

Spillover effects mechanism: An exploratory study in the hotel industry

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Abstract

Previous studies on spillover effects mostly focus on manufacturing industries, while spillover effects from service multinational enterprises (MNEs) have rarely been researched. In order to explore these, a case study approach was chosen. Using multiple case studies, data were collected from in-depth interviews with managers and senior managers of five hotels. The findings of the study provide insightful information on spillover effects in the service industry, in particular with regard to hotels. The results suggest that the competition effect is the most prominent and is primarily generated within the labour and consumer markets.

Keywords: MNEs; Spillover effects; Competition effects; Hotel; Case study; Macao;

1. Introduction

The liberalisation of the Macao gaming industry in 2002 resulted in an inflow of foreign direct investment (hereafter FDI) of up to MOP23,929 million (approximately equal to US\$2,991 million by the end of 2008 (Statistics and Census Service of Macao SAR 2010). The largest proportion of FDI has been invested in industries related to cultural, recreational, gaming and other services. In particular, FDI in the Macao hotel industry has increased dramatically over recent years, due to the construction of gaming halls often combined with hotels. By the end of 2009, 90 hotels have been in service, and hotels room availability increased dramatically from 9,168 to 19,216 between 2004 and 2009, with overall increase of 10,048 rooms.

Liberalisation has led to entry of gaming and hospitality investors and it thus provides a unique opportunity to examine spillover effects in the service industries, particularly in the hotel industry. There are two reasons why the Macao hospitality industry can provide a highly suitable research environment: 1. the FDI phenomenon in the city is a desirable subject for research on spillover effects, 2. the timing of the FDI inflow matched the research timeframe and collection of data was feasible.

With the research objective to explore the spillover effects caused by the entry of service MNEs, the present paper aims to contribute to literature on spillover effects by exploring the hotel industry. In the next section, the conceptual framework of the study is discussed together with a literature review. The third section explains the research method. Findings from in-depth interviews with managers and senior managers of the case hotels are discussed in the fourth section. A discussion in the fifth section elucidates a tentative framework on service industry spillover effects. The final section presents theoretical implications and suggests future research paths.

2. Conceptual Framework

2.1 General Spillover Effects

MNEs create linkages when they are directly involved with other firms in the host economy (within or across industries) and have a direct influence on these partner firms, whereas spillover results from the (indirect) externalities of MNE activities such as demonstration effects in related or unrelated firms, mobility of trained employees, enterprise spin-offs and competition effect (Giroud and Scott-Kennel 2006). In the last few decades, spillovers from MNEs have gained attention not only in developed economies (Caves 1974, Globerman 1979, Barrios et al. 2001) but also in developing (Blomstrom & Kokko 1996, Sjöholm 1999) and transition economies (Liu 2002, Sinani & Meyer 2002) where reaping benefits from FDI is believed to be important for the countries' development.

Empirical research customarily measures spillover effects as the impact of the presence of foreign MNEs on the productivity of domestic firms. The common mechanisms are positive productivity spillovers through FDI are taking place when the entry or presence of MNE affiliates leads to productivity or efficiency benefits in the host country's local firms. MNEs are not able to internalise the full value of these benefits, thereby generating external social benefits through spillovers (Blomstrom & Kokko 1998). The literature overwhelmingly consists of empirical studies on manufacturing industries and concern intra-industry, as opposed to inter-industry spillovers, whichever host countries is under study.

In addition, demonstration effects are derived from MNEs' contact with local firms. The former are always intimately related to the latter. Local firms are confident to adopt technology and management skills introduced and currently used by MNEs. Moreover, uncertainty is reduced and imitation of technology is increased (Blomstrom & Kokko 2002). Ridel (1975) studied the horizontal demonstration effects and revealed the importance of MNEs in the development of the manufacturing export sector in Hong Kong in the 1960s. Haskel, Pereira and Slaughter (2002) investigated the changes of total factor productivity of UK industries with presence of foreign investment. The study revealed positive spillover effects on total factor productivity in industry where foreign presence was found.

On the other hand, negative productivity spillovers have been identified in various empirical studies. Aitken and Harrison (1999) revealed such spillovers to Venezuelan domestic firms from the presence of MNEs.

