Not a single path to success: alternative HRM configurations for well-performing small and medium-sized hotels

I. Zografou and E. Galanaki
Department of Marketing and Communication, HRM Laboratory,
School of Business, Athens University of Economics and Business, Athens, Greece
N. Pahos
Department of Values, Technology and Innovation, TU Delft, Delft, Netherlands, and
I. Deligianni
Department of Management Science and Technology, School of Business,
Athens University of Economics and Business, Athens, Greece

Abstract

Purpose – Previous literature has identified human resources as a key source of competitive advantage in organizations of all sizes. However, Small and Medium-sized Enterprises (SMEs) face difficulty in comprehensively implementing all recommended Human Resource Management (HRM) functions. In this study, we shed light on the field of HRM in SMEs by focusing on the context of Greek Small and Medium-sized Hotels (SMHs), which represent a dominant private sector employer across the country.

Design/methodology/approach – Using a fuzzy-set qualitative comparative analysis (fsQCA) and 34 in-depth interviews with SMHs' owners/managers, we explore the HRM conditions leading to high levels of performance, while taking into consideration the influence of internal key determinants.

Findings – We uncover three alternative successful HRM strategies that maximize business performance, namely the Compensation-based performers, the HRM developers and the HRM investors. Each strategy fits discreet organizational characteristics related to company size, ownership type and organizational structure.

Originality/value – To the best of the authors' knowledge this is among the first empirical studies that examine different and equifinal performance-enhancing configurations of HRM practices in SMHs.

Keywords Small and medium-sized enterprises (SMEs), Human resource management (HRM),
Small and medium-sized hotels (SMHs), Business performance,
Fuzzy-set qualitative comparative analysis (fsQCA), HRM configurations

Paper type Research paper

1. Introduction

Small and Medium-Sized Enterprises (SMEs) are the backbone of all economies, as they account for more than 95% of businesses and provide about 60–70% of total employment across the world (OECD, 2019). Therefore, despite their limited resources in comparison to their larger counterparts, SMEs are seen as key drivers for economic performance, innovation

and social integration (European Commission, 2015). At the same time, existing research in the field of Human Resource Management (HRM) focuses traditionally on large and established enterprises, showcasing a strong underrepresentation of SMEs in current HRM research (Harney and Nolan, 2022), while under specific circumstances HRM has been shown to link with high business performance, especially in service enterprises (Madera *et al.*, 2017; Nolan *et al.*, 2020). On this note, it is only recently, that some researchers have started to explore effective HRM in SMEs (e.g. Nyamubarwa and Chipunza, 2019).

Under the lens of previous theoretical HRM perspectives (Delery and Doty, 1996), the majority of existing works in the field studying the link between HRM and business performance build on either a universalistic/best practices approach and explorations of High Performance Work Systems (HPWS) (e.g. Newman and Sheikh, 2014), or on a contingency/best fit approach with an emphasis on the fit between HRM practices and the organizational context (e.g. McClean and Collins, 2019). However, the use of configurational/bundling approach, with an emphasis on the internal fit of HRM practices is underrepresented, constituting a key research gap in the field of HRM in SMEs (Harney and Alkhalaf, 2020), with the exception of some works that have shifted the emphasis towards a configurational approach in HRM of SMEs with noteworthy results (e.g. Kroon and Paauwe, 2021; Fabi *et al.*, 2009; Lacoursière *et al.*, 2008). At the same time, while there is some evidence on the link between HRM and internal determinants/contextual factors, such as size, ownership and structure, there is limited research on such evidence in SMEs (Harney and Alkhalaf, 2020). The largest part of the limited evidence on configurations leading to success has considered SMEs as a single category regardless of economic activity, which may be vulnerable to sectorial effects: it is debatable how much of the variance of these models is based on the size category and how much depends on the type of business activity.

Our study aims at filling the abovementioned research gaps by performing a fuzzy-set Qualitative Comparative Analysis (fsQCA) and identifying equifinal configurations in the context of Greek Small and Medium-Sized Hotels (SMHs). Our study contributes to the literature in several ways. First, we respond to Harney's and Alkhalaf's (2020) calls and investigate the optimal HRM configurations necessary for enhancing SME performance, under the lens of organizational size, ownership type and organizational structure. Second, we focus on only one sector, to minimize variance spillovers from the incorporation of multiple sectors. We choose the hotel industry, being a large sub-section within the service industry. In the specific context, the products are service experiences, which are mostly intangible and dependent on face-to-face interactions between employees and customers (Nolan *et al.*, 2020). Importantly, the hotel industry in Greece, and globally is dominated by small businesses (Chand, 2010). Third, our study explores the field of SMEs under a novel methodological lens and takes a sector specific approach, by using a configurational approach, specifically the fuzzy-set Qualitative Comparative Analysis (fsQCA) (Ragin, 2008), in the context of Greek hospitality SMEs. Finally, this study touches upon both the "bundling" and "best fit" HRM perspectives, while providing recommendations to practitioners in the hotel industry.

2. Literature review

The importance of implementing HRM practices in SMEs has been highlighted during the last decade by a number of authors (e.g. Sheehan, 2014). There is no doubt that SMEs, due to their small size, limited financial resources and lack of economies of scale, often encounter multiple problems and challenges in relation to people management. Some have argued that SMEs are likely to employ informal, unstructured and unsophisticated HRM practices (Cardon and Stevens, 2004), but others have suggested that high levels of formality in HRM lead to positive outcomes (Bobera and Bjekić, 2016).

2.1 HRM and SME performance

HRM is very important in SMEs (Harney *et al.*, 2022), and recent literature emphasizes the need for a combination of formality and informality to achieve high business performance (Harney and Alkhalaf, 2020). At the same time, there is a long discussion on the "best practices" versus "best fit" HRM approaches, when it comes to the relationship between HRM and SME performance. Most scholars suggest that SMEs should adopt a universalistic set of best HRM practices (e.g. HPWS), as these contribute to positive business outcomes (Haar *et al.*, 2022). Research in this field shows that SMEs, including micro businesses, implement a set of best practices as a way to increase their performance (Pascual Ivars and Comeche Martínez, 2015). Another literature stream builds on the contingency approach, based on which the effectiveness of HRM practices is dependent on the context in which they are applied. Under this approach, the extent of the influence of HRM on SME business performance is contingent on internal parameters, such as business strategy, firm's size (Aragón-Sánchez and Sánchez-Marín, 2005; Harney and Alkhalaf, 2020) and age (Sheehan, 2014), ownership's skills and decision making (Sheehan and Garavan, 2022) and family ownership (Harney and Alkhalaf, 2020). It is also contingent on external parameters, such as industry/sector, competition and labor market (Harney and Alkhalaf, 2020; Valverde *et al.*, 2013). Recently, researchers have started reflecting on the usefulness of the need to combining the contingency with the "best practices" approach (e.g. Li and Rees, 2021). The configurational approach, which adopts a systems assumption of "equifinality" (Delery and Doty, 1996), signifying that a specific outcome can be achieved through different pathways, has been increasingly appreciated by HRM researchers. They have utilized this approach to identify the most successful combinations of HRM practices that small businesses should adopt, to overcome their difficulties in implementing in full all HRM recommendations (Zhang and Edgar, 2022; Kroon and Paauwe, 2021).

2.2 Key determinants for HRM in SMEs

HRM practices cannot be examined as an isolated phenomenon, as they are designed and applied within an organizational setting, which is in turn part of a broader operating context (Harney and Alkhalaf, 2020). For the purpose of this study we focus on firm size, ownership type (family vs non-family) and organizational structure, because they are key determinants of the nature and viability of HRM in SMEs (Harney and Alkhalaf, 2020).

