

A Study on Human Resource Management in Hotel Industry At Tamilnadu

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Abstract- Human Resource Management as a discipline has been in existence for decades. However researchers have continued investigating various HRM practices and whether these practices are influenced by various demographic factors pertaining to industries and organizations. Researchers of this study are in pursuit of identifying HRM practices in the hotel industry in Tamilnadu in relation to demographic factors such as ownership of hotel and type of hotels. For the purpose of this study, ownership is defined as whether the hotel is owned by a foreign investor or domestic investor. Type of hotel is defined as whether the hotel belongs to a hotel chain or an independent hotel. The set of HRM practices of hotels was identified using the list of HRM practices prepared on HRM practices and performance of hotel in Tamilnadu. The list of HRM practices covers eight areas of HRM practices and each area comprises of several HRM practices belonging to that particular area of HRM. Seventy six hotels responded to the questionnaire belonging to six tourist destinations in Tamilnadu. Overall there are 25 HRM practices in the list. Based on finding, it was concluded that there is a significant relationship between the type of hotel and HRM practices.

Keywords- HRM Practices, Hotel Industry, Compensation, Ownership, Correlation

I. INTRODUCTION

The concept of Human Resource Management (HRM) emerged in the early 1980s and continues to evolve as a separate field of study. Extant literature suggests that (Beer et al. 1985) Harvard University and (Fombrun et al. 1984) Michigan University contributed to the initial frameworks on HRM (Truss et al. 1997). According to Schneider and Bowen (1993) effective utilization of human resources provide a competitive edge for organizations (Chand Katou 2007). Thus, human resource management practices are an important component of the process of HRM and are important to investigate the adoption of human resource management practices in service industry. Since, service industry is mainly driven by efficiency and effectiveness of employees in organizations.

This industry has taken rapid strides in recent years as instruments of all-round growth. The wide ranging achievements in this field have led to a marked improvement in the general standard of living. The notable advances seem to be in providing employment opportunities for the educated unemployed. As the modern star hotels provide many facilities in addition to lodging like Restaurants, Bar, Communication, etc., they provide indirect employment to many people.

Hotel Industry in India

The real beginning of the hotel industry in India was made in the early 1900s. Before that, hotels were not professionally managed. In India, there were 186 approved hotels in 1963. But the industry witnessed a growth of 10.17 times during 2004¹. The hotel industry in India consists of approved and unapproved hotels. The approved hotels consist of different star classifications and also unclassified hotels whereas the unapproved hotels do not come under the purview of any organized body. But the unapproved hotels dominate the scene in India.

The Hotel Industry has witnessed multidimensional transformation from traditional to the modern age. Significant developments in the transportation facilities, inventions and innovations in the field of communication, industrialization, rapid urbanization and further development of tourism as an industry paved ways for the development of hotels.

- In CY2017, foreign tourist arrival in India stood at 10.177 million and reached 2.12 million in CY 2018 (up to February).
- Foreign tourist arrivals into the country is forecast to increase at a CAGR of 7.1 per cent during 2005–25
- The numbers of Foreign Tourist Arrivals (FTAs) in February 2018 were 1.05 million as compared to FTAs of 956,000 in February 2018 and 849,000 lakh in February 2016.
- The growth rate in FTAs in February 2018 over February 2017 was 10.1 per cent.

- The Government of India has set a target of 20 million foreign tourist arrivals (FTAs) by 2020 and double the foreign exchange earnings as well.
- The Government of India is working to achieve 1 per cent share in world's international tourist arrivals by 2020 and 2 per cent share by 2025.

Tourism and Hotel Industry in Tamilnadu

Tourism is the fourth largest foreign exchange earner in Tamilnadu. In the year 2007 tourism earned US \$ 384.4 million as foreign exchange, and this was a contribution of 4.1% to the total foreign exchange earnings in Tamilnadu (Tamilnadu Tourism Development Authority, 2007). Employment generation in the tourism sector grew by 8.7% in 2007. This emphasis that the Tamilnadu hotel industry has continued to grow and has a significant role in the economy, Therefore, examining the hotel industry in Tamilnadu is significant in current context. Furthermore, HRM is relatively new to Tamilnadu organizations and there is little information on how Tamilnadu organizations are embedding HRM. Hence exploring HRM practices in hotels in Tamilnadu would provide insights on how HRM is shaping these organizations. Current HRM literature identifies significant and positive relationship between human resource management and organizational performance. Therefore, managing human resources in an organization is very important towards achieving organizational goals and objectives. 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 (Alleyne et al. 2006). Researches on HRM practices in the Service sector industries 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 poor 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 heterogeneity in the service sector is identified as an obstacle to investigate the sector as whole (Hoque, 1999; Chand & Katou 2007).

II. OBJECTIVES OF THE STUDY

- To study on Human Resource Management in hotel industry at Tamilnadu.
- To identify the human resource practices in hotel industry
- To analyze the effectiveness of human resource performance & Practices in Tamilnadu hotel industry

III. RESEARCH DESIGN

A questionnaire was designed to collect data from hotels. The questionnaire is constituted of hotel profile, HR department profile, and HR practices. Hotel profile section of the questionnaire includes questions related to demography of the hotels. The HR department profile section of the questionnaire include questions on size of the HR department, job designation of HR personnel, qualifications and experience of the HR personnel. HR practices section of the questionnaire includes questions on HR practices as used in the study.

The tourist regions in Tamilnadu are categorized into six (06) major areas. They are Chennai city, Madurai, Coimbatore, Trichy, Tirunelveli and Kanyakumari. According to Tamilnadu Tourism Development Authority (2007) there were 245 hotels in the six major tourist areas. A sample of hundred (100) hotels was 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.