Service FDI, like FDI in other sectors, generates employment and economic development in the host countries. There are positive and negative impacts of FDI from service industries. Nevertheless, potential contributions of service FDI to the host countries' development in technology transfer and spillovers depend on the host countries' absorptive capacity. Although evidence exists of service FDI contributions to skills transfer, expertise and knowledge, empirical studies on the overall extent are limited (UNCTAD 2004).

2.2 Spillovers in service industries

MNEs invest abroad using firm-specific advantages, such as modern technology, management skills and the ability to internalise. International hotels, as well, hold distinctive ownership advantages when venturing abroad. International hotels produce an 'experience good' (Dunning & McQueen 1982): customer goodwill and reputation are an important asset to a hotel. As competition effect is a common phenomenon of FDI spillovers in manufacturing industries, service industries are no exception. Competition is likely to be intensified after the entry of a service MNE. Fierce competition is anticipated, especially for indigenous or existing hotels targeting the same segment of a market as a MNE hotel. As a result, strategies to cope with intense competition are required for indigenous firms to defend against potential loss of market share.

In the manufacturing industries, a firm's productivity is an important gauge for competency in the market and attention is always paid to enhancing it. However, productivity is a paradox for service industry performance. The effects on a firm's productivity require a different lens to examine them because of the features of hotel industry-service industry. Productivity has been approached as an umbrella concept incorporating utilisation, efficiency, effectiveness, quality, predictability and other performance dimensions (Johnston & Jones 2004). Production efficiency is reflected as a narrower concept of productivity. Utilisation, effectiveness and efficiency are mainly driven from manufacturing industries. Hurdles exist when applying these concepts to measure productivity in service industries because the characteristics of service require a different approach. Nevertheless, service quality may be a relevant concept for investigation to study service industries, particularly a hotel industry, which is a *people* industry. Employees play significant roles to maintain and improve service quality in service industries, particularly in the hotel industry. Service employees connect firms to their customers and they interact directly with customers over the service delivery process (Chase 1981, Heskett et al. 1994, Oliva & Serman 2001). Service quality in which employees' attributes play crucial roles is comparatively more important to consider than productivity. In general, the hotel industry is a *people* industry; thus, it is important to examine human resource practices in order to investigate the spillover effect.

Furthermore, the relationship between inputs and outputs in terms of service volume is often seen to be problematic owing to the lack of storability of services (Bolis 1985). In manufacturing industries, quality of products is intended to be controllable. A certain amount of output is expected with a certain amount of input. Uniform quality is assumed, thus productivity is easy to gauge in manufacturing industry. Conversely, customers' presence and personnel are among the most important inputs in the service production process and the level of customers' presence imposes a certain influence on the service output in accordance with the service quality contributions. As a result, the amount of output varies, even with the amount of input remaining constant or vice versa. Additionally, the amount of input varies owing to service personnel performance. The 'people' factor strongly affects the input and output of the service production process. Therefore, service productivity is difficult to measure.

In the service industry, knowledge cannot be codified as easily in manufacturing (Clegg 1993). Conversely, service replication is possible in the hotel industry; for example, service level and quality varies among the same star ranking of hotels. As a result, the demonstration effect of spillovers is inevitable. Industry competitors are comfortable in introducing services which have been provided by international hotels. Yet service quality is not guaranteed even when a service is relatively easy to replicate.

The review of previous studies on spillover effects suggests that empirical evidence on services demonstrates a different kind of spillover effects from FDI compared with manufacturing. Researchers often study the effects of FDI on domestic firms' productivity (Blomstrom & Person 1983, Damijan et al. 2003, Kathuria 2001, Kokko, Tansini and Zejan 1996, Sjöholm 1999). However, robust empirical evidence is missing to prove the types of spillover effects taking place with entries of MNEs. At the same time, studies of FDI spillover on service industries are rare. Know-how spillovers through human capital mobility are clearly a possible

mechanism (Gorg & Greenaway 2004) and the studies of both manufacturing and service industries need to be examined carefully.

Furthermore, ownership advantages differ between manufacturing and service industries when venturing abroad. Buyer uncertainty and co-servicing are distinctive features in the hotel industry. Likewise, internalisation through professional staff relocation to ensure service quality and maintenance of corporate branding are significant for cross-border activities. The importance of those advantages which can be embedded in service activities imply that FDI spillovers from service MNEs are different from those of manufacturing MNEs. Human knowledge in understanding what tourists want and the ability to provide such services are essential in operating a hotel business abroad (Dunning & McQueen 1982). Therefore human capital plays a vital role for the success of an international hotel.