Regarding the size element, there is a recent surge of evidence showing that in SMEs, particularly micro businesses, there may be alternative managerial configurations that lead to positive results, high performance and growth (e.g. Rodrigues *et al.*, 2022). By adopting a universalistic approach, some scholars have demonstrated that firm size is crucial for the relationship between HPWS and organizational performance (Guerrero *et al.*, 2022), while others have shown insignificant effects of firm size on the presence of HPWS and on organizational performance (Kerr *et al.*, 2007). Scholars have additionally observed that in firms falling below a specific size threshold, such as 50 or 100 employees, HRM practices tend to be constrained, and this factor is likely to have an impact on firm performance (Ordiz-Fuertes and Fernández-Sánchez, 2003; Bobera and Bjekić, 2016).

In addition, the implementation of HRM practices in (non) family firms has become an increasingly intriguing topic in small business literature. Family firms may differ from non-family ones, due to the overlap between the business and the family environments, which creates unique management challenges (Dawson and Mussolino, 2014). Family businesses are typically committed to and motivated by, a set of family values that are reflected in their operation, without neglecting the importance of good financial performance (Bello-Pintado and Garcés-Galdeano, 2017). This emphasis on the family dimension could determine the efficiency of HRM practices, which to a large extent depends on the employment of (non) family employees within the organization (Mustafa *et al.*, 2018). Usually such organizations

adopt an informal management style (Sánchez-Marín *et al.*, 2019), with this lack of formalization being attributed to the existence of altruism and kinship relationships (Verbeke and Kano, 2012) that reduce the conflicts of interest between the family firm and its employees. To this end, numerous scholars have asserted that even when HRM practices within family firms lack formality and/or sophistication, they continue to have a significant impact on the success of these organizations (e.g. Pittino *et al.*, 2016).

Organizational structures are also key elements when it comes to SME performance. Meijaard *et al.* (2005) demonstrated the substantial diversity in organizational structures among small firms, emphasizing the need to consider this factor in studies on SME performance. However, the relationship between organizational structure and HRM practices in SMEs is relatively underexplored and varying. For example, research has shown that SMEs often adopt organic, informal and flexible approaches to talent management (Stokes *et al.*, 2016). Conversely, the implementation of formal HRM practices is more prevalent in single-site small businesses and the nature of proprietary control influences the level of formality in HRM (Wu *et al.*, 2014). Additionally, there is an ongoing debate regarding whether the hierarchically contracted structure and tighter span of control in SMEs mean that extensive HRM practices may not be viable or even necessary (Brand and Bax, 2002).

Overall, the existing evidence on direct effects of key business attributes (size, ownership and structure) on HRM and performance in SMEs, contains conflicting and inconsistent findings. Conversely, the relatively limited research on the HRM contingencies and complexities has recently started to gain visibility, with several researchers adopting a configurational approach on the topic (e.g. Atkinson *et al.*, 2022; Fabi *et al.*, 2009; Lacoursière *et al.*, 2008), as this approach seems to be better suited to address the complexity of the SME context. Yet, although insightful, such research considers SMEs as a single category of business, and fails to differentiate among different economic sectors and lacks a sectorial perspective. Therefore, it risks falling short of cross-sector reliability and validity of measurement. To address this void, in this study, we focus on a single sector, the hotel industry, specifically Small and Medium Hotels (SMHs).

In summary, in light of previous research findings and in response to the seminal work of Harney and Alkhalaf (2020), highlighting the imperative of examining optimal high-performing HRM configurations in the context of firm size, ownership type and structural characteristics, our study delves into the realm of SMEs within the hotel industry, that is SMHs.

2.3 HRM in SMHs

As one of the world's largest economic sectors, tourism creates high levels of employment, drives exports and cultivates prosperous societies at a global level (World Travel and Tourism Council, 2020). The contribution of the tourism sector to the global GDP is approximately 10%. Specifically in Greece, the sector's contribution to the national GDP remains one of the highest in the EU, exceeding 20% of the economy (World Travel and Tourism Council, 2020).

Due to its high diversity in terms of establishment sizes, the hotel industry provides an interesting context for the study of SMEs and their larger counterparts. The hotel industry globally predominantly comprises SMEs (Jameson, 2000; World Travel and Tourism Council, 2020), which operate in a complex and highly competitive environment, with HRM playing a central role in their success (Madera *et al.*, 2017; Nolan *et al.*, 2020). In contrast to other industries, the products of hotels are service experiences, mostly intangible and strongly dependent on interpersonal interactions, for example between employees and customers. Thus, human resources play an indispensable role in the service quality, customer satisfaction and in other measures of performance stemming from employees' engagement levels and productivity (Kloutsiniotis *et al.*, 2023). Overall, human resources are seen as the

most important asset of hotels, making the role of HRM critical for organizational performance (Madera *et al.*, 2017; Nolan *et al.*, 2020).

2.3.1 HRM and SMHs' performance in corresponding organizational contexts. The field of HRM in the hotel industry has grown significantly over the last two decades leading to a sound body of evidence (Madera *et al.*, 2017). It has been documented that SMHs, due to resource scarcity and to the lack of economies of scale effects (Klaas *et al.*, 2012), cannot substantively implement the total of performance-enhancing HRM practices applied by their larger counterparts, possibly missing out on competitiveness. It is increasingly clear that SMHs are not miniature versions of large hotels (Morrison, 2014), in that they have different structures, priorities and strategic objectives (Ateljevic, 2007). Size is very important for the sophistication of HRM in SMHs and Arthur *et al.* (2019) state that "as organizations become larger and more complex, formal structures and programs are generally required to deal with basic issues involved in the division of labor, work organization, and programs needed to attract, retain, and motivate qualified employees". This evidence, combined with recent arguments that underline the need for "fit" between HRM practices and a specific organization's context (Sheehan, 2014; Valverde *et al.*, 2013), challenge established premises and uphold the need for distinction between large and smaller hotels, when examining the link between HRM practices and performance.

There are studies exploring HRM configurations in micro, small and medium-sized organizations (e.g. Curado, 2018; Rodrigues *et al.*, 2022), but only recently have SMHs started to receive research attention (e.g. Nazarian *et al.*, 2019; Sobaih, 2018). A common aspect of studies on HRM in SMHs is that they explore how separate, as opposed to integrated systems of HRM practices, can affect individual and organizational outcomes. For example, it has been established that SMHs scarcely employ formal procedures for managing performance and disciplinary procedures (Çetinel *et al.*, 2009). Similarly, research on recruitment and selection in SMHs has shown informal, unsystematic and ad-hoc practices, due mainly to financial limitations (Carroll *et al.*, 1999). Literature on employee training has shown that smaller hotels are more likely than larger ones to adopt informal and unsophisticated training methods (Kyriakidou and Maroudas, 2010; Jameson, 2000), due to cost-effectiveness considerations and lack of a formal training plan (Markova *et al.*, 2016). Only a few studies have examined associations between integrated HRM systems and outcomes, such as performance and service quality (Georgiadis and Pitelis, 2012).

Although insightful, these approaches focus on linear relationships between independent and dependent variables and fail to address the complexity of the way HRM practices interact and influence outcomes (Schouteten *et al.*, 2021), while ignoring the influence of internal key determinants. Examining case-based techniques, and identifying different configurations of conditions that result in the outcome of interest in a holistic principle of inquiry (Harney and Alkhalaf, 2020) could move research toward a more "pick and mix" approach of the HRM practices (e.g. Li and Rees, 2021), especially needful for SMHs. In agreement to these concerns, we contend that there is not a universal set of best HRM practices for SMHs, and that there is a need for developing configurations of causal conditions that are appropriate for corresponding organizational contexts and lead to the desired outcome of superior performance. Therefore, our research proposition is that: different sets of HRM practices will contribute to high business performance in SMHs, when implemented in corresponding organizational contexts (i.e. organizational size, ownership and organizational structure).

