



**HUMAN RESOURCE PRACTICES IN INDIAN HOTELS: A STUDY OF BUSINESS & OTHER HOTELS IN  
DELHI (NCR)**

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**ABSTRACT:**

The human resource significantly contributes in the development of Hotel Industry. This study has focused on the adoption of various human resource practices adopted by the Hotels in the NCR (National Capital Region). There is a large difference in the different practices adopted by the hotels depending on the facilities and management. The manpower in hotels in the form of trainees from hotel management institutes plays a major role in the operations in the hotels. The analysis has been done through personal interviews with the managers of 200 Hotels from 7 different locations of Delhi and National Capital Region. The study results to know the human resource techniques among hotels in a better way and impact on their performance in provide excellent guest satisfaction.

**KEYWORDS: Hotels, Human Resource, NCR**

**INTRODUCTION:**

During recent past it has been observed that human resource practices adopted by hotels play a vital role in the performance of the organization. The hospitality industry has been emphasizing on provision of quality services to the guests whether staying with them or not staying with them since ages. With more and more hotels investing and coming in to operations the requirement of manpower is also there. The hotels also operate with the help of trainees in the form of students who are doing hotel management courses doing training in the hotels at various levels and types. The hotels have started investing in human resource practices of not only employees but also the students who come for training which helps guests to have a better experience and their own manpower to work more efficiently. The hotel industry has been regarded as information intensive as the guests information like their Preferences, likes regarding rooms, facilities. The hospitality and tourism industry in India especially in National Capital Region in North India has seen a rapid growth in recent times with large number of foreign travelers also coming to India for different reasons and staying in hotels. There are large number of budget hotels operating and coming up in the region with big players like Leela, Hilton, Starwood Hotels have been emphasizing on the effective use of

manpower to improve their services and make best use of their manpower. There all are various practices adopted by hotels to develop their employees in learning the standard operating procedures. It helps in setting high standards to serve their customers better.

The hotels are focusing now a days on performance appraisals and also other practices like talent development, recruitment etc. On the other hand, the internationalization of the labour markets is examined from three interrelated perspectives: global demographic changes, labour shortages and migration of the workforce. The discussion points out that the two main demographic changes affecting the hospitality industry are the uneven distribution of the world's population and the 'aging' phenomenon of workforce in the industrialized countries. As a consequence, labour shortages occur in certain geographic regions and economic sectors. Possible solutions are suggested to deal with this reality.

#### **REVIEW OF LITERATURE AND HYPOTHESIS DEVELOPMENT:**

Rosow and Zager (1988) in the rapid-changing environment, every individual should upgrade their knowledge and skills to face to new challenges. Training is one of the important methods adopted by organizations to help their employees get knowledge and enhance their skills. It is therefore vital for any organization to give required training to their employees.

Peteraf (1993) stated that a comprehensive training and development program helps in deliberating on the knowledge, skills and attitudes necessary to achieve organizational goals and also to create competitive advantage.

Morgado and Brewster (2003) in their study couldn't find the impact of training on organization performance and recommended for another study on this relationship.

Jackson (2002) thought that in development of employees some cultural assumptions also lie; he gave an example which highlighted different approaches like hard and soft approach on developmental aspects.

Blanchard and Thacker (1999) hence stressed that a good TNA achieves its objectivity by ensuring that only those are given training that need it and this training template provides complete details respecting each trainee, as to why the training is needed

Aycan 2003; House et al. (2004) found that performance orientation was included as an important association in training, in a number of studies

Manisha(2013) stressed that every organization need to have a training and development staff for various activities. It is to make them learn skills and increase their capability and adoptability. HR departments have been working to justify their expenses on employee training to so they can design programs. Porter (1990) stressed that the more industries spend good amount of money on training



and development of employees, the more competitive those industries will become. Porter also notes that organizations must invest in development of employees through their own training and development programs to remain competitive in market. Lucas(2004) during his research found that employment in hospitality industry broadly includes hotels. Schultz (1971) attributed that spending on training and development is typically regarded as consumption instead of investment, because this kind of investment could take place in employees' leisure time and represent the lost earnings while at school. He also mentions that on-the-job training usually cannot be replaced by formal education; therefore it is necessary for employers to make contribution on providing further training and development to employees. Similarly Ashok Singh and Maheshwari (2013) emphasized that training offers significant scope to strengthen the services rendered by the hotel.

Many Scholars like Deci and Ryan (1992, 1987) connect intrinsic motivation with improved performance and enhanced creativity. He notes organizations have to provide opportunities to meet the people's intrinsic needs which could be anything that the people desire to accomplish or know. Verma (1996) focused on the "Job Satisfaction" to be a person's attitude toward his/her job, and this attitude occurs when the work suits the values and needs of that person.

The hospitality industry is a highly guest service-oriented business where encounters between employees and guests determine the success of the business. Consequently, hospitality researchers and business leaders have acknowledged the significance of hiring and retaining competent employees and have arguably considered the company's employees as the most valuable asset to hospitality firms. Therefore, training and retention quantifications are an important avenue to explore. Meyer and Allen (1991) define the three constructs of organizational commitment as affective commitment which refers to the psychological attachment to the organization; continuance commitment which refers to the costs related to leaving the organization; and normative commitment which refers to a perceived obligation to remain with the organization.

