



**PERFORMANCE MANAGEMENT SYSTEM: A STUDY OF PROMINENT AND LOCAL PLAYERS OF HOTEL INDUSTRY IN JODHPUR**

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**Abstract:-**

Hotel industry is the one that has a lot of changes happening in a very short span in terms of services and strategies. Human resources are the biggest assets of the hotel industry as the whole working depends on its employees. The way employees do their jobs, affects the satisfaction of the guests. So managing the performance of the employees in such a way that the performance leads to the success of organization becomes much important here. The performance management system in hotel industry has taken over the concept of performance appraisal and made a difference not only in the improvement of performance of employees but also has enhanced the satisfaction of employees with their jobs leading them towards growth. The present research paper studies the effectiveness of the performance management system of hotels categorized as prominent and local hotels in Jodhpur.

*Keywords:-performance of employees, satisfaction, jobs and growth.*

**Introduction to Human Resource Management**

The development of the knowledge based society, along with the pressures inbuilt in opening up emerging markets, has led cutting edge global companies to recognize now, more ever before that human resources and intellectual capital are equally important as financial assets are, in building sustainable competitive advantage. To sustain the lead position, the corporate sector is bridging between its human resource rhetoric and reality.

The strategic issues that come before the global leaders are to demonstrate that how the organizations create worth and value from their investment. Whether it is a matter of competition for business to have cost leadership or the differentiation strategies in the market place, it is the effective execution which demands strategizing and influencing the human resources of the organizations. Some organizations, in fact are competing entirely on the basis of their human resources alone. Effective Human Resource management in any organization comes down getting the right people at the right place and at the right time and at the right cost.

The knowledge workers must then engage into a consistent set-up in which they can share their knowledge and thoughts with each other.

**HRM Defined**

Walton, while explaining HRM (1985), stressed mutuality between employers and employees. He defined HRM as '*Mutual goals, mutual influence, mutual respect, mutual rewards, and mutual responsibility. The theory is that policies of mutuality will elicit commitment which, in turn, will yield both better economic performance and greater human development. Therefore, 'HRM is the set of functions and activities that are designed to bring the employees and organizations together, so that goals of both are met.'*

Jucious (1975) defines this function in the following manner:

HRM is the field of management which has to do with planning, organizing, directing, and controlling the functions of procuring, developing, maintaining and utilizing employees such that:

- Objectives of the company are attained;
- Objectives of all levels of personnel are served to the highest possible degree;
- Objectives of society are duly considered and served. (Rao, 2009)

The important processes are connected to acquisition, maintenance, growth and enthusiasm of people to ensure their commitment, creativeness, finest effort and teamwork in achieving organizational objectives. The American Society for Performance Management System has identified nine human resource areas that constituted the field of HRM. These areas are:

- Selection and staffing
- Performance management system
- Compensation, benefits and rewards
- Organization development
- Human resource planning
- Union labour planning
- Personnel research and information system
- Employee assistance
- Organization/job design (Suri and Chhabra, 2009)

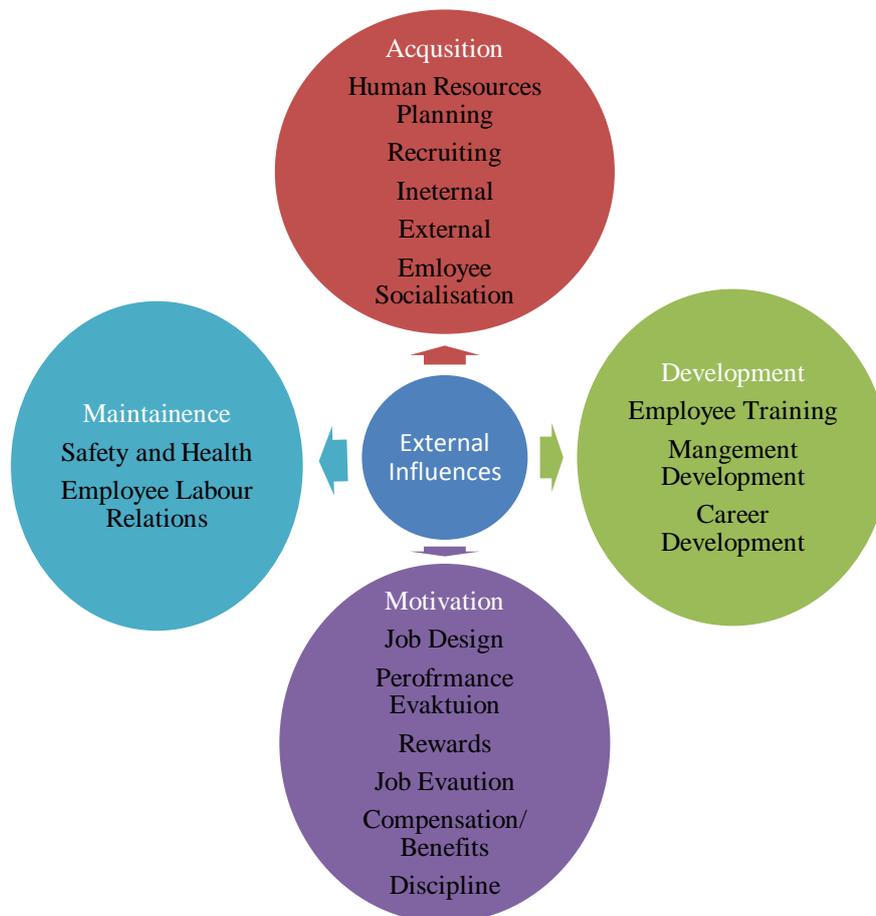


Figure: HRM Components, Source: Adapted from Meg Isaac Sternberg, 'Organizational Model For Human Resource Planning'. Unpublished paper, Baltimore, U.S.A, 1984

