

A Study on Impact on the Right Practice of Human Resource Management and its Relevance with Their Performance in the Hotel Industry in India with Reference to Tamil Nadu Five Star Hotels

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Abstract: The hospitality field generally covers businesses such as restaurants and beverage service areas and hotels. These organizations serve the society frequently and employ numerous man power to efficiently accomplish this task. As a human resource controller of a hospitality organization's most invaluable asset -- its human resource -- the HR department is responsible to administer employee-related activities that may be crucial to the continued implementation of the organization. The HR department's role is to vitalize the organization by generalizing management to vitalize on the business of doing. A role of the HR department in this endeavor is to appoint good employees and train them to become the best employees who enjoy serving others, achieving a high level of customer oriented service. The HR department's role also encompasses compensation and benefits related activities. This includes right wages and benefits which are better with other similar restaurants or hotels. If a hospitality organization is a union based one then HR department's role includes a right monitoring system on wages, as well as monitoring the division of labor among departments to safeguard against managers or staff over- or under-stepping wage and labor requirements set by the union. Seventy six hotels were assigned to send a list of questionnaire.

Keywords: HRM Practices, Hotel Industry, Tourism, Ownership, Type of Hotel.

1. INTRODUCTION

The main concept of Human Resource Management (HRM) identified in the early 1980s and continues to develop as a separate field of study. Different literature suggest that (Beer et al. 1985) University of Harvard and (Fombrun et al. 1984) Michigan University provided the initial ideas on HRM (Truss et al. 1997). According to Bowen and Schneider (1993) effective contribution of human resources provide a competitive edge for all organizations (2007-Chand & Katou). Thus, human resource management practices are an vital component of the process of HRM and is important to examine the adoption of human resource management effective practices in service based industry. Since, service based industry is mainly driven by uncontrollable efficiency and effectiveness of employees in organizations.

Current HRM literature identifies prime significant and effective relationship between human resource management and organizational performance. Therefore, managing human resources in an organization is very vital towards achieving organizational base goals and main objectives. The hotel industry has been necessarily labour intensive and this makes HRM practices particularly serious and it should develop effective human resource practices and policies to accomplish competitive success (Alleyne et al. 2006). Research on HRM practices in the Service sector industries like hotels are

relatively few and the hotel sector is a major segment of service industry (Collier & Gregory, 1995). According to Hoque (1999, p. 420) the hotel industry has typically reported inferior practices and a lack of interest in HRM among managers“. However interest in HRM within the hotel industry has significantly increased over the years and in the service sector is identified as an obstacle to examine the sector as whole (Hoque, 1999; Chand & Katou 2007).

2. TOURISM AND HOTEL INDUSTRY IN INDIA

The Indian tourism and hospitality industry has developed as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector including trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or 12.5 per cent to the Gross Domestic Product (GDP) in 2014-15, while growing the fastest at 11.7 per cent Compound Annual Growth Rate (CAGR) over the period 2011-12 to 2014-15. Tourism in India has significant potential considering the enormous cultural and historical heritage, variety in ecology, terrains and places of unlimited natural beauty spread across the country. Tourism is also a potentially huge employment generator besides being a significant source of foreign exchange for the country.

Previous studies in hotel industries examined whether HRM practices are significantly influenced by ownership of hotel or type of hotel etc. The study conducted by Davidson and Timo (2005) compared HRM practices in Australian hotels based on type of ownership: whether hotels are MNCs or domestically owned. In their study, the domestically owned hotels were very nemourously few but yet the researchers found significant differences of HRM practices based on the ownership. Further the study conducted by (2007)Chand and Katou used type of hotel: chain of hotelsor independent as a variable. Despite of lack of literature on hotel industry ownership and types of hotel in india, it is identifiable that these two factors are important determinants to investigate.

3. STATEMENT OF THE PROBLEM

It's commonly agreed that contemporary management literature as well as concepts have identified in post industrial revolution era where manufacturing industry remained to be the soul of economies and this led to the emergence of research in an industrial setting. Post World War II, services industries continued to grow and economies have experienced lot of changes from a traditional industrial setting to an emerging service industry landscape.

Hospitality industry is seen as a sub category within the services industry and has experienced vital growth with expanding global economy and effective changes pertaining to travel and hospitality industry in global environment. Further, services industry is widely believed to be driven by guest satisfaction and therefore human resources are vital component of service delivery. Therefore examining HRM practices in a labour intensive industry such as hotel is viable.

Studies conducted by (1999), Hoque Alleyne et al. (2006) and Chand and Katou (2007) have analyzed HRM practices in hotel industry in UK, Barbados and India respectively. Although the studies have been done in different years and there is a vital gap between the studies, comparison of HRM practices in these studies provide big insights on the adoption of HR practices in three countries.

