

Human Resource Management in Small Hotel Industry

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ABSTRACT

The paper goes on to explain the critical contribution of employees to the competitive advantage of tourism organizations and why human resources are an important issue for the industry. The model of performance management adopted by an organization must be customized to meet individual business and employee needs. A series of activities were undertaken to fulfill the objectives above. A framework was developed to explore the links between tourism and human resource management. A second round of discussions was held with representatives of the tourism industry to determine how tourism industry is recruiting and retaining employees with the right skills, knowledge and attitudes to their work. The relationship between tourism and human capital is complex, of inter-conditioning, each of the two elements having at the same time the role of cause and effect. Thus, the stimulation of the growth of tourism is an important medium of relaunching of the labour, but the development, respectively the retardation of the development of tourism depends on the existence or the inexistence of the human resources in the reference territory.

Keywords: professional preparation, occupation, training, education, development

1. INTRODUCTION

Like all of the management functions identified within this text, there is an extensive generic literature in human resource management (HRM) from which researchers in hospitality and tourism have drawn and to some extent contributed to. It is therefore essential within this review to consider the development of the field in general and to compare this development to that which has occurred in the hospitality and tourism HRM literature in specific. Scholarship on human resource management (HRM) has evolved considerably since its beginnings in the early 1900s, reflecting the development of the field as well as its espoused practice within organizations.

Hospitality: making your guests feel like they're at home, even if you wish they were.”

ROLE & IMPORTANCE OF HRM IN TOURISM INDUSTRY

As we all know, tourism is a service based industry where the product is intangible in nature. So in order to compete and satisfy the end user, it is important to have a well trained Human Resource which can deliver the product with utmost satisfaction. From Hotel Industry to Travel Agencies, every subsidiary of the Tourism Industry is dependent on Person to Person contact. It is because of this very attribute of Heterogeneity and intangibility the role of Human Resource Management and its importance increases manifold. From recruiting to selecting and then

training the Human Resource to make them efficient enough to interact with the Tourists and satisfy their needs of Recreation, pleasure, pilgrim etc by providing high standard services which are human contact based and have very less mechanistic substitutes.

WHY GOOD HUMAN RESOURCE MANAGEMENT IS VITAL FOR SMALL HOTELS?

- It is also important to point out that the performance of every country's economy is strongly linked to the small and medium enterprises (SME) sector – and SMEs rely heavily on their workforce and on their HRM practices for success. SMEs play a vital role in the economies around the world – irrespective of the country's development stage – but, as a result of the dynamic environment and globalization, many are also struggling for survival.
- Internationally, there are thousands of small-medium sized hotels that are facing challenges relating to service quality aspects. The hotel industry is a service industry and hence it strongly relies on human labour; that is, its service quality is directly connected to its staff quality.
- There is generally a worldwide view that the hotel and catering industry has a number of personnel related problems and poor employment practices and conditions, especially smaller hotels. Larger hotels have more advantage in human resource (HR) recruitment and development, because the higher level of remuneration and benefit that they can offer usually makes them the number one choice for highly competent and skilled staff.
- Many hotels justify the absence or neglect of HRM functions with the size of the organization. Smaller hotels with limited financial resources claim to be restricted in developing and implementing HR systems in comparison to larger hotels. It is a fact that small and large organizations typically differ in terms of resources, money, and time. Still, all businesses—whether small or large—must hire employees to run the daily operations. Regardless of a hotel's size, employees are vital assets. A well-established and maintained HR department offers a solid structure which is an organizational advantage that is vital to success.
- Although small-sized hotels are faced with unfavorable conditions, they nevertheless have opportunities to grow, as their small size typically grants them a higher level of flexibility. Smaller organizations need to change HR practices compared to larger organizations because of the different workforce requirements and legalities. Specifically, they must focus on improving customer satisfaction and the quality of service through well organized HR management.
- Human Resource Management (HRM) is the function within an organization that focuses on the recruiting, managing, and providing direction for the people who work in the organization. Sadly, small hotels face many HR-related problems related to: the quality of staff, staff training and development, discipline, unattractive salaries and benefits, and the high levels of turnover of younger staff members. A small hotel's survival may depend on its ability to recruit efficient, qualified people, while providing them with incentives so that they work at full capacity to maximize the property's profits.