## Performance management

Performance management is a process of designing and executing motivational strategies, interventions and drivers with an objective to transform the raw potential of human resource into performance. All human beings possess potential within themselves in a few or more functional areas. However, utilization and conversion of this potential into deliverable performance is often suboptimal due to a variety of reasons. Performance management acts as an agent in converting the potential into performance by removing the intermediate barrier as well as motivating and rejuvenating the human being. (Kandula, 2006(a))

### THEORETICAL FOUNDATIONS OF PERFORMANCE MANAGEMENT

Performance management as a concept and practice is not new to people and organizations. The only newness is that it has gained prominence as organizations struggled to find ways of improvements. As the subject is evolving, it has formed an integrated framework with the help of empirical evidences of efficacy. Customization and application thrust led to creation of new generation strategies, interventions, and drivers. The fundamental structure of performance management is drawn from basic principles of well established motivational theories. (Kandula, 2006(b))

#### Maslow Hierarchy of Needs

Abraham Maslow is the architect of this theory. He proposed the need structure of human beings in a hierarchy in his paper titled, "A Theory of Human Motivation" published in 1954. As needs are fulfilled, human beings are driven to seek gratification of the next higher need. Therefore, this theory is called hierarchy of needs. This hierarchy consists of five major steps as follows;

**Physiological Needs:** It is the most basic level in the hierarchy. Fulfillment of this level is sought to sustain human life itself. Needs here include food, water, clothing, sleep, sexual satisfaction and shelter.

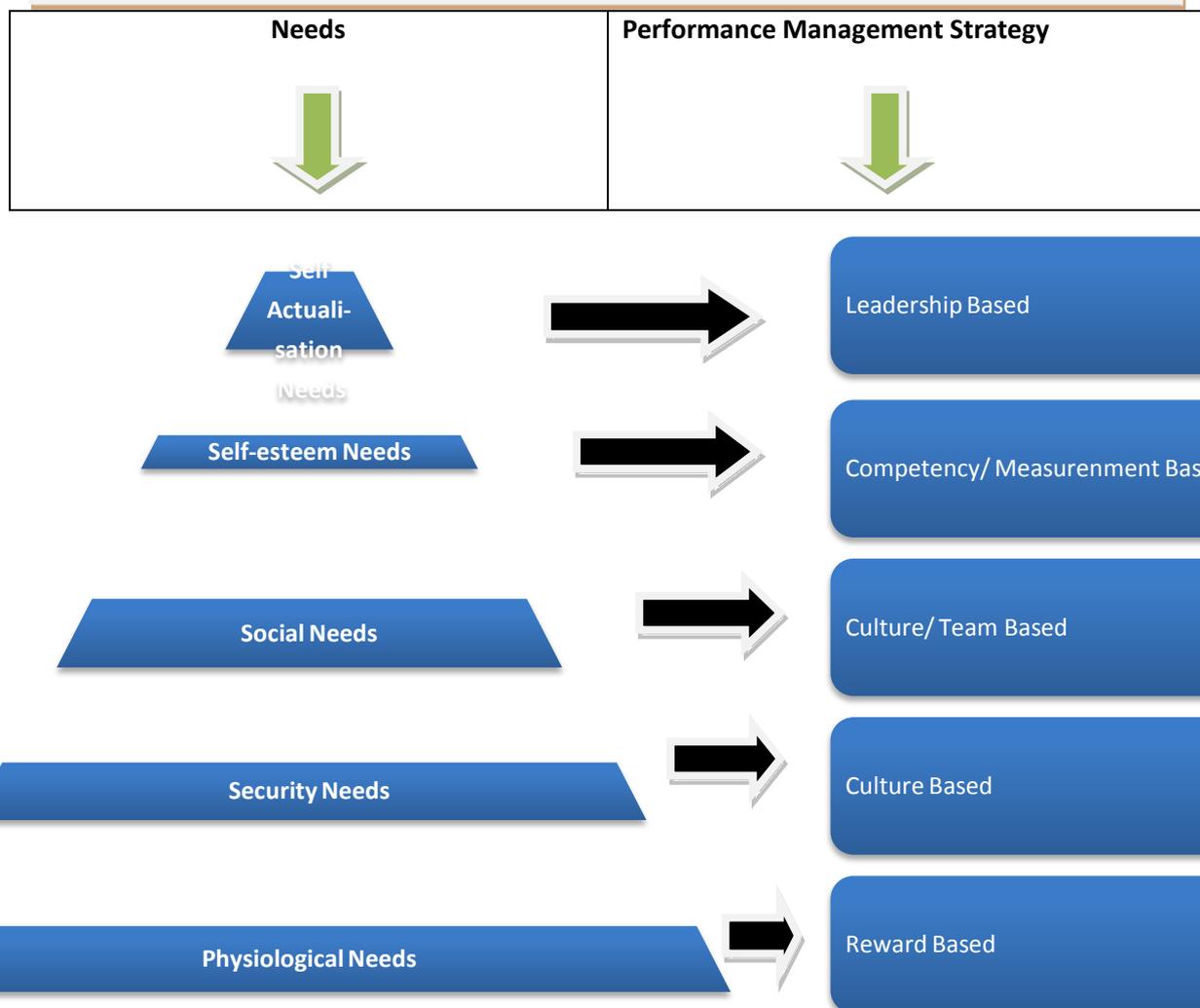
**Security Needs:** This is related to seeking certainty of future in terms of freeing oneself from the tension of being deprived of physiological needs. This means seeking permanence in possessing resources for fulfillment of physiological needs.

