



Human Resource Management Practices in India: A Study Chain Hotels & Independence Hotels in Varanasi City

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ABSTRACT

Human Resource Management as a discipline has been in existence for decades. However researchers have continued investigating various Human Resource Management practices and whether these practices are influenced by various demographic factors pertaining to industries and organizations. Researchers of this study are in pursuit of identifying Human Resource Management practices in the hotel industry in India in relation to demographic factors such as ownership of hotel and type of hotels. For the purpose of this study, ownership is defined as whether the hotel is owned by a foreign investor or domestic investor. Type of hotel is defined as whether the hotel belongs to a hotel chain or an independent hotel. The set of Human Resource Management practices of hotels was identified using the list of Human Resource Management practices prepared by Hoque for his research on Human Resource Management practices and performance of hotel in UK. Hoque's list of Human Resource Management practices covers eight areas of Human Resource Management practices and each area comprises of several Human Resource Management practices belonging to that particular area of Human Resource Management. Seventy six hotels responded to the questionnaire belonging to six tourist destinations in India. Overall there are 25 Human Resource Management practices in the list. Based on finding, it was concluded that there is a significant relationship between the type of hotel and Human Resource Management practices

KEYWORDS : Human Resource Management Practices, Hotel Industry, Tourism, Ownership, Type of Hotels

Introduction

The concept of Human Resource Management (HRM) emerged in the early 1980s and continues to evolve as a separate field of study. Extant literature suggests that (Beer et al. 1985) Harvard University and (Fombrun et al. 1984) Michigan University contributed to the initial frameworks on Human Resource Management (Truss et al. 1997). According to Schneider and Bowen (1993) effective utilization of human resources provides a competitive edge for organizations (Chand & Katou 2007). Thus, human resource management practices are an important component of the process of Human Resource Management and is important to investigate the adoption of human resource management practices in service industry. Since, service industry is mainly driven by efficiency and effectiveness of employees in organizations.

Current Human Resource Management literature identifies significant and positive relationship between human resource management and organizational performance. Therefore, managing human resources in an organization is very important towards achieving organizational goals and objectives. The hotel industry is necessarily labour intensive and this makes Human Resource Management practices particularly important and it should develop effective human resource practices and policies to achieve competitive success (Alleyne et al. 2006). Research on Human Resource Management practices in the Service sector industries is relatively few and the hotel sector is a major segment of service industry (Collier & Gregory, 1995). According to Hoque (1999, p. 420) the hotel industry has typically reported poor practices and a lack of interest in Human Resource Management among managers". However interest in Human Resource Management within the hotel industry has significantly increased over the years and heterogeneity in the service sector is identified as an obstacle to investigate the sector as whole (Hoque, 1999; Chand & Katou 2007).

Tourism and Hotel Industry in Varanasi India

Tourism is the fourth largest foreign exchange earner in India. In the year 2007 tourism earned US \$ 384.4 million as foreign exchange, and this was a contribution of 3.1% to the total foreign exchange earnings in India (India Tourism Development Authority, 2007). Employment generation in the tourism sector grew by 8.7% in 2007. This emphasis that the Indian hotel industry has continued to grow and has a significant role in the economy. Therefore, examining the hotel industry in Varanasi India is significant in current context. Furthermore, Human Resource Management is relatively new to Indian organizations and there is little information on how Indian organizations are embedding Human Resource Management. Hence exploring Human Resource Management practices in hotels in Varanasi India would provide insights on how Human Resource Management is shaping these organizations.

Previous studies in hotel industries have examined whether Human Resource Management practices are significantly influenced by ownership of hotel or type of hotel. The study conducted by Timo and Davidson (2005) compared Human Resource Management practices in Australian hotels based on type of ownership: whether hotels are MNCs or domestically owned. In their study, the domestically owned hotels were very few but yet the researchers found significant differences of Human Resource Management practices based on the ownership. Further the study conducted by Chand and Katou (2007) type of hotel: chain or independent as a variable. Despite of lack of literature literature on hotel industry ownership and types of hotel in Varanasi India, it is observable that these two factors are important determinants to investigate.

Statement of the Problem

It's generally agreed that contemporary management literature as well as concepts have emerged in post industrial revolution era where manufacturing industry continued to be the soul of economies and this led to the emergence of research in an industrial setting. Post World War II, services industries continued to expand and economies have experienced transformation from a traditional industrial setting to an emerging service industry landscape.

