



## EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON JOB PERFORMANCE OF EMPLOYEES IN LUXURY HOTELS IN COCHIN

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### ABSTRACT

The hotel industry is highly labour intensive in nature and this creates practices of human resource management highly significant and it compels to develop efficient plans and practices for management of human resources to meet its business objectives. Recruitment and selection, compensation, training and development, teamwork and performance appraisal are main human resource management practices adopted in luxury hotels. Significant difference is there among socio-economic profile of employees and their perception towards human resource management practices in luxury hotels. Performance appraisal, compensation, teamwork, training and development and recruitment and selection are positively and significantly effecting job performance of employees in luxury hotels. To enhance human resource management practices, luxury hotels should fill vacancies without delay and they must give enough salary to their employees and they should provide compensation as employees expected. Luxury hotels must arrange sufficient number of trainings to their employees and they should give trainings in all departments for their employees. Besides, improving performance appraisal, increasing compensation, building teamwork, intensifying training and development and recruitment and selection can increase job performance among employees in luxury hotels in Cochin.

**KEYWORDS :** Employees, Human Resource Management, Job Performance, Luxury Hotels

### 1. INTRODUCTION

All service organizations have to manage their human resources efficiently in order to give better quality of services for their consumers, to increase their performance and also profitability (Cristiani and Peiro, 2014). If the organizational success relies on knowledge, skills and experience of its employees, it is highly imperative to manage and keep them effectively; hence, they can significantly contribute to achieve objectives of organizations (Lo et al 2015).

Human resource management practices are a group of organizational functions which are used to manage and improve human resources and assuring that these important resources are utilized efficiently in order to attain goals of organization (Wright and Boswell, 2002). The implementation of bunch of human resource management practices has capability to influence performance of organization effectively by making strong linkage or to disconnect from performance while some kind of practices are unintentionally put in the mix (Wagar and Rondeau, 2006).

The hotel industry is highly labour intensive in nature and this creates practices of human resource management highly significant and it compels to develop efficient plans and practices for management of human resources to meet its business objectives (Alleyne et al 2006). So, it is necessary to retain knowledgeable and skillful employees intact with hotels through better human resource management practices because they contribute significantly to overall performance of hotels and employees (Chand and Katou, 2007). Among various categories of hotels, luxury hotels provide comfortable boarding and lodging, high quality services and enjoyment to their consumers. In order to provide these experiences to consumers, employees of luxury hotels need to perform their jobs in the most efficient ways and it is mainly depending on human resource management practices of luxury hotels. Therefore, it is important to examine effect of human resource management practices on job performance of employees in luxury hotels in Cochin.

### 2. REVIEW OF LITERATURE

Kong et al (2011) concluded that recruitment and selection, training and development and salary package were the predominant human resource management practices in hotels of China. Nakhleh et al (2012) found that selection and recruitment, training, rewards

and performance appraisal had positive and significant impact on performance of hotel employees.

Nickson (2013) revealed that effective human resource management practices were directly linked with performance of organization and employees, delivery of services and competitiveness. Okoth (2014) showed that rewards for employees were positively and significantly correlated with their performance. Kannan and Ravichandran (2015) indicated that human resource management practices were positively and significantly influencing performance of five star hotels and at the same time, no difference in human resource management practices between independent and chain hotels. Silva and Martins (2016) concluded that existing human resource management practices were directly affecting performance of employees and hotels and behaviour of employees.

Gowrishankar (2017) revealed that recruitment, training and development, performance appraisal and compensation were the important human resource management practices in five star hotels.

### 3. RESEARCH METHODOLOGY

The present study is done in Cochin city. The employees of luxury hotels are selected by using random sampling method. The structured questionnaire is used to collect data from 250 employees of luxury hotels. Percentages are calculated to know socio-economic profile of employees and mean and standard deviation are worked out to understand perception of employees towards human resource management practices in luxury hotels. The t-test and F-test are done to scrutinize difference among socio-economic profile of employees and their perception towards human resource management practices in luxury hotels. The multiple regression analysis is carried out to analyze effect of human resource management practices on job performance of employees in luxury hotels.

### 4. RESULTS AND DISCUSSION

#### 4.1. SOCIO-ECONOMIC PROFILE OF EMPLOYEES

The socio-economic profile of employees of luxury hotels is given in Table-1. The findings elucidate 53.60 per cent of employees are males, while, 46.40 per cent of them are females and 30.80 per cent of them are in the age category of 31 – 35 years, while, 10.80 per cent of them are in the age category of more than 40 years. The findings explicate 40.40 per cent of employees are possessing college

education, while, 27.20 per cent of them are possessing school education and 33.60 per cent of them are having 5 – 8 years of working experience, while, 16.00 per cent of them are having 1 – 4 years of working experience.