3. Methodology
3.1 Collection of information
To achieve our research aim, we adopted an exploratory, in-depth approach. From August 2019 till September 2020, one-to-one, semi-structured interviews were conducted with the

person with highest HRM authority (HR managers or CEO/general managers) of 34 SMHs operating in Greece. After a thorough literature review, and a focus group consultation with 5 local experts, an interview guide was developed, with 11 questions related to the company function, challenges and success factors, and 23 questions related to the HRM issues and practices. Despite the existence of an interview guide (in Appendix), the structure of each interview was quite variable and adapted to the interests and issues that the interviewee raised during discussion. Therefore, the interview realization was a respondent-led, exploratory process [1]. All participants were informed before the interview that the interview was aiming to disclose the level of HRM implementation in their hotel and to explore its link with business performance. In all interviews, we asked the participants to reply based on their experience and business condition as these were right before the pandemic outbreak.

Our sample size was considered adequate when the collected data generated consistent codes, no longer offering new insights into the topic examined. Saturation of knowledge was determined from the 29th hotel onwards (Bertaux, 1982), that is the five final interviews produced consistent information with the previous ones. For the realization of the interviews, SMHs' HR managers/CEOs/general managers were approached via telephone and social networks (LinkedIn). We attempted to cover hotels from all size classifications of SMEs, according to the Eurostat methodology, that is micro (<10 employees), small (<50 employees), and medium-sized (<250 employees).

The interviews lasted from 30 to 50 min, with an average interview length of around 44 min. All interviews were recorded and transcribed. Then, the researchers coded the information provided in each interview's transcribed text into a SPSS data file, consisting of 34 observations, one per interview and 99 categorical variables with yes-no response sets. Indicatively, in the case of the concept "employee recruitment" the reference to any of the notions: "word-of-mouth", "paid advertisement", "announcement of job description details", "job posting at the company's offices", "recruitment in website or social media" and "walk-ins", was added to the sum. For example, an observation would take a score 1 for the "walk-in" option in recruitment, if the interviewee referred to a post covered by someone who had left their CV for consideration some months before the actual opening. A mention that there was not any opening at the time of hire, but a high potential candidate expressed interest in the firm and the job was created to recruit specifically this person, would also count as a "walk-in" recruitment case. So, for example, if "word-of-mouth", "recruitment in social media" and "job posting at the company's offices" were mentioned in an interview, the score for "recruitment would be 3". The same process was followed for all the variables of the study.

3.2 Participants
Table 1 gives a brief description of the interviewees (hotels) that participated in the interviews.

3.3 Measures
Nine variables were computed and adopted in subsequent analyses. Four variables represent the basic HRM functions (Paauwe and Boselie, 2005) and the rest represent the type of business and organization (e.g. European Commission, 2021). The measure of each variable was established with at least two independent readers/researchers, who evaluated the interview transcribed text, as described above.

Staffing: Staffing consisted of two ordinal sub-scales, recruitment and selection. *Recruitment* is the sum of the references to any of the following seven recruitment practices: *word-of-mouth (1), paid advertisement (2), announcement of job description details (3), job posting at the company's offices (4), recruitment in website or social media (5), word-of-*

		Valid percent	Number
Interviewee status	Owner/Founder	70.6%	24
	Professional manager	29.4%	10
	General manager	91.2%	31
	HRM manager	8.8%	3
Interviewee gender	Male	52.90%	18
	Female	47.10%	16
Interviewee education level	Secondary	2.90%	1
	University	41.20%	14
	Postgraduate	23.50%	8
Hotel size (by number of employees)	Micro (<10 employees)	29.40%	10
	Small (10–49 employees)	44.10%	15
	Medium (50–249 employees)	26.50%	9
Family business	No	11.80%	4
	One generation	38.20%	13
	Two generations	47.10%	16
	Three generations involved	2.90%	1
Employment contracts (I)	All full-time employees	70.6%	24
	Some part-time employees	26.5%	9
	All part-time employees	2.9%	1
Employment contracts (II)	All permanent employees	8.8%	3
	Some temporary contracts or external contractors	88.2%	30
	Majority in temporary contracts and external contractors	2.9%	1
Legal form	Sole proprietorship	3.1%	1
	Partnership	15.6%	5
	Limited liability company	9.4%	3
	Corporation	65.6%	21
	Private capital company	6.3%	2
Clear organizational structure–organogram	Yes	61.8%	21
Job descriptions	Yes, orally	25.0%	6
	Yes, written	54.2%	13
Profits last year	Yes	90.3%	28
New hires over the last 3 years	Yes	91.20%	31
Separations over the last 3 years	Yes	97.9%	29
Human resources as a top priority (1 of 3 major issues facing)	Yes	52.90%	18
Performance - Related pay	Yes	8.80%	3
Performance - Related training	Yes	5.90%	2
Source(s): Created by authors			

mouth (6) and *walk-ins (7)*. *Selection* is the sum of references to any of the following six selection practices: *CV screening (1), selection interview (2), selection test (3), selection through social media (4), references' check (5)* and *internship (6)*. Therefore, staffing is a scale variable, which can take values from 2 to 13.

Training and Development (T&D): T&D is the sum of six categorical (1: yes- 0: no) variables. These are *on-the- job training (1), subsidized formation programs (2), seminars (3), induction training (4), training for new tasks (5)* and *training for performance (6)*. To these, *a 0–2 training frequency* variable (0: when necessary, 1: regularly, 2: both) was added. Therefore, T&D is a variable that can take values from 0 to 8.

Performance Management: Performance management is also a sum of five categorical (0: no, 1: yes) variables, namely *formal appraisal (1), reference to regular appraisal (2), reference to performance-related pay (3)* and *reference to performance-based training (4)*; plus, a 0–3 variable for *source of appraisal* (0: not mentioned, 1: direct supervisor, 2: direct supervisor plus up to 1 more evaluator and 3: more appraisers and 360° appraisal). Therefore, Performance Management takes values from 0 to 7.

Compensation: Employee compensation is the sum of 3 categorical (0: no, 1: yes) variables, namely *Salary exceeding minimum wage (1), reference to fixed plus variable compensation (2)* and *performance-related pay (3)*.

Size: an ordinal, three-level variable was computed, based on the *number of employees* reported. Specifically following the Eurostat definition, for <10 employees the size is "1: micro hotel", for 10–49 employees the size is "2: small hotel" and for 50–249 employees the size is "3: medium-sized hotel" (European Commission, 2021).

Structure: a 0–3 categorical variable was computed, as a sum of two categorical variables, a binary variable (0: no, 1: yes) for the existence of an *organogram;* and an ordinal variable (0: no, 1: yes, orally, 2: yes, written) for the existence of *job descriptions*.

Family-business: This variable was coded as 0 for non-family businesses, 1 for family businesses involving 1 generation in management and 2 for family businesses involving more than one generation in management.

Hotel performance: The outcome variable "hotel performance" is a 1–5 Likert scale. In the interview guide there were several questions on profits, market share, economic robustness and comparison of all of these with direct competition, as well as across time. Two researchers read the interview texts and marked how much the interviewees expressed that the company had a good economic performance (1: not at all, 2: slightly, 3: enough, 4: much, 5: very much). For the ($n = 7$) interviews where the marking between the two researchers disagreed (by 1 point, max), a third researcher gave her mark and the final mark used in the analysis is the average of all three marks.

Table 2 depicts the variables adopted, along with their statistical traits.