Redman and Mathews (1998) framed a range of HR practices important to the organization strategies aimed at securing high quality services. The importance to make the operational level staff with team working and inter personal skills to make them service oriented.

(Baumann,2003; Lee, Heard, &Koh, 2000) maintained that HRM practices, programs, and training have been developed and applied to the areas of recruiting and selection, training, benefits administration, and enhancement of employee perception or satisfaction over the years. Lloyd (2000) showed the existence of a significant disconnection between what companies believe causes employee turnover and why workers actually leave. Therefore, there is a dire need for managers to have a better and more accurate understanding of the actual causes of employee turnover.

Several studies have empirically tested the impact of HRM practices on reducing employee turnover. Lloyd (2000) stressed the importance of internal surveys, exit interviews, and an open-door policy to facilitate open communication between employees and management.

Summarizing, we may say that there are two major research questions in the human resource practices:

1. Various human resource practices in hotels in Delhi.
2. Whether there is any difference in human resource practices of business and other hotels

Consequently, considering the property management practices in Indian hotel industry we may hypothesize that:

H1: Human resource practices play important role in performance of hotel.

H2: Business hotels will be rated higher than other hotels on adoption of human resource practices

#### **METHODOLOGY:**

#### **SAMPLING AND DATA COLLECTION:**

Sample hotels were identified from the highly respected directory of Ministry of Tourism Gov. of India and FHRAI that serves as a resource center for business information and maintains relevant databases for hospitality firms. To initiate the sample 250 HR Managers were contacted in NCR (National Capital Region) out of which 200 responded and agreed to participate in the survey. They represented a mix of industry, size and operation. A survey method was used as it is deemed to be the most efficient way to reach a large number of respondents. Of the total sample, usable questionnaire was returned by 200 respondents. Table 1 presents the number and percentage of respondents in this study.

Table 1 presents the distribution of sample hotel organisations with respect to the demographics used in the study. In terms of years of existence, 70 (34%) existed for 6 to 10 years, 50 (25%) existed for 11 to 15 years, and another 25 (12.5%) for more than 16 years. 45 (22.5%) existed for less than 5 years. This shows that most hotels have already established their names in the market, gained stability in the society, and indeed is part of a growing hospitality industry. The capital of most organisations is less than 100 million; the size of employment in most organisations is less than 50 employees, most of the hotels (80) had 50 or more employees. The findings imply that the number of employees was largely dependent on the organizational set-up of the hotels and the services offered. Most of hotel organisations are Business 60(30%) and 70 % enterprises are Independent Hotels. Further, most of the respondents are from Delhi region.

Table 1 Distribution of sample according to respondent characteristics (N=200)		
	Number	Percentage
Category of hotels		
5 star Deluxe	20	10
5 star	30	15
4 star	70	35
3 star	80	40
Age (in years)		
= 5	45	22.5
6 – 10	70	35
11 – 15	50	25
16 – 20	25	12.5
= 21	10	5
Employees (numbers)		
= 100	120	60
101 – 300	30	15
301 – 500	15	7.7
501 – 700	20	10
= 701	15	7.5
Type of enterprise		
Others	140	70
Business	60	30

To find out the extent to which hotel's in NCR have applied human resource practices to provide more accurate data for decision making, respondents were asked to indicate Importance and Usage of human resource practices. Further to structure the discussion of the findings we ranked the 25 human resource management practices according to their usage and importance in table 2

HR practices ( Variables)	Importance		Usage**	
	Mean	SD	Mean	SD
RECRUITMENT METHOD	4.03	0.75	3.83	0.74
INTERVIEW PROCEEDURE	4.05	0.65	3.17	0.78z
MOTIVATIONAL PRACTICES	4.61	0.73	3.13	0.78
TRANSPARENCY IN WAGES	4.05	0.76	3.95	0.76
PERFORMANCE APPRAISAL CONTENT	3.15	0.77	4.01	0.77
PERMOTION POLICY	4.22	0.72	3.16	0.79
TRAINING SYSTEM	4.02	0.76	4.21	0.79
EFFICIENCY OF T & D	4.26	0.75	3.87	0.79
EMPLOYEE SERVICE FACILITY	4.43	0.71	3.82	0.77
ENVIRONMENTAL CHANGES	4.39	0.72	3.64	0.78
TASK ASSIGNMENT	4.42	0.73	3.68	0.77
QUALIFICATION AND ASSIGNMENT	4.37	0.71	3.62	0.73
TEAM SUPPORT	4.54	0.78	4.72	0.71
EMPLOYEE EMPOWERMENT	3.911	0.76	3.14	0.80
FACILITY WORK SATISFACTION	4.42	0.72	3.15	0.82
PERFORMANCE VS COMPENSATION	3.45	0.68	3.91	0.75