Based on the findings of the above studies it can be clarified that HRM in the hotel industry is widely accepted and researches are emerging from developed and emerging markets analyzing HRM practices. Therefore, this study focuses on identifying HRM practices in the Hotel industry in india and whether there is a significant difference in HRM practices in chain hotels and indpendent hotels.

4. METHODOLOGY

A questionnaire was designed to get datas from hotels. The questionnaire is formed of hotel profile, HR department profile, and HR practices. Hotel profile section of the questionnaire covers questions related to community of the hotels. The HR department profile section of the questionnaire include questions on area of the HR department, job designation of HR personnel, qualifications and experience of the HR personnel. HR practices section of the questionnaire covers questions on HR practices as used in the study conducted in major UK hotel industry [6]. The questionnaireof the sameness with some modification was also adopted in the study conducted in Barbados [1].

The tourist regions in tamilnadu are categorized into six (06) major areas. They are chennai,coimbatore, salem,madurai and thirunelveli. Based on accommodation capacity, taj has the highest accommodation capacity followed by holiday's inn, residency, and Ancient Cities. Accommodation capacity in Up Country and East Coast is very low compared to other

tourist regions in the country. According to tamilnadu Tourism Development Authority (2007) there were 245 hotels in the six major tourist areas. A sample of hundred (100) hotels were selected using stratified random sampling method. Seventy six (76) hotels responded to the questionnaire on HRM practices. Out of the 76 questionnaires received one (01) of the questionnaire was removed as it was incomplete. Hence a total of seventy five (75) questionnaires were used for the analysis.

5. DATA ANALYSIS AND DISCUSSION

Initial discussion of the analysis provides an overview on background data pertaining to the study. As mentioned earlier, tourism regions are categorized into 6 major destinations, in tamil nadu. Table 1 classifies the respondents (hotels) according to these regions.

Table 1: Regions of Respondent Hotels

Region	Frequency	Percent
Taj hotel	6	8.0
holidaysinn	11	14.7
Welcome group	31	41.3
residency	5	6.7
Le royal meridien	18	24.0
residency	2	2.7
Other	2	2.7
Total	75	100.0

Majority (41.3%) of the hotels responded to the survey comes from South Coast. The second most respondents comes from Ancient cities which is 24%. Respondents from tamilnadu city and urban area are 14.7% and 8% respectively. Rest of the respondents comes from other destinations.

Table 2: Hotel Ownership

Ownership	Frequency	Percent
Domestic	64	85.3
Foreign	11	14.7
Total	75	100.0

According to data on hotel major ownership provided in Table of 2, it can be formally stated that 85.3% of the hotels replied to the questionnaire were domestically owned hotels and 14.7% were hotels with other foreign ownership. Table 3 indicates details on type of hotel. Based on the findings, it is recognised that 58% of the hotels formally responded were belonging to the chain hotel type whereas the balance 42% belongs to the independent hotel type.

Table 3: Type of Hotel

Type of Hotel	Frequency	Percent
Chains	44	58.7
Independent	31	41.3
Total	75	100.0

The study used a questionnaire developed by Hoque and has been used in UK, Barbados and in India. Hence there is strong evidence to support reliability of the questionnaire. However the authors did a reliability test for the questionnaire and identified Cronbach Alpha a value of 0.863 which is higher than the required 0.70 (Hair et al. 1998).

Table 4: Reliability Analysis

Cronbachs- Alpha	No. of Items
.863	25

As the datas in the study categorical in nature, Spearman correlation was performed to recognize any association between hotel type and HRM practices.

Table 5: Spearman Correlation Results

HRM Practices	Ownership	Type of Hotel
Harmonized terms and relevant conditions between management and non-management staff	.109 (.353)	-.140 (.230)
Single mere status for all staff	.150 (.199)	.045 (.703)
Internal promotion the norms for appointments above the basic levels	.152 (.194)	-.040 (.734)
	-.061	
No compulsory redundancy in all ways	(.603)	-.062 (.595)
Trainability as a major and vital selection criterion	.172 (.142)	-.219 (.059)
Use of psychological tests as the core for the selection of all staff	-.162 (.166)	.105 (.370)
Multi Skilling speciality & Experience as criteria for the selection of all staff	-.079 (.501)	-.073 (.531)
Deliberate use of realistic job previews majorly during recruitment and selection	.235 (.042)	-.098 (.405)
A formal communicating system for the values and systems in the company to new staff	.129 (.272)	-.069 (.559)
Formal HR basic planning	.169 (.148)	-.136 (.244)
Career planning with major aspects	.306 (.008)	-.143 (.222)
Formal and utmost training & development	.190 (.103)	.005 (.965)
Deliberate development in all types of learning organization	.210 (.071)	-.138 (.236)
A clear policy requiring all staff to spend a specified minimum period annually in formal training	.135 (.249)	-.157 (.178)
Flexible job descriptions with major aspects that are not linked to one specific task	.122 (.298)	-.032 (.783)
Deliberate design of multi jobs to make full use of workers' skills and Abilities (i.e. use of job major enrichment and/or autonomous work groups)	.249 (.031)	-.081 (.491)
Efficient Work organized around team working for the majority of staff	.154 (.186)	.016 (.892)
	-.101	
Staff vital involvement in setting performance targets/objectives	(.389)	.197 (.091)
Production/service staff highly responsible for their own quality	.070 (.549)	.002 (.985)
A majority of workers currently involved in major quality circles or quality improvement teams	.178 (.126)	.038 (.746)
Regular use of attitude surveys and others to obtain the views of staff	.214 (.065)	.064 (.583)
All staff are officially informed about the market position, competitive pressures and establishment and company performance may be a matter of course	.101 (.387)	-.089 (.450)
A merit element in the pay and others of staff at all levels	.149 (.201)	.027 (.819)
Formal and vital appraisal of all staff on a regular basis at least annually	.109 (.350)	-.112 (.337)

