

The Value of Professional Certifications

for Hospitality Financial Experts

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Hospitality financial professionals are about evenly split regarding whether certification adds economic value to a career, but 97 out of 100 nevertheless encourage their peers to become certified.

This study provides some insight into the perceived value of professional certification to hospitality practitioners. We surveyed Certified Hospitality Accountant Executives (CHAE) to determine their perception of the value of that certification. Moreover, we wanted to learn whether the CHAE designation helped those experts to get or change jobs. Finally, we asked those professionals about any non-financial benefits that accrue from holding the CHAE certification.

To certify or not? Certifications are intended to elevate the professionalism of both the recipient and the related industry by helping to set standards. The combination of today's technological advances, the growth of the global economy, and increased competi-

tion has resulted in many challenges for the hospitality industry. As such, we see the growing number of industry certifications as an attempt on the hospitality industry's part to prepare its professionals for the future. That explains, in part, why the Educational Institute of the American Hotel & Lodging Association offers such a large number of certifi-

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cation programs, which are listed in Exhibit 1.

The association known as Hospitality Financial and Technology Professionals (HFTP) also actively promotes the benefits of certification. The HFTP offers both the Certified Hospitality Accountant Executive (CHAE) designation as well as the Certified Hospitality Technology Professional (CHTP) designation. Both of those designations are recognized in the hospitality field as symbols of achievement and competence. Indeed, individuals who earn any of the professional certifications have demonstrated a high level of dedication to their profession. Once those certifications are achieved, however, we wondered how much value do the holders place on them? In particular, do the certifications help holders in gaining or changing employment? Are there any non-financial benefits to earning the certification? We hoped to answer those questions and to begin the process of determining the value of hospitality certification by first looking at one certification, the CHAE.

Methodology

We gathered our data using a mail-in survey to hospitality-industry professionals who had earned the CHAE designation. According to the HFTP, 826 individuals hold the CHAE designation and HFTP provided us with useful addresses for 762 of them. After we mailed the survey, 43 envelopes were returned as undeliverable; thus, we presume that 719 individuals with a CHAE certificate received our survey.

The survey was divided into four parts: (1) general information, (2) employment-related information, (3) certification information, and (4) satisfaction level.

Findings

Two hundred and fifty-two individuals responded to our survey, for

a return rate of 35 percent. Just over half of the responses (127) were from controllers in the hospitality industry, while others who replied held the position of assistant controller, treasurer, director of accounting, vice president of finance, or some other such position.

Demographics. With regard to participants' education, we asked them "What is your highest level of formal education?" We provided these potential responses: high school, two-year degree, four-year degree, master's degree, and "other." (We asked those who selected "other" to specify what they meant.) The majority of respondents (151, or 60 percent) held a four-year degree, while 17.5 percent (44) also held a master's degree. Thirty participants (12 percent) indicated they had either a two-year degree or only a high-school education. One respondent did not answer this question. The remaining 26 respondents (10 percent) indicated "other," specifying such alternatives as three years of college, juris doctor, Ed.D., and Ph.D.

Specialty. Of the 222 survey participants who answered our questions about "professional specialty," 103 (46 percent) concentrated on accounting; 33 (15 percent) on general business; 21 (9.5 percent) on hospitality; and 20 (9 percent) on finance. The remaining 45 individuals (20 percent) had a diverse set of concentrations.

Age. Almost three-quarters of the participants were male (180, or 72 percent). Almost half of the respondents (121, or 48 percent) were

Exhibit 1

Professional certifications of the Educational Institute of the AH&LA

- CHA — Certified Hotel Administrator
- CHE — Certified Hotel Educator
- CHS — Certified Hospitality Supervisor
- CHSP — Certified Hospitality Sales Professional
- CLM — Certified Lodging Manager
- CLSO — Certified Lodging Security Officer
- CLSS — Certified Lodging Security Supervisor
- CGPM — Certified Government Property Manager
- CGPS — Certified Government Property Supervisor
- CGPT — Certified Government Property Technician
- CGS — Certified Gaming Supervisor
- MHS — Master Hotel Supplier

Department-head Certifications

- CFBE — Certified Food & Beverage Executive
- CHHE — Certified Hospitality Housekeeping Executive
- CHRE — Certified Human Resource Executive
- CLSD — Certified Lodging Security Director
- CRDE — Certified Rooms Division Executive
- CTOE — Certified Engineering Operations Executive