**Table-1. Socio-Economic Profile of Employees of Luxury Hotels**

Socio-Economic Profile	Number of Employees (n = 250)	Percentage
<b>Gender</b>		
Male	134	53.60
Female	116	46.40
<b>Age Category</b>		
21 – 25 Years	48	19.20
26 – 30 Years	59	23.60
31 – 35 Years	77	30.80
36 – 40 Years	39	15.60
More than 40 Years	27	10.80
<b>Education</b>		
School	68	27.20
Diploma	81	32.40
College	101	40.40
<b>Working Experience</b>		
1 – 4 Years	40	16.00
5 – 8 Years	84	33.60
9 – 12 Years	79	31.60
More than 12 years	47	18.80
<b>Monthly Income</b>		
Less than Rs.15,000	56	22.40
Rs.15,001 – Rs.20,000	80	32.00
Rs.20,001 – Rs.25,000	71	28.40
More than Rs.25,000	43	17.20
<b>Marital Status</b>		
Married	176	70.40
Unmarried	74	29.60

The findings explain 32.00 per cent of employees are earning monthly income of Rs.15,001 – Rs.20,000, while, 17.20 per cent of them are earning monthly income of more than Rs.25,000 and 70.40 per cent of them are married, while, 29.60 per cent of them are unmarried.

**4.2. Perception Of Employees Towards Human Resource Management Practices In Luxury Hotels**

The perception of employees towards human resource management practices in luxury hotels are given as below.

**4.2.1. RECRUITMENT AND SELECTION**

The perception of employees towards recruitment and selection in luxury hotels is given in Table-2.

**Table-2. Recruitment and Selection**

Recruitment and Selection	Mean	Standard Deviation
Luxury hotels recruit employees through open advertisements	3.88	1.07
Luxury hotels have good recruitment polices	3.90	1.03
Luxury hotels select employees on the basis of skills	3.85	1.09
Luxury hotels have standard recruitment procedure	3.84	1.05
Luxury hotels fill vacancies without delay	3.21	1.13

The employees are agreed with luxury hotels recruit employees through open advertisements, luxury hotels have good recruitment polices, luxury hotels select employees on the basis of skills and luxury hotels have standard recruitment procedure, while, they are neutral with luxury hotels fill vacancies without delay.

**4.2.2. COMPENSATION**

The perception of employees towards compensation in luxury hotels is given in Table-3.

**Table-3. Compensation**

Compensation	Mean	Standard Deviation
Luxury hotels give enough salary to their employees	3.30	1.01
Benefits received by employees are equal with other luxury hotels	3.78	1.03
Compensation is directly related with performance of employees in luxury hotels	3.86	1.05
Luxury hotels provide compensation as employees expected	3.34	1.04
Luxury hotels give rewards to their employees for excellent performance	3.89	1.08

The employees are agreed with benefits received by employees are equal with other luxury hotels, compensation is directly related with performance of employees in luxury hotels and luxury hotels give rewards to their employees for excellent performance, while, they are neutral with luxury hotels give enough salary to their employees and luxury hotels provide compensation as employees expected.

**4.2.3. TRAINING AND DEVELOPMENT**

The perception of employees towards training and development in luxury hotels is given in Table-4.

**Table-4. Training and Development**

Training and Development	Mean	Standard Deviation
Luxury hotels give a variety of trainings to their employees	3.87	0.97
Employees have opportunities to learn new things through trainings of luxury hotels	3.91	0.91
Luxury hotel arrange sufficient number of trainings to their employees	3.29	0.83
Luxury hotels provide trainings for development of their employees	3.92	0.95
Luxury hotels give trainings in all departments for their employees	3.27	0.77

The employees are agreed with luxury hotels give a variety of trainings to their employees, employees have opportunities to learn new things through trainings of luxury hotels and luxury hotels provide trainings for development of their employees, while, they are neutral with luxury hotel arrange sufficient number of trainings to their employees and luxury hotels give trainings in all departments for their employees.

**4.2.4. TEAMWORK**

The perception of employees towards teamwork in luxury hotels is given in Table-5.

**Table-5. Teamwork**

Teamwork	Mean	Standard Deviation
Luxury hotels promote teamwork	3.81	1.04
Luxury hotels encourage employees to involve in decision making at all levels	3.32	1.01
Luxury hotels allow employees to give suggestions	3.79	0.95
Teamwork increases performance of employees in luxury hotels	3.83	1.05
Employees of luxury hotels have trust on members of their team	3.77	0.94

The employees are agreed with luxury hotels promote teamwork, luxury hotels allow employees to give suggestions, teamwork increases performance of employees in luxury hotels and

employees of luxury hotels have trust on members of their team, while, they are neutral with luxury hotels encourage employees to involve in decision making at all levels.

