



EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON SERVICE PERFORMANCE OF HOSPITALITY INDUSTRY IN TAMIL NADU

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ABSTRACT

The success of hospitality industry is highly depending on correct, valuable, efficient communication, human resources and practices as it relies on fulfilling the needs of mandatory standards and norms. Significant difference is prevailing among profile of employees and human resource management practices in hospitality industry. Compensation, teamwork, trainings, performance appraisal and recruitment and selection have significant and positive effect on service performance of hospitality industry. In order to improve service performance, the hospitality industry should appoint employees immediately when vacancies arise and it must pay enough salary and reward for best performing employees and it should give incentives for good services of employees.

KEYWORDS : Hospitality Industry, Human Resource Management Practices, Service Performance

1. INTRODUCTION

Human resources are highly important and exclusive property of organizations. The managing human resources of any organization efficiently are exhilarating, vibrant and difficult activity, particularly in the globalization era (Hoque, 2000). The insufficiency of talented human resources and the increasing anticipations of the recent day employees have raised the difficulty of activities of human resources (Boxall and Purcell, 2000). The management of human resources is highly depending upon the management of organization and it looks different process of human resources that are related with absorbing, encouraging and developing human resources for the competitive advantage of organization.

The hospitality industry has a business turnover of nearly four trillion dollar within the world economy and it covers wide variety of services, but not restricted to hotels, casinos, food and tourism (Kelliher and Perrett, 2001). At the same time, tourism is the primary element of hospitality industry as it creates large amount of employment and revenue. In the hospitality industry, business success is highly depending on correct, valuable, efficient communication, human resources and practices as it relies on fulfilling the needs of mandatory standards and norms (Riley et al 2000). The best human resource management practices especially in hospitality industry increase quality and service performance and align with strategies and objectives. Besides, it provides better work environment, culture and motivation for employees in order to deliver high standard of services to its guests (Gowrishankar, 2017). Therefore, it is important to study effect of human resource management practices on service performance of hospitality industry.

2. REVIEW OF LITERATURE

Tang and Tang (2011) found that highly involved employees provided higher standards of service performance to their guests. The service performance of employees was improved through trainings, appraisal of performance, rewards, appreciation and encouraging employees to involve in making decision. Nakhleh et al (2012) concluded practices for human resources namely selection, training, performance appraisal and rewards were positively and significantly impacting performance of hotels and also of employees.

Boella and Turner (2013) revealed recruitment, orientation, training compensation and performance appraisal had positive impact on service performance of hospitality companies. Nivethitha et al (2014) indicated that hospitality industry was highly depending on human resource management practices for employees. A clear recruitment and selection process, training and assessment of performance were important practices that affected service delivery of employees.

Kannan and Ravichandran (2015) showed that selection, training,

compensation and performance assessment were positively and significantly affecting performance of employees in hospitality industry. Pillai and Abraham (2016) found that efficient implementation of recruitment process, training, compensation, performance evaluation and mechanism for solving complaints were significantly influencing performance of hospitality organization. Martins et al (2017) concluded that selection, training, communication and sharing of information had positive and significant impact on service performance of employees in hospitality companies.

3. OBJECTIVES OF THE STUDY

1. To study human resource management practices in hospitality industry.
2. To scrutinize difference among profile of employees and human resource management practices in hospitality industry.
3. To assess effect of human resource management practices on service performance of hospitality industry.

4. HYPOTHESES OF THE STUDY

1. There is no significant difference in human resource management practices in hospitality industry among profile of employees.
2. There is no significant effect of human resource management practices on service performance of hospitality industry.

5. RESEARCH METHODOLOGY

The present study is done in Tamil Nadu state. The employees of hospitality industry are chosen by using random sampling technique. The questionnaire method is used to gather data from 250 employees of hospitality industry. Percentages are calculated for understating profile of employees and mean and standard deviation are worked out for human resource management practices in hospitality industry. The t-test and F-test are carried out to scrutinize difference among profile of employees and human resource management practices in hospitality industry. The multiple regression analysis is done to assess the effect of human resource management practices on service performance of hospitality industry.