Hospitality-skills Certifications

- Front office — Front-desk Representative, PBX Operator, Bell Attendant, Reservationist, Concierge
- Rooms — Guest-room Attendant, Laundry Attendant, Public-space Cleaner
- F&B — Restaurant Server, Banquet Server, Banquet-set-up Employee, Kitchen Steward, Bartender, Cocktail Server, Room-service Attendant, Bus Person and Server Assistant

between the ages of 40 and 50, with 51 (20 percent) between the ages of 23 and 40; just over 31.5 percent (79) were more than 50 years of age.

Segment. The largest percentage of the respondents worked in the hotel segment (44 percent, or 110), 63 worked for clubs (25 percent), and the rest (79—just under one third) worked in food service, education, or other fields.

Experience. Almost 23 percent of the 252 respondents had over 25 years of hospitality experience. About 24 percent had between 20 and 25 years of experience; about 20 percent had between 10 and 15 years of experience; and about 21 percent had between 15 and 20 years of experience. The remaining



A Review of the Literature

Little has been written about the value of hospitality certification as perceived by certificate holders. Samuels studied the contents of over 150 certification programs that relate to tourism, hospitality, and related careers. Samuels did not rate those certification programs, but rather commented only on the general nature and issues related to the programs.¹

Edmunds commented on the process and rationale behind the lodging industry's certification, stating that the Certified Hotel Administrator (CHA) designation remains a "plus on the badge of any hotel executive." No information was provided, however, regarding the value placed on that certification by the holders themselves.²

Warczak claims that the skills an individual develops in pursuing the CHTP designation allow for more advancement opportunities in the hospitality job market, but he did not attempt to quantify those opportunities.³

Morrison, Heish, and Wang discussed the need for certification programs. They claimed that there was a need for a uniformly accepted course of study for entry into the hospitality and tourism profession.⁴

Deveau and Deveau did the first study of CHAE holders.⁵ Their study discussed position title, age, gender, marital status, education, experience, and compensation. As with the Edmunds study, however, there was no attempt to measure the value the holders themselves placed on the certification.—*J.W.D. and R.S.S.*

¹Jack B. Samuels, "Certification: A Continually Perplexing Issue Facing Hospitality, Tourism, and Related Professions," *Journal of Hospitality & Tourism Education*, Vol. 12, No. 1 (2000), pp. 47–50.

²Lavinia Edmunds, "Inside Certification," *Lodging*, November 1999, p. 141.

³Charles Warczak, Jr., "The CHTP Designation: Beneficial and Pertinent," *The Bottomline*, June–July 1995, pp. 13–15.

⁴Alastair M. Morrison, Sheauhsing Heish, and Chia-Yu Wang, "Certification in the Travel and Tourism Industry: The North American Experience," *Journal of Tourism Studies*, Vol. 4, 1992, pp. 32–40.

⁵Patricia M. Deveau and Linsley T. Deveau, "A Profile of the CHAE: Gaining Strength in Numbers," *The Bottomline*, Vol. 3, No. 5 (October–November 1988), pp. 18–19.

12 percent had less than 10 years of experience.

Revenue responsibility. For those CHAE holders working at independent properties, about four out of five worked for hotels with annual revenues of over \$10,000,000. For those CHAE holders working for chain-hotel companies, more than half reported annual revenue of over \$90 million for their chain (although their personal responsibility may involve smaller amounts than that). For those working in the restaurant segment, about one-half reported annual revenues of between \$1 and \$5 million, while almost 60 percent of those working at clubs reported being responsible for annual revenue of over \$5 million.

Compensation. Participants' salaries ranged from less than \$35,000 to over \$85,000 (see Exhibit 2). The median salary was \$73,431.

By comparison, the average salary of HFTP members during 2000 was projected to be \$68,565 according to a survey of all HFTP members conducted by Public Opinion Research (POR) in the summer of 2000.¹ Furthermore, that survey revealed that HFTP members holding the CHAE credential have an average salary of \$74,760 compared to \$67,247 for members without the CHAE (for a difference of \$7,513).

