

## A Study on evaluation of Human Resource Practices in Hotel Industry with special reference to selected Hotels in Chennai City

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**Abstract** *In hotel industry, the perceptions about human resource practices are generally negative. Whatever may be the reason for poor practices, human resource management strategies impact on an organisation's overall effectiveness, that the effective utilisation of human resources can give an organisation with competitive advantage. It is vital for any organization to formulate standard practices for management of human resources. The hotel industry is necessarily labour intensive and this makes HRM practices particularly important and it should develop effective human resource practices and policies to achieve competitive success. This paper intensively analyses the human resource practices in hotel industry and the issues faced by the human resource managers in executing the human resource practices.*

**Key words** HRM practices, HRM issues, evaluation of HRM, hotel industry

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### 1. Introduction

In any organization, the best fit of human resource practices for attracting, maintaining and developing a workforce are very essential. In hotel industry, the perceptions about human resource practices are generally negative. The human resource practices in hotel industries include many issues like career development, worldwide career, cultural adoption, 24/7 work environment, shifts in work, managing safety, maintaining cordial relationship, balancing work load and conflict resolution. In current hotel industries, the skill shortages and general attitude changes urge the human resource department to make stronger retention strategies for employees.

Keep and Mayhew (1999) in their review of the skills issue in the hotel industry suggest that the industry has a number of personnel problems, including: Generally low wages, unless skill shortages act to counter this (e.g. chefs), Unsocial hours and shift patterns are not family friendly, Overrepresentation of women and ethnic minorities in low-level operative positions with better paid, higher status and more skilled jobs filled by men, pointing to undeveloped equal opportunities policies in the sector, Poor or non-existent career structures and the use of casualized seasonal employment, Over reliance on informal recruitment methods, Lack of evidence of good practice personnel/HRM practices, Little or no trade union presence, High levels of labor turnover and difficulties in recruitment and retention of employees. Recognizing this reality of poor employment practices, Riley *et al.* (2000) argue that economics is the key determining factor for HRM policies and practices in tourism and hospitality. Of course, this point is likely to be true for any industry, but as Riley *et al.* point out that it carries a particular resonance in tourism and hospitality, due to the nature of the sector. This is not to say that organizations and managers in the industry are not well aware of new managerial thinking on HRM. However, they also find themselves wrestling with "traditional problems", which are underpinned by fundamental labor economic imperatives.

Whatever may be the reason for poor practices, Richard and Johnson (2001) are among the many who argue that human resource management strategies impact on an organisation's overall effectiveness, and that the effective utilisation of human resources can give an organisation with competitive advantage.

Duncan (2005) suggests that there are eight main areas of challenge and concern in the global hospitality industry and that the most important of these concerns people and employment. However, Lucas and Deery (2004) note that the hospitality industry is interest to a relatively small number of mainstream human resource academics when compared with other industries.

Even though many effective human resource practices are written in the policy documents, the execution of those practices and the satisfaction of employees are questionable in the current scenario. Mostly the foreign studies concluded that the written policies and practices of human resources were not effectively executed. The importance of human resource management in business success is inevitable in any organization. So it is imperative for any organization to evaluate and make improvements in their practices to excel in their business.

### **1.1. Human Resource management in Hotel Industry**

Wu (2004) proposes that one of the four most important issues in the tourism industry is a significant gap between the supply and demand for appropriately skilled staff. (Collins 2002) finds out the gap between expectation and the reality of the industry seems to be a problem which is widely acknowledged but it attracts little innovative thinking and practice to develop possible solutions. This gap also results in the waste of educational effort and resources and raises the question of 'are we teaching what we should?'. However, some hoteliers do not see that as a problem, because they believe that knowledge and technical skills can be learned easily through the job. Their concern is with the personal characteristics, such as attitude and values. Training and development is really the key to attain success but hotel industries do not provide any training programmes.

From many of the research studies, it is found that the human resource management and practices directly linked with organizational performance. So it is vital for any organization to formulate standard practices for Human Resource Management. Alleyne *et al.* (2006) stated that the hotel industry is necessarily labour intensive and this makes HRM practices particularly important and it should develop effective human resource practices and the policies to achieve competitive success. Mohan *et al.*, (2015) prove that training is an indispensable aspect of HR practices in the hotel industry. In another paper they suggested to design and develop appropriate training programmes for the identified competencies<sup>10</sup>.

## **2. Statement of the problem**

In the global era, the hotel industry is an important service industry which experience with significant growth and also contributes to country's economic growth. In this industry, the widely accepted customer interest and customer satisfaction are very important. Customer satisfaction and loyalty depends on how services are delivered. For effective service delivery, the effectiveness of human resources inside the organization is essential. So it is important to understand the human resources practices in hotel industry and its effectiveness.

### **2.1. Objectives of the study**

The main objective of this research is to explore the human resource practices in hotel industry and the issues faced by the human resource managers in executing the human resource practices.

## **3. Methodology of research**

400 employees under different levels from four hotels of Coimbatore city were selected using stratified random sampling method. Employees were classified as different strata based on their level of working such as operational, middle and strategic level. 100 employees from each hotel were selected. The survey instrument was designed with Likert scale to extract the employee perception about the organization, the current human resources practices and its effectiveness and employee expectation about human resource practices.

