

HR PRACTICES IN HOSPITALITY SECTOR

*Himani Sharma**
*Shweta Dwivedi***

Abstract

The hospitality sector has been the fastest growing one in the recent times. It has been promoted by the governments of many developing countries because it offers the potential of creating new job opportunities, generating revenues for the government and increasing the living standards of the people. Tourism has emerged out to be one of the most glowing sectors in the hospitality industry. Also the hotel industry has been providing a major platform to the people to earn a good living. A major youth population today is inclined towards making their career in the hospitality sector. This is indeed benefiting the hospitality industry in terms of huge work force. These human resources are an asset to the hospitality sector and so to nurture & retain them a great deal of policies is required. The Human resource practices have been followed in different industries but some modifications are still needed to make them more effective and to increase the level of employee satisfaction in the hospitality sector. The need of hospitality sector for people and people for hospitality sector will be more difficult to satisfy in the today's competitive business environment. Organization's competitive advantage could be generated from human resources (HR) and organization performance is influenced by a set of effective HRM practices.

Keywords: HRM (Human Resource Management), HR Strategy, Services, Tourism, Hospitality sector

INTRODUCTION

An essential component of any management of hospitality sector is the ability to engage with, and get a positive response from, the industry. There are a wide range of enterprises involved in providing hospitality products and experiences, and in many nations, both developing and developed, a large number of these businesses are small and medium in size and tend to operate at a local scale.

The nature of hospitality sector in the developing world has been continuously expanding and so is the need for human resource to fulfill its manpower requirements. A recent trend in the industry shows that the workforce is diversifying and the need for appropriate HR policies is also emerging.

The hospitality industry is much broader than most other industries. The majority of business niches are composed of only a handful of different businesses, but this industry applies to nearly any company that is focused on customer satisfaction and meeting

* Assistant Professor, Amrapali institute of hotel management, himanis612@gmail.com

** Assistant Professor, Amrapali institute of hotel management, sdwivedi888@gmail.com

leisurely needs rather than basic ones. While this industry is very broad, there are some defining aspects that are important to understand. Regardless of the business, this industry relies heavily on providing an excellent level of service. Customers are visiting the business to get away from their troubles. A bad experience might keep them from returning ever again. Brand loyalty is very important to these customers, so the associated companies do their best to provide the best service.

Companies hire employees based on skill and behavior. Most of these employees are great with customers, and they can flawlessly give the customer what he or she needs

One of the most defining aspects of this industry is that it focuses on customer satisfaction. While this is true of nearly every business, this industry relies entirely on customers' being happy. This is because these businesses are based on providing luxury services. Very few hospitality businesses provide a basic service that people need, like food or clothing.

Another defining aspect of this industry is its reliance on disposable income and leisure time. For this reason, the majority of these businesses are for tourists or rich patrons. If disposable income decreases due to a slump or recession, then these are often the first businesses to suffer because customers won't have the extra money to enjoy their services.

In order to compete in an increasingly competitive business world, corporations have modified their internal structure and processes to become more lean and flexible. This enables them to react quickly to the incessantly changing competitive conditions and to adapt their businesses accordingly. The relationship between human resources practices and performance has been widely researched over the last few years. There have been many drifts in the HR policies of the hospitality industry where in many new policies have also been introduced to generate more favorable working conditions for the employees and to reduce the pattern of quick job-switch.

But before understanding the various HR practices of hospitality industry it is very important to understand the categorization of this sector. Many academics, industrialists and policy-makers have attempted to define the sub-sectors within this broader conceptualization – yet there is still no one commonly accepted definition. Hence, there are inherent problems seeking to define what is a large and diverse sector, which means many of the activities may overlap, and could be described as encompassing tourism and hospitality.

Most people think that hotels alone belong to the hospitality industry, but hotels are only one sector of this industry. Many forms of transportation that cater to tourists are also part of this business world. For example, this niche includes airlines, cruise ships and even fancier trains. Restaurants, general tourism and event planning also belong to this niche.

Some of these businesses partially belong to the hospitality industry. For example, a fast food restaurant would be considered convenient. A restaurant that provides fancy food with amazing service would be providing a hospitality service. The hospitality industry's backbone is comprised of customer service, a concept shared by all segments of the industry and good customer service can be ensured only when the employees serve them well and the employees can service well only when they have some job satisfaction. To understand the need of diverse HR practices we first need to understand all facets of hospitality sector.

A general categorization of the hospitality sector is:

- **Food and Beverage**

In hospitality, food and beverage reigns supreme. It is the largest element of the hospitality industry and can take the form of high-end restaurants, fast-food eateries, catering establishments and many other manifestations. The food and beverage trade can symbiotically function as part of other businesses, such as in bowling alleys or movie theaters. When your restaurant is part of a hotel, food and beverage can dramatically enhance the overall guest experience by offering excellent food and first-class customer service.