3.4 Analytical strategy

The study employs fuzzy-set Qualitative Comparative Analysis (fsQCA) (Ragin, 2000, 2008) to explore the alternative configurations of HRM practices leading to superior performance in SMHs. FsQCA, rooted in Boolean algebra, is deemed more suitable for analyzing causal processes than conventional regression modeling, for three main reasons. First, it models the concept of conjectural causation, allowing for the examination of the combined rather than the individual effect of various causal conditions on an outcome (Schneider and Wagemann,

Variable	Minimum	Maximum	Mean	SD
Recruitment and selection (Staffing)	3	7	5.26	1.16
Training and development (T&D)	1	8	3.79	1.87
Performance management	1	4	1.82	1.00
Compensation	2	4	2.44	0.66
Size of firm	1	3	1.97	0.76
Organizational structure	0	3	1.56	1.13
Family business	0	3	1.41	0.74
Flexible working practices	2	5	3.65	0.95
Hotel performance-output	1	4	3.47	0.67
Source(s): Created by authors				

Table 2.
Variables in the analysis

2012). Second, fsQCA allows for potential equifinality to be captured, a situation where more than one possible configurations of causal conditions can be linked to the same outcome (Fiss, 2007). For example, while for micro family hotels, high use of rewards and low use of training or appraisals may be required to achieve high performance, for small and medium-sized, non-family hotels, high use of rewards combined with extensive training and hierarchical structures implementation may be requisite to increase performance. Third, fsQCA is appropriate for conducting in-depth analysis of smaller samples, as is the case of our 34 interviews.

3.5 Calibration of variables and data analysis

Prior to performing fsQCA, it is necessary to calibrate the original scales into fuzzy-set membership scores ranging from 0 to 1. A score of 0 indicates complete non-membership (i.e. full exclusion from a set), a score of 1 indicates complete membership (i.e. full inclusion) and a score of 0.5 indicates the crossover point, at which it is not clear whether a condition is present or absent. For the transformation of our raw data into set membership scores, we rely on the "direct method" of Ragin (2008). This method involves the definition of three qualitative anchors: the threshold for full non-membership, the cross-over point and the threshold of full-nonmembership. Following prior suggestions in the literature and theoretical knowledge to generate these anchors, we assign the maximum value of each variable to full-membership, the median of each variable to the crossover point and the minimum value of each variable to full non-membership (Rihoux and Ragin, 2009). The software package used for the calibration and the analysis is fsQCA 3.0, as suggested by Ragin and Davey (2017).

The fsQCA analysis begins with testing the necessary conditions for the presence or absence of outcomes (Schneider and Wagemann, 2010), in our case high hotel performance. Causal conditions are necessary if they are always present or absent (Ragin, 2008) and they can be omitted from subsequent analysis. In our case, no necessary conditions were verified at a threshold of 0.9 ("almost always necessary") as suggested by Ragin (2000).

After the necessary conditions test, a truth table was constructed for each of our dependent variables to help identify configurations of conditions that are causally sufficient for the outcome of "high hotel performance". To assess causal sufficiency, we need to define both a frequency and a consistency threshold for each configuration. Frequency refers to the number of empirical cases for each possible combination of attributes. Consistency refers to the empirical relevance of different solutions to the same outcome (Fiss, 2011). Following prior research, we use one case as the frequency cut-off and 0.75 as the consistency threshold (Stroe *et al.*, 2018).

4. Results

We illustrate the results of our analysis in the form of a configuration chart in Table 3. The seven explanatory measures are listed on the left-hand side column. The top row gives a number to each of the configurations that result from our analysis. Overall, we find six configurations of conditions associated with a high hotel performance. In each configuration (column), dark circles indicate that the explanatory measure is needed at an above medium level for a high-level outcome variable. Crossed circles indicate that in the configuration examined, the given variable needs to be low for high performance to occur.

We grouped the 6 configurations identified into 3 meaningful groups, based on their similarities and major differences. Group 1, with configurations 1a and 1b expresses the "Compensation- Based Performers", micro, family hotels that uphold high performance through rich employee compensation. Group 2 with configurations 2a, 2b and 2c represents "HRM Developers", medium-sized, non-family-owned hotels that uphold performance with

Causal condition	Configurations					
	1 compensation-based performers		2 HRM developers			3 HRM investors
	1a	1b	2a	2b	2c	3
Size	⊗	⊗	●	●	●	●
Family business	●	●	⊗	⊗	●	●
Structure	⊗	●	●	●	●	⊗
Compensation	●	●	●	●	●	●
Training		⊗	●	●	●	●
Performance appraisal	⊗	⊗		⊗	⊗	●
Staffing	⊗		●		●	●
Consistency	0.95	0.98	1.00	0.96	1.00	1.00
Raw coverage	0.37	0.28	0.23	0.23	0.32	0.17
Unique coverage	0.17	0.06	0.02	0.01	0.05	0.03
Overall solution consistency	0.95					
Overall solution coverage	0.69					

Note(s): Dark circles imply above medium causal conditions for high performance. Crossed circles imply below medium causal conditions for high performance
Calibrated results–dependent: hotel performance
Source(s): Created by authors

Table 3.
Configurations of conditions predicting high hotel performance

rich, alternative combinations of HRM practices, excluding employee performance appraisal. Group 3, "HRM investors", with only configuration 3 represents medium, family-owned hotels that achieve high performance through investment in all recommended HRM practices.

4.1 Compensation-based performers–configurations 1a and 1b
The first two configurations share four key common characteristics: they exhibit very small size (mostly micro hotels), extensive family business characteristics, above average implementation of reward systems (i.e. compensation) and below average application of performance appraisal. They differ in that hotel establishments in the configuration 1a use a below average implementation of recruitment and selection and business structure, whereas those in 1b use below average training, but make high use of organizational structure.

4.2 HRM developers–configurations 2a, 2b and 2c
Configurations 2a, 2b and 2c are mostly medium-sized hotels, non-family businesses (2a and 2b), or in the case of family businesses, family involvement is low (2c). All hotels of this category of configurations have a clear organizational structure, both in terms of organogram and job descriptions, and provide extensive employee training and compensation. They differ in staffing and training practices, in that hotels in configurations 2a and 2c have an extensive staffing function, which is not a strong condition for configuration 2b, and in that in configurations 2b and 2c, the application of performance appraisal is below average, which is not a strong condition for configuration 2a.

4.3 HRM investors–configuration 3
In configuration 3, there are medium-sized hotels with high family involvement that use a very extensive application of all HRM practices (staffing, training, appraisal and compensation). These hotels appear to implement all HRM tools extensively to develop their human capital, as

taught in traditional HRM textbooks, and as implemented in large hotels. It should be noted, though, that in this configuration, organizational structure is quite flexible and that there is high informality in terms of organogram and job description specification.

5. Discussion and theoretical implications

In this study, we propose that different configurations of HRM practices and organizational characteristics may lead to high performance in SMHs in corresponding organizational contexts. Our main theoretical contribution is that our findings agree with the configurational approach to HRM (Delery and Doty, 1996), suggesting that HRM practices are multidimensional and can be combined in different ways to obtain alternative configurations (Martín-Alcázar *et al.*, 2005). In addition, our findings signify the importance of key determinants for the viability of HRM configurations in small organizations (Kroon and Paauwe, 2021), and suggest that the efficiency of HRM practices will depend on the size, ownership and organizational structure. Especially for the hotel industry, our findings propose that for the matter of HRM for performance in SMHs, there is not a "one-size-fits-all" solution and that there are diverse pathways to success. Hence, staffing, training, compensation and performance appraisal practices create different configurations and increase organizational performance through synergic relationships and under the influence of organizational determinants. More specifically, the first pathway–the "compensation-based performers" reveals that the extensive use of compensation seems to be the only HRM practice that supports a high performance (in agreement with Carlson *et al.*, 2006). This may portray the willingness of the family business to provide sufficient compensation to its employees/family members. The necessity for low -or no-application of the other HRM practices may be explained by the fact that other HRM functions, such as employee staffing and training, happen rarely, so their link to hotel performance is low. Also, in micro hotels, trust, caring and close personal relationships possibly partly substitute formal HRM practices, such as appraisal and training. Therefore, within micro-sized family firms, the qualities of trust, empathy and interpersonal connections may function as partial substitutes for formal HRM practices. This agrees with the notion that family values are typically synonymous with the principles of trust and the cultivation of personal relationships (Drummond and Stone, 2007). Hence, micro family hotels probably save money from costly HRM practices and still achieve high levels of performance. An interesting finding is the existence of two distinct configurations under pathway 1. In configuration 1a, staffing practices need to be minimal, whereas in configuration 1b, employee training needs to be minimal, but the organizational structure and tasks allocation need to be clearly formulated to achieve high performance. This agrees with the literature affirming that resource scarcity is one of the major issues that micro hotels face (Sobaih, 2018). This forces them to choose between alternative investments. Also, generally in HRM practice, there are two conflicting "philosophies", one that focuses on developing internal resources, and one that focuses on locating and attracting external resources (Panayotopoulou *et al.*, 2010). Possibly the configuration 1a is in line with the former, while configuration 1b aligns with the latter, as alternative ways to reach high performance, given a limited resource availability.