STEPS SMALL HOTELS CAN TAKE

- First of all, small hotel owners should realize that HRM is an investment and that it can lead to business sustainability and success, since staff members are the most precious resource that a service sector firm has. Second, a Standard Operating Procedure (SOP)

should be shaped to include working policies and detailed procedures for staff members in every department in order to define and maintain quality standards.

- HR planning should involve analysis of HR needs, capacity of existing staff members and the preparation of job descriptions to define staff duties and qualifications. Appropriate and skilled employees should be compensated properly, since low salaries and benefits do not attract the best qualified staff. This may lead to low-quality service terms and, eventually, to a decrease in customers and revenue.
- Small hotels do not need the same substantial HRM system as a large hotel would, but there is a requirement to take care with staff selection and training to ensure that quality standards are maintained. Indeed SMEs should use recruitment and selection procedures more carefully than any other HR practice.
- Staffing has been identified as SMEs' weakest HRM practice. In fact, the most frequent staffing method by SMEs is word of mouth, as it is a low-cost option of attracting candidates. Small organisations can halve staffing through "campus recruitment" as it is a relatively cheaper source of recruitment than recruiting through advertisement and private employment exchanges. Furthermore, new graduates from educational institutions may work with zeal and commitment. More experienced staff may be hired through walk-in interviews. Whatever method, cost-effective staffing requires the development of a clear job description.

HOSPITALITY INDUSTRY

- In order to first realize that how HRM has grown to a more important role in the business especially in the tourism industry, it is first necessary to realize the current situation of the industry. After the industrialization of the globe the concept of viewing the world as a single market was introduced known as globalization; in other and simpler words, one country stop selling and other quits buying. due to globalization in the many people tend to travel more for many different reasons, especially for business purpose, tourism and many others, or it can be said that people are travelling more than before which has provided boost to the hospitality industry across the globe, and for many countries having adequate hospitality industry, it has become the major source of income, countries like Malaysia which has promoted itself as the best place for spending the vacation, places like Hawaii, these regions have experienced development due to the increase in the people travelling and visiting this place hence generating more income for the country (Knowles, Diamantis, Mourhabi, 2004).
- Some places can be observed for having natural uniqueness providing those some benefits over other places, where people will love to spend their vacations, some places are very attractive for having historic background like Taj Mahal in India, or Moenjo Daro in Pakistan, people having interest in viewing the historic stuff love to visit this place. It can be therefore easily be said that the Hospitality industry has increased as compared to past years and tourism also played its role in the development of the industry, but still there are other factors like business which has more influenced the entire industry. For instance, Dubai one of the major financial hub before recession was the main country for many multinational companies to work and set their head office there, as the recession period is being over the state has again capture the sight of many businesses. Through the above discussion it can be observed that the main factor influencing the business sector is the globalization and therefore people travelling for business purpose has provided the fuel for the hospitality industry (Olsen, Zhao, 2008).

2. RESEARCH METHODOLOGY

In order to achieve the study's objectives, it was necessary that primary research, including interviews with hotel directors or human resource directors, be conducted. The objectives of this research were:

- To determine the current situation of hotels in terms of the extent to which Human Resource Departments exists.
- To examine hiring/recruitment procedures in Hotel Units.
- To investigate the attitudes of Hotel Directors respect to the application of recruitment procedures.
- To determine the existence of personnel induction and evaluation procedures in hotel units.

