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A Conceptual Study on the Changing Human Resource Needs in the Hospitality Industry

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ABSTRACT

This paper examines the changing Human Resource (HR) needs in the Hospitality Industry with special focus on the operating and technological challenges confronting the industry. The results reveal that the change in the hospitality trends has also transformed the face of Human Resource. Increasing use of internet, change in travel purpose, keeping up pace with technology and change in the customer profile, all of these are having huge impact on HR outlook and overall recruitment. It was found that there is a lack of skilled staff in the Industry and the industry suffers from labor shortage.

KEYWORDS : HRM, Hotel, Tourism, Training, Recruitment

INTRODUCTION

Human Resource' is one of the most important differentiating features between different hotel accommodation products. For over two years now, Hospitality and Tourism Industry is growing tremendously. The Hotel Industry in India is growing so successfully that it seconds only to China in the Asia Pacific region. Hotel Industry is so entangled to the tourism Industry that the growth of Tourism Industry influences the growth of Hotel Industry. In India, Hotel Industry plays a pivotal role towards boosting the economy. It is one of the biggest foreign exchange breadwinners to the country and also one of the largest employers (CARE, a division of Credit Analysis and Research Ltd.). Before going further few questions which are always posed, need to be mentioned- Has the economic dip affected Hotel Industry? Do you think hotel Industry will recover in the near future? Is the global slump showing 'pink slip' for hotel Industry?

These questions could be answered with the help of Indian tourism statistics which clearly states that there has been an 11.8% growth in terms of foreign tourist arrival in 2009 and 2010. WTO predicts that India will receive 25 million tourists by the year 2050. As per the latest Government figures on tourist, if we compare the statistics January 2012, 2011, 2010 we clearly see that the ratio in terms of tourists arrival in the country in January 2012 was 6.81 lakhs higher than that in January 2011, 2010.

India's breath taking economic growth has created an immense appetite for big luxury brands which further requires trained, highly educated and competent workforce. The change in the use of technology, customer profile, market segment and Industry has influenced the human resource needs in Hospitality Industry.

CHALLENGES CONFRONTING THE HUMAN RESOURCE

1. Operating Issues

1.1 Labour Shortages

Impact of labor shortages in the hotel industry is to be found everywhere and will be the most challenging parameter for the hotelier (Pinilla, 2002). In this growing population expansion of hotels is must but one of the limitations found by the previous studies is of human resources. A decrease in the labor force is the main challenge faced by the Indian hotel industry (ISHC, 2013).

Whitelaw et. al. (2009) revealed in his study that staffs are found to be under-skilled. In the industry positions are often filled with the unskilled candidates who are not able to find job anywhere else. He also found that shortage of skilled labor is at the operational level and are found to be more in regional areas and for entry level positions like Assistant level, Guest service agent, porters etc. Industry requires a person with positive attitude, knowledge and skills; however sense of flexibility, willingness and presentation also plays a pivotal role.

1.2 Travel is changing

It is important to know when and why people travel. In India leisure segment is very low when compared to business segment. Indian Hotels largely cater to business guests. Because of this majority of hotels are positioned in the metropolitan cities which are major business and corporate hubs. Indian leisure segment travel during the summer school breaks to enjoy and rejuvenate during holidays. This generates need of implementing, among the workforce, different service management strategies which includes reliability, responsiveness, assurance, courtesy and empathy. So, as the hotels are focussing on specific needs of travellers, human resource has become more vigilant in providing excellent, skilled and trained manpower.

1.3 A hotel is more than just a hotel

Today the customers are very demanding. They expect luxury from all the amenities in the room to the food and beverage experience in the restaurants. "The Hotel is living under the wrong impression that bigger often means better," said Best Western's Ron Pohl. Hotel Industry, while focussing on the size has forgot to maintain quality and professional service delivery. Customers today are very educated. According to one of the surveys, one in four guests is a college graduate. Customers are more independent in terms of purchase and decisions are made on their own. Most of the Indian people travel for business purpose rather than leisure and require a budget accommodation with high quality standards. There is a shortage in the budget and mid-market segment in India. To cover the demand supply gap many International chains like Carlson, Starwood, Marriott, etc. are coming up with the plan to acquire the sufficient share in budget and mid-market segment. Change in the behaviour of the customers has also influenced the needs of the human resource which looks for more skilled and trained manpower that can provide sophistication in products and services.

2. Technological Issues

2.1 Increasing use of internet

Nowadays guests use search engine, social media and applications available on smart phones to make bookings, hotel stays and to shop. According to Robert Rauch, President of San Diego based R.A. Rauch and Associates Hotel Consulting; during 2011 approximately 20% of all bookings were on mobile devices, the number was nearly zero, two years ago. Refer to the information from Google 80% of all the bookings will be made via mobile devices in the near future. Internet is becoming an important source for generating reservations and marketing. This leads to the requirement of efficient staff to work in a highly competitive environment. Within the online marketing we came across various other marketing tools such as search engine optimization, mobile website marketing, social marketing and viral marketing which generate a need of dedicated marketing team in both the chain and non-chain hotels.