- **Accommodations**

Hotels, bed and breakfast enterprises and other places offering lodging represent a broad segment of the hospitality industry. Types of businesses run the gamut from extravagant resorts to hostels and campgrounds. Your business' focus on providing lodging should integrate comfort, efficiency and attentive customer service as its foundation. Travelers value thoughtful treatment and simple amenities. When they feel appreciated and catered to, your guests will tell others about their experience and may become repeat customers.

- **Travel and Tourism**

Another chief segment of the hospitality business encompasses transportation. This includes airlines, trains, cruise ships and the staff for each. Flight attendants and cruise staff function as food servers and hoteliers in their efforts to provide food or drink and a comfortable experience. Business travelers and vacationers alike form the basis for this area of hospitality. Travel and tourism requires knowledgeable employees in information technology, and they are also considered a part of hospitality

GENERAL HR PRACTICES FOLLOWED IN HOSPITALITY INDUSTRY

1. Motivation & Retention of Employees

Retention and motivation of personnel are major HR concerns today. It has been observed that the average tenure of employees in the hospitality industry is quite good. However after the initial years a constant switch has been witnessed. Money acts as a prime motivator for the beginners who have their first job but for those who are into their third or fourth jobs their value addition is more important to the organization. Monetarily, offering 'satisfactory salaries in industry' is the minimum every organization in the hospitality sector is doing, apart from performance based bonuses, long-service awards, and complementary appreciations. Many of them frequently conduct employee satisfaction and organization climate surveys, and are setting up Manpower Allocation Cells (MAC) to assign 'the right project to the right person'. In fact, some are even planning to help the employees with their personal and domestic responsibilities to satisfy & motivate their workforce.

2. Best Talent Attraction

In a tight job market, hospitality sector often experience precipitous and simultaneous demands for the same kinds of professionals. In their quest for manpower, they are cajoling talent around the world. In such a seller's market, hospitality organization are striving to understand which organizational, job, and reward factors contribute to attracting the best talent one having the right blend of professional and person-bound skills. This would mean knowledge of 'hospitality etiquettes combined with conceptualization and communication skills, capacity for creative thinking, leadership and team building, and innovation.

3. Compensation and Reward

With the determinants of pay being profit, performance and value-addition, emphasis is now on ensuring the best compensation to the employees as per their performance and hard work. The compensation is planned and designed in a manner to ensure high employee satisfaction. Special reward systems have also been introduced to encourage employees and their families.

4. Increasing loyalty and commitment

As with any other professional, what really matters to hospitality professionals is selecting 'the best place to work with'. The global nature of this industry, and the 'project-environment' has added new cultural dimensions to this sector. In a value-driven culture, values are determined and shared throughout the organization. Typically, areas in which values are expressed are: performance, competence, competitiveness, innovation, teamwork, quality, customer service, and care and consideration for people. Flat structure, open and informal culture, authority based on expertise and ability rather than position are some norms that firms follow. The idea is to make the work place a 'fun place' with the hope of increasing loyalty and commitment.

5. The Demand Supply Gap

Limitation of hospitality professionals is global in nature and not peculiar to any industry alone. Similarly there is a gap in the human resource demand and supply in the industry. In order to reduce this gap the hospitality organizations have been striving hard to shift their focus towards proper human resource planning. Generally the sector keeps a backup of HRP as their business fluctuates from season to season. Consequently, recruitment managers are exploring new sources of manpower from different areas who are willing, as well fresh, trainable workforce.

6. Integrating HR strategy with Business Strategy

The strategic HR role focuses on aligning HR practices with business strategy. The HR professional is expected to be a strategic partner

contributing to the success of business plans, which to a great extent depend on HR policies pertaining to recruitment, retention, motivation, and reward. The other major areas of concern for HR personnel in this context are, management of change, matching resources to future business requirements, organizational effectiveness, and employee development.

7. Encouraging Quality and Customer focus

Today's corporate culture needs to actively support quality and customer orientation. With globalization and rapid technological change, quality is of utmost importance for the hospitality sector, which earn most of their revenues through customer service. Hence, the HR professional as a strategic partner needs to encourage a culture of superior quality to ensure customer satisfaction, the only real measure of quality of the service. To be competitive today, an organization needs to be customer responsive. Responsiveness includes innovation, quick decision-making, leading an industry in price or value, and effectively linking with suppliers and vendors to build a value chain for customers. Employee attitudes correlate highly with customer attitude. The shift to a customer focus redirects attention from the firm to the value chain in which it is embedded. HR practices within a firm should consequently be extended to suppliers and customers outside the firm.

8. Value Addition training for up-gradation of Skills

Rapid and unpredictable changes in the economy, and the increased emphasis on quality of services are compelling hospitality organizations to recruit adaptable and competent employees. Hospitality professionals themselves expect their employers provide them with all the training they may need in order to perform not only in their job.