Hospitality industry is considered a sub category within the services industry and has experienced significant growth with expanding global economy and positive changes pertaining to travel and hospitality industry in global environment. Further, services industry is widely accepted to be driven by customer satisfaction and therefore human resources are essential component of service delivery. Therefore investigating practices in a labour intensive industry such as hotel is important.

Studies conducted by Hoque (1999), Alleyne et al. (2006) and Chand and Katou (2007) have examined Human Resource Management practices in hotel industry in UK, Barbados and India respectively. Although the studies have been conducted in different years and there is a significant gap between the studies, comparison of Human Resource Management practices in these studies provide significant insights on the adoption of HR practices in three countries.

Based on the findings of the above studies it can be stated that Human Resource Management in the hotel industry is widely adopted and researches are emerging from developed and emerging markets examining Human Resource Management practices. Therefore, this study focuses on identifying Human Resource Management practices in the Hotel industry in India and whether there is a significant differ-

ence in Human Resource Management practices in chain hotels and independent hotels.

Methodology

According to India Tourism Development Authority (2007) there were 245 hotels in the six major tourist areas. Samples of hundred (100) hotels were selected using stratified random sampling method. Seventy six (76) hotels responded to the questionnaire on Human Resource Management practices. Out of the 76 questionnaires received one (01) of the questionnaire was removed as it was incomplete. Hence a total of seventy five (75) questionnaires were used for the analysis.

A questionnaire was designed to collect data from hotels. The questionnaire is constituted of hotel profile, HR department profile, and HR practices. Hotel profile section of the questionnaire includes questions related to demography of the hotels. The HR department profile section of the questionnaire include questions on size of the HR department, job designation of HR personnel, qualifications and experience of the HR personnel. HR practices section of the questionnaire includes questions on HR practices as used in the study conducted in UK hotel industry [6]. The same questionnaire was also adopted in the study conducted in Barbados.

The present study was undertaken through extensive study of secondary data, mainly literature review from various journals, magazines, newspapers, world wide web, ministry and hotel association reports like that of FHRAI, MOT-GOI. The main aim was to get insights of present hospitality education and to search various challenges faced by industry and educational institutes in India. Primary data from personal interview with student of hotel management institutes, faculty and managers of hotels. (10 institutes and five hotels (03 star to 05 star category).

Data Analysis and Discussion

Initial discussion of the analysis provides an overview on background data pertaining to the study. As mentioned earlier, tourism regions are categorized into 6 major destinations, in India. Table 1 classifies the respondents (hotels) according to these regions.

Majority (41.3%) of the hotels responded to the survey comes from South Coast. The second most respondents comes from Ancient cities which is 24%. Respondents from Varanasi city and outer Varanasi area are 14.7% and 8% respectively. Rest of the respondents comes from other destination Table 2: Hotel Ownership

Ownership	Frequency	Percent
Domestic	42	84.0
Foreign	08	16.0
Total	50	100.0

According to data on hotel ownership provided in Table 2, it can be stated that 85.3% of the hotels responded to the questionnaire were domestically owned hotels and 14.7% were hotels with foreign ownership. Table 3 provides details on type of hotel. Based on the findings, it is identified that 58% of the hotels responded were belonging to the chain hotel type whereas the balance 42% belongs to the independent hotel type.

Table 3: Type of Hotel

Type of Hotel	Frequency	Percent
Chain	12	24.0
Independent	38	76.0
Total	50	100.0

The study employed a questionnaire developed by Hoque and has been used in UK, Barbados and in India. Hence there is evidence to support reliability of the questionnaire. However the authors performed a reliability test for the questionnaire and found Cronbach Alpha a value of 0.863 which is higher than the required 0.70 (Hair et al. 1998).

As the data in the study categorical in nature, Spearman correlation was performed to identify any association between hotel types And Human Resource Management practices.

Conclusion

Tourism industry is the fourth highest forex earner for India and its contribution to economy is significant. Because hotel industry plays a pivotal role in a emerging economy in India it is important in engaging research that support and facilitate continued growth of the industry from different disciplines. Based on above premise, this study investigated whether there is a significant difference of HUMAN RESOURCE MANAGEMENT practices in relation to ownership of hotel and type of hotel in India. A questionnaire which was previously used to examine HUMAN RESOURCE MANAGEMENT practices in hotel industry was utilized for the study. Seventy six hotels out of hundred selected hotels responded to the questionnaire. T-tests were employed to examine whether ownership and type of hotel influenced differences in HUMAN RESOURCE MANAGEMENT practices. Based on findings, it can be concluded that HUMAN RESOURCE MANAGEMENT practices are not significantly different based on ownership of hotel or type of hotel.

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