3. RESEARCH FINDINGS

PROFILE OF THE HOTELS IN THE SAMPLE

- Of the 100 people chosen hotels, 66 people only responded. More specifically, merely 7, 3-star hotel units responded (10.6%), 34, 4-star hotel units(51.5%) and 25, 5-star hotel units (37.9%). The meagre response from 3-star hotels further indicates the limited organization in these hotels. Fifty-nine of the total 66 hotels (89.4%) operated on a seasonal basis and only 7 (10.6%) were open the all year.
- Hotels who belong to the highest categories and operate on a seasonal basis often have a large bed capacity. For this reason, only 8 of the hotel units in the study (12.1%) had less than 150 beds, whereas more than 65% of the hotels had a capacity of over 300 beds.

RECRUITMENT PROCEDURES IN HOTELS

S.NO	METHOD	%	5 [★]	4 [★]	3 [★]
1	Personal contact	91.0	96.0	91.2	100.0
2	Classified ads	89.0	88.0	85.3	85.7
3	Contacting post-secondary educational institutions	68.0	80.0	61.8	57.1
4	Internet	20.0	32.0	14.7	28.6
5	subsidized employment programs	11.0	16.0	2.9	0.0
6	Enlisting employment agencies/ consultants	5.0	12.0	0.0	0.0
7	Other (explain)	5.0	12.0	0.0	0.0

Source: Research findings

TABLE NO 1
SUBJECTIVE FACTORS IN RECRUITMENT

IMPORTANCE	APPEARANCE	CULTURAL TRAITS (GENDER, RACE, NATIONALITY)	PERSONAL TRAITS
Prerequisite	100.0%	12.1%	6.1%
VerySignificant	0.0%	50.0%	57.6%
ModeratelySignificant	0.0%	13.6%	28.8%
NotSignificant	0.0%	24.2%	7.6%
Total	100.0%	100.0%	100.0%

Source: Research findings

TABLE NO 2

Personnel induction and evaluation procedures

In the fourth section of the study, the existence of processes for the induction of new employees and performance evaluation of hotel personnel was investigated. As depicted in Table 10, 68.5% of the hotels studied had procedures for the induction of new employees via seminars, 43.9% via Coaching, 10.6% via mentoring and a rate of 9.1% incorporates other methods for the induction of new personnel.

4. CONCLUSIONS

It can be concluded that the hotels in Crete, have yet to realize that true profits can be gained by taking full advantage of their human resource departments. The small enterprises have supported a tradition of maintenance of amateur personnel in management, which only the big unities started to change. The qualified personnel and trained professionals, and most of all those with experience in other industries, are an unusual thing outside the big firms. These lead to a lack of complexity of the politics and practices of human resources, which are dominated by unusual styles of management and approaches of the operational circumstances. This makes tourism vulnerable to the ideas, the assumptions and its domination by the practices of management identified in other economic sectors. The success of the tourism industry and ultimately of the destination depend on the quality of employees. The real human resource challenge for the tourism industry is recruiting and retaining employees with the right skills, knowledge and attitudes to their work. There are a number of approaches to recruiting, retaining and motivating employees: - positively targeting recruits from groups under-represented in the workplace; - providing career development opportunities; - providing training and development opportunities and ensuring that the organization views training as an investment rather than a cost; - ensuring competent line management; - considering job design and job roles, including: job enlargement, job enrichment, job rotation, job satisfaction and job sharing; - providing a better deal than employees perceive they can get from alternative employers; - considering levels of pay and non-financial rewards on a regular basis; - managing employee expectation; - ensuring all new recruits complete a well-planned induction programme; - addressing equality issues, e.g. through the implementation of family-friendly human resources practices. The outlining of the profiles of the new jobs can be seen as a result of a general change in the manner in which the work is organized- as we mentioned earlier- but it can be seen as a result of a more complex market, more complex products and changes in the concept of service. As a consequence, the simple and repetitive traditional tasks are transformed in multidimensional tasks to furnish complex products. Another trend would consist in the dividing of the complexity of the service in simple, repetitive functions which need some or very little abilities. This tendency to eliminate the abilities can be seen to a certain extent as a strategy which should cope with the qualified labour.

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