-6 years	11	68.8%	26.8%
7-10 years	2	12.5%	4.9%
11 years and over	1	6.3%	2.4%
<i>answered question</i>	<b>16</b>		
<i>skipped question</i>	<b>10</b>		

<b>Question 14 - Would you agree that qualifications have helped to prepare you well for life as a hotel general manager?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Strongly agree	10	45.5%	24.4%
Mildly agree	6	27.3%	14.6%
Neither agree or disagree	4	18.2%	9.8%
Mildly disagree	2	9.1%	4.9%
Strongly disagree	0	0.0%	0.0%
<i>answered question</i>	<b>22</b>		
<i>skipped question</i>	<b>4</b>		

<b>Question 15 - Would you agree that the courses and qualifications you completed are closely aligned with the financial work you now carry out as general manager?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Strongly agree	6	27.3%	14.6%
Mildly agree	10	45.5%	24.4%
Neither agree or disagree	4	18.2%	9.8%
Mildly disagree	2	9.1%	4.9%
Strongly disagree	0	0.0%	0.0%
<i>answered question</i>	<b>22</b>		
<i>skipped question</i>	<b>4</b>		

<b>Question 16 - If your financial skills were attained solely through experience, how long did it take for you to become general manager?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
1-3 years	1	6.7%	2.4%
4-6 years	6	40.0%	14.6%
7-10 years	4	26.7%	9.8%
11 years and over	4	26.7%	9.8%
<i>answered question</i>	<b>15</b>		
<i>skipped question</i>	<b>11</b>		

<b>Question 17 - Do you think that qualifications or experience or a combination of both were more important when learning financial skills for your work as a general manager?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Qualifications	3	12.5%	7.3%
Experience	6	25.0%	14.6%
Combination of both	15	62.5%	36.6%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		

<b>Question 18 - What services (if any) are outsourced in your hotel?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Cleaning	8	38.1%	19.5%
Entertainment	9	42.9%	22.0%
Restaurant	2	9.5%	4.9%
Leisure centre	3	14.3%	7.3%
Other (please specify)	7	33.3%	17.1%
<i>answered question</i>	<b>21</b>		
<i>skipped question</i>	<b>5</b>		

<b>Question 19 - Has your hotel ever outsourced accounting work?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Yes	11	47.8%	26.8%
No	12	52.2%	29.3%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		

<b>Question 20 - If no, would you ever consider outsourcing accountancy work?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Yes	4	30.8%	9.8%
Maybe	2	15.4%	4.9%
No	7	53.8%	17.1%
<i>answered question</i>	<b>13</b>		
<i>skipped question</i>	<b>13</b>		

<b>Question 21 - If you do outsource accountancy work, how long have you been outsourcing this type of work for?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
1-3 years	1	9.1%	2.4%
4-6 years	2	18.2%	4.9%
7-9 years	5	45.5%	12.2%
10 years and over	3	27.3%	7.3%
<i>answered question</i>	<b>11</b>		
<i>skipped question</i>	<b>15</b>		

<b>Question 22 - What do you think are the benefits of outsourcing?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
	11	100.0%	26.8%
<i>answered question</i>	<b>11</b>		
<i>skipped question</i>	<b>15</b>		

<b>Question 23 - Do you ever delegate financial work down to lower level management in your hotel?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Always	9	37.5%	22.0%
Usually	8	33.3%	19.5%
Sometimes	2	8.3%	4.9%
Seldom	2	8.3%	4.9%
Never	3	12.5%	7.3%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		

<b>Question 24 - How would you rate your competence in relation to the financial work you carry out as hotel general manager?</b>			
<b>Level of competence</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
1 Low Competence	0	0.0%	0.0%
2	2	8.3%	4.9%
3	5	20.8%	12.2%
4	12	50.0%	29.3%
5 High Competence	5	20.8%	12.2%
<i>answered question</i>	<b>24</b>		
<i>skipped question</i>	<b>2</b>		
<b>Rating Average</b>	3.83		

