

HRM PRACTICES IN HOTEL INDUSTRY- A STUDY OF SELECTED HOTELS IN MANIPUR

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Abstract

Tourism industry, from which hotels are the main part, is service intensive, and consequentially depends heavily on its human resources. In each subsector, the highest investments, the most modern equipment and luxurious buildings will fail if the human/personnel aspect of the organization is not carefully taken care of. Human resources (HR) are the most important resource hotels have since when we talk of hospitality we talk of a service, where the person who delivers it, is a vital part.

The present study was undertaken in 10 (ten) selected hotels located in and around the twin districts of Imphal. To pursue the objectives, an interview schedule was designed and administered during the month of May 2014 to garner relevant information from the managers or their representatives on the above mentioned areas of HRM. Secondary data were also used for the study. The study leads to the conclusion that a majority of the hotels do not have separate HR departments and policies. Most of them are not aware of Human resource planning, walk-ins and recommendation are the main source of recruitment, majority of the hotels does not have any policies of training and development, performance evaluation is based on performance and behavior of the employees and a poor linkage exists between performance and rewards. Given this scenario, it becomes imperative for the management to devote appropriate resources toward the development of human capital if at all the Industry is to grow and compete at the global level.

Keywords: *Human Resource Management, Tourism, Hotel Industry.*

Introduction

Hotels have long been an important element in the economies of many countries. The enormous increase in tourism of the 21st century has caused the business to outgrow national boundaries and become global in character. Hotels are directly linked to and are integral part of many other economic activities. A demand for hotel services eventually generates activity in a number of industries and ancillary concerns involved in supplying products and raw products to hotels. In other words, hotels have a backward linkage to the rest of the economy. Its implication is that the economic effect of the demand for hotel services are not confined to the hotel industry itself but are spread throughout the economy.

In particular, the relationship between tourism and hotel is very crucial in a proper understanding of the role of hotels in the process of economic development of a state. Hotel industry is indispensable for the success of tourism. It is said, "No Hotels No Tourism". The relationship between hotels and tourism can be expressed in two ways:

1. Firstly hotel industry provides the basic ingredients of the total supply of the tourism sector.
2. Secondly the bulk of business demand of the hotel industry comes from tourism.

Without an adequate development of Hotel resources, all the national scenery, all the climatic virtues and all the sporting and recreational facilities do not suffice to sustain a good volume of tourist trade.

In Industrially backward state like Manipur, hotel industry specifically and tourism as a whole has tremendous opportunities for earning foreign exchange, yielding tax revenues, providing employment, promoting the growth of ancillary industrial activities and overall development of the region. It is due to this fact Tourism has gained prominence in every national and state governments planning.

Manipur with its rich natural beauty and its diversity, exotic cultural and ethnic mosaic, flora and fauna and the unexplored ecosystems provides a huge potential for the growth and development of hotel industry and tourism. In view of the immense tourists potential of the state, the hotel industry has a significant role to play not only in the state economy and tourism, but also occupies a pivotal position in gearing the basic parameters of its backward economy, enriching the regional economy of the state, where the incidence of poverty, unemployment and inequality is highly pervasive and persistent.

Tourism industry, from which hotels are the main part, is service intensive, and consequentially depends heavily on its human resources. In each subsector, the highest investments, the most modern equipment and luxurious buildings will fail if the human/personnel aspect of the organization is not carefully taken care of. Human resources (HR) are the most important resource hotels have since when we talk of hospitality we talk of a service, where the person who delivers it, is a vital part. Both the client and supplier affect service and human resources development is the starting point for success in hospitality organizations. Thus, the tourism industry and specially the hotel sector, considering its main characteristics, more than any other sector, faces the need to put in practice the human resources management (HRM) practices. Wood (in Baum, Amoah & Spivack, 1997) refer that mainly because of the personal service nature of the work involved, in most developed countries, both industry employees and wider society view hotel and catering labour as a relatively low status. Besides, the hotel sector has some important features that need specific strategies namely, a high proportion of unskilled labour; a set of competencies that are easily transferable between hotel units; high turnover rates; low wages (unskilled nature of the work creates an excess of supply that keep wages down). Riley (1991) also refers to the subjective nature of standards i.e. every worker's output is judged subjectively because concepts like "hospitality" and "service" cannot be measured formally.

Human resource Management (HRM) is a strategic approach to managing employment relations which emphasizes the leveraging people's capabilities is critical to achieve sustainable competitive advantage, this being achieved through a distinctive set of integrated employment policies, programmes and practices (Bratton & Gold 2007). Human resource Management has become a priority and is being recognized as a key element to business success. Effective management of human resources has a positive impact on the organisation's survival, growth, profitability, competitiveness and flexibility in adapting to changing conditions.

Human resource management is a managerial function involving procurement of suitable human resources, train and develop their competencies, motivate them, reward them effectively and create in them an urge to be part of the management team whose aim should be render, dedicated, committed service for the success and growth of the organization.