The research framework for the study, derived from the relevant literature, is presented in Fig. 1 and is based on (1) the theoretical model of FDI activities and (2) the spillovers literature. The research has first recognised the fundamental difference between service and manufacturing MNEs when conducting cross-border activities (3). Spillover effects caused by FDI activities of service MNEs are apparent as explained by various theories, for example in Caves (1976) and Blomstrom (1998). The applicability to service MNEs of spillover effects identified from manufacturing industries is of particular interest in this research study.

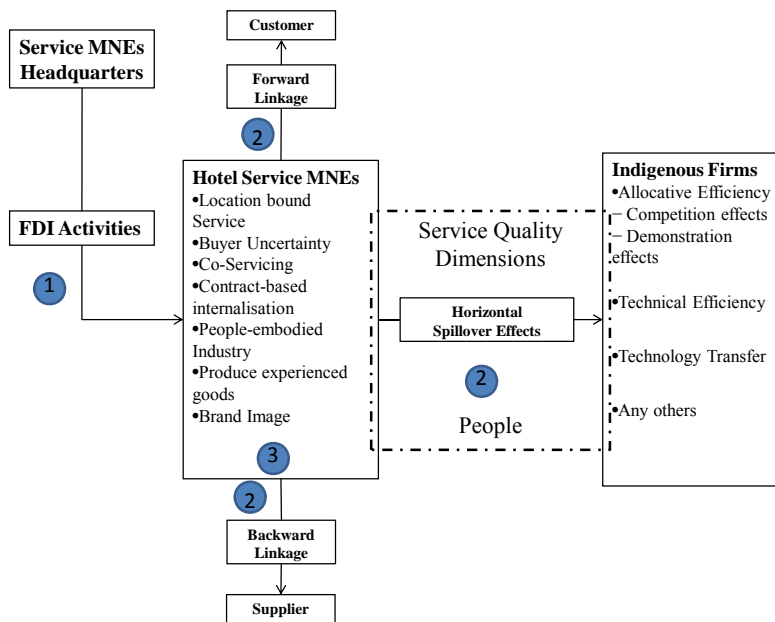


Fig.1. Framework of Spillover Effects in Service Sector – Hotel Industry

Source: Author

3. Research Methods

A multiple case exploratory study (Yin 2003) is adopted for this study. The target group for this study are hotels existing before gaming industry liberalisation and investors' hotels, which commenced operations after gaming industry liberalisation. Seven hotels were approached and five granted access to the researcher and included one investor hotel and four existing hotels. The five case hotels are anonymised as a condition of this research. Thus, flower names (Lily, Rose, Wisteria, Magnolia and Sunflower) are used to identify the different case hotel in the finding sections.

A total of 40 people were interviewed in the course of 30 face-to-face and 10 telephone interviews and the interview data are the primary source of information. The researcher obtained permission from all interviewees to audio-record the interview, except telephone interviews. To the researcher's surprise, all interviewees did not hesitate to agree to be recorded. Verbatim responses of interviewees are essential (Patton 2002). By audio-recording, the researcher could devote full attention to listening to the interviewee and probe responses with in-depth questions (Ritchie & Lewis 2003, p.166).

The data analysis process began with verbatim transcription of the voice files. The qualitative data were analysed systematically following the principles of qualitative data analysis and by using computer software Nvivo 7. An inductive coding approach (Strauss 1987) was used in the first round of data coding – open coding. A topic guide which was used in the interview was valuable in generating the first codes such as 'competition', 'human resource' and 'demonstration'.

Analytical coding was done to reduce the data. Additionally, memos were written up by the researcher for each important theme right after the analytical coding. In addition to thematic memos, memos for each case company were also developed. These contained information about organisation differences and type of spillover effects which occurred. The write-ups of these two types of memos are similar to the development of a case study narrative (Patton, 1990, p.388) which provides a readable and descriptive picture of a case company. By organising the developed memos, data were further reduced 7 major themes: (1) Competition effect, (2) Demonstration effect, (3) Government regulations, (4) Human capital movement, (5) Overall tourist markets, (6) Productivity, and (7) Service quality. In addition, the memos enabled and facilitated cross-case analysis among the f case companies.