<b>Question 25 - By not having these particular skills, do you feel it affects your ability in any way to perform your general manager duties?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Always	0	0.0%	0.0%
Usually	1	5.0%	2.4%
Sometimes	8	40.0%	19.5%
Seldom	7	35.0%	17.1%
Never	4	20.0%	9.8%
<i>answered question</i>	<b>20</b>		
<i>skipped question</i>	<b>6</b>		

<b>Question 26 - Would you be interested in learning these skills if possible?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Yes	16	72.7%	39.0%
No	6	27.3%	14.6%
<i>answered question</i>	<b>22</b>		
<i>skipped question</i>	<b>4</b>		

<b>Question 27 - Would you be interested in receiving a copy of the results of this research?</b>			
<b>Answer Options</b>	<b>Response Count</b>	<b>Response Percent</b>	<b>Percentage of Entire Population</b>
Yes	16	69.6%	39.0%
No	7	30.4%	17.1%
<i>answered question</i>	<b>23</b>		
<i>skipped question</i>	<b>3</b>		



### Appendix 3 - Interview Schedule

The researcher based his questions on the following schedule when carrying out the fourteen semi-structured interviews. This list of questions were not rigidly followed, meaning that the interviewer could adapt his technique to suit each individual interview depending on the interviewee's circumstances and their initial responses.

**Introduction:** The researcher began each interview by welcoming the interviewee, introducing himself and then explaining the title and rationale of the research topic. The researcher subdivided his questions down into four main categories of interest, each category reflecting one of the research objectives. Within each category, a series of open, closed and probing questions were asked.

(1) **To describe the nature of the financial work currently carried out by general managers.**

**Closed questions:**

- How long have you been a general manager?
- Do you perform any financial related tasks in your job as general manager?

**Open questions:**

- What type of financial work do you carry out as general manager?
- Do you think financial skills are important to your job?
- Do you think that you have many of these skills?
- Do you feel a good understanding of accountancy is important in your job?

**Probing questions:**

- What financial skills would you perceive as important and why?
- Where would you rank financial skills in terms of importance compared to all your other general manager skills?

(2) **To determine how general managers attained their financial skills and competencies.**

**Closed questions:**

- Have you any qualifications?
- How long did it take for you to become general manager?

**Open questions:**

- Where do you think you attained your financial skills?
- Where did you learn how to carry out the relevant financial tasks you now undertake?
- Do you feel that your qualifications/courses/experience have helped to prepare you well for life as a general manager?

**Probing questions:**

- Do you think that the qualifications/courses you completed are closely aligned with the work you now carry out as general manager?
- Do you think that qualifications or experience or a combination of both were more important when learning financial skills for your work as a general manager?

(3) **To discover what financial work is outsourced in hotels.**

**Closed questions:**

- Are you familiar with the term outsourcing?
- Does your hotel outsource any services?

**Open questions:**

- Has your hotel ever outsourced accounting work?
- How long have you been outsourcing accounting work?
- If no, would you ever consider it?

**Probing questions:**

- What do you think are the benefits of outsourcing accountancy tasks?
- Do you ever delegate any financial work down to lower level management in your hotel?
- If yes, what do you feel are the advantages of doing so?
- If no, any particular reason?

**(4) To investigate and identify specific areas where general managers feel they are lacking in financial expertise.**

**Closed questions:**

- Do you feel that you are lacking expertise in any areas when it comes to carrying out financial work?

**Open questions:**

- What kind of areas do you feel you are lacking financial expertise in?
- Would you be interested in learning these skills if you got the chance?

**Probing questions:**

- By not having these particular financial skills, do you feel it affects your ability in any way to perform your general manager duties?
- Would the lack of these financial skills ever cause you to leave your position as hotel general manager?

**Conclusion:** The researcher concluded by giving the interviewee the chance to add any other information, which they felt was relevant. The researcher then thanked the interviewee for their participation and concluded the interview.

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