The economic significance of appropriate manpower supply to tourism industry is obvious and without this resource, the realization of potential for development and expansion of tourism would be considerably limited. The most significant feature of the tourism industry is its capacity to generate large scale employment opportunities. It offers enormous potential for economic utilization of natural attractions like landscapes, mountains, beaches, rivers etc. that would otherwise remain either idle or underutilized. This also applies to multitude of manmade attractions like monuments, palaces, forts and unique rural and city environments. Tourism industry offers a low cost means of creating jobs in comparison to the capital intensive manufacturing industry. Given its strategic importance in the growth of hotel industry specifically and tourism in general, this paper makes an attempt to provide an insight into the Human resource Management practices prevalent in Hotel Industry in Manipur.

Objectives of the Study

The major objectives of the study is to explore the Human resource management practices with respect to human resource planning, recruitment, selection, training and development, performance appraisal, promotions, employee compensation, employee relations and social security measures prevalent in hotel industry in Manipur.

Research Methodology

The present study was undertaken in 10 (ten) selected hotels located in and around the twin districts of Imphal. To pursue the objectives, an interview schedule was designed and administered during the month of May 2014 to garner relevant information from the managers or their representatives on the above mentioned areas of HRM. Secondary data were also used for the study. 30 percent or 3 hotels were established during the 80's, 20 percent or 2 hotels in 90's and 50 percent or 5 hotels were established after 2000. The total room capacity of the hotel is 324 rooms ranging from 12 rooms to 73 rooms with an overall average of 32 rooms. The total strength of the employees is 400 ranging from 9 to 185 with an average of 40 employees in each hotel.

Findings of the Study

HRM Practices

Based on the data collected, it was found that 90 percent or 9 hotels do not set up separate HR department to deal with Human resource matters. In 6 out of 10 hotels, HR matters rests with the proprietor. Manager- in charge of operation is also responsible for HR matters in 3 hotels. Top management looks after the affairs of HR in case of 1 hotel. The study also reveals that only 2 hotels which employ 65 and 185 employees respectively frame formal HR policies.

HR Planning

90 percent of the hotels are of the opinion that they require more manpower in the near future. Interestingly, 50 percent or 5 hotels under study do not undertake HR Planning. Meanwhile, another 5 hotels undertakes HR Planning for long term perspectives, the reason being expected increase in sales, expansion and to response to technological changes, by using HR forecasting techniques such as Instant decisions and extrapolating past trend of workforce into future to meet the HR requirements of the Hotels. 80 percent of the hotels are optimally staffed and only 2 hotels are understaffed due to the non-availability of competent people willing to work.

Recruitment and Selection

Walk-ins and recommendation from the present employees is the major source of recruitment in the hotels. Advertisement in local newspapers and networks is another source for supplying manpower in the hotels. It is also observed that 7 hotels prescribed interview as the main step in selection process while in another 2 hotels, applicants are subjected to trade test and interview. Only 1 out of the 10 hotels adopts written exam, group discussion and interview as the main steps for selection. Previous experience is the main criteria for selection in 80 percent of the hotels. Other criteria include acceptance of the salary offered, recommendation and ability to learn. Performance which meets the required standard is the criteria for selection in 1 hotel. 60 percent of the hotels do not place new employees under probation while 40 percent does it for a short period of 1 month to 1 year. 90 percent of the hotels orient their new employees which are informal, pertaining to the nature of the work which the new employees are to perform.

Performance Appraisal

80 percent of the hotels under study appraise the performance of their employees through observation and customer feedback for the purpose of taking disciplinary actions, gifts and cash awards etc. 20 percent does it for the purpose of pay hike and promotion. In one of the hotels, written exam is the method of performance appraisal.

Promotion

70 percent of the hotels promote their employees to higher positions based on their performance and seniority; on the other hand, promotion does not take place in 30 percent of the hotels.

Training and Development

50 percent of the hotels do not undertake training and development programs while the same number of hotels provides training and development both on and off the job.

Compensation

The average salaries of the employees of different positions stood at Rs 10000 per month for managers, 5000 for supervisors, 3500 for clerks and 2500 for workers respectively. Data are not available for the rest of the 7 hotels since the authorities are reluctant to provide.

Employee Relations

It is interesting to note that the employee- employer relation is cordial in 90 percent of the hotels. Only in 1 hotel, there are grievances pertaining to less salary and lengthy working hours. Unionization is absent in all the hotels.

Absenteeism and Labour Turnover

Absenteeism is not a problem in 6 hotels. And in 4 hotels, the extent of absenteeism varies from 1 day to more than 6 days, the reason behind includes festivals, cultivation and sickness. The measures adopted to reduce absenteeism are deduction in salaries and issue of letters to unauthorized absentees. Labour turnover is exceedingly low as is evident from only 1-2 employees quitting per year in 6 hotels and 3-4 hotels employees leaving their current jobs for higher wages and family considerations.

Social Security Measures

4 hotels does not provide social security measures for its employees while 6 hotels provides in the form of central provident fund, Government provident fund, leave encashment.

Conclusion

The study leads to the conclusion that a majority of the hotels do not have separate HR departments and policies. Most of them are not aware of Human resource planning, walk-ins and recommendation are the main source of recruitment, majority of the hotels does not have any policies of training and development, performance evaluation is based on performance and behavior of the employees and a poor linkage exists between performance and rewards. Given this scenario, it becomes imperative for the management to devote appropriate resources toward the development of human capital if at all the Industry is to grow and compete at the global level.

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