4. Major Findings

In an attempt to fulfil the research objective, this section reports the major findings from the five case hotels on spillover effects from the arrival of MNEs in the Macao hotel industry. Competition effects on the labour and consumer markets are revealed.

Not all the spillover effects identified from previous studies occur in the Macao hotel industry. Our data suggest that competition effects are the most outstanding category. In manufacturing industries, competition effects from FDI spillover emerge mostly in the consumer market of the products being produced. In the Macao hotel industry, competition effects are seen at two different levels. The most prominent competition occurs in the labour market, while competition in the consumer market is also discovered.

The competition effect on the labour market is examined through three different perspectives: (1) Employee turnover, labour supply and qualifications, (2) Salary and fringe benefits, and (3) Human resource strategies. In the rapid development of the Macao hotel industry, each hotel project demands labour in thousands. In addition, many projects are casino hotels offering top-name entertainment, shows, distinctive restaurants, comprehensive retail shops and charter transportation for high rollersⁱ (Trowbridge 1996). Casino hotels demand more labour than commercial hotels where shows, entertainment and comprehensive retail shops are in place. Furthermore, the size of hotel projects is not small, embracing hundreds and thousands of rooms, massive retail outlets and convention facilities. The working population of Macao simply cannot satisfy the enormous demand for labour and the interview data suggest a phenomenal shortage in the hotel industry, with all interviewees seeing fierce competition for labour.

In this study, one of the major discussions in all the interviews revolves around employee turnover. Firstly, employee turnover was reported widely and the interviewees mostly see high employee turnover as having happened since 2006 and 2007. The high employee turnover is directly related to investors' openings of hotels. Employee turnover rate was a record high prior to a new hotel's opening. One director of sales illustrated the acute condition of employee turnover:

It's not surprising to have 80 per cent. The flow is too fast. My colleagues these two years [2006 and 2007] are now all working in different hotels. It's inevitable. [Director of Sales, Lily]

The data from the four case companies suggest that the entire hotel industry is suffering from serious labour shortage. The average staff turnover is 60 per cent annually and staff replacement is not easy and scarce. Apart from the availability of labour in the market, employee qualifications are another important concern which was widely reported by the interviewees. The mismatch between the labour supply and demand, where supply cannot meet demand in the Macao hotel industry, leads to another mismatch between job requirement and employee qualifications. An employee qualification is a common issue among the case hotels. The hotel industry is a service industry or, as it is referred to, a people industry, where HR qualification is of prime importance to the success of a company. The issue of this mismatch between job requirement and employee qualifications may have negative impacts on service quality.

Previous literature showed that MNEs offered comparatively higher wages than local firms (Aitkin et al. 1997, Fosfuri et al. 2001). The interview data showed that an average of 30 per cent increase of salary in the labour market has been experienced since the entry of investors'

hotels. The increment varies and is subject to the staff career profile and qualifications. As one of the deputy general managers among the case companies explained:

They do bring impacts to us. The salary level of other industries also increased because of the casinos. That's for sure. This really affects our profit margin. It's not just a 10 per cent increase in salary, but a 30 to 40 per cent increase. [Director & Deputy General Manager, Rose]

Competition for human resources is very intense in the labour market. Investors' hotels are perceived to be able to offer a very competitive remuneration package in order to recruit staff and as having very strong financial resources. Investors' hotels seem to be offering 30- 50 per cent more salary for the same job position in the market. The four case companies envision a salary war which is impossible to fight. International chain hotels see casino hotels offering too high a salary in comparison to the developed countries and see difficulty to keep in line with what they are offering in the job market.

Salary is the main competitive tool to recruit human resources in the market. Senior managers from the four case companies, excluding the investor's hotel companies, see it as a salary war. The general manager from Lily mentioned it as a 'cut-throat' approach. Apart from the salary, the data suggest that other fringe benefits offered by the four case companies are not competitive either in the market. The investors' hotel offers better fringe benefits than the four case companies. The shortcoming of the fringe benefits offered by the latter coincides exactly with the comments by the investors' hotel managers on the fringe benefits they enjoy:

I guess we offer a pretty attractive package...we even provide dental care for our staff. And my team takes care of all the details for relocation...from schooling for kids to curtains for apartments... [Relocation Manager (HR), Sunflower]

In addition, the data suggest that staff get on a fast track for promotion by moving to investors' hotels. The data reflect that there are plenty of job vacancies in the market. They enable fast employee turnover and job promotions. The investors' hotels generally lift up the salary range and the whole staff remuneration package in the labour market. The four case companies admit strong pressure to increase wages and other fringe benefits in order to retain employees and make staff recruitment possible.