The mean score analysis, ANOVA and Friedman Rank Test are used to find out the effectiveness in the execution of human resource practices in the hotel industry. The opinion of operational, middle and strategic level of employees were considered for analysis. So, no other demographic variables such as age, income and gender were not considered for the study.

### 3.1. Research questions

This research study would bring the answers for the following questions:

1. How effectively the human resource practices executed in hotel industry?
2. What are the human resources issues faced by the organization?

### 4. Data analysis

#### 4.1. The effectiveness of Human Resource practices in Hotel Industry

Mean Score analysis and ANOVA on effectiveness of human resource practices in Hotel Industry ANOVA and Mean score analysis were used to find out the opinion of different levels of employees regarding effective execution of human resource practices.

The following Hypotheses are tested using ANOVA:

$H_0$  – The level of employees has no impact on the opinion about effectiveness of execution of human resource practices

$H_1$ – The level of employees has an impact on the opinion about effectiveness of execution of human resource practices

Table 1. Descriptive Statistics for opinion about effectiveness of execution of human resource practices

Human resource practices	Level	N	Mean	Std. Deviation	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
Maintaining cordial relationship with employers, employees and customers	Operational	235	4.04	.212	3.98	4.09
	Middle	105	4.01	.123	4.00	4.02
	Strategic	60	4.00	.002	4.00	4.00
	Total	400	4.01	.134	4.00	4.02
Workload Balance	Operational	235	4.01	.347	3.94	4.08
	Middle	105	4.01	.112	4.00	4.02
	Strategic	60	4.02	.234	4.00	4.00
	Total	400	4.01	.153	4.00	4.02
Planning in Recruitment & Selection Process	Operational	235	3.21	.332	3.12	3.93
	Middle	105	4.01	.113	4.00	4.02
	Strategic	60	4.30	.221	4.00	4.45
	Total	400	4.01	.135	4.00	4.02
Procedures and Policies of Downsizing Activities	Operational	235	2.95	.483	2.83	2.97
	Middle	105	4.01	.156	4.00	4.02
	Strategic	60	4.00	.107	4.00	4.00
	Total	400	4.00	.178	3.99	4.01
Effective Communication	Operational	235	3.23	.307	3.16	3.76
	Middle	105	3.53	.123	3.46	3.91
	Strategic	60	4.12	.013	4.00	4.02
	Total	400	4.01	.138	4.00	4.02
Conflict and Problems Resolving Mechanism	Operational	235	3.13	.310	3.16	3.66
	Middle	105	3.42	.023	3.36	3.73
	Strategic	60	4.11	.014	4.01	4.01
	Total	400	4.01	.138	4.00	4.02
Physical Environment	Operational	235	3.99	.367	3.90	4.07
	Middle	105	4.01	.113	4.00	4.02
	Strategic	60	4.00	.001	4.00	4.00
	Total	400	4.00	.153	3.99	4.02
Recognition of Outstanding Performance	Operational	235	2.95	.576	2.43	3.26
	Middle	105	4.00	.156	3.99	4.02
	Strategic	60	4.00	.013	4.00	4.00
	Total	400	3.99	.241	3.98	4.01

Training Effectiveness	Operational	235	3.11	.313	3.23	3.66
	Middle	105	3.46	.213	3.56	3.61
	Strategic	60	4.12	.013	4.00	4.02
	Total	235	3.23	.307	3.16	3.76
Fairness in Compensation Strategy	Operational	235	3.21	.445	3.14	3.94
	Middle	105	2.95	.126	2.82	3.25
	Strategic	60	3.81	.014	3.24	3.98
	Total	400	3.76	.214	3.65	3.95

**Source:** Primary Data

From the table 1, it is seen that the mean values of Planning in recruitment and Selection Process. Procedures and Policies of Downsizing Activities, Effective Communication, Conflict and Problems Resolving Mechanism, Recognition of Outstanding Performance and Training Effectiveness are different. In the Planning in Recruitment & Selection Process and Procedures, Policies of Downsizing Activities and Recognition of Outstanding Performance, the operational level employees have only average level of satisfaction. In Effective Communication, Conflict and Problems Resolving Mechanism and Training Effectiveness, both operational and middle level employees have average level of satisfaction

*Table 2.* ONE WAY ANOVA impact on the opinion about effectiveness of the execution of human resource practices