The second pathway–the "HRM developers" covers mostly medium-sized, non-family SMHs. In this pathway, hotel performance is achieved with the existence of a clear organizational structure and allocation of tasks and a broad application of most HRM functions, confirming the literature on the relationship between HRM formality and business performance on the one hand (Bobera and Bjekić, 2016), and HRM informality and family ownership on the other (Burhan *et al.*, 2023). Nevertheless, like in the "compensation-based performers", formal performance appraisals do not contribute to improved organizational performance. On the contrary, in configurations 2b and 2c, the application of formal

performance appraisals should be as low as possible (absent, even) for high performance to occur. Possibly, as previously proposed, in SMEs, the formal performance appraisal is a bureaucratic process that increases unnecessarily the operational costs, since informal performance management happens anyway, while motivation and encouragement, which are particularly influential for seasonal employees in hotels (Madera *et al.*, 2017), are achieved through interpersonal relations, social exchanges and reciprocity. Again, as in the first pathway, there are two configurations, with an external orientation with regards to their human resources (hotel performance is dependent on elaborate staffing in 2a and 2c), and one configuration (2b), where hotel performance is fostered through the development of internal resources (extensive employee training).

The third pathway–the "HRM investors" reveals that small and medium-sized family-run hotels, with loose and flexible business structure and task allocation are associated with high hotel performance, agreeing with the literature on the benefits of workplace flexibility practices (Whyman and Petrescu, 2014), and of informality in hierarchies and job descriptions in SMEs (Harney and Alkhalaf, 2020). This supports the idea that in family SMEs, the virtues of trust, empathy and personal relationships may serve as substitutes for hierarchies, enabling flexibility and minimizing bureaucracy (Li and Rees, 2021). The "HRM investors" achieve high hotel performance, by applying extensively all HRM practices, including formal performance appraisal.

Findings from all pathways indicate the significance of competitive compensation systems in hotels of all sizes, micro, small and medium. Also, the training function, advocated as the most noticeable investment in human resources (Cardon and Stevens, 2004) appears to be key to hotel performance as, in most of the configurations extracted, extensive training is a condition of high performance. Simultaneously, the below than average use of performance appraisal condition for high SMHs performance, present in most configurations, agrees with several previous studies on performance management in SMEs (Marlow *et al.*, 2009), and suggests that SMHs do not fully align to the standard, accepted norms of performance management.

Finally, the current study supports previous evidence claiming that effectiveness in smaller establishments is achieved through a combination of both formal and informal management practices (Harney and Alkhalaf, 2020). For example, the condition of both a high and a low level of a robust organizational structure and of an extended HRM practice in employee appraisal, staffing and training are present in different configurations, for the outcome of high hotel performance to occur.

6. Practical implications

Our results indicate that there is a "leeway" (Schouteten *et al.*, 2021) for hotel owners/managers and HRM practitioners to use multiple combinations of HRM practices in accordance with corresponding organizational characteristics.

Firstly, top management and HRM executives in SMHs should prioritize employee compensation, since providing competitive salaries and benefits to hotel employees has been found to correlate with enhanced hotel performance, in all configurations. Generally, jobs in the tourism sector are "characterized by low wages, long working hours, a high turnover rate, and limited social protection" (International Labour Office, 2017). Especially for micro, family hotels, which have a very limited amount of resources, maintaining a high level of compensation can be challenging and owners should find efficient ways to reward human capital and invest more in their limited compensation budgets (Chowdhury and Schulz, 2020). Therefore, employers could instead invest in performance-related pay and "low-cost" employee benefits, such as flexible schedules, commuting assistance and expanded health benefits.

Secondly, managers in medium-sized, non-family hotels that are mostly characterized by formal structures and job descriptions should invest in providing training programs to

employees, as well as in the implementation of multiple staffing methods to achieve high hotel performance. For example, owners and managers should encourage the implementation of external recruiting methods (e.g. posting in job boards, social media advertising) for the attraction of high-quality applicants, as well as the implementation of off- and on-the-job training methods (e.g. mentoring programs, job rotation, seminars), for developing employees' competences. As "SMEs often lack the capacity to provide training and rely more on the national or local vocational training systems to meet their training requirements" (International Labour Office, 2017), external providers of staffing and training services could be considered, as this has been shown to allow to smaller firms to access knowledge and resources that they lack (Galanaki and Papalexandris, 2005).

Thirdly, SMHs are advised not to prioritize employee performance evaluation practices, as they are not necessary to increase performance (except for "HRM investors"). It seems that SMHs do not need to commit resources on formal appraisals, and that informal and infrequent evaluations may sustain high hotel performance.

Finally, effective HRM in SMHs has societal implications that extend beyond the hotel industry itself. They include aspects, such as local employment and economic growth, tourism promotion and cultural preservation, sustainability and improved quality of life. In this regard, when hotels achieve high performance, they have the potential to serve as catalysts for positive change and development in their local communities.

7. Limitations and future research

This study has certain limitations. First, for the measurement of HRM practices and the codification of the interviews, we employed a "use-no use" categorical classification that did not allow for a more qualitative evaluation of the variables under study. Future research could focus on measuring the implementation and effectiveness of HRM practices in a more evaluative, qualitative way.

Second, the data collection for this study, ran from January 2020 to October 2020, a period characterized by the COVID-19 pandemic and its several socioeconomical implications worldwide. Especially in Greek hotels, the impact of the pandemic has been tremendous, and many hotels did not operate at all during the 2020 summer period (period of highest tourist activity in Greece). The interview questions posed to the CEOs and HRM executives referred to the pre-COVID period, but the results may have been implicitly biased by the currently experienced situation. Future research could shed light on how the COVID-19 crisis influenced HRM in hotels, and how this transformation affected performance outcomes.

Third, our findings are based on a very particular sectoral sample (i.e. small and medium-sized hotels) in one country with discreet cultural context and seasonality patterns. For example, the high seasonality of the hotel industry in Greece, primarily during summers, significantly influences the decision to implement temporary HRM practices and policies, such as short-term employment contracts, reducing the probability of developing a consistent high-quality HRM strategy (Williamson and Harris, 2019). Future research can build on the present findings by studying diverse samples from other countries or sectorial contexts.

Fourth, while our study has concentrated on internal organizational determinants, such as size, ownership type and organizational structure, we have not addressed organizational strategy as a key internal determinant. In future research endeavors, it would be valuable to reevaluate the current study by incorporating the critical element of organizational strategy, thereby enhancing the comprehensiveness of our analysis.

Finally, our study gathers observations from only 34 hotels. To enhance reliability and generalizability, future research should consider validating the current findings through quantitative methods.

Notes

1. The methodology described here is part of a larger research project that commenced in 2019 with the aim of studying high-performance work systems in SMEs. The interviews started in August 2019 and they were mid-way when the Covid19 pandemic erupted in early 2020. It was decided to follow the research protocol as originally agreed with major project stakeholders.

References

Aragón-Sánchez, A. and Sánchez-Marín, G. (2005), "Strategic orientation, management characteristics, and performance: a study of Spanish SMEs", *Journal of Small Business Management*, Vol. 43 No. 3, pp. 287-308, doi: 10.1111/j.1540-627X.2005.00138.x.