TENURES	3.89	0.73	3.87	0.78
LEAVING REASON	3.81	0.72	4.76	0.70
EMPLOYEE WELFARE SCHEME	3.10	0.81	4.63	0.69
COMPENSATION COMPARIRSION	3.87	0.73	4.61	0.72
UTILISATION OF SKILL AND KNOWLEDGE	4.19	0.67	3.53	0.76
MOTIVATIONAL FACTOR	3.72	0.75	4.12	0.72
APPRECIATION	3.73	0.81	3.60	0.81
SHARING IDEA	4.32	0.73	3.91	0.78
WORK IMPORTANCE	3.76	0.78	3.63	0.72
JOB SECURITY	3.71	0.73	3.13	0.71
TRAINING PROGRAMME IMPORTANCE	3.18	0.69	3.11	0.77
TWO WAY COMMUNICATION	4.3	0.71	4.12	0.81
EMPLOYEE GRIVIENCES	3.82	0.80	4.11	0.79

Table 3 compares human resource practices used by business and other hotels in Delhi (NCR) respondents were asked to highlight the importance and usage of human resource management practices. Looking first to the position visible from table 3, it is observed that business hotels have adopted motivational practices, transparency in wages and team support. On the other hand these organizations give importance to team support, trainings and leaving reason of employees more importance.

The results revealed that only one human resource practices i.e. training system, is at same rank in both cases. However, in other variables of human resource practices that there is no uniformity between usage and importance in hotels in Delhi(NCR).

HR practices ( Variables)	Business Hotels		Others Hotels		t-value	P
	Mean	SD	Mean	SD		
RECRUITMENT METHOD	4.03	0.73	3.80	0.79	1.03	0.30
INTERVIEW PROCEEDURE	4.04	0.67	3.18	0.79	2.20	0.02
MOTIVATIONAL PRACTICES	4.62	0.71	3.11	0.78	1.31	0.17
TRANSPARENCY IN WAGES	4.07	0.75	3.95	0.76	1.10	0.03
PERFORMANCE APPRAISAL CONTENT	3.13	0.78	4.01	0.72	1.52	0.12
PERMOTION POLICY	4.20	0.74	3.16	0.78	1.45	0.02
TRAINING SYSTEM	4.01	0.74	4.01	0.77	1.13	0.24
EFFICIENCY OF T & D	4.26	0.74	3.85	0.77	1.04	0.31
EMPLOYEE SERVICE FACILITY	4.42	0.70	3.81	0.75	1.44	0.16
ENVIRONMENTAL CHANGES	4.39	0.70	3.60	0.77	1.50	0.11
TASK ASSIGNMENT	4.41	0.71	3.68	0.77	0.35	0.72
QUALIFICATION AND ASSIGNMENT	4.36	0.70	3.64	0.75	1.06	0.29



TEAM SUPPORT	4.57	0.70	4.71	0.73	1.04	0.31
EMPLOYEE EMPOWERMENT	3.91	0.73	3.12	0.78	0.21	0.81
FACILITY WORK SATISFACTION	4.41	0.73	3.11	0.82	0.22	0.78
PERFORMANCE VS COMPENSATION	3.4	0.66	3.93	0.76	0.38	0.71
TENURES	3.88	0.76	3.85	0.75	0.73	0.45
LEAVING REASON	3.80	0.72	4.75	0.70	1.03	0.30
EMPLOYEE WELFARE SCHEME	3.11	0.81	4.61	0.71	1.31	0.02
COMPENSATION COMPARIRSION	3.83	0.73	4.64	0.70	1.81	0.07
UTILISATION OF SKILL AND KNOWLEDGE	4.18	0.66	3.51	0.76	1.29	0.19
MOTIVATIONAL FACTOR	3.73	0.77	4.10	0.72	0.94	0.33
APPRECIATION	3.71	0.80	3.59	0.80	1.03	0.30
SHARING IDEA	4.32	0.72	3.91	0.81	2.08	0.04
WORK IMPORTANCE	3.75	0.74	3.60	0.73	1.12	0.22
JOB SECURITY	3.70	0.71	3.15	0.71	1.02	0.30
TRAINING PROGRAMME IMPORTANCE	3.78	0.62	3.12	0.76	0.68	0.49
TWO WAY COMMUNICATION	4.02	0.74	3.83	0.80	1.05	0.31
EMPLOYEE GRIVIENCES	4.07	0.68	3.19	0.73	2.20	0.03

**CONCLUSION:**

According to human resource management practices literature hotels face problem types derived from owner-manager and size related characteristics which may hinder in organization growth as selection of right type of manpower isn't done. The decision making process is centralized to top

management, so as the initiation and the implementation of human resource practices. The statistical analysis revealed that the majority of the hotels in delhi (NCR) in the sample appreciate the contribution of human resource management practices to better performance but unable to adopt human resource management practices due to high turnover and firm demographic characteristics. The results confirm that human resource management practices have great impact on different, especially on performance and quality improvement. As it was expected the human resource manager's intention is to provide quality manpower and also to retain it. In the case of implementing human resource practices, the hotel organizations seems to consider information base and employee training and retention as a major factor now a days.

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