However, the views on salary taking away staff are very different among the four cases. Similarity is found between Magnolia and Wisteria. The two cases consider that staff truly interested in developing a career in the hotel industry will not leave for an investors' hotel, particularly a casino hotel. Lily and Rose consider themselves a very practical organisation and understand the local and Chinese culture well, and offer a better job environment and employer-employee relationships.

In dealing with the competition in the labour market, particularly on salary and fringe benefits, we see very different approaches implemented by the pre-liberalised foreign managed hotels (Wisteria and Magnolia) and the pre-liberalised indigenous managed hotels (Lily and Rose). While the former concentrate on what they can offer to the staff, for example career development, the latter focus on the nourishing employer-employee relationship.

The interview data suggest that Magnolia has long realised the potential impact on the labour market from the investors and has the lowest turnover rate in comparison to other case companies. Pre-emptive HR strategy (succession planning) had been in place before the shortage and high employee turnover in the labour market. In the interviews with managers at Magnolia, the succession planning system was revealed as an effective strategy to retain staff.

The participation of customers in service delivery is undeniable (Johnston & Jones 2004) and was discussed in detail by Wisteria's management people. Wisteria is the only case company which emphasises the importance of the types of customers it serves and recognises the impacts from customers on their service delivery. They also differentiate themselves with the types of customer they serve to attract staff in the labour market. In fact, most of their customers are non-casino patrons.

In addition, staff training and schemes offered by the pre-liberalised foreign and indigenous managed hotels are very different. The former foreign managed hotels (Magnolia and Wisteria) strongly emphasise training and what is provided is comprehensive and diverse. The management level training offered by Magnolia and Wisteria is perceived by many interviewees as an important tool for career development, while the senior management of the two companies regard training as an important tool to retain management level staff. In contrast, Lily and Rose are not able to implement training due to labour shortage. Moreover, they provide rather limited on-the-job training and rarely overseas training. Though they do organise cross-department training, they aim to diversify staff skills, use multitasking and not provide staff development.

Among the four case studies, it seems that the pre-liberalised foreign-managed hotels (Wisteria and Magnolia) implement clear marketing strategies. They target specific segments of the market in accordance with their own core competence. Relevant marketing tactics are used to reach the target market. In contrast, the pre-liberalised indigenous-managed hotel (Rose) shows an undifferentiated marketing strategy. The data suggest that there is no marketing segment identified, while the pre-liberalised indigenous-managed hotel (Lily) clearly targets gambling customers. Lily recognises that the hotel has the same target market as the investors' hotel (Sunflower). Lily is also keen to explore the business opportunities of MICE markets. To sum up, there are two obvious groups of hotels among the five case companies though they are all five-star hotels: 1. Casino hotel, and 2. Traditional hotel. The former serves mostly gambling customers while the latter serves leisure and business customers.

Further from the four case hotels' marketing strategies, the data suggest another interesting aspect, which is the business orientation of the hotels. The hotels' business orientations directly affect how they deal with the consumer market competition. From the empirical evidence, we can see two types of business orientation: 1. service oriented, and 2. hardware oriented. Service oriented hotels concentrate on quality service provisions; while hardware oriented hotels concentrate on facilities provisions. It seems that the pre-liberalised foreign-managed firms are mostly service oriented. This means they are very focused on the services offered, while the pre-liberalised indigenous managed firms are rather hardware oriented.

Wisteria and Magnolia see that having the ability to offer good services is the core competence to stay in business, particularly as the competition becomes fierce. They see the need to upgrade their hardware; however, they believe that spending effort on staff training to

maintain service levels is the priority. On the other hand, the pre-liberalised indigenous-managed firms (Rose and Lily) emphasise the hardware used for the hotel operations. Especially for Lily, their investment on hardware is remarkable.