**Social Needs:** This is a need of belongingness. Human beings want acceptance, affection, love and recognition from other human beings in society/ organizations. They will be driven by this need once their physiological and security needs are met.

**Self-esteem Needs:** This is an inner need. At this stage of need hierarchy, human beings are motivated on their own and strive to do things which make them feel proud of themselves. They are guided by their conscience.

**Self-actualization Needs:** This is on the peak of need structure. Human beings when they reach to this level of need structure, endeavor to realize their potential completely and seek outstanding accomplishments.

Basic assumption of this theory is that once a lower need on this hierarchy is fulfilled, the next level of need drives human beings. It means, the need that gets gratified loses its power of motivating people although that need continues to be in the background. Therefore, understanding this need hierarchy and also identifying and placing people where they stand on this hierarchy assumes critical importance in performance management. This is because motivating people is cardinal to the success of performance management. For this purpose, performance managers must clearly understand the motivational stance of people. (Kandula, 2006(c))



Maslow's Hierarchy of needs vs. performance management strategies

### HOSPITALITY INDUSTRY – AN OVERVIEW

Hospitality is all about offering warmth to someone who is looking for help at a strange or unfriendly place. It refers to the process of receiving and entertaining a guest with goodwill. Hospitality in the commercial context refers to the activity of hotels, restaurants, catering, inn, resorts or clubs who make a vocation of treating tourists. Helped with unique efforts by government and all other stakeholders, including hotel owners, resort managers, tour and travel operators and employees who work in the sector, Indian hospitality industry has gained a level of acceptance world over. It has yet to go miles for recognition as a world leader of hospitality. Many take Indian hospitality service not for its quality of service but India being a cheap destination for leisure tourism.

With unlimited tourism and untapped business prospects, in the coming years Indian Hospitality is seeing green pastures of growth. Availability of qualified human resources and untapped geographical resources give great prospects to the hospitality industry. The number of tourists coming to India is growing year after year. Likewise, internal tourism is another area with great potentials. (Kochar, 2011)

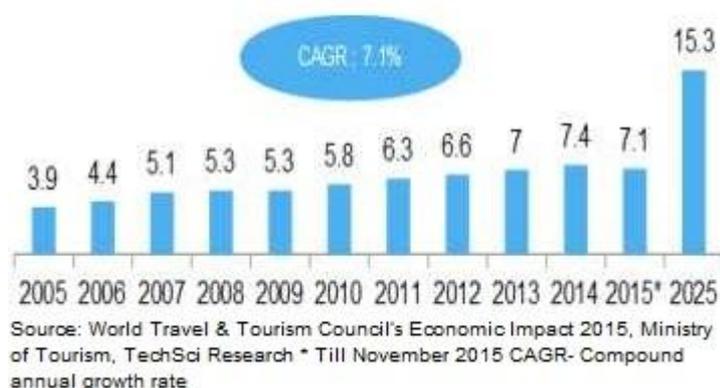
The Indian tourism and hospitality industry has emerged as one of the key drivers of growth among the services sector in India. The third-largest sub-segment of the services sector comprising trade, repair services, hotels and restaurants contributed nearly US\$ 187.9 billion or 12.5 per cent to

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 rich cultural and historical heritage, variety in ecology, terrains and places of natural beauty spread across the country. Tourism is also a potentially large employment generator besides being a significant source of foreign exchange for the country.

The industry is expected to generate 13.45 million jobs across sub-segments such as Restaurants (10.49 million jobs), Hotels (2.3 million jobs) and Travel Agents/Tour Operators (0.66 million). The Ministry of Tourism plans to help the industry meet the increasing demand of skilled and trained manpower by providing hospitality education to students as well as certifying and upgrading skills of existing service providers.

India has moved up 13 positions to 52nd rank from 65th in Tourism & Travel competitive index ([www.ibef.org](http://www.ibef.org), 2016)

### Foreign tourists arriving in India (million)



### CLASSIFICATION OF HOTELS:

There are many criteria's the hotel industry is based upon. The industry is so vast that hotels cannot be defined in a single well defined type. The hotel Industry has its wide classification basis such as based on location, size of property etc. The major players of the industry of India are: The **Taj Group** of Hotels, the **Oberoi Group** and **ITC Welcome group**.

Few of the international players in the industry are **Hyatt**, **Marriott**, and **Le Meridian** etc. these properties have also emerged as key players in India now.

