Chapter 2

Relational Flexibility: How to Work with Labor Dynamism and Promote Knowledge Sharing in Hospitality

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ABSTRACT

This chapter investigates how the hospitality industry of the Northern Territory of Australia achieves organizational flexibility in dynamic labor environments. A case study in the Northern Territory of Australia reveals a new type of organizational flexibility, “relational flexibility.” Relational flexibility is the result of behaviors, which go beyond the scope of job descriptions, used to repair the relational disruptions of labor changes and to adapt to the inevitability of labor dynamism. With relational flexibility, hospitality businesses can become flexible, responsive, and adaptable to dynamic labor environments while ensuring knowledge management activities are not inhibited. This research highlights the central role of peer relationships in dynamic labor environments and contributes to the organizational flexibility, staff turnover, and hospitality knowledge management literature.

INTRODUCTION

Creating and sustaining a competitive advantage through knowledge practices that recognize the industry’s specific context and allow it to compete for customers and staff in the global marketplace is imperative (Butler, 1998; Poon, 1993). Even in the face of relatively poor staff retention and constant labor movements, hotels ought to ensure knowledge management practices are not impeded (Lundvall & Nielsen, 2007). Such issues become critical to hospitality businesses operating in remote, transient and seasonal regions like the Northern Territory of Australia where labor movement patterns and consequences manifest in forms more extreme than in other destinations. Considering the infinite nature of labor movements in hospitality, Northern Territory businesses are challenged by the need to become organizationally flexible while supporting knowledge management practices.

This chapter builds from previous research (Chalkiti & Carson, in press) and investigates how
Northern Territory businesses can become organizationally flexible while supporting knowledge management practices despite inevitable labor changes.

This chapter begins with a literature review on the nature, consequences and management of labor dynamism in hospitality. Primary data from the Northern Territory hospitality industry will be analyzed to show how employees, teams and management deal with labor dynamism. The concept of relational flexibility will be introduced and discussed as a way to achieve organizational flexibility within dynamic labor environments. The chapter will conclude with managerial implications and limitations of the study and introduce scope for future research (Figure 1).

**LABOR DYNAMISM IN HOSPITALITY: AN INTERNATIONAL PERSPECTIVE**

This section describes the nature of labor dynamism in hospitality, its consequences and the ways to manage it.

**Nature**

Hospitality businesses are dynamic labor environments as a “critical source of change” (Timo, 2001, p. 126) stems from their human resources. A number of reasons contribute to this including the way businesses are structured to deal with irregular and unpredictable demand, staff turnover and tourist destination popularity (Knox, 2002; Kvist & Klefsjö, 2006; Zhang & Wu, 2004; Zoppiatis & Constanti, 2007). In Australia, the 2006 Labour Mobility Survey reported that nearly 40 per cent of all people employed in the accommodation sector stayed in their jobs for less than one year (ABS, 2006). Indeed, in remote and peripheral destinations like the Northern Territory, “obtaining and long term retaining of trained and experienced staff may be very difficult” (Hohl & Tisdell, 1995, p. 519). Finally, Australia is challenged by uncertain labor supply because of the high influx of employees seeking work, travel and living experience; and transfers due to better career opportunities (high wages, shorter working hours), emotional labor, training pressures and social life (Mohsin, 2003).

**Consequences**

Hospitality businesses customize their human resource processes to deal with irregular and unpredictable demand and seasonality (Knox, 2002). They engage in flexible labor strategies such as shiftwork, casual employment, multiple hiring and multi-tasking (Burgess, 1997). In this vein, it is important “to understand the effects of these resulting socially thin employment relationships” (Koene & Riemsdijk, 2005, p. 91). Employees form and participate in networks for reasons such as their shared participation in pro-