

THE ROLE OF HUMAN RESOURCE IN HOSPITALITY INDUSTRY: ISSUES AND CHALLENGES

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ABSTRACT

Hospitality industry is a billion dollar industry, which generates its income from the availability of leisure time and disposable income of its customers worldwide including India (WTTC). As per Ministry of Tourism, Government of India, there has been an increased growth in number of International as well as domestic hotel chains have forayed into Indian Subcontinent. Recognizing these very facts Ministry of Tourism, Government of India has anticipated the increase in demand for human resources for this sophisticated trade.

The challenges lie multifold; it includes attracting new talent to meet the growing demands of Hospitality and tourism industry. Employee-expectation management and talent retention will be two pivotal challenges that hospitality will be dealing with in near future. With the recent economic recovery, the work force is once again hoping for revival of study pay scale hikes and performance incentives. Given the current under construction pipeline of hotels and resorts in India, our human resource talent pool is going to be under further duress and hence, retention becomes an issue. In some respects, the employment landscape in the HCT sector, particularly in relation to training and development, has not changed radically as a result of recent economic

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turmoil. Notwithstanding the complexity, fragmentation and diversity of the sector, it has long been recognized that education, vocational training, training upgrades and HRD are Key requisites for the operational effectiveness of the sector.

The competitiveness and productivity of the industry depends on the skills level, the professionalism, the commitment, passion, loyalty and soft skills of the workers, training and skills development remain a priority within the sector. The major area of concern for the Hotel Management is the sustainability of its Human Resource. Skilled and trained Human Resource will ensure the delivery of efficient, high- quality service to the guests. It is the Human Resource which adds the tangible aspect to the services of Hotel Industry. This paper elaborates the issues and constraints relating to sustainability of Human Resource in Hospitality Industry.

INTRODUCTION

Hospitality and Tourism Industry has been acknowledged as one of the largest and fastest growing industry. In a single hospitality unit there are multiple activities such as Management, Marketing and Human Resource. Human Resource is the most important asset of any organization that contributes towards its success. Every hospitality organization needs well trained employees. On the other hand employees also choose the employer on the basis of training and development being offered by the employer.

Today a lot of Business Schools, Government and Private organizations are providing training to aspirants in Hospitality Industry through various courses because well trained and skilled employees are more likely to deliver high quality services. There are many barriers in the training of employees so the services of experts like Professional Trainers and Consultants etc. are availed to overcome these barriers and to ensure harmonious development of employees.

The present study attempts to explore the training techniques being used in Hospitality Industry and the problems faced. Training refers to the instructions provided to enhance the knowledge and skills for the current job. Development on the other hand has broader scope and aims at developing an individual in all respect. Training has been chosen as the topic of this paper because understanding Human Resource Management extensively in business brings unimaginable benefits. Moreover, this is also a great opportunity to get to understand Human Resource Management with a deeper perspective, although Staff Training is just a small part of Human Resource Management. Staff Training is an essential and indispensable part of Human Resource Management, the importance and value of Staff Training has long been recognized.

A popular proverb by Lao Tzu “*Give a person a fish and you feed him for a day. Teach a person to fish and you feed him for a lifetime.*” explains clearly how important it is to train an employee so that he becomes proficient in his work. By observing today’s business climate and the exponential growth in technology with its effect on the economy and society, the need for training is more pronounced than ever.

A research was conducted on “Staff Training and its Importance in the Hotel Industry” in a hotel where the author himself had undergone a practical training. A study was conducted to know the opinion of the employees in various positions like the Front Line Staff, Supervisor, Manager etc. about Staff Training in their Hotel. To draw a conclusion the author went briefly through the whole thesis, discussed about the research study results and on the basis of the results obtained from the research, commented on the attitude of the employees towards the Staff Training and also suggested what the HR Department could do to improve the training methods and get the best results out of that training.

HUMAN RESOURCE IN HOSPITALITY INDUSTRY

The success of any industry depends to a great extent on the quality of the Human Resource and Tourism is no exception. Tourism is Labor Intensive Industry, which provides employment to skilled, semi-skilled and unskilled workers directly and indirectly. The progressive labor force with dynamic management, responsive government and responsible society are the pillars of the Tourism Industry. Traditionally, employment is seen as an area that is reactive to changes in the wide business environment. There is a widely accepted assumption that the role of people within organizations is required to change and develop in response to developments in markets, products and technology. Most of the major tourism companies recognized this assumption and has started organizing work and support Human Resource Functions such as Training and Development. This is possible only when the external labor market permits employers to adapt these changing dimensions.

OBJECTIVES

To provide:

- An industry report consisting of an analysis of the training needs of the Hospitality Industry, also the provision of Training and Education Services to meet those needs.
- An extensive literature review on the opportunities and issues related to the employment of employees in the Hospitality Industry
- A comprehensive analysis of the skills, characteristics and attributes needed to succeed in the Hospitality and Tourism Industry.

HRD: REVIEW OF LITERATURE

Sheikh T.S (1978) in his Ph.D. Thesis “*Personnel Policies and Administration in Urban Banks*” reported that to hire good personnel for Banks, all vacancies should be advertised, selection committee must comprise of experts, all interviews must be formally arranged and proper induction program should be arranged for new employees. He further stated that there should be a separate Human Resource Department, planned Training Programs, clarified Promotion Criteria known to all and a scientific Performance Appraisal System.

Bhatia S.K (1986) in his research article “*Training in Public Enterprises: Future Directions*” reported trends in the area of training in public enterprises in the context of the need to meet the challenges in the public enterprises as Human Resource training would be the dominating concern; Market changes and competition would be another trust area of an environment change, affecting future training goals; and more emphasis had to be placed on training in Attitudes and Behavioral Changes as compared to skills to bring about a change in the work culture. He recommended setting up ‘Training Institute’ for trainers at National level.

Venkataraman K (1986) in his report “*Sensitivity Training to Improve Inter-Relations*” focused on experience based learning of employees, in which they work together in small groups so that it becomes much easier to examine their various experiences, moods and behavior. It is said to provide a low risk environment to a person to experiment with different ways of changing his behavioral pattern. Sensitivity Training is an integral part of HRD used for team building and for attaining organizational goals.

Fernandez Z. B (1987) in his M.Phil dissertation “*A Study of the Impact of Co-Operative Training and Education on Management of Co-Operatives in Kolhapur District*” stressed that practical training is useful to increase the effectiveness of Co-operatives. He further adds that frequent training for new techniques and more visits to different co-operative institutions of knowledge will prove to be effective for the employees of cooperatives.

SCOPE

One of the most important factors of Staff Training is motivating employees and helping them to perform better. Then for the second importance respondents chose Management team can evaluate employee’s performance and Motivates employees and helps them to perform better. Respondents thought trainings Helps organizational development is the most important reason of trainings. Except one respondent considered training not important, participants chose Encourages self development and self-confidence as the least important reason. The results let us know that employees do not consider trainings as a tool for self development or for building up self-confidence, but the trainings are important that they motivate employees to perform better in competition and provide a channel for communication between management and employees as well as management can evaluate the training better in order to set appropriate goals for future trainings and make the best use