Arthur, J.B., Herdman, A.O. and Yang, J. (2019), "Which way to high performance? Comparing performance effects of high-performance work system components in small- to medium-sized establishments", *ILR Review*, Vol. 74 No. 2, pp. 1-36, doi: 10.1177/0019793919893668.

Ateljevic, J. (2007), "Small tourism firms and management practices in New Zealand: the centre stage macro region", *Tourism Management*, Vol. 28 No. 1, pp. 307-316, doi: 10.1016/j.tourman.2006.07.004.

Atkinson, C., Lupton, B., Kynighou, A. and Antcliff, V. (2022), "Small firms, owner managers and (strategic?) human resource management", *Human Resource Management Journal*, Vol. 32 No. 2, pp. 449-469, doi: 10.1111/1748-8583.12406.

Bello-Pintado, A. and Garcés-Galdeano, L. (2017), "Bundles of HRM practices in family and non-family firms: the impact on enhancing performance", *The International Journal of Human Resource Management*, Vol. 30 No. 21, pp. 2971-2992, doi: 10.1080/09585192.2017.1391311.

Bertaux, D. (1982), *Biography and Society: The Life History Approach in the Social Sciences*, Sage, London.

Bobera, D. and Bjekić, R. (2016), "The role of human resource management in development of small and medium-sized enterprises", *Strategic Management*, Vol. 4, pp. 45-53.

Brand, M.J. and Bax, E.H. (2002), "Strategic HRM for SMEs: implications for firms and policy", *Education + Training*, Vol. 44 Nos 8/9, pp. 451-463, doi: 10.1108/0040091020449295.

Burhan, M., Hamdan, O.A., Tariq, H., Hameed, Z. and Naeem, R.M. (2023), "The role of contextual factors in shaping HRM formality in SMEs", *Employee Relations*, Vol. 45 No. 2, pp. 345-365, doi: 10.1108/er-08-2020-0386.

Cardon, M.S. and Stevens, C.E. (2004), "Managing human resources in small organizations: what do we know?", *Human Resource Management Review*, Vol. 14 No. 3, pp. 295-323, doi: 10.1016/j.hrmr.2004.06.001.

Carlson, D.S., Upton, N. and Seaman, S. (2006), "The impact of human resource practices and compensation design on performance: an analysis of family-owned SMEs", *Journal of Small Business Management*, Vol. 44 No. 4, pp. 531-543, doi: 10.1111/j.1540-627X.2006.00188.x.

Carroll, M., Marchington, M., Earnshaw, J. and Taylor, S. (1999), "Recruitment in small firms: processes, methods and problems", *Employee Relations*, Vol. 21 No. 3, pp. 236-250, doi: 10.1108/01425459910273080.

Çetinel, F., Yolal, M. and Emeksiz, M. (2009), "Human resources management in small- and medium-sized hotels in Turkey", *Journal of Human Resources in Hospitality and Tourism*, Vol. 8 No. 1, pp. 43-63, doi: 10.1080/15332840802274437.

Chand, M. (2010), "The impact of HRM practices on service quality, customer satisfaction and performance in the Indian hotel industry", *International Journal of Human Resource Management*, Vol. 21 No. 4, pp. 551-566, doi: 10.1080/09585191003612059.

Chowdhury, S. and Schulz, E. (2020), "The levels of base pay and incentive pay used by small firms to compensate professional employees with general and specific human capital", *Journal of Small Business Management*, Vol. 60, pp. 1-31, doi: 10.1080/00472778.2020.1794693.

Curado, C. (2018), "Human resource management contribution to innovation in small and medium-sized enterprises: a mixed methods approach", *Creativity and Innovation Management*, Vol. 27 No. 1, pp. 79-90, doi: 10.1111/caim.12251.

Dawson, A. and Mussolino, D. (2014), "Exploring what makes family firms different: discrete or overlapping constructs in the literature?", *Journal of Family Business Strategy*, Vol. 5 No. 2, pp. 169-183, doi: 10.1016/j.jfbs.2013.11.004.

Delery, J.E. and Doty, D.H. (1996), "Modes of theorizing in strategic human resource management: tests of universalistic, contingency, and configurational performance predictions", *The Academy of Management Journal*, Vol. 39 No. 4, pp. 802-835, doi: 10.2307/256713.

Drummond, I. and Stone, I. (2007), "Exploring the potential of high performance work systems in SMEs", *Employee Relations*, Vol. 29 No. 2, pp. 192-207, doi: 10.1108/01425450710720011.

European Commission (2015), *User Guide to the SME Definition*, Publication Office of the European Union, Luxembourg.

European Commission (2021), *Annual Report on European SMEs 2020/2021*, Publication Office of the European Union, Brussels.

Fabi, B., Raymond, L. and Lacoursière, R. (2009), "Strategic alignment of HRM practices in manufacturing SMEs: a gestalts perspective", *Journal of Small Business and Enterprise Development*, Vol. 16 No. 1, pp. 7-25, doi: 10.1108/14626000910932854.

Fiss, P.C. (2007), "A set-theoretic approach to organizational configurations", *Academy of Management Review*, Vol. 32 No. 4, pp. 1180-1198, doi: 10.5465/amr.2007.26586092.

Fiss, P. (2011), "Building better causal theories: a fuzzy set approach to typologies in organization research", *Academy of Management Journal*, Vol. 54 No. 2, pp. 393-420, doi: 10.5465/AMJ.2011.60263120.

Galanaki, E. and Papalexandris, N. (2005), "Outsourcing of human resource management services in Greece", *International Journal of Manpower*, Vol. 26, pp. 382-396, doi: 10.1108/01437720510609564.

Georgiadis, A. and Pitelis, C.N. (2012), "Human resources and SME performance in services: empirical evidence from the UK", *International Journal of Human Resource Management*, Vol. 23 No. 4, pp. 808-825, doi: 10.1080/09585192.2011.561236.

Guerrero, S., Cayrat, C. and Cossette, M. (2022), "Human resource professionals' human and social capital in SMEs: small firm, big impact", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3252-3274, doi: 10.1080/09585192.2021.1919739.

Haar, J., O'kane, C. and Daellenbach, U. (2022), "High performance work systems and innovation in New Zealand SMEs: testing firm size and competitive environment effects", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3324-3352, doi: 10.1080/09585192.2021.1894213.

Harney, B. and Alkhalaf, H. (2020), "A quarter-century review of HRM in small and medium-sized enterprises: capturing what we know, exploring where we need to go", *Human Resource Management*, Vol. 60 No. 1, pp. 5-29, doi: 10.1002/hrm.22010.

Harney, B. and Nolan, C. (2022), *Human Resource Management in Small and Medium-Sized Enterprises*, Emerald Publishing, Leeds.

Harney, B., Gilman, M., Mayson, S. and Raby, S. (2022), "Advancing understanding of HRM in small and medium-sized enterprises (SMEs): critical questions and future prospects", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3175-3196, doi: 10.1080/09585192.2022.2109375.

International Labour Office (2017), *ILO Guidelines on Decent Work and Socially Responsible Tourism*, ILO, Geneva.

Jameson, S.M. (2000), "Recruitment and training in small firms", *Journal of European Industrial Training*, Vol. 24 No. 1, pp. 43-49, doi: 10.1108/03090590010308255.

Kerr, G., Way, S.A. and Thacker, J. (2007), "Performance, HR practices and the HR manager in small entrepreneurial firms", *Journal of Small Business and Entrepreneurship*, Vol. 20 No. 1, pp. 55-68, doi: 10.1080/08276331.2007.10593386.

Klaas, B.S., Semadeni, M., Klimchak, M. and Ward, A.K. (2012), "High-performance work system implementation in small and medium enterprises: a knowledge-creation perspective", *Human Resource Management*, Vol. 51 No. 4, pp. 487-510, doi: 10.1002/hrm.21485.