<b>Based on Location</b>	<ul style="list-style-type: none"> <li>• City Center</li> <li>• Motels</li> <li>• Suburban Hotels</li> <li>• Airport Hotels</li> <li>• Resort Hotels</li> <li>• Floating Hotels</li> <li>• Boatels</li> <li>• Rotels</li> </ul>
<b>Based on Size of the Property</b>	<ul style="list-style-type: none"> <li>• Small Hotels</li> <li>• Medium Sized Hotels</li> <li>• Large hotels</li> <li>• Mega Hotels</li> <li>• Chain Hotels</li> </ul>
<b>Based on Level of Service</b>	<ul style="list-style-type: none"> <li>• Economy/ Budget Hotels</li> </ul>

	<ul style="list-style-type: none"> <li>• Mid Market Hotels</li> <li>• Luxury Hotels</li> </ul>
Based on Length of Stay	<ul style="list-style-type: none"> <li>• Transient Hotel:</li> <li>• Residential hotels:</li> <li>• Semi residential hotels</li> </ul>
Based on Theme	<ul style="list-style-type: none"> <li>• Heritage hotel</li> <li>• Ecotels</li> <li>• Boutique hotels</li> <li>• Spas</li> </ul>
Based on Target Market	<ul style="list-style-type: none"> <li>• Commercial hotel</li> <li>• Convention hotels</li> <li>• Resort hotels</li> <li>• Suite hotels</li> <li>• Casino hotels</li> </ul>

(Kumar 2013)

➤ **Trends that affects the future of hospitality sector are:**

1. Low Cost Carriers
2. Budget Hotels
3. Service Apartments
4. Technology
5. Loyalty Travel (Kumar, 2010)

➤ **Challenges for the hospitality industry are:**

1. Shortage of skilled employees
2. Retaining quality workforce
3. Shortage of rooms
4. Intense competition and image of India
5. Customer expectations
6. Manual back-end (Chaturvedi and Yadav, 2010)

**Literature Review**

**Wren (1994)** Performance management has gained more and more attention during the last decades. However, performance appraisal started already centuries ago, just in a simpler form. According to this, people used merit exams during the Han Dynasty, 206 BC-220 AD, to make decisions on selection and promotion. Moreover, during the Wei dynasty in third century AD, “Imperial Raters” were hired to evaluate the performance of the official family members. (Wiese & Buckley, 1998).

**Wiese & Buckley M.B. (1998), Murphy & Cleveland (1995)** The “Imperial Raters” tend to provide a ranking according to their own likes or dislikes not according to the actual merits. The next known example of performance management is from 1648 when Dublin Evening Post that used a rating scale to assess legislators. (Armstrong, 2009)

**Wiese & Buckley M.B. (1998), Murphy, K.R. & Cleveland, J.N. (1995)** According to several authors, performance appraisals began in the 1800s when Robert Owen used “silent monitors” in his cotton

mills to evaluate his employees' performance. He used blocks of wood that were painted with different colours on each side. Each colour represented a grade for the performance and in the end of the day; a grade for the day's performance was given by changing the colour of the wooden block accordingly. In 1813, an U.S. Army General evaluated his men with global rating which has been thought as the beginning of formal performance appraisal. In the late 1800s, Federal Civil Service started giving efficiency ratings which was later used in the government. (Wiese & Buckley, 1998; Murphy & Cleveland, 1995).

**Wiese & Buckley M.B. (1998), Murphy, K.R. & Cleveland, J.N. (1995).** The man-to-man rating system was developed for US Army in order to evaluate army officers before the First World War and the rating system was later developed into a graphic-rating scale which increased organizations' concern for performance management. Unfortunately, there was a lot of criticism on graphic-rating scale. The tool was economical to use and the results were quantifiable but it was not very useful for providing feedback. The organizations that used this tool had only one or two standard forms despite the specific skills required for different jobs. Moreover, the tool focused on the past actions instead of future goals. (Wiese & Buckley .1998; Murphy & Cleveland 1995).

**Buick, I. and Muthu, G. (1997)** The study found within their survey of hotels in Scotland, that the development of internal labour markets and career development had assumed an increased importance. (Buick 1997)

**Chang, M., and A. A. Katou. (2007).** The study carried out a research with a total of 439 hotels in the Indian hotel industry (ranging from three-star to five star deluxe) and they tried to measure 27 HRM practices, 5 organizational performance variables and 10 demographic variables. The results found that hotel performance is positively associated with hotel category and type of hotel. In addition, hotel performance is positively related to the HRM system of recruitment and selection, manpower planning, job design, performance management system, quality circle and pay systems. (Chang & Katou, 2007)

**Research of Leena Toppo, Twinkle Prusty (2012).** The Study informs that performance appraisal and performance management were one of the emerging issues since last decade. Many organizations have shifted from employee's performance appraisal system to employee's performance management system. The study has focused on the evolution of employee's performance appraisal system, critics the system suffered and how the performance management system came to the practice. The main purpose of this paper is to differentiate these two systems, employee's performance appraisal and management system. This paper uses a review of the literature to evaluate the development of appraisal system and argues the critic areas of appraisal system. Performance management eliminates the shortcomings of performance appraisal system to the some extent. (Toppo & Prusty, 2012)