SUGGESTIVE MODIFICATIONS IN THE HR PRACTICES IN HOSPITALITY SECTOR

1. Recruitment and selection: Recruiting and selecting staff with the correct attitudinal and behavioral characteristics. A range of assessments in the selection process should be utilized to evaluate the work values, personality, interpersonal skills and problem-solving abilities of potential employees to assess their "service orientation".
2. Retention: The need to avoid the development of a „turnover culture “, which may of course, be particularly prevalent in tourism and hospitality. For example, the use of "retention bonuses" to influence employees to stay.
3. Teamwork: The use of semi-autonomous, cross-process and multi-functional teams
4. Training and development: The need to equip operative level staff with team working and interpersonal skills to develop their „service orientation “ and managers with a new leadership style which encourages a move to a more facilitative and coaching style of managing.
5. Appraisal: Moving away from traditional top down approaches to appraisal and supporting things such as customer evaluation, peer review, team-based performance and the appraisal of managers by subordinates. Generally, all of these performance appraisal systems should focus on the quality goals of the organization and the behaviors of employees needed to sustain these.
6. Rewarding quality: A need for a much more creative system of rewards and in particular the need to payment systems that reward employees for attaining quality goals.
7. Job security: Promises of job security are seen as an essential component of any overall quality approach.
8. Employee involvement and employee relations: By seeking greater involvement from employees the emphasis is on offering autonomy, creativity, co-operation and self-control in work processes. The use of educative and participative mechanisms, such as team briefings and quality circles are allied to changes in the organization of work which support an „empowered “ environment. In simple terms best practice is likely to entail attempts to enhance the skills base of employees through HR activities such as selective staffing, comprehensive training and broad developmental efforts like job rotation. Additionally, it also encourages empowerment, participative problem-solving, teamwork as well as performance-based incentives

CHALLENGES FOR HOSPITALITY INDUSTRY

1. Recruitment Planning: Recruitment planning is most important component in new people management with special reference to hospitality industry. They have to deal with human assets so it becomes important and have good quality of people in the

organization. They have to take the recruitment planning in very serious manner to ensure that we can get best talent in the organization.

2. Performance management: Now the challenges how to manage the performance of your employees. They have to get right person in a organization to manage your business. The challenge should be to create a performance culture where they can provide opportunities for enhance performance, where optimum performance becomes a way life.
3. Training and development: This is another challenging area in hospitality industry. There is a need to chalk out a suitable strategy for training & development so that employees are well equipped to handle the challenges in advance.
4. Compensation management: The hospitality industry is one of the high paying industries. This is very competitive industry, we have to attract best talent, offer best possible compensation package to the employees. Ultimately this would help the organization for achieving exceptional performance. People have to be groomed to get in with the performance culture. They must create an environment that stimulates the creation of knowledge, its sustenance will be the challenge for hospitality industry in the future.
5. Attrition and Retention: hospitality sector has high degree of attrition. The challenges for this sector are to keep this attrition rate as low as possible.

CONCLUSION

With the advent of a work situation where more and more companies are having to concede that their valued employees are leaving them, a new concept of career and human resource management is bound to emerge. The focus of this new paradigm should not only be to attract, motivate and retain key 'professional workers', but also on how to reinvent careers when the loyalty of the employees is to their 'brain ware' rather than to the organization. With lifetime employment in one company not on the agenda of most employees, jobs will become short term. Today's high tech employees desire a continuous up-gradation of skills, and want work to be exciting and entertaining a trend that requires designing work systems that fulfill such expectations. As employees gain greater expertise and control over their careers, they would reinvest their gain back into their work. HR practitioners must also play a proactive role in software industry. As strategists, HR professionals require to achieve integration and fit to an organization's business strategy. As interventionists, they need to adopt an all embracing approach to understanding organizational issues, and their effect on people. Finally, as innovators, they should introduce new processes and procedures, which they believe will increase organizational effectiveness.

REFERENCES

- Rao T.V., Rao Raju, and Yadav Tara. (2001). "A Study of HRD concepts, structure of HRD departments, and HRD practices in India"
- Sharma Hemant, (ABD Publishers). "HRM in hospitality"
- Hendersun Lain, (Universities press). "Human Resource Management"
- Brewster Chris and Paul Sparrow, (Universities press). " International Human Resource Management"
- Madhukar Manoj, (Rajat publications). "Human Resource Management in tourism"
- <http://www.icmrindia.org/casestudies/catalogue/Human>
- <http://www.bvicam.ac.in/news/INDIACom>
- <http://www.peoplesmatters.in/article/2010/05/01/strategic-hr/industry-focus-hospitality-sector-innovating-hr-practices/387>