

Human Resource Management Practices in the Hotel Industry in Karnataka State

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ABSTRACT

Human Resource Management as a discipline has been in existence for decades. However researchers have continued investigating various HRM 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 HRM practices in the hotel industry in Karnataka 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 HRM practices of hotels was identified using the list of HRM practices prepared by Hogue for his research on HRM practices and performance of hotel in UK. Hogue's list of HRM practices covers eight areas of HRM practices and each area comprises of several HRM practices belonging to that particular area of HRM. Seventy six hotels responded to the questionnaire belonging to six tourist destinations in karnataka. Overall there are 25 HRM practices in the list. Based on finding, it was concluded that there is a significant relationship between the type of hotel and HRM practices.

Keywords: HRM Practices, Hotel Industry, Tourism, Ownership, Type of Hotel

1. 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 thus, human resource management practices are an important component of the process of HRM 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 HRM 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 labor intensive and this makes HRM practices particularly important and it should develop effective human resource practices and policies to achieve competitive success. Researches on HRM practices in the Service sector industries are relatively few and the hotel sector is a major segment of service industry. According to Hoque (1999, p. 420) the hotel industry has typically reported poor practices and a lack of interest in HRM among managers. However interest in HRM 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.

TOURISM AND HOTEL INDUSTRY IN KARNATAKA

Tourism is the fourth largest foreign exchange earner in Karnataka. 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 Karnataka (Karnataka Tourism Development Authority, 2007). Employment generation in the tourism sector grew by 8.7% in 2007. This emphasizes that the Karnataka hotel industry has continued to grow and has a significant role in the economy. Therefore, examining the hotel industry in Karnataka is significant in current context. Furthermore, HRM is relatively new to Karnataka organizations and there is little information on how Karnataka organizations are embedding HRM. Hence exploring HRM practices in hotels in Karnataka would provide insights on how HRM is shaping these organizations.

Previous studies in hotel industries have examined whether HRM practices are significantly influenced by ownership of hotel or type of hotel. The study conducted by hotels and restaurant compared HRM 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 HRM practices based on the ownership. Further the study conducted by Chand and Katou (2007) used type of hotel: chain or independent as a variable. Despite of lack of literature on hotel industry ownership and types of hotel in Karnataka, it is observable that these two factors are important determinants to investigate.

2. 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 HRM 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 HRM 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 HRM 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 HRM in the hotel industry is widely adopted and researches are emerging from developed and emerging markets examining HRM practices. Therefore, this study focuses on identifying HRM practices in the Hotel industry in Karnataka and whether there is a significant difference in HRM practices in chain hotels and independent hotels.

3. METHODOLOGY

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. The same questionnaire was also adopted in the study conducted in Barbados.

The tourist regions in Karnataka are categorized into six (06) major areas. They are Bangalore City, Greater Bangalore South, East, and Ancient Cities. Based on accommodation capacity, South has the highest accommodation capacity followed by Bangalore City, Greater Bangalore, and Ancient Cities. Accommodation capacity in Up Country and East is very low compared to other tourist regions in the country. According to Karnataka 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 HRM 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.

4. 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 Karnataka. Table 1 classifies the respondents (hotels) according to these regions.

REGIONS OF RESPONDENT HOTELS

REGION	FREQUENCY	PERCENT
Bangalore City	6	8.0
Greater city	11	14.7
Bangalore South	31	41.3
High Country	5	6.7
Ancient Cities	18	24.0
Eastern	2	2.7
Other	2	2.7
Total	75	100.0

TABLE NO 1

Majority (41.3%) of the hotels responded to the survey comes from South. The second most respondents comes from Ancient cities which is 24%. Respondents from Bangalore city and Greater City area are 14.7% and 8% respectively. Rest of the respondents comes from other destinations.

HOTEL OWNERSHIP

OWNERSHIP	FREQUENCY	PERCENT
Domestic	64	85.3
Foreign	11	14.7
Total	75	100.0

TABLE NO 2

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.

TYPE OF HOTEL

TYPE OF HOTEL	FREQUENCY	PERCENT
Chain	44	58.7
Independent	31	41.3
Total	75	100.0

TABLE NO 3

The study employed a questionnaire developed by Hogue 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 Alpha a value of 0.863 which is higher than the required 0.70 (Hair et al. 1998).

RELIABILITY ANALYSIS

ALPHA	NO. OF ITEMS
0.863	25

TABLE NO 4

As the data in the study categorical in nature, Spearman correlation was performed to identify any association between hotel type and HRM practices.