Kloutsiniotis, P.V., Mihail, D.M. and Gounioti, S. (2023), "The effects of transformational leadership and HRM practices on employee outcomes and productivity in the Greek hospitality industry during COVID-19", *Employee Relations*, Vol. 45 No. 3, pp. 653-676, doi: 10.1108/ER-08-2021-0360.

Kroon, B. and Paauwe, J. (2021), "HRM in 21st century small organizations: a midrange typology to describe, contrast and contextualize the phenomenon", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3224-3251, doi: 10.1080/09585192.2021.1915359.

Kyriakidou, O. and Maroudas, L. (2010), "Training and development in British hospitality, tourism and leisure SMEs", *Managing Leisure*, Vol. 15 Nos 1-2, pp. 32-47, doi: 10.1080/13606710903447998.

Lacoursière, R., Fabi, B. and Raymond, L. (2008), "Configuring and contextualising HR systems: an empirical study of manufacturing SMEs", *Management Revue*, Vol. 19 Nos 1-2, pp. 106-125, doi: 10.5771/0935-9915-2008-1-2-106.

Li, S. and Rees, C.J. (2021), "Determinants of the formalization of human resource management practices: an empirical study in SMEs in eastern and western China", *Journal of Small Business Management*, Vol. 59 No. 4, pp. 735-755, doi: 10.1080/00472778.2019.1705663.

Madera, J.M., Dawson, M., Guchait, P. and Belarmino, A.M. (2017), "Strategic human resources management research in hospitality and tourism", *International Journal of Contemporary Hospitality Management*, Vol. 29 No. 1, pp. 48-67, doi: 10.1108/ijchm-02-2016-0051.

Markova, E., Anna, P., Williams, A.M. and Shaw, G. (2016), "Migrant workers in small London hotels: employment, recruitment and distribution", *European Urban and Regional Studies*, Vol. 23 No. 3, pp. 406-421, doi: 10.1177/0969776413513913.

Marlow, S., Taylor, S. and Thompson, A. (2009), "Informality and formality in medium-sized companies: contestation and synchronization", *British Journal of Management*, Vol. 21 No. 4, pp. 954-966, doi: 10.1111/j.1467-8551.2009.00635.x.

Martín-Alcázar, F., Romero-Fernández, P.M. and Sánchez-Gardey, G. (2005), "Strategic human resource management: integrating the universalistic, contingent, configurational and contextual perspectives", *The International Journal of Human Resource Management*, Vol. 16 No. 5, pp. 633-659, doi: 10.1080/09585190500082519.

Mcclean, E. and Collins, C.J. (2019), "Expanding the concept of fit in strategic human resource management: an examination of the relationship between human resource practices and charismatic leadership on organizational outcomes", *Human Resource Management*, Vol. 58 No. 2, pp. 187-202, doi: 10.1002/hrm.21945.

Meijaard, J., Brand, M. and Mosselman, M. (2005), "Organizational structure and performance in Dutch small firms", *Small Business Economics*, Vol. 25 No. 1, pp. 83-96, doi: 10.1007/s11187-005-4259-7.

Morrison, A. (2014), "Small firm statistics: a hotel sector focus", *The Service Industries Journal*, Vol. 18 No. 1, pp. 132-142, doi: 10.1080/02642069800000008.

Mustafa, M.J., Caspersz, D., Ramos, H.M.L. and Siew, C.M.M. (2018), "The satisfaction of non-family employees with High Involvement HR practices: evidence from family SMEs", *Human Resource Development International*, Vol. 21 No. 3, pp. 163-185, doi: 10.1080/13678868.2017.1410005.

Nazarian, A., Atkinson, P., Foroudi, P. and Dennis, K. (2019), "Finding the right management approach in independent hotels", *International Journal of Contemporary Hospitality Management*, Vol. 31 No. 7, pp. 2862-2883, doi: 10.1108/IJCHM-08-2018-0700.

Newman, A. and Sheikh, A.Z. (2014), "Determinants of best HR practices in Chinese SMEs", *Journal of Small Business and Enterprise Development*, Vol. 21 No. 3, pp. 414-430, doi: 10.1108/JSBED-05-2014-0082.

Nolan, C.T., Garavan, T.N. and Lynch, P. (2020), "Multidimensionality of HRD in small tourism firms: a case study of the Republic of Ireland", *Tourism Management*, Vol. 79, 104029, doi: 10.1016/j. tourman.2019.104029.

Nyamubarwa, W. and Chipunza, C. (2019), "Debunking the one-size-fits-all approach to human resource management: a review of human resource practices in small and medium-sized enterprise firms", *SA Journal of Human Resource Management*, Vol. 17, doi: 10.4102/sajhrm. v17i0.1108.

Oecd (2019), *SME and Entrepreneurship Outlook 2019*, OECD Publishing, Paris.

Ordiz-Fuertes, M. and Fernández-Sánchez, E. (2003), "High-involvement practices in human resource management: concept and factors that motivate their adoption", *The International Journal of Human Resource Management*, Vol. 14 No. 4, pp. 511-529, doi: 10.1080/ 0958519032000057565.

Paauwe, J. and Boselie, P. (2005), "'Best practices . . . in spite of performance': just a matter of imitation?", *The International Journal of Human Resource Management*, Vol. 16 No. 6, pp. 987-1003, doi: 10.1080/09585190500120798.

Panayotopoulou, L., Nikandrou, I. and Papalexandris, N. (2010), "The choice between internalization and externalization of employment and its impact on firm performance: evidence from five south-eastern European countries", *The International Journal of Human Resource Management*, Vol. 21 No. 14, pp. 2547-2567, doi: 10.1080/09585192.2010.523574.

Pascual Ivars, J.V. and Comeche Martínez, J.M. (2015), "The effect of high performance work systems on small and medium size enterprises", *Journal of Business Research*, Vol. 68 No. 7, pp. 1463-1465, doi: 10.1016/j.jbusres.2015.01.034.

Pittino, D., Visintin, F., Lenger, T. and Sternad, D. (2016), "Are high performance work practices really necessary in family SMEs? An analysis of the impact on employee retention", *Journal of Family Business Strategy*, Vol. 7 No. 2, pp. 75-89, doi: 10.1016/j.jfbs.2016.04.002.

Ragin, C. (2000), "Fuzzy-set social science", in Rajabifard, A., Binns, A., Masser, I. and Williamson, I. (Eds), *The Role of Sub-national Government and the Private Sector in Future Spatial Data Infrastructures*, 2nd ed., University of Chicago Press, Chicago.

Ragin, C. (2008), *Redesigning Social Inquiry: Fuzzy Sets and Beyond, Bibliovault OAI Repository*, University of Chicago Press, Chicago.

Ragin, C.C. and Davey, S. (2017), *fs/QCA [Computer Programme]. Version 3.0*, University of California, Irvine.

Rihoux, B. and Ragin, C. (2009), *Configurational Comparative Methods: Qualitative Comparative Analysis (QCA) and Related Techniques*, California, Thousand Oaks.

Rodrigues, A.C., Carvalho, H., Caetano, A. and Santos, S.C. (2022), "Micro-firms way to succeed: how owners manage people", *Journal of Business Research*, Vol. 150, pp. 237-248, doi: 10.1016/j. jbusres.2022.05.062.

Sánchez-Marín, G., Meroño-Cerdán, Á.L. and Carrasco-Hernández, A.J. (2019), "Formalized HR practices and firm performance: an empirical comparison of family and non-family firms", *The International Journal of Human Resource Management*, Vol. 30 No. 7, pp. 1084-1110, doi: 10. 1080/09585192.2017.1289547.

Schneider, C.Q. and Wagemann, C. (2010), "Standards of good practice in qualitative comparative analysis (QCA) and fuzzy-sets", *Comparative Sociology*, Vol. 9 No. 3, pp. 397-418, doi: 10.1163/ 156913210x12493538729793.

Schneider, C.Q. and Wagemann, C. (2012), *Set-theoretic Methods for the Social Sciences: A Guide to Qualitative Comparative Analysis*, Cambridge University Press, Cambridge.