2.2 Replacement of traditional Hotel management practices by new technologies

To keep up the pace with the environment and the advancement of technologies is expensive and difficult. Still Hotels have also started implementing interactive technologies. Today revenue management in many hotels is supported by sophisticated technology. According to Sherly Kimes, Professor, Service Operations Management, in future, revenue management may have a profit oriented matric such as Gross

Operating Profit per Available Room (GOPPAR) rather than Revenue per Available Room (RevPAR). This requires analytical, leadership, communication and negotiation skills in future revenue managers.

TRENDS IN THE INDUSTRY

1. Human Resource Outsource

According to Reed, 2001, "Human Resource Outsourcing" is the process of shifting Human Resource activities of company to the outside agency". It is the one of the way to increase the efficiency of the organization as well (Lawler & Mohrman, 2003). Similarly Khanna et al., 2005, stated that to meet the organization demands and objectives which include the cost reduction and adopting the new technologies, increasing flexibility, the companies are outsourcing the HR activities and it is their business strategy which is being used by their executives. Ghassemieh et. al., 2005, revealed that outsourcing is the strategy adopted by Human Resource which is cost effective and fulfill the organization HR activities. Further, Greer et. al., 1999 stated that to afford the talented employee through all areas of the operations it is difficult for the organization that's why many organizations outsource most of the HR functions.

2. The Adoption of Restaurant-Based E-Service

Boyer et. al., 2002, stated that E-services are defined as interactive services available online by the help of advanced telecommunication and multimedia technologies.

Further, Dirona and Ebbin, 2010; revealed that the use of online services for the Food & Beverage is available through conventional internet access through laptops and PCs. When we talk about restaurant or food service outlets, consumers can find different restaurant e-services such as online menus, online ordering for take-out, maps and directions, table reservations, etc. In today's world customer are more eager to use the online services to access the information through the use of technology such as cell phones, Blackberries, Palm pilots, Personal Digital Assistants (PDA), etc., moreover the customers are adopting the mobile based e-services for food and beverage at large.

3. Sustainability is the New Standard

According to Honey (2008), Sustainability and environmentally friendly practices are starting to gain importance day by day because of the awareness of the need for protecting the natural reserves for future generations. The chain hotels growing in numbers around the world have already successfully implemented sustainability into their business strategies. In fact, 2013 marks the "tipping point" for sustainable hospitality, with eco-friendly practices becoming the norm, rather than the exception, so expect 2014 to see standard "green" practices, products, programs and packages. Green hotels are environmentally friendly establishments where management are eager to run training programs for their employees to follow the green practices which helps to save water, energy and solid waste and help to protect our one and only earth (Green Hotel Association, 2007). Further Pizam, 2009; Prendergast and Man, 2002; stated that customer decision making processes and behavioural intentions are affected by the label "green hotel" which plays a pivotal role to attract customers.

RESULTS

After realizing the fullest potential it is revealed that hotel industry has, it becomes important to provide high quality service, well trained and highly qualified work force. Outsourcing agencies will work harder to help the organisation successful. The change in the hospitality trends has also transformed the face of Human Resource. Increasing use of internet, change in travel purpose, keeping up pace with technology and change in the customer profile, labour shortages all of these are having huge impact on HR recruitment, thus required the change in the Human Resource needs.

CONCLUSION & LIMITATIONS

The study is meant to understand the factors which affect the changing human resource needs in the hospitality industry. During recent past most of the scholars have inclined to focus on challenges and trends in the hospitality industry area such as Dirona and Ebbin, 2010; Honey, 2008; Pizam, 2009; Prendergast and Man, 2002; Ghassemieh et. al., 2005; Pinilla, 2002; Reed, 2001; Lawler & Mohrman, 2003. The hotel industry is changing at a bullet train speed so it becomes important to mould according to the demands and wants of the competitive environment. Beaman and Eastman (2004) pointed out that outsourcing agencies will work harder to help the organisation successful when they will see themselves as a part of the hotel property. So the organisations must have to build strong relationship with the outsourcing agencies. To provide skilled and excellent product and services to the customer it is important to determine human resource needs because "What we don't know will hurt us". Therefore to achieve this goal, full alignment of working skills according to the Industry demand must be in place and modification in the education and training being offered by the educational institutions. Several limitations of this study are to be noted. Beyond conceptualizations of human resource needs, research is needed that more explicitly considers several sampling issues that are likely to impact the reliability and validity of empirical investigation. Further researches may investigate HR managerial capabilities to derive benefits such as accessibility and cost to meet the HR requirements which helps to find out the issues concerning local HR needs.

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