**Ng, T.W.H., Feldman, D.C. (2013).** The main aim of this study was to measure the impacts of perceived empowerment on employee job performance in this neglected search area. This study looked at empowerment from a psychological perspective of employees rather than looking at the specific empowerment initiatives or programs of the organizations. The research participants were front-line employees in lodging industry since their attitudes could easily influence customers' perception of services provided by the hotel. The response rate of the questionnaires was 57.5% out of 20 hotels. Among the 230 respondents most were having university degree or above and working for 1-5 years in tourism industry. The proposed theoretical model was tested using SPSS 16.0 and the analyses found support for 9 hypothesis, including support for a strong relationship between perceived empowerment and employee job performance. (Ng & Feldman, 2013)

## INTRODUCTION TO RESEARCH

### Meaning of Research

*“Research comprises defining and redefining problems ,formulating hypothesis or suggested solutions, collecting ,organizing and evaluating data, making deductions and reaching conclusions and at last careful testing the conclusions to determine whether they fit the formulated hypothesis.”*

### Clifford Woody

*“Research is considered to be the more formal, systematic intensive process of carrying on the scientific method of analysis. It involves a more systematic structure of investigation, usually resulting in some sort of formal record of procedures and a report of results or conclusion.”*

John W. Best

(Kothari, 2004)

## RESEARCH PROBLEM

### **PERFORMANCE MANAGEMENT SYSTEM: A STUDY ON PROMINENT AND LOCAL PLAYERS OF HOTEL INDUSTRY IN JODHPUR**

Performance Management System is one of the most important elements in improving the performance of the employees leading to organization’s performance. Every organization has its performance management system so as to manage the employees’ performance in a way that contributes to success of the hotel. The PMS not only help to improve the performance of employees but also aid to identify the prospective for the future growth of the organization and that can be done through measurement of the performance of the employees on their work.

### Objective of the study

The basic objective of the study is to analyze Performance Management System in the prominent and local hotels. The aim is:

- To compare the total effectiveness of performance management system of prominent and local hotels.
- To examine the determinants of performance management system in relation to total effectiveness.
- To compare the results of the survey and recommend the strategies for better prospects of employees.

**Sampling Method** - Sample is a small part of the universe selected for study and the universe is the entire group of items which the researcher wishes to explore and also plan to generalize. The characteristics of universe can be predicted and evaluated through the study of sample. The survey has been conducted in Jodhpur city, the Suncity of Rajasthan.

**Research Instruments** - A summated rating scale format was used, with five choices per item ranging from "highly dissatisfied" to "highly satisfied", which requires the respondents to indicate a degree of satisfaction or dissatisfaction. In this, all the questions were positively framed to study the impact of independent variable like gender, occupation, age, education and income on the dependent variable which is total effectiveness scores.

**Sampling Plan** - The study was conducted on the employees of the hotels (prominent and local hotels) respectively in the city of Jodhpur.

PROMINENT HOTELS	LOCAL HOTELS
Taj Umaid palace	Hotel Indana Palace
Vivanta By Taj Hari Mahal	Hotel Ajit Bhawan
The Taj Gateway	Hotel Ranbanka Palace
ITC Welcom	Hotel Rajputana palace
Hotel Park plaza	Hotel Chandra Imperial
Hotel Mapple Abhay	Hotel Marugarh
	Hotel Garh Govind
	Hotel Madhuram Royale
	Hotel Badri Palace
	Oasis Thar Resort
	Amargarh Resort

**Population** -The employees of selected hotels (prominent and the local category) in the city of Jodhpur were taken. Jodhpur as geographical region of study was chosen because of convenience and availability of diverse profile of subjects.

**Sampling Design** -The research relied upon convenience based random sampling technique, considering the research methodology and research type as guidelines. The study made it certain that the respondents should be the employees of the selected hotels (prominent and the local category) in Jodhpur. Another caution exercised was on part of the language ability of the respondents. The respondents having enough knowledge of English language to understand and comprehend the questionnaire were selected. A caution was exercised during the study that the respondents who did not show inclination to be a part of the study were not covered.

**Sample size** - The information is being collected from the employees of prominent and local hotels of Jodhpur. The size of sample is 200 respondents of the prominent hotels and the other 200 respondents of the local hotels. The size selected is enough for study as it represents the population of Jodhpur.

#### Data Analysis and Interpretation

Table 1: Frequency Table: Type of hotel

TYPE_HOTEL					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	prominent	200	50.0	50.0	50.0
	Local	200	50.0	50.0	100.0
	Total	400	100.0	100.0	

There are 50% respondents from prominent hotels and 50% respondents from local hotels.

Table 2: Frequency Table: Gender, Age, Education, Department, Income

TYPE_HOTEL		GENDER	AGE	EDUCATION	DEPARTMENT	INCOME
prominent	N	Valid	200	200	200	200
		Missing	0	0	0	0
Local	N	Valid	200	200	200	200
		Missing	0	0	0	0

There are 200 respondents from prominent and 200 from local hotels making 400 sample size with no missing values for the variables gender, age, education, department, income.