Schouteten, R., Van Der Heijden, B., Peters, P., Kraus-Hoogeveen, S. and Heres, L. (2021), "More roads lead to Rome. HR configurations and employee sustainability outcomes in public sector organizations", *Sustainability*, Vol. 13 No. 21, 11698, doi: 10.3390/ su132111698.

Sheehan, M. (2014), "Human resource management and performance: evidence from small and medium-sized firms", *International Small Business Journal: Researching Entrepreneurship*, Vol. 32 No. 5, pp. 545-570, doi: 10.1177/0266242612465454.

Sheehan, M. and Garavan, T. (2022), "High-performance work practices and labour productivity: a six wave longitudinal study of UK manufacturing and service SMEs", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3353-3386, doi: 10.1080/09585192.2021.2005658.

Sobaih, A.E. (2018), "Human resource management in hospitality firms in Egypt: does size matter?", *Tourism and Hospitality Research*, Vol. 18 No. 1, pp. 38-48, doi: 10.1177/1467358415619675.

Stokes, P., Liu, Y., Smith, S., Leidner, S., Moore, N. and Rowland, C. (2016), "Managing talent across advanced and emerging economies: HR issues and challenges in a Sino-German strategic collaboration", *The International Journal of Human Resource Management*, Vol. 27 No. 20, pp. 2310-2338, doi: 10.1080/09585192.2015.1074090.

Stroe, S., Parida, V. and Wincent, J. (2018), "Effectuation or causation: an fsQCA analysis of entrepreneurial passion, risk perception, and self-efficacy", *Journal of Business Research*, Vol. 89, pp. 265-272, doi: 10.1016/j.jbusres.2018.01.035.

Valverde, M., Scullion, H. and Ryan, G. (2013), "Talent management in Spanish medium-sized organisations", *The International Journal of Human Resource Management*, Vol. 24 No. 9, pp. 1832-1852, doi: 10.1080/09585192.2013.777545.

Verbeke, A. and Kano, L. (2012), "The transaction cost economics theory of the family firm: family–based human asset specificity and the bifurcation bias", *Entrepreneurship Theory and Practice*, Vol. 36 No. 6, pp. 1183-1205, doi: 10.1111/j.1540-6520.2012.00545.x.

Whyman, P. and Petrescu, A. (2014), "Workplace flexibility practices in SMEs: relationship with performance via redundancies, absenteeism, and financial turnover", *Journal of Small Business Management*, Vol. 53 No. 4, pp. 1097-1126, doi: 10.1111/jsbm.12092.

Williamson, D. and Harris, C. (2019), "Talent management and unions", *International Journal of Contemporary Hospitality Management*, Vol. 31 No. 10, pp. 3838-3854, doi: 10.1108/ijchm-10-2018-0877.

World Travel and Tourism Council (2020), *Travel and Tourism: Global Economic Impact and Trends 2020*, WTTC, London.

Wu, N., Bacon, N. and Hoque, K. (2014), "The adoption of high performance work practices in small businesses: the influence of markets, business characteristics and HR expertise", *The International Journal of Human Resource Management*, Vol. 25 No. 8, pp. 1149-1169, doi: 10.1080/09585192.2013.816865.

Zhang, J.A. and Edgar, F. (2022), "HRM systems, employee proactivity and capability in the SME context", *The International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3298-3323, doi: 10.1080/09585192.2021.1905682.

Appendix

Semi-structured interview guide

Before we begin, we would like to mention that our research focuses on Human Resources Management practices and organizational performance of Small and Medium-sized enterprises before the outbreak of the COVID-19 pandemic. For this reason, we kindly ask you to bring to your mind your organization and its business conditions before the pandemic crisis.

On the organization:

(1) When was your enterprise founded?

(2) What is its legal form?

(3) Please provide some financial data (e.g. turnover, initial capital invested/capitalization)?

(4) Please describe your main competitors

(5) What is your market share? Is it comparable with that of your competitors?

(6) How would you describe the achievement of business targets and the profitability of your organization?

(7) Who is at the board of directors and take important decisions for the organization?

On the interviewee:

(8) When and how did you start working in the organization?

(9) Please describe your career path since then

(10) Please describe a key success for your organization during the last three years

(11) Please describe the biggest challenge/difficulty/risk the organization had to face during the last three years

HRM practices:

(12) How many people are employed in your firm?

(13) Are there different departments (e.g. sales, customer service) and how many employees work in each?

(14) Have you done any hiring during the last three years?

Recruitment:

(15) Please indicate the recruitment methods you have used to communicate possible vacancies (bring in mind your last experience or the most typical one).

(16) In general, do you use social media or the business website to inform about career opportunities in the organization?

(17) Do you take any action to promote a positive image of your organization as an employer (either inside the business or outside)? Please describe what kind of actions and how regular are they?

Selection:

(18) Which selection method(s) do you use to decide which candidate will eventually be hired for a position? Do you take interviews? Psychometric or other tests? Anything else?

(19) If you take interviews, who participates in the process?

(20) If you take tests, what about?

(21) Who took the final decision for the coverage of the position?

Structure:

(22) How are employees informed about their duties and responsibilities?

(23) Are there job descriptions?

Rewards:

    (24) What do you offer to your employees as compensation?

    (25) Is it a fixed or variable reward?

    (26) If it is a fixed reward, is it dependent on the minimum wage or is it much higher than the minimum wage?

    (27) If you offer variable rewards, what are the different types of these rewards? (e.g. bonuses, commissions, piece rate, profit-sharing, etc.)

Appraisal:

    (28) Do you conduct performance appraisals?

    (29) How? When/how often?

    (30) Who conducts the appraisal?

Training:

    (31) Do you train your employees?

    (32) How? When/how often?

Source(s): Created by authors

About the authors

I. Zografou is a Postdoctoral Researcher at the Athens University of Economics and Business (AUEB). She holds a Ph.D. from the Department of Marketing and Communication at the AUEB, an international MBA from the Department of Management Science and Technology at the same University, and an M.Sc. from the Department of Business Administration at the University of the Aegean. Her research revolves around strategic HRM, employer branding, and firm performance. She has worked in tourism firms, educational institutions, and governmental organizations. Irene has also been exposed to international business environments, having worked for the United Arab Emirates' public sector, where she trained hundreds of new hires in customer-facing roles. I. Zografou is the corresponding author and can be contacted at: irinizografou@aueb.gr

E. Galanaki is an Associate Professor and Director of the HRM Laboratory at the Department of Marketing and Communication of the Athens University of Economics and Business. Her research largely revolves around Strategic and International Human Resource Management. She is intrigued by the discourse on how the HRM practice links with performance at different levels of analysis and settings. Lately, she is involved in research on HRM and performance in SMEs, HRM and performance for an aging workforce and HRM and performance internationally. For her work she has received various awards and distinctions.

N. Pahos is an Assistant Professor at the TU Delft. He holds a Ph.D. from the Athens University of Economics and Business. His research interests move around the fields of Innovation and Human Resource. He has published in the "Work, Aging and Retirement" and in the "Evidence-based HRM a global forum for empirical scholarship" journals. His work has been presented in international conferences, including AOM (2020), EURAM (2017, 2018, 2019, 2021) and ESA (2017). During his doctoral studies, Nikolaos was awarded a scholarship funded by the General Secretariat for Research and Technology (GSRT) and the Hellenic Foundation for Research and Innovation (HFRI).

I. Deligianni is an Assistant Professor at the Department of Management Science and Technology at the Athens University of Economics and Business (AUEB). She holds a Ph.D. from the AUEB, an International MBA from the same University and a degree in Chemical Engineering from the National Technical University of Athens. Her current research interests are in strategy, innovation and entrepreneurship. She has published scientific papers in highly recognized international scientific journals. She has participated in many national and European research projects while she has also worked as a consultant to companies and organizations in both the private and public sectors.