Certification. Just over one in seven (36, or 14 percent) of the survey participants had held their CHAE for more than 15 years; 17 percent (43) had it for 10 to 15 years; 64 (or 25 percent) between five and ten years; and 104 (41 percent) have held it for fewer than five years. Five individuals did not answer this question.

Many HFTP members with the CHAE designation also hold other certifications. Just over 26 percent of those with a CHAE also held the CPA certificate, while 11 percent held the CHTP certificate and the CHAE. In addition, 3 percent have earned other designations such as the Certified Management Accountant (CMA).

Twelve respondents held two certifications in addition to the CHAE designation, while four respondents each held three additional certifications.

Dollar Value

To address one of our main survey questions, we asked survey participants to estimate the value of the CHAE in terms of their total annual compensation (Exhibit 3).

Just over 40 percent of the participants ascribed no monetary value to their CHAE ($n = 106$), while

¹CMA Association Services Group and Public Opinion Research, "Compensation and Benefits Survey 2000," *The Bottomline*, December 2000, pp. 6–25.

nearly 10 percent placed a monetary value in excess of \$5,000 on this designation. Nearly half the respondents who also hold the CPA designation (49 percent; $n = 67$) believed the CHAE is of no monetary value, while fewer than 7 percent of the respondents who are also CPAs indicated that the CHAE conveys a monetary value greater than \$5,000. The breakdown of responses by age is as follows.

Monetary Value	—Years of Age—		
	< 40	40 to 50	> 50
No value	28.0%	50.0%	39.1%
> \$5000	8.0%	7.1%	15.9%

The respondents between 40 and 50 years of age appear to place less value on their CHAE than do the other age groups. Respondents over 50 years of age seem more likely to place a high value on the CHAE, as nearly 16 percent reported an annual monetary value in excess of \$5,000.

The breakdown of the extremes—\$0 and > \$5,000—by industry segment is as follows.

Monetary Value	—Industry Segment—		
	Hotel	Club	Other
No value	42.6%	35.6%	47.2%
> \$5,000	9.9%	6.8%	12.5%

Survey participants from clubs, restaurants, and other industry segments revealed considerable differences from the overall profile (which was weighted in favor of hotel-industry participants). More than 35 percent of club participants placed no value at all on their CHAE, and more than 47 percent associated with other segments replied in the same way. Nevertheless, some 12.5 percent of the survey respondents from non-hotel and non-club segments placed an annual monetary value of \$5,000 or more on their CHAE certification, while

only 6.8 percent of club respondents believed that their CHAE was worth \$5,000 or more per year in additional compensation.

Years of experience. One in six of our participants with over 25 years of hospitality experience indicated that their CHAE means more than \$5,000 to them in annual compensation. Likewise, we found that the longer respondents had held the CHAE designation, the greater the likelihood that they would place a high value on it (e.g., \$5,000 or more). In contrast, we noted only insignificant differences based on gender.

Monetary Value	—Years of Experience—		
	< 15	15 to 25	> 25
No value	39.2%	45.7%	43.8%
> \$5,000	7.6%	8.6%	16.7%

The CHAE holders were queried regarding how helpful their certification has been in getting or changing employment. Over 61 percent reported “somewhat helpful” to “extremely helpful,” while just under 39 percent reported either “not very helpful” or “no help at all,” as follows:

Extremely helpful	5.9%
Very helpful	19.0%
Somewhat helpful	36.6%
Not very helpful	16.3%
No help at all	22.2%

Nonfinancial benefits. There may be many nonfinancial benefits to being certified, such as:

- (1) Demonstrating one’s commitment to her or his profession,
- (2) Improving one’s career opportunities and chance for advancement, and
- (3) Preparing for greater on-the-job responsibilities.²

²Raymond Schmidgall and Michael Kasavana, “Certifications by HFTP,” *The Bottomline*, April–May 2000, pp. 20–22.