**T Test: Total Effectiveness – Prominent/Local (Determinants of Performance Management System)**

Table 3.1: T Test Table: Group Statistics

Group Statistics							
	Typehotel	N	Mean	Std. Deviation	Std. Error Mean	t	Sig. (2-tailed)
SATISFACTION_AVERAGE	prominent	200	3.508000	1.2387123	.0875902	-2.097	.037
	local	200	3.712000	.5990411	.0423586	-2.097	.037
HUMAN_RESOURCE_OUTCOMES_AVERAGE	prominent	200	4.377750	.5500959	.0388977	11.082	.000
	local	200	3.735000	.6084621	.0430248	11.082	.000
RELATIONAL_AVERAGE	prominent	200	4.357250	.5634022	.0398386	9.863	.000
	local	200	3.769000	.6277014	.0443852	9.863	.000
RELIABILITY_AVERAGE	prominent	200	4.317250	.9056300	.0640377	8.619	.000
	local	200	3.648000	.6209864	.0439104	8.619	.000
DEVELOPMENT_AVERAGE	prominent	200	4.326250	.5203144	.0367918	9.579	.000
	local	200	3.777000	.6219365	.0439776	9.579	.000
CONTEXTUAL_AVERAGE	prominent	200	4.359500	.5683528	.0401886	11.121	.000
	local	200	3.666000	.6743275	.0476822	11.121	.000
PERFORMANCE_MANAGERS_AVERAGE	prominent	200	4.238500	.5596506	.0395733	10.799	.000
	local	200	3.562000	.6868148	.0485651	10.799	.000
PERFORMANCE_EMPLOYEES_AVERAGE	prominent	200	4.343000	.5306211	.0375206	11.798	.000
	local	200	3.647000	.6437883	.0455227	11.798	.000
MOTIVATIONAL_AVERAGE	prominent	200	4.386250	.6252022	.0442085	9.592	.000
	local	200	3.798000	.6011680	.0425090	9.592	.000
INDIVIDUAL_AVERAGE	prominent	200	4.355750	.5796849	.0409899	10.427	.000
	local	200	3.707000	.6619227	.0468050	10.427	.000
RENUMERATION_AVERAGE	prominent	200	4.123000	.6224211	.0440118	8.688	.000
	local	200	3.600000	.5807637	.0410662	8.688	.000
JOB_SELECTION_AVERAGE	prominent	200	4.332750	.5798890	.0410043	7.151	.000
	local	200	3.919000	.5773262	.0408231	7.151	.000
TOTAL_EFFECTIVENESS	prominent	200	50.602250	4.9941984	.3531432	10.588	.000
	local	200	44.540000	6.3735320	.4506768	10.588	.000

Table 3.2: Independent T Test: Prominent/Local (Determinants of Performance Management System)

		Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
SATISFACTION_AVERAGE	Equal variances assumed	226.803	.000	-2.097	398	.037	-.2040000	.0972949	-.3952761	-.0127239
	Equal variances not assumed			-2.097	287.253	.037	-.2040000	.0972949	-.3955013	-.0124987
HUMAN_RESOURCE_OUTCOMES_AVERAGE	Equal variances assumed	.073	.787	11.082	398	.000	.6427500	.0580014	.5287227	.7567773
	Equal variances not assumed			11.082	394.020	.000	.6427500	.0580014	.5287192	.7567808
RELATIONAL_AVERAGE	Equal variances assumed	3.956	.047	9.863	398	.000	.5882500	.0596419	.4709975	.7055025
	Equal variances not assumed			9.863	393.440	.000	.5882500	.0596419	.4709933	.7055067
RELIABILITY_AVERAGE	Equal variances assumed	.031	.860	8.619	398	.000	.6692500	.0776463	.5166018	.8218982
	Equal variances not assumed			8.619	352.252	.000	.6692500	.0776463	.5165413	.8219587
DEVELOPMENT_AVERAGE	Equal variances assumed	2.286	.131	9.579	398	.000	.5492500	.0573381	.4365266	.6619734
	Equal variances not assumed			9.579	385.971	.000	.5492500	.0573381	.4365158	.6619842
CONTEXTUAL_AVERAGE	Equal variances assumed	6.335	.012	11.121	398	.000	.6935000	.0623595	.5709047	.8160953
	Equal variances not assumed			11.121	386.907	.000	.6935000	.0623595	.5708940	.8161060
PERFORMANCE_MANAGERS_AVERAGE	Equal variances assumed	8.535	.004	10.799	398	.000	.6765000	.0626468	.5533401	.7996599
	Equal variances not assumed			10.799	382.406	.000	.6765000	.0626468	.5533248	.7996752
PERFORMANCE_EMPLOYEES_AVERAGE	Equal variances assumed	1.643	.201	11.798	398	.000	.6960000	.0589925	.5800242	.8119758
	Equal variances not assumed			11.798	383.999	.000	.6960000	.0589925	.5800113	.8119887
MOTIVATIONAL_AVERAGE	Equal variances assumed	1.591	.208	9.592	398	.000	.5882500	.0613303	.4676782	.7088218
	Equal variances not assumed			9.592	397.390	.000	.5882500	.0613303	.4676776	.7088224