6. RESULTS AND DISCUSSION

6.1. PROFILE OF EMPLOYEES

The profile of employees is given in Table-1. The findings exhibit 57.60 per cent of employees are males, whilst, 42.40 per cent of them are females and 31.60 per cent of them are coming under age category of 31 – 35 years, whilst, 13.60 per cent of them are coming under age category of 41 – 45 years. The findings display 43.60 per cent of employees are having secondary education, whilst, 24.40 per cent of them are under graduates and 34.40 per cent of them are having 5 – 8 years of working experience, whilst, 16.00 per cent of them are having more than 12 years of working experience. The findings explain 36.00 per cent of employees are having monthly

income of Rs.10,001 – Rs.15,000, whilst, 14.80 per cent of them are having monthly income of above Rs.20,000 and 70.40 per cent of them are married, whilst, 29.60 per cent of them are unmarried.

Table-1. Profile of Employees

Profile	Number of Employees	Percentage
Gender	250	
Male	144	57.60
Female	106	42.40
Age Category		
21 – 25 Years	41	16.40
26– 30 Years	52	20.80
31 – 35 Years	79	31.60
36 – 40 Years	44	17.60
41 – 45 Years	34	13.60
Education		
Secondary	109	43.60
Higher Secondary	80	32.00
Under Graduation	61	24.40
Working Experience		
Less than 4 Years	47	18.80
5 – 8 Years	86	34.40
9 – 12 Years	77	30.80
More than 12 years	40	16.00
Monthly Income		
Below Rs.10,000	39	15.60
Rs.10,001 – Rs.15,000	90	36.00
Rs.15,001 – Rs.20,000	84	33.60
Above Rs.20,000	37	14.80
Marital Status		
Married	176	70.40
Unmarried	74	29.60

6.2. HUMAN RESOURCE MANAGEMENT PRACTICES IN HOSPITALITY INDUSTRY

The views of employees on human resource management practices in hospitality industry are given as below.

6.2.1. RECRUITMENT AND SELECTION

The view of employees on recruitment and selection in hospitality industry is given in Table-2.

Table-2. Recruitment and Selection

Recruitment and Selection	Mean	Standard Deviation
The recruitment is carried out through advertisements	3.79	0.94
The selection is made based on knowledge and skills	3.82	0.93
The induction is carried out to help new recruits to know hospitality industry	3.80	0.91
Appointments are made based on merit	3.75	0.89
<i>The hospitality industry fills vacancies immediately</i>	3.36	0.83

The employees are agreed with the recruitment is carried out through advertisements, the selection is made based on knowledge and skills, the induction is carried out to help new recruits to know hospitality industry and appointments are made based on merit, while, they are neutral with the hospitality industry fills vacancies immediately.

6.2.2. COMPENSATION

The view of employees on compensation in hospitality industry is given in Table-3.

Table-3. Compensation

Compensation	Mean	Standard Deviation
The hospitality industry gives sufficient salary	3.32	0.99
Benefits and pay they get is equal with other hospitality enterprises	3.81	1.01
Benefits and pay are associated with their service performance	3.72	1.20
Rewards are given to better services	3.39	0.88
Incentives are given for good services	3.30	0.82

The employees are agreed with benefits and pay they get is equal with other hospitality enterprises, benefits and pay are associated with their service performance, while, they are neutral with the hospitality industry gives sufficient salary, rewards are given to better services and incentives are given for good services.

6.2.3. TRAINING

The view of employees on training in hospitality industry is given in Table-4.

Table-4. Training

Training	Mean	Standard Deviation
The wide range of trainings are provided to employees	3.34	0.91
Employees have chances to learn through trainings	3.78	1.03
Suitable trainings are provided to meet requirements of jobs	3.83	0.94
Need based trainings are given to employees	3.85	1.02
<i>Trainings enhances abilities of employees</i>	3.74	0.95

The employees are agreed with employees have chances to learn through trainings, suitable trainings are provided to meet requirements of jobs, need based trainings are given to employees and trainings enhances abilities of employees, while, they are neutral with the wide range of trainings are provided to employees.

6.2.4. TEAMWORK

The view of employees on teamwork in hospitality industry is given in Table-5.