**4.2.5. PERFORMANCE APPRAISAL**

The perception of employees towards performance appraisal in luxury hotels is given in Table-6.

**Table-6. Performance Appraisal**

Performance Appraisal	Mean	Standard Deviation
Performance is appraised on the basis of pre-stated objectives in luxury hotels	3.94	0.97
Performance appraisal is carried out for enrichment of employees' performance in luxury hotels	3.95	0.93
Employees of luxury hotels are enthusiastically participated in process of performance appraisal	3.25	1.02
Luxury hotels give results of performance appraisal to their employees	3.82	0.99
Performance appraisal in luxury hotels is not biased one	3.37	0.86

The employees are agreed with performance is appraised on the basis of pre-stated objectives in luxury hotels, performance appraisal is carried out for enrichment of employees' performance in luxury hotels and luxury hotels give results of performance appraisal to their employees, while, they are neutral with employees of luxury hotels are enthusiastically participated in process of performance appraisal and performance appraisal in luxury hotels is not biased one.

**4.3. Socio-economic Profile Of Employees And Their Perception Towards Human Resource Management Practices In Luxury Hotels**

To scrutinize difference among socio-economic profile of employees and their perception towards human resource management practices in luxury hotels, t-test and ANOVA test are done and the results are given in Table-7.

**Table-7. Difference among Socio-Economic Profile of Employees and their Perception towards Human Resource Management Practices in Luxury Hotels**

Particulars	t-Value / F-Value	Sig.
Gender and Perception towards Human Resource Management Practices in Luxury Hotels	4.116** (t-value)	.000
Age Category and Perception towards Human Resource Management Practices in Luxury Hotels	5.965**	.000
Education and Perception towards Human Resource Management Practices in Luxury Hotels	5.240**	.000
Working Experience and Perception towards Human Resource Management Practices in Luxury Hotels	3.883**	.010
Monthly Income and Perception towards Human Resource Management Practices in Luxury Hotels	4.018**	.000
Marital Status and Perception towards Human Resource Management Practices in Luxury Hotels	4.092** (t-value)	.000

\*\* Significant at 1 % level

The t-values and F-values are demonstrating that significant difference is prevailing in perception of employees towards human resource management practices in luxury hotels among their socio-

economic profile at one cent level. Thus, the null hypothesis of no significant difference among perception of employees towards human resource management practices in luxury hotels and their socio-economic profile is not accepted.

**4.4. Effect Of Human Resource Management Practices On Job Performance Of Employees In Luxury Hotels**

To analyze effect of human resource management practices on job performance of employees in luxury hotels, multiple regression analysis is carried out and the results are given in Table-8. The R2 and adjusted R2 are 0.55 and 0.53 respectively illustrating the regression model is at good fit and it is informing 53 per cent of variation in dependent variable is shared by independent variables. The F-value of 18.724 is pointing out the model is significant at one per cent level of significance.

**Table-8. Effect of Human Resource Management Practices on Job Performance of Employees in Luxury Hotels**

Human Resource Management Practices	Regression Co-efficients	t-Value	Sig.
Intercept	1.017**	10.085	.000
Recruitment and Selection (X1)	.298**	7.112	.000
Compensation (X2)	.426**	8.264	.000
Training and Development (X3)	.340**	7.580	.000
Teamwork (X4)	.382**	7.835	.000
Performance Appraisal (X5)	.454**	8.746	.000
R2	0.55	-	-
Adjusted R2	0.53	-	-
F	18.724	-	.000

\*\* Significant at 1 % level

The findings clarify that performance appraisal, compensation, teamwork, training and development and recruitment and selection have positive and significant effect on job performance of employees in luxury hotels at one per cent level. Hence, the null hypothesis of no significant effect of human resource management practices on job performance of employees in luxury hotels is not accepted.

**5. CONCLUSION**

The above findings disclose recruitment and selection, compensation, training and development, teamwork and performance appraisal are main human resource management practices adopted in luxury hotels. Significant difference is there among socio-economic profile of employees and their perception towards human resource management practices in luxury hotels. Performance appraisal, compensation, teamwork, training and development and recruitment and selection are positively and significantly affecting job performance of employees in luxury hotels.

To enhance human resource management practices, luxury hotels should fill vacancies without delay and they must give enough salary to their employees and they should provide compensation as employees expected. Luxury hotels must arrange sufficient number of trainings to their employees and they should give trainings in all departments for their employees. Luxury hotels must encourage their employees to involve in decision making at all levels and they should motivate employees to participate enthusiastically in process of performance appraisal and they must ensure employees performance appraisal is free from biases. In the meantime, improving performance appraisal, increasing compensation, building teamwork, intensifying training and development and recruitment and selection can increase job performance among employees in luxury hotels in Cochin.

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