



Gender and economic performance: Evidence from the Spanish hotel industry

Rocío Marco*

Department of Applied Economy, Faculty of Economic and Business Sciences, Autonomous University of Madrid, Carretera de Colmenar Viejo, Km 15, 28049 Madrid, Spain

ARTICLE INFO

Keywords:

Hotel management
Economic performance
Gender
Business growth
Profitability
Longitudinal research

ABSTRACT

Recent research suggests that the stereotype of underperformance attributed to female management may not be the result so much of poorer management skills as to using unsuitable comparative performance measures, as well as not taking into account structural characteristics that may be detrimental to the financial performance of companies managed by women. Gender differences with regards to conditions and business goals can result in female underperformance when performance measures relate to firm size, such as total sales, assets, or profits. When appropriate measures of relative performance are used, women and men are likely to prove equally effective business managers. Using longitudinal panel data on a large sample of Spanish hotel firms, there are few differences found when growth and profitability are compared by gender within a bivariate framework. What's more, when a regression model designed to control other performance determining factors is estimated, the results show better management by women than by men. As such, the research provides evidence that stereotypes of women as poor performers must be abolished, and the glass ceiling preventing entry of women into management positions shattered.

© 2011 Elsevier Ltd. All rights reserved.

1. Introduction

In recent decades, the tourism industry has seen significant growth at a global level in both developed and developing countries (UNWTO, 2009). According to forecasts from the World Tourism Organization (UNWTO, 2010), given its expected growth for the next decade the economic importance of tourism should improve.

Hand in hand with tourism growth, the hotel industry has also experienced significant growth at a global level. This phenomenon has presented opportunities to women for professional development and incorporation into the labour market (McKenzie, 2007). In fact, it is estimated that women represent more than 50% of the work force in the hotel sector (UNWTO, 2009). Previous research shows that hotel work has been thought of as female, in that much of it is considered domestic (Bolles, 1997; Faulkenberry et al., 2000; Lindsay and McQuaid, 2004). Because of this, the hotel industry has been accused of perpetuating traditional gender roles, relegating most female employees to the lowest and most manual positions (Sinclair, 1997; Hunter and Watson, 2006).

Nevertheless, in line with what has happened in other sectors, during the last two decades women have moved into management positions. This is the result of three factors that have contributed to the professional development of women in the hotel sector. First, the growth of the sector itself has enabled women to increase

both their numbers and visibility in intermediate and management level positions (Kmec and Gorman, 2010). The second factor is that women are more highly qualified than their male counterparts. Various studies show that the number of women graduating with higher education qualifications in tourism is much greater than the number of men (Ng and Pine, 2003; Armstrong, 2006). This can explain the rapid increase in the number of women in intermediate positions during recent years (Oakley, 2000; Primavera, 2001; Brownell and Walsh, 2008). But even so, and regardless of domestic and international policies promoting equality in those positions, overall growth of the number of women holding upper management positions at hotel companies is still low (Booth and Bennet, 2002; Davidson and Burke, 2004; Brownell and Walsh, 2008). Third, there is the idea that companies should take advantage of the differing skills and abilities of men as well as women given that these differences can contribute to improving company performance (Kochan et al., 2003; Merilainen et al., 2009).

Prior research of women's contributions to the hotel management area was focused on different aspects such as the influence of hotel work on family life (Wood and Viehland, 2000; Wise and Bond, 2003; Harris Mulvaney et al., 2007); labour conditions (Kattara, 2005); management skills of women (Talbot, 2004); differences in management style (Burke and Collins, 2001; Eagly and Karau, 2002); and the perceptions of management work (Schaap et al., 2008). But no prior studies specifically dealing with gender and economic performance were found for the hotel industry.

The fact that women make up more than half the hotel sector work force suggests that their role in the sector's economic growth

* Tel.: +34 914 972 899; fax: +34 914 974 676.

E-mail address: rocio.marco@uam.es

must be relevant, but research regarding this question is just beginning and is sparse (Ahl, 2006). Hence the purpose of this work: to ascertain whether the gender stereotype regarding reduced profitability and growth of companies managed by women also pertains to this sector; and if that is not the case, to provide evidence that helps shatter the glass ceiling holding women back from management positions because it is believed that they produce worse results as managers.

It was no accident that the Spanish hotel industry was chosen as the target of this study. First, given that economic and business environments vary from one industry to another (e.g. Rosa et al., 1996; Fasci and Valdez, 1998), focusing on a specific industry or business sector adds homogeneity to the research. Second, given the economic importance of the tourism sector in Spain, its substantial implementation, and level of development, a study of the relationship between gender and performance in the Spanish hotel industry is especially relevant. Consequently, an econometric model was developed. It determines the impact of gender on hotel performance controlling for other relevant factors and using panel data with firm fixed effects and controls for year. This work's use of a large sample with longitudinal data is an improvement over most previous works which used comparatively small samples and almost exclusively cross-sectional data.