Human resource practices		Sum of Squares	df	Mean Square	F	Sig.
Maintaining cordial relationship employers, employees, and customers	Between Groups	.026	2	.013	.317	.635
	Within Groups	16.672	398	.041		
	Total	16.698	400			
Workload Balance	Between Groups	.008	2	.004	.108	.738
	Within Groups	14.957	398	.037		
	Total	14.965	400			
Planning in recruitment and Selection Process	Between Groups	40.249	2	20.125	21.73	.018
	Within Groups	368.353	398	.926		
	Total	408.602	400			
Procedures and Policies of Downsizing Activities	Between Groups	35.069	2	17.5345	20.062	.016
	Within Groups	348.163	398	.874		
	Total	383.232	400			
Effective Communication	Between Groups	41.165	2	20.583	23.74	.023
	Within Groups	345.066	398	.867		
	Total	386.231	400			
Conflict and Problems Resolving Mechanism	Between Groups	.330	2	.165	4.853	.014
	Within Groups	13.532	398	.034		
	Total	13.862	400			
Physical Environment	Between Groups	.018	2	.009	.290	.713
	Within Groups	12.356	398	.031		
	Total	12.374	400			
Recognition of Outstanding Performance	Between Groups	41.165	2	20.583	23.74	.023
	Within Groups	345.066	398	.867		
	Total	386.431	400			
Training Effectiveness	Between Groups	40.082	2	20.041	27.378	.006
	Within Groups	291.336	398	.732		
	Total	383.232	400			
Fairness in Compensation Strategy	Between Groups	.024	2	.012	.250	.530
	Within Groups	19.071	398	.048		
	Total	19.095	400			

In this one way ANOVA, the opinion about effectiveness of the execution of human resource practices are used as dependent variable and the level of employees is used as independent variable. All the human resource practices are tested individually. From the output table 2 it is seen that the significance values of F are greater than 0.05 for maintaining cordial relationship with employers, employees, and customers, Workload Balance, Physical Environment and Fairness in Compensation Strategy. Therefore, for Maintaining cordial relationship with employers, employees, and customers, Workload Balance, Physical Environment and Fairness in Compensation Strategy, the null hypothesis is accepted and it is concluded that the level of employees has no impact on opinion of the execution of Maintaining cordial relationship with employers, employees, and customers, Workload Balance, Physical Environment and Fairness in Compensation Strategy at 95% confident level. From the table 1, it is seen that the mean values of all these human resource practices are nearer to 4 and their upper bound and lower bound values also nearer to 4 irrespective of the level of employees and their standard deviation also small which indicates that the opinion of the respondents regarding the execution of these human resource practices is perfect.

From table 2, the significance values for Planning in recruitment and Selection Process. Procedures and Policies of Downsizing Activities, Effective Communication, Conflict and Problems Resolving Mechanism, Recognition of Outstanding Performance and Training Effectiveness are less than 0.05. Therefore, alternate hypothesis is accepted at 95% confidence level for Planning in recruitment and Selection Process. Procedures and Policies of Downsizing Activities, Effective Communication, Conflict and Problems Resolving Mechanism, Recognition of Outstanding Performance and Training Effectiveness. So, it is concluded that the level of employees has impact on opinion of respondents on execution of Planning in recruitment and Selection Process. Procedures and Policies of Downsizing Activities, Effective Communication, Conflict and Problems Resolving Mechanism, Recognition of Outstanding Performance and Training Effectiveness.

#### 4.2. Human Resource issues faced by the organization

Friedman Test of Ranking of Human Resource issues faced by the organization:

Friedman’s Test are used to check whether there is any significant agreement in the ranking of Human Resource issues faced by the organization.

The following hypotheses are used to check significant agreement in ranking.

$H_0$  – There is no significant agreement between the respondents regarding the ranking of Human Resource issues faced by the organization

$H_1$  – There is a significant agreement between the respondents regarding the ranking of Human Resource issues faced by the organization

From the table 3, it is concluded that the Shortage of employees is in the rank of 1, Training & development is in the ranking of 2, Internship employment is in the rank of 3, Employee turnover is in the rank of 4, Employment security is in the rank of 5, Outsourcing is in the rank of 6 and Downsizing is in rank of 7 among the human resource issues faced by the organization.

Table 3. Friedman Test for ranking of Human Resource issues faced by the organization

Human Resource issues faced by the organization	Mean Rank	Assigned Rank
Shortage of employees	1.02	1
Employment security	5.21	5
Employee turnover	4.10	4
Outsourcing	6.20	6
Training & development	2.31	2
Downsizing	6.92	7
Internship employment	3.28	3

Source: Primary Data

Table 4. Friedman Test for Human Resource issues faced by the organization - Test Statistics

N	400
Chi-Square	2125.586
Df	6
Asymp. Sig.	.000

Source: Primary Data

From the Table 4, the significance level is 0.000 which is less than 0.05 so, there is a highly positive agreement between the respondents regarding the human resource issues faced by the organization at 95% confident level.

#### 4. Discussions and conclusions

From the study, it is found that Planning in Recruitment & Selection Process and Procedures, Policies of Downsizing Activities and Recognition of Outstanding Performance should be transparent. It should be designed as per the organizational policies for all levels of employees especially awareness of Planning in Recruitment & Selection Process and Procedures, Policies of Downsizing Activities and Recognition of Outstanding Performance should be created for operational level employees.

Communication channels should be open and conflict resolving mechanism should be developed for all levels of employees. Training needs should be identified and training programmes would be designed as per the needs of operational and middle level employees. The major human resource issues faced by hotel industries are Shortage of employees, Training & development and Internship employment. These issues should be clearly analysed and appropriate human resource strategies should be developed to resolve these issues.

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