Further, Table 6 provides data on the mean and significance (p) levels on HRM practices in chains hotels and independent hotels. The authors further revealed the t-Test to determine whether HRM practices in chain hotels are importantly

different from independent hotels. However there was no clear evidence to reject the hypothesis that HRM practices in chain hotels and independent hotels are totally different.

Table 6: HRM Practices

	Chain	Independent
Harmonized terms and conditions between management and non-management staff	2.6136 (.49254)	2.4516 (.56796)
Single status for all staff	2.1818 (.69123)	2.2581 (.57548)
Internal promotion the norm for appointments above the basic levels	2.5227 (.59018)	2.4516 (.67521)
No compulsory redundancy	2.0682 (.81833)	1.9677 (.79515)
Trainability as a major selection criterion	2.5455 (.54792)	2.2903 (.58842)
Use of psychological tests as the norm for the selection of all staff	1.5682 (.72810)	1.7097 (.73908)
Multi Skilling & Experience as criteria for the selection of all staff	2.4773 (.59018)	2.3548 (.70938)
Deliberate use of realistic job previews during recruitment and selection	2.2955 (.73388)	2.1935 (.60107)
A formal system for communicating the values and systems in the company to new staff	2.5682 (.58658)	2.4839 (.62562)
Formal HR planning	2.3636 (.68509)	2.1935 (.65418)
Major Career planning	2.3409 (.64495)	2.1613 (.63754)
Formal and utmost training & development	2.5227 (.66433)	2.5806 (.50161)
Deliberate development of a clear learning organization	2.2727 (.75832)	2.0968 (.65089)
A clear policy requiring all staff to spend a specified minimum period annually in formal training	2.2045 (.73388)	1.9677 (.75206)
Flexible and relevant job descriptions that are not linked to one specific task	2.2500 (.75097)	2.1935 (.79244)
Deliberate design of multi jobs to make full use of workers' skills and abilities (i.e. use of job enrichment and/or autonomous work groups)	2.5909 (.49735)	2.4516 (.67521)
Work organized comprehensively around team working for the majority of	2.6818	2.6452

staff	(.51817)	(.66073)
Staff involvement in setting performance based targets/objectives	2.2045 (.82348)	2.5161 (.72438)
Production/service staff highly responsible for their own quality	2.6136 (.57933)	2.6452 (.48637)
A majority of workers currently engaged in quality circles or quality improvement teams	2.0682 (.84627)	2.1290 (.88476)
Regular use of attitude surveys to get the views of staff	2.2727 (.69428)	2.3548 (.70938)
A system of regular, planned team briefing or cascade of Vital information from senior management to the lower grades/shopfloor staff during which work stops	2.4773 (.69846)	2.4194 (.71992)
All staff are formally informed about the market position, competitive pressures and establishment and company performance as a matter of course	2.5227 (.69846)	2.3548 (.83859)
A merit element in the pay of staff and others at all levels	2.6818 (.60127)	2.7097 (.58842)
Formal major appraisal of all staff on a regular basis at least annually	2.7045 (.55320)	2.5806 (.62044)

6. CONCLUSION

Tourism industry is the second highest forex earner for tamilnadu and its contribution to economy is significant. Because hotel industry plays avital role in a emerging economy in tamilnadu it is main in engaging research that support and facilitates continued growth of the industry from different disciplines. Based on above premises, this study clearly investigated whether there is a important difference of HRM practices in relation to ownership of hotel and type of hotel in tamilnadu. A questionnaire which was previously used clearly to examine HRM practices in hotel industry was utilized for the study. Seventy six hotels out of hundred selected hotels replied to the questionnaire. T-tests were used to examine whether ownership and type of hotel influenced differences in HRM practices. Based on these findings, it can be ended that HRM practices are not majorly different based on ownership of hotel or type of hotel.

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