The remainder of the paper is organized as follows. The next section presents a review of relevant literature and the hypotheses developed. Section 3 covers the data used and methodology applied. Empirical findings are presented in Section 4, followed by the final section containing conclusions resulting from the research.

2. Literature review and hypothesis

2.1. The hotel sector in Spain

Spain's position as an international tourism leader is reflected by the fact that during the last decade it maintained its number 2 position worldwide for arrivals of foreign tourists. Spain welcomed more than 57.4 million visitors in 2008 and was also second worldwide in regards to revenue which reached 47,208 million euro (INE, 2009d; UNWTO, 2009).

Domestically, the tourist industry is a pillar of Spanish economy. This economic importance, which is considerable, represented 10.5% of GDP in 2008 (INE, 2009a), construction being the only sector representing more. Despite the poor performance of the sector in 2009 as a result of the global financial crisis, in 2010 a change in trend and improvement in prospects could be seen (Exceltur, 2010).

With respect to hotel offerings, Spain has 14,696 hotel establishments providing 2.4 million bed spaces. Growth of hotel capacity in Spain during recent decades has been significant, keeping pace with the country's growing rate of tourism. Between 1960 and 1970 hotel offerings quadrupled and between 1970 and 1980 they doubled. From then on the increase has been smaller although still significant (FEH, 2001; INE, 2009b).

Factors of a financial nature also contributed to the growth of hotel offerings in the last decade: enormous liquidity and low interest rates combined with expectations of tourism sector profits greater than those in other sectors. This development also created a favourable atmosphere for new players like construction companies, real estate promoters, financial institutions, and new domestic and international hotel chains wanting to position themselves in the Spanish market (MHI, 2006).

For all that, the Spanish hotel offering is still relatively young; 46% of establishments are less than 20 years old and 35% are less than 9, demonstrating the modernity of the sector. But growth has not been uniform across all categories of establishments. Changes

in demand during the last decade resulting from more demanding consumers with increased purchasing power and changing tastes (González and Bello, 2002; Trunfin et al., 2006) has caused the number 4 and 5 star hotels to double, while other categories have shrunk. The massive opening of 4 stars hotels to the detriment primarily of those with 3 stars, meant that the former ousted the latter from first place with respect to number of beds. Currently, the 4 stars hotel category is in highest demand from both domestic and foreign tourists, confirming the importance of its contribution in recent years (INE, 2009b).

The majority of hotel offerings in Spain are concentrated in coastal areas, primarily in response to its most developed tourism product: "sun and sea". Nevertheless, diversification to urban centres and the interior is being seen, due in part to the rise in other products like business, cultural and rural tourism as well as conferences (INE, 2009b; Exceltur, 2010).

With regards to human resources, in 2008 the hotel industry employed 328,910 people representing 12.5% of jobs in the tourist trade (INE, 2009c). With respect to gender, 52.2% of the employees are women, although this percentage varies considerably depending on the type of position: only 28.8% of management, middle management and upper management positions are occupied by women in comparison to 73.8% of front-office and administrative positions, and 82.4% of cleaning and food service positions (IET, 2009).

In other words, the presence of women in the lowest positions is hugely disproportionate. Traditionally male positions in Spain such as reception and front-office are currently being occupied principally by women. And although it should be mentioned that there is better integration of women in management in the hotel sector than other sectors (for example 11.9% of businesses in manufacturing industries are managed by women), it is still low when considering the high proportion of women in the sector. With respect to management analysis, prior studies specifically dealing with the economic performance of women in the hotel industry are not available.

2.2. Women in management in the hotel industry

The poor representation of women in the upper echelons of hotel management has been attributed to various factors (Schaap et al., 2008; Brownell and Walsh, 2008). In the first place, there are gender stereotypes in the sector that have produced prejudice and discrimination against women as "less motivated and less loyal, committed only to short-term careers" (Brownell and Walsh, 2008). This perception was produced in part by using metrics of leave taking during pregnancy and prioritizing a balance between personal and professional lives over other metrics (Wood and Viehland, 2000; O'Connor, 2001; Wise and Bond, 2003; Harris Mulvaney et al., 2007). In regards to a balance between personal and work life, the low number of women in management positions of hotel chains has also been linked to professional demands specific to this sector. Prior research shows that hotel company managers, regardless of sex, must make huge sacrifices in their personal lives because of long work days, shift changes, overtime, on-call time, non-weekend days off, and a constant connection to work (Dermoddy and Holloway, 1998; Stalcup and Pearson, 2001; Harris Mulvaney et al., 2007).

In the second place, study of female management style, as opposed to the style of their male counterparts, is categorized as "weak" (Fondas, 1997; Oakley, 2000). This has been understood as meaning less capable of dealing with demanding, high-pressure situations that are found in leadership positions (Powell, 1993; Dennis and Kunkel, 2004).

In the third place, prior research shows significant differences between how men and women view management work in the hotel

Download English Version:

<https://daneshyari.com/en/article/1009938>

Download Persian Version:

<https://daneshyari.com/article/1009938>

[Daneshyari.com](https://daneshyari.com)