INDIVIDUAL_AVERAGE	Equal variances assumed	2.348	.126	10.427	398	.000	.6487500	.0622164	.5264361	.7710639
	Equal variances not assumed			10.427	391.195	.000	.6487500	.0622164	.5264296	.7710704
RENUMERATION_AVERAGE	Equal variances assumed	1.843	.175	8.688	398	.000	.5230000	.0601953	.4046595	.6413405
	Equal variances not assumed			8.688	396.105	.000	.5230000	.0601953	.4046578	.6413422
JOB_SELECTION_AVERAGE	Equal variances assumed	1.829	.177	7.151	398	.000	.4137500	.0578609	.2999988	.5275012
	Equal variances not assumed			7.151	397.992	.000	.4137500	.0578609	.2999988	.5275012
TOTAL_EFFECTIVENESS	Equal variances assumed	7.096	.008	10.588	398	.000	6.0622500	.5725554	4.9366392	7.1878608
	Equal variances not assumed			10.588	376.468	.000	6.0622500	.5725554	4.9364428	7.1880572

The dependent and independent variables were treated as scale variables and were found to be highly significant at  $p < .05$ .

The mean score for Satisfaction Variable for Prominent is 3.50 and for Local is 3.71

The mean score for HR outcomes Variable for Prominent is 4.37 and for Local is 3.73.

The mean score for Relational Variable for Prominent is 4.35 and for Local is 3.76.

The mean score for Reliability Variable for Prominent is 4.31 and for Local is 3.64.

The mean score for Development Variable for Prominent is 4.32 and for Local is 3.77.

The mean score for Contextual Variable for Prominent is 4.35 and for Local is 3.66.

The mean score for Performance Management Review Managers Variable for Prominent is 4.23 and for Local is 3.56.

The mean score for Performance Management Review Employees Variable for Prominent is 4.34 and for Local is 3.64.

The mean score for Motivational Variable for Prominent is 4.38 and for Local is 3.79.

The mean score for Individual Factor Variable for Prominent is 4.35 and for Local is 3.70.

The mean score for Remuneration and Benefits Variable for Prominent is 4.12 and for Local is 3.60.

The mean score for Job Selection Variable for Prominent is 4.33 and for Local is 3.91.

The mean score for Total Effectiveness Scores for Prominent is 50.60 and for Local is 44.54.

**Regression Model: Total Effectiveness: Type of Hotel/Demographics**

**Table 4.1: Correlation Table: Total Effectiveness Score- Prominent/Local (Demographics)**

Correlations								
		TOTAL_EFFECTIVENESS	Type of hotel	GENDER	AGE	EDUCATION	DEPARTMENT	INCOME
Pearson Correlation	TOTAL_EFFECTIVENESS	1.000	-.469	.030	.223	.051	.006	.377
	Type of hotel	-.469	1.000	-.035	-.262	.120	-.104	-.302
	GENDER	.030	-.035	1.000	-.232	.066	.011	-.179
	AGE	.223	-.262	-.232	1.000	.234	.210	.342
	EDUCATION	.051	.120	.066	.234	1.000	.291	.227
	DEPARTMENT	.006	-.104	.011	.210	.291	1.000	.088
	INCOME	.377	-.302	-.179	.342	.227	.088	1.000
Sig. (1-tailed)	TOTAL_EFFECTIVENESS	.	.000	.274	.000	.155	.456	.000
	Type of hotel	.000	.	.241	.000	.008	.019	.000
	GENDER	.274	.241	.	.000	.092	.412	.000
	AGE	.000	.000	.000	.	.000	.000	.000
	EDUCATION	.155	.008	.092	.000	.	.000	.000
	DEPARTMENT	.456	.019	.412	.000	.000	.	.039
	INCOME	.000	.000	.000	.000	.000	.039	.
N	TOTAL_EFFECTIVENESS	400	400	400	400	400	400	400
	Type of hotel	400	400	400	400	400	400	400
	GENDER	400	400	400	400	400	400	400
	AGE	400	400	400	400	400	400	400
	EDUCATION	400	400	400	400	400	400	400
	DEPARTMENT	400	400	400	400	400	400	400
	INCOME	400	400	400	400	400	400	400

**Table 4.2: Model Summary: Total Effectiveness Score- Prominent/Local (Demographics)**

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.542 <sup>a</sup>	.294	.283	5.4814778	.294	27.258	6	393	.000

a. Predictors: (Constant), INCOME, DEPARTMENT, GENDER, Type of hotel, EDUCATION, AGE

**Table 4.3: Anova Table: Total Effectiveness Score- Prominent/Local (Demographics)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4913.995	6	818.999	27.258	.000 <sup>b</sup>
	Residual	11808.314	393	30.047		
	Total	16722.309	399			

a. Dependent Variable: TOTAL\_EFFECTIVENESS  
 b. Predictors: (Constant), INCOME, DEPARTMENT, GENDER, Type of hotel, EDUCATION, AGE

Table 4.4: Coefficient Table: Total Effectiveness Score- Prominent/Local (Demographics)

Model		Coefficients <sup>a</sup>					95.0% Confidence Interval for B	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Lower Bound	Upper Bound
		B	Std. Error	Beta				
1	(Constant)	47.354	2.356		20.101	.000	42.723	51.986
	Type of hotel	-5.045	.615	-.390	-8.197	.000	-6.255	-3.835
	GENDER	1.318	.821	.072	1.606	.109	-.296	2.932
	AGE	.556	.459	.059	1.209	.227	-.348	1.459
	EDUCATION	.298	.305	.047	.979	.328	-.301	.897
	DEPARTMENT	-1.130	.608	-.084	-1.857	.064	-2.326	.066
	INCOME	1.832	.356	.249	5.144	.000	1.132	2.532

a. Dependent Variable: TOTAL\_EFFECTIVENESS

There is highly significant correlation between total effectiveness score and type of hotel (prominent/local), age and income at  $p < .05$ .