SPEARMAN CORRELATION RESULTS

HRM PRACTICES	OWNERSHIP	TYPE OF HOTEL
Harmonized terms and conditions between management and non-management staff	.109 (.353)	-.140 (.230)
Single status for all staff	.150 (.199)	.045 (.703)
Internal promotion the norm for appointments above the basic levels	.152 (.194)	-.040 (.734)
No compulsory redundancy	-.061 (.603)	-.062 (.595)
Trainability as a major selection criterion	.172 (.142)	-.219 (.059)
Use of psychological tests as the norm for the selection of all staff	-.162 (.166)	.105 (.370)
Multi Skilling & Experience as criteria for the selection of all staff	-.079 (.501)	-.073 (.531)
Deliberate use of realistic job previews during recruitment and selection	.235 (.042)	-.098 (.405)
A formal system for communicating the values and systems in the company to new staff	.129 (.272)	-.069 (.559)
Formal HR planning	.169 (.148)	-.136 (.244)
Career planning	.306 (.008)	-.143 (.222)
Formal training & development	.190 (.103)	.005 (.965)
Deliberate development of a learning organization	.210 (.071)	-.138 (.236)
An explicit policy requiring all staff to spend a specified minimum period annually in formal training	.135 (.249)	-.157 (.178)
Flexible job descriptions that are not linked to one specific task	.122 (.298)	-.032 (.783)
Deliberate design of jobs to make full use of workers' skills and abilities (i.e. use of job enrichment and/or autonomous work groups)	.249 (.031)	-.081 (.491)
Work organized around team working for the majority of staff	.154 (.186)	.016 (.892)
Staff involvement in setting performance targets/objectives	-.101 (.389)	.197 (.091)
Production/service staff responsible for their own quality	.070 (.549)	.002 (.985)
A majority of workers currently involved in quality circles or quality improvement teams	.178 (.126)	.038 (.746)
Regular use of attitude surveys to obtain the views of staff	.214 (.065)	.064 (.583)
A system of regular, planned team briefing or cascade of information from senior management to the lower grades / shop floor during which work stops	.217 (.062)	-.042 (.718)
All staff are informed about the market position, competitive pressures and establishment and company performance as a matter of course	.101 (.387)	-.089 (.450)
A merit element in the pay of staff at all levels	.149 (.201)	.027 (.819)
Formal appraisal of all staff on a regular basis at least annually	.109 (.350)	-.112 (.337)

TABLE NO 5

Further, Table 6 provides data on the mean and significance (p) levels on HRM practices in chain hotels and independent hotels. The authors further conducted the t-Test to determine whether HRM practices in chain hotels are significantly different from independent hotels. However there was no evidence to reject the hypothesis that HRM practices in chain hotels and independent hotels are different. (See Appendix for t-Test results).

HRM PRACTICES

	C HAIN	INDEP END ENT
Harmonized terms and conditions between management and non-management staff	2.6136 (.49254)	2.4516 (.56796)
Single status for all staff	2.1818 (.69123)	2.2581 (.57548)
Internal promotion the norm for appointments above the basic levels	2.5227 (.59018)	2.4516 (.67521)
No compulsory redundancy	2.0682 (.81833)	1.9677 (.79515)
Trainability as a major selection criterion	2.5455 (.54792)	2.2903 (.58842)
Use of psychological tests as the norm for the selection of all staff	1.5682 (.72810)	1.7097 (.73908)
Multi Skilling & Experience as criteria for the selection of all staff	2.4773 (.59018)	2.3548 (.70938)
Deliberate use of realistic job previews during recruitment and selection	2.2955 (.73388)	2.1935 (.60107)
A formal system for communicating the values and systems in the company to new staff	2.5682 (.58658)	2.4839 (.62562)
Formal HR planning	2.3636 (.68509)	2.1935 (.65418)
Career planning	2.3409 (.64495)	2.1613 (.63754)
Formal training & development	2.5227 (.66433)	2.5806 (.50161)
Deliberate development of a learning organization	2.2727 (.75832)	2.0968 (.65089)
An explicit policy requiring all staff to spend a specified minimum period annually in formal training	2.2045 (.73388)	1.9677 (.75206)
Flexible job descriptions that are not linked to one specific task	2.2500 (.75097)	2.1935 (.79244)
Deliberate design of jobs to make full use of workers' skills and abilities (i.e. use of job enrichment and/or autonomous work groups)	2.5909 (.49735)	2.4516 (.67521)
Work organized around team working for the majority of staff	2.6818 (.51817)	2.6452 (.66073)
Staff involvement in setting performance targets/objectives	2.2045 (.82348)	2.5161 (.72438)
Production/service staff responsible for their own quality	2.6136 (.57933)	2.6452 (.48637)
A majority of workers currently involved in quality circles or quality improvement teams	2.0682 (.84627)	2.1290 (.88476)
Regular use of attitude surveys to obtain the views of staff	2.2727 (.69428)	2.3548 (.70938)
A system of regular, planned team briefing or cascade of information from senior management to the lower grades / shop floor during which work stops	2.4773 (.69846)	2.4194 (.71992)
All staff are informed about the market position, competitive pressures and establishment and company performance as a matter of course	2.5227 (.69846)	2.3548 (.83859)
A merit element in the pay of staff at all levels	2.6818 (.60127)	2.7097 (.58842)
Formal appraisal of all staff on a regular basis at least annually	2.7045 (.55320)	2.5806 (.62044)

TABLE NO 6

5. CONCLUSION

Tourism industry is the fourth highest forex earner for Karnataka and its contribution to economy is significant. Because hotel industry plays a pivotal role in a emerging economy in Karnataka 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 HRM practices in relation to ownership of hotel and type of hotel in Karnataka. A questionnaire which was previously used to examine HRM 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 HRM practices. Based on findings, it can be concluded that HRM practices are not significantly different based on ownership of hotel or type of hotel.

6. REFERENCES

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