5. Discussion

Particularly in the hotel industry, human resources supply and qualifications, and companies' business operational models are important in the mechanism of spillover effects. The results demonstrate that competition effect on human resources among indigenous firms and MNEs is the most prominent. Salary and fringe benefits offered by MNEs are much superior to the indigenous firms', which triggers massive employment turnover. This finding coincides with previous studies that MNEs are often able to offer comparatively high salary to compete for human resources with indigenous firms (Aiken et al. 1996, Lipsey & Sjöholm 2001, Girma et al. 2001, Driffield & Girma 2003). Meanwhile, Macao is short of labour and the government's immigrant labour policies are seen as ineffective and as putting further strains on the labour shortage issues. Since the hotel industry is a people-embodied industry, in which human capital is a crucial factor in operating the business, the MNEs have thus introduced a profound competition effect to the labour market in the Macao hotel industry. Service deliverers' skills are in question in all case hotels. As the service deliverer and the quality of the delivery play key roles in service quality, particularly in a service industry (Kotler et al. 2006), employee turnover and poor employee qualifications experienced by the case companies have negative impacts on service quality.

Nevertheless, the empirical evidence reveals that the comprehensive training offered by the pre-liberalised foreign-managed firms attracts staff poaching from investors' hotels. Though comprehensive training programmes are offered by Wisteria and Magnolia, employee turnover seems to be an inevitable HR phenomenon in the Macao hotel industry.

The types of training available in the two pre-liberalised foreign-managed hotels (Magnolia and Wisteria) provide an insight into the lower employee turnover rate they have experienced. Training may be perceived as an important tool for career development by middle or above level of management staff. The empirical data suggest that approximately half or more of the employee turnover originated from rank and file staff (frontline staff) while turnover of management level staff is relatively less in these two hotels. Concrete figures were not provided due to the limitations in the turnover records. However, all levels of staff turnover were mentioned in the interviews with Lily and Rose.

The data reveal different composition of employee turnover between the pre-liberalised foreign-managed hotels and indigenous-managed. The availability of career development opportunities may be the secret behind the low management staff turnover in Wisteria and Magnolia. The data suggest that management level staff mostly aim at career development opportunities and it seems that Magnolia and Wisteria provide more and it is believed such opportunities help to reduce management staff turnover. Career development programmes are

offered in great variety. They include training programmes (including the E-Cornell, training programme offered electronically to top hotel executive), management development, succession planning, different incentives and global transfer programme (available at Magnolia). In fact, only the international managed hotels are able to offer worldwide career opportunities, due to the existence of their sister properties. This career opportunity is highly regarded by senior managers of the two hotels. On the other hand, lack of career development opportunities is believed to be associated with high employee turnover of all levels of staff in Rose and Lily (the pre-liberalised indigenous managed hotels). The data suggest that there is rarely any evidence of availability of career development opportunities in these two hotels.

6. Conclusions

The present study has offered a number of contributions. First, this research presents probably the first detailed academic inquiry into service MNEs' spillover effects, with a particular focus on the hotel industry. Previous studies have focused on manufacturing industries while the sector composition of world FDI shifted towards services after the 1990s. As a result, robust empirical evidence is missing to explore the type of spillover effects taking place with entries of service MNEs. Studies of FDI spillovers in service industries are rarely found. Second, this research collected primary data for investigation. It enabled the researcher to scrutinise the types of spillover effects taking place in the hotel industry. As discussed in the introductory section, Macao provides an excellent research environment for studying spillover effects due to its gaming industry liberalisation and inward FDI. This study was conducted immediately after the opening of the hotel MNEs' operations in Macao and, to the best of the author's knowledge, it is perhaps the first research study to capture the exact entry time of hotel MNEs in Macao to investigate spillover effects.

The findings also support that human resources supply and qualification are crucial to service industries, particularly to the hotel industry, which is labour-intensive. Previous studies, for example Caves (1974), Haddad & Harrison (1993) and Blomstrom, Kokko & Zejan (2000) concern mostly the impacts on firms' productivity from the entry of MNEs. This study, however, provides new insights on the impacts on human resources upon the arrival of service MNEs. The comprehensive and diverse human resource training strategies adopted by the two pre-liberalised foreign managed firms (Magnolia and Wisteria) demonstrated effective results to retain management level staff. The succession planning system implemented by Magnolia was revealed as an effective strategy to retain staff. Magnolia has the lowest employee turnover rate among the case hotels. In this respect, human resource strategy is an important area for consideration, rather than firm's productivity, particularly for service industry spillover effects.