The adjusted R Square is .283.

The model is highly significant at  $p < .05$

Total Effectiveness Score =  $-5.045 \times \text{Type of Hotel (Prominent/Local)} + 1.832 \times \text{Income} + 47.354$

For every unit change in type of hotel (Prominent/Local) there is decrease in Total Effectiveness score by 5.045.

For every unit change in income level there is increase in Total Effectiveness Score by 1.832.

### Conclusion and Suggestions

#### Conclusion:

Human resource management aims to bring out the results from employees, for the attainment of goals and objectives of the organization. Human resource management has always been the important issue in the global era. Employees were treated as one of the factor of 5 m's (men, money, material, method, machinery) for the business. But the recent changes have made the employees the most important assets for any business. Likewise, the employee development became a discussion issue for the whole business world. The concept of Human resource development made a vital change in the traditional approach. The concept of HRD shifted the focus on employee improvement and growth as per the need of the changing global arena. This made a change from employees performance review to employee performance management. So, the performance management made a change in performance appraisal. In the early decades, performance appraisal prevailed in the business world. Performance appraisal only revealed about what should have been done by employees and what they did. This only helped the organizations to analyze who is performing better and who's not. Performance appraisal did not contribute to the development or growth of employees that much. For this reason, the concept of performance management evolved; aiming at making the employees perform better, hence contributing to organization's higher performance. Performance management also creates a base for future decisions such as succession planning and talent management.

The performance management system has a significant difference in its form, strategy between the prominent and local hotels. The average mean score of both type of hotels showed that there is difference between opinions of employees for determinants of performance management system. All the determinants seemed to be better for the prominent hotels in relation to the local hotels except for one i.e. satisfaction for current performance management system. This showed that although the overall system is good in prominent hotels but still the results indicated a slight difference in one determinant that is local hotels' current performance management system which is

working a slightly better than prominent hotels. The employees differ at this variable as the employees in prominent hotels are on a higher level of achievement, so as for them the current performance management system needs to go beyond the regular content. Whereas, the local hotels have employees satisfied as they get what they expect according to their achievement levels. So basically it is the expectations that differ in the minds of employees.

The determinants taken for the study are related to the performance management system significantly. The total effectiveness gets affected with the type of hotel and income level. This means being a prominent hotel or being a local hotel makes a factor affecting the effectiveness of performance management system. Income level also matters in this, as the higher the employee's income is, performance increases with it. The determinants like gender, age, education, and department affect the total effectiveness at least.

The hotel industry is growing at a rapid speed and the changes are to be initiated at the short intervals' of time. The hotels need to make themselves upgraded with the happenings of national as well as international level. In the global era like present, the guests' feels to get the services that are provided worldwide. So the hotel industry has to think globally providing their customers the services that satisfies them to its highest going for innovation rather than incorporating the ideas from the legendary hotels.

#### **Suggestions:**

##### **Talent Retention**

Employees are the most important strength of any organization and needs to be emphasized not only for improvement but for employee growth also. The hotel industry always had focused on employee retention more. The talent retention is a term that adds value to the industry in recent times. The talent that a hotel identifies in an employee should be nurtured and ways are to be found out to make that employee satisfied with the current work and organization. Also the making of talent should be focused upon, so that the organizations create the talent for the future scenario of the organization. The social element of the employees in the organization is not evaluated which is important as it also contributes to the organization in a way that the employees relation with other employees affects the performance of both.

##### **Managers as Role Model**

Getting the support for performance management system is a big issue to think upon. Managers are less focused in reviewing and using the performance management system, getting involved in development activities. Executives require acting as "role models" to support performance management prominently so that credibility for the system can be enrolled. The managers can also influence the employees and guide them to work in a positive direction attaining the goals and objectives with lesser chance of misconceptions.

##### **Getting new concepts and ideas to the performance management system**

The HR professionals are not satisfied with the components of current performance managements systems which mostly focus on employee performance improvement rather than employee development. Earlier, the components were almost alike in the whole hotel industry using the traditional methods like, performance appraisals, on the coaching, discipline etc. Then the industry started using the concepts that came in a bit earlier related to the development of employees such as management development programs, training and development etc. of their performance management system. But still the support at a higher level from senior management, career planning, and talent management are some elements that require more emphasis to make the current performance system efficient.

### Limitations of study

The research study would be consigned to the sampling units selected that are of Jodhpur region.

- The hotels have different parameters of performance in their hotels and the context of performance management relating to each hotel could vary.
- Major respondents chosen are of literate and major of respondent were graduate. So opinion of illiterate was not taken for observation.
- Respondents required being convinced to give their opinion for the subject of the study. It took lot of time.
- The geographical coverage of the present study is limited for Jodhpur only.
- Although the sample size was sufficient in terms of survey research, a large response would have increased the power of statistics and brought greater confidence to the results.

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