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 Tamilnadu. Table 1 classifies the respondents (hotels) according to these regions.

Table 1: Regions of Respondent Hotels

Region	Frequency	Percent
Chennai city	6	8.0
Madurai	11	14.7
Coimbatore	31	41.3
Trichy	5	6.7
Tirunelveli	18	24.0
Kanyakumari	2	2.7
Other	2	2.7
Total	75	100.0

Majority (41.3%) of the hotels responded to the survey comes from Coimbatore. The second most respondents come from Tirunelveli which is 24%. Respondents from Madurai and Chennai 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 ownership provided in Table 2, it can be stated that 85.3% of the hotels responded to the questionnaire were domestically owned hotels and 14.7% were hotels with foreign ownership. Table 3 provides details on type of hotel. Based on the findings, it is identified that 58% of the hotels 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
Chain	44	58.7
Independent	31	41.3
Total	75	100.0

Hence there is evidence to support reliability of the questionnaire. However the authors performed a reliability test for the questionnaire and found 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 data in the study categorical in nature, Spearman correlation was performed to identify any association between hotel type and HRM practices.

Table 5: Spearman Correlation Results

HRM Practices	Ownership	Type of Hotel
Harmonized terms and conditions between management and non-management staff	.109 (.353)	-.140 (.230)
Single status for all staff	.150 (.199)	.045 (.703)
Internal promotion the norm for appointments above the basic Levels	.152 (.194)	-.040 (.734)
No compulsory redundancy	-.061 (.603)	-.062 (.595)
Trainability as a major selection criterion	.172 (.142)	-.219 (.059)
Use of psychological tests as the norm for the selection of all Staff	-.162 (.166)	.105 (.370)
Multi Skilling & Experience as criteria for the selection of all Staff	-.079 (.501)	-.073 (.531)
Deliberate use of realistic job previews during recruitment and Selection	.235 (.042)	-.098 (.405)
A formal system for communicating the values and systems in the company to new staff	.129 (.272)	-.069 (.559)
Formal HR planning	.169 (.148)	-.136 (.244)
Career planning	.306 (.008)	-.143 (.222)
Formal training & development	.190 (.103)	.005 (.965)
Deliberate development of a learning organization	.210 (.071)	-.138 (.236)
An explicit policy requiring all staff to spend a specified minimum period annually in formal training	.135 (.249)	-.157 (.178)
Flexible job descriptions that are not linked to one specific task	.122 (.298)	-.032 (.783)
Deliberate design of jobs to make full use of workers' skills and Abilities (i.e. use of job enrichment and/or autonomous work groups)	.249 (.031)	-.081 (.491)
Work organized around team working for the majority of staff	.154 (.186)	.016 (.892)
Staff involvement in setting performance targets/objectives	-.101 (.389)	.197 (.091)
Production/service staff responsible for their own quality	.070 (.549)	.002 (.985)
A majority of workers currently involved in quality circles or quality improvement teams	.178 (.126)	.038 (.746)
Regular use of attitude surveys to obtain the views of staff	.214 (.065)	.064 (.583)
A system of regular, planned team briefing or cascade of information from senior management to the lower grades/shop floor during which work stops	.217 (.062)	-.042 (.718)
All staff are informed about the market position, competitive pressures and establishment and company performance as a matter of course	.101 (.387)	-.089 (.450)
A merit element in the pay of staff at all levels	.149 (.201)	.027 (.819)
Formal 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 chain hotels and independent hotels. The authors further conducted the t-Test to determine whether HRM practices in chain hotels are significantly different from independent hotels. However there was no evidence to reject the hypothesis that HRM practices in chain hotels and independent hotels are different. (See Appendix for t-Test results).

Table 6: HRM Practices

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)
Career planning	2.3409 (.64495)	2.1613 (.63754)
Formal training & development	2.5227 (.66433)	2.5806 (.50161)
Deliberate development of a learning organization	2.2727 (.75832)	2.0968 (.65089)
An explicit policy requiring all staff to spend a specified minimum period annually in formal training	2.2045 (.73388)	1.9677 (.75206)
Flexible job descriptions that are not linked to one specific task	2.2500 (.75097)	2.1935 (.79244)
Deliberate design of 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 around team working for the majority of Staff	2.6818 (.51817)	2.6452 (.66073)
Staff involvement in setting performance targets/objectives	2.2045 (.82348)	2.5161 (.72438)

Production/service staff responsible for their own quality	2.6136 (.57933)	2.6452 (.48637)
A majority of workers currently involved in quality circles or quality improvement teams	2.0682 (.84627)	2.1290 (.88476)
Regular use of attitude surveys to obtain the views of Staff	2.2727 (.69428)	2.3548 (.70938)
A system of regular, planned team briefing or cascade of information from senior management to the lower grades/shopfloor during which work stops	2.4773 (.69846)	2.4194 (.71992)
All staff are 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 at all levels	2.6818 (.60127)	2.7097 (.58842)
Formal appraisal of all staff on a regular basis at least Annually	2.7045 (.55320)	2.5806 (.62044)

IV. CONCLUSION

The hotel industry plays a pivotal role in a emerging economy in Tamilnadu it is important in engaging research that support and facilitate continued growth of the industry from different disciplines. Based on above premise, this study investigated whether there is a significant difference of HRM practices in relation to ownership of hotel and type of hotel in Tamilnadu. A questionnaire which was previously used to examine HRM practices in hotel industry was utilized for the study. Seventy six hotels out of hundred selected hotels responded to the questionnaire. T-tests were employed to examine whether ownership and type of hotel influenced differences in HRM practices. Based on findings, it can be concluded that HRM practices are not significantly different based on ownership of hotel or type of hotel.

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