Table-5. Teamwork

Teamwork	Mean	Standard Deviation
The hospitality industry supports team work	3.90	0.90
Employees are encouraged to take part in making decision	3.38	1.01
Employees are permitted to give suggestions for improvements	3.86	1.05
Teamwork improves service performance of employees	3.91	0.93
<i>Employees have faith on their team members</i>	3.93	0.98

The employees are agreed with the hospitality industry supports team work, employees are permitted to give suggestions for improvements, teamwork improves service performance of employees and employees have faith on their team members, while, they are neutral with employees are encouraged to take part in making decision.

6.2.5. PERFORMANCE APPRAISAL

The view of employees on performance appraisal in hospitality industry is given in Table-6.

Table-6. Performance Appraisal

Performance Appraisal	Mean	Standard Deviation
Performance appraisal is done for development of employees	3.84	1.04

Performance appraisal is carried out based on set objectives	3.88	1.05
Employees are eagerly participating in performance appraisal	3.35	1.18
Feedback of performance appraisal is given to employees	3.87	1.08
Performance appraisal is done in transparent manner	3.33	1.16

The employees are agreed with performance appraisal is done for development of employees, performance appraisal is carried out based on set objectives and feedback of performance appraisal is given to employees, while, they are neutral with employees are eagerly participating in performance appraisal and performance appraisal is done in transparent manner.

6.3. PROFILE OF EMPLOYEES AND HUMAN RESOURCE MANAGEMENT PRACTICES IN HOSPITALITY INDUSTRY

To inspect difference between profile of employees and human resource management practices in hospitality industry, t-test and ANOVA (Analysis of Variance) test are done and the results are given in Table-7.

Table-7. Difference between Profile of Employees and Human Resource Management Practices in Hospitality Industry

Particulars	t-Value / F-Value	Sig.
Gender and Human Resource Management Practices	5.270** (t-value)	.000
Age Category and Human Resource Management Practices	4.348**	.000
Education and Human Resource Management Practices	6.012**	.000
Working Experience and Human Resource Management Practices	6.356**	.000
Monthly Income and Human Resource Management Practices	6.125**	.000
Marital Status and Human Resource Management Practices	4.614** (t-value)	.000

** Significant at 1 % level

The t-values and F-values are demonstrating significant difference exists in human resource management practices in hospitality industry among profile of employees at one cent level. Thus, the null hypothesis is not accepted.

6.4. EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON SERVICE PERFORMANCE OF HOSPITALITY INDUSTRY

To assess the effect of human resource management practices on service performance of hospitality industry, the multiple regression analysis is used and the results are given in Table-8. The R2 and adjusted R2 are 0.56 and 0.54 respectively implying the regression model has good fit and it is revealing 54 per cent of variation in dependent variable is contributed by independent variables. The F-value of 17.285 is disclosing the model is significant at one per cent level of significance.

Table-8. Effect of Human Resource Management Practices on Service Performance of Hospitality Industry

Human Resource Management Practices	Regression Co-efficients	t-Value	Sig.
Intercept	1.012**	9.758	.000
Recruitment and Selection (X ₁)	.027**	4.332	.000
Compensation (X ₂)	.056**	6.426	.000
Training (X ₃)	.039**	5.570	.000
Teamwork (X ₄)	.048**	5.915	.000
Performance Appraisal (X ₅)	.035**	4.864	.006
R ²	0.56	-	-
Adjusted R ²	0.54	-	-
F	17.285	-	.000

** Significant at 1 % level

The findings explicate that compensation, teamwork, trainings, performance appraisal and recruitment and selection have positive and significant effect on service performance of hospitality industry at one per cent level. Thus, the null hypothesis is not accepted.

7. CONCLUSION

The findings of this study disclose that recruitment and selection, compensation, training, teamwork and performance appraisal are human resource management practices adopted in hospitality industry. Significant difference is prevailing among profile of employees and human resource management practices in hospitality industry. Compensation, teamwork, trainings, performance appraisal and recruitment and selection have significant and positive effect on service performance of hospitality industry. In order to improve service performance, the hospitality industry should appoint employees immediately when vacancies arise and it must pay enough salary and reward for best performing employees and it should give incentives for good services of employees. Additionally, the hospitality industry must give a variety of trainings to employees and it should permit employees in decision making process. The hospitality industry must motivate employees to participate in performance appraisal and it should ensure transparency of performance appraisal.

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