Exhibit 2
Salary range

Salaries	<i>n</i>	Percentage of responses
< \$35,000	7	2.8%
\$35,001 to \$45,000	13	5.2%
\$45,001 to \$55,000	24	9.7%
\$55,001 to \$65,000	49	19.4%
\$65,001 to \$75,000	39	15.3%
\$75,001 to \$85,000	23	9.3%
> \$85,000	97	38.3%
<i>Total</i>	<i>252</i>	<i>100.0%</i>

Exhibit 3
Monetary (compensation) value attached to CHAE

Financial value	<i>n</i>	Percentage of responses
\$0	106	42.2%
\$0 to \$1,000	34	13.4%
\$1,000 to \$3,000	38	15.1%
\$3,000 to \$5,000	49	19.4%
> \$5,000	25	9.9%
<i>Total</i>	<i>252</i>	<i>100%</i>

In the current study, participants were asked about the nonfinancial benefits of having earned a CHAE. We provided a list of potential benefits, and asked those surveyed to indicate whether they agreed that a given item was a benefit. The list of benefits and the responses is shown in Exhibit 4 (on the next page).

Almost three of every four of those who responded believed that holding the CHAE was a way to acknowledge one’s commitment to professionalism. Over two-thirds of participants reported that holding the CHAE identified one as possessing technical expertise, and about the same number (63 percent) indicated that the CHAE represented a basic level of competency in both operations and management skills.

Strong support. Despite the uneven responses regarding the tangible and intangible aspects of earn-



Exhibit 4

Nonfinancial benefits

Benefits	Percentage in agreement
Recognizes one's commitment to professionalism	74.9%
Identifies one as possessing technical expertise	66.7%
Indicates basic level of competency in operations and management skills	63.0%
Provides opportunity for self-improvement	44.4%
Raises colleagues' respect and affords greater job recognition	43.6%
Raises the professionalism of your company and identifies it as being committed to hiring quality professionals	32.6%
Serves as a valuable career tool	30.9%

ing a CHAE designation, an overwhelming 97 percent of the respondents either "encouraged" or "strongly encouraged" other hospitality financial and accounting professionals to earn the CHAE designation.

Other certificates. In addition to their CHAE, the 252 participants in this study held a total of 132 other professional certifications—for example, the CPA or CHTP designations. Indeed, those two examples were the most popular, with 66 CPAs and 27 CHTPs.

Among accountants and financial managers in all areas of business, the CPA is the oldest and by far the most commonly held designation. We therefore asked our survey participants to compare the relative value of the CHAE designation to the CPA designation for just hospitality professionals. In other words, would a hospitality financial manager or accountant be better served by earning a CPA or a CHAE? Nine individuals rated the CHAE as "much more valuable" than the CPA, 31 rated it "somewhat more valuable" than the CPA, and 43 rated it about the same as the CPA. On the other hand, 89 rated the CHAE "somewhat less valuable" and 64 rated it "much less valuable." The majority considers the CPA to be better than or at least as valuable as the CHAE. The balance of participants did not express an opinion on this question.

Happy to be here. Finally, we asked our survey participants to indicate how satisfied they are with their job, profession, and compensation. We found a high level of job satisfaction, with 44 percent (111) being "very satisfied" with their job and 45 percent (113) being "satisfied." Fifty-two percent (131) indicated they were "very satisfied" with their profession while another

41 percent (102) were "satisfied" with their profession. Almost three of every four participants indicated that they were either "satisfied" (127, or 50 percent) or "very satisfied" (57, or 23 percent) with their current compensation.

Relative to their HFTP colleagues who may not hold a CHAE, the hospitality financial professionals in this study, in general, seemed to be more satisfied with their careers and their profession. Specifically, a recent survey of lodging-industry HFTP members (with or without the CHAE) asked essentially the same two questions regarding those professionals' satisfaction with their positions and careers.³ Of the entire sample ($N = 140$), only 16 percent of these individuals had earned CHAEs. Regarding job satisfaction, 51 percent agreed with the statement "I am satisfied with my current position" while 23 percent strongly agreed. The levels of agreement regarding satisfaction with their professional careers (i.e., "I am satisfied with my professional career") were thus: 53 percent agreed and 24 percent strongly agreed.

Comparing the survey of lodging-industry HFTP members with our study of CHAE holders, and acknowledging that the questions were worded somewhat differently, the big difference between the two samples appears to be the certification. As such, it appears that those professionals with the CHAE designation may be, overall, more satisfied with their current positions and careers than those members of HFTP who do not possess the CHAE. **□**

³Agnes DeFranco and Raymond Schmidgall, "Job Satisfaction Amongst Financial and Technology Professionals in the Lodging Industry: Is Money Everything?," unpublished manuscript.