In addition, competition effects on the consumer market exist and have been intensified by the establishment of the new hotels. Consumer market competition has been perceived as generally positive in the short term by all case hotels; however, fierce competition is anticipated upon the completion of hotel projects. The data suggest that the consumer market is perceived as not being more optimizing and with fierce competition in the long run. It is a logical marketing

forecast as there are more hotel projects finished in a relatively short period than demand to fill them. The supply of hotel rooms will be faster than the market growth in the long term. As most of the MNEs are building five-star hotels, there will engage in direct competition with the case hotels and a fierce battle is anticipated. The spillover effect on the consumer market competition may be a negative one. Besides the fierce competition among five-star hotels, the four case companies see that four-star hotels eventually reap the most benefit from the entries of MNEs as well as the fierce competition among five-stars.

The present study provides only a tentative framework (Figure 2) on service industry spillover mechanism based on a single case study of the Macao hotel industry and can be strengthened in many ways. Human resources supply, qualification and business operational model impinge significantly on service quality as revealed from the findings. However, the effect of service quality was captured at a less in-depth level than the competition effects examined. It is a rather preliminary conclusion on service industry spillover effects and can be further developed and tested in other contexts and other service industries. Future studies of any service industry may focus only on the effect on service quality in order to advance its overall understanding and importance to the spillover phenomenon. Finally, the exploratory insights of this study may constitute the foundations for studying other service industries. Indeed, spillover effects from service MNEs offer challenging research paths for further exploration.

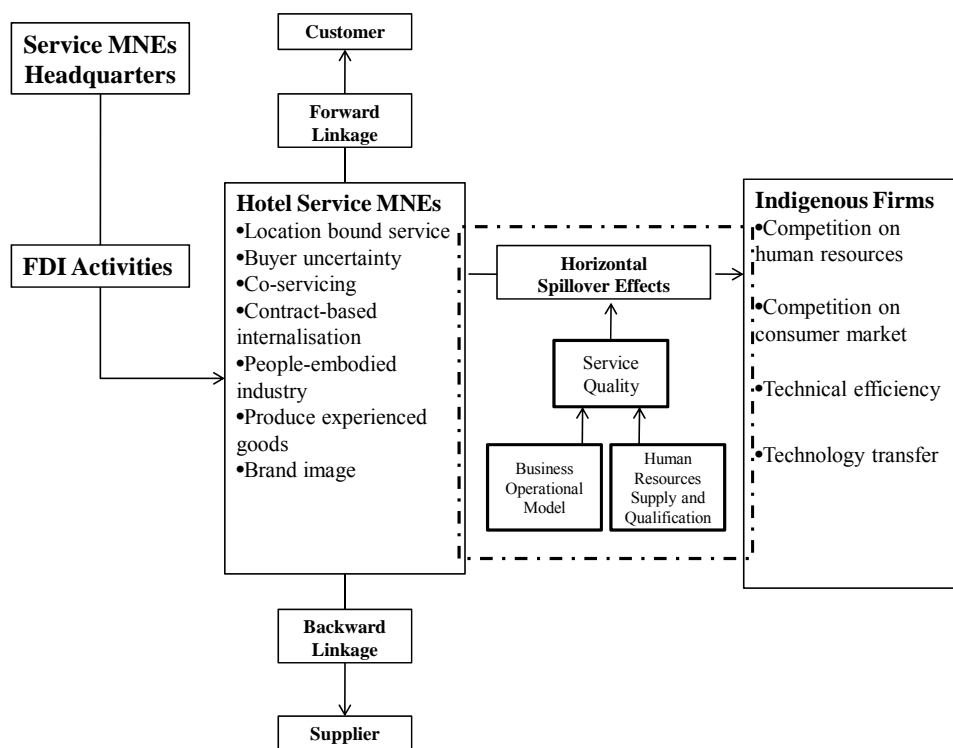


Fig. 2: Spillover Effects in Service Sector – Hotel Industry

Source: Author

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ⁱ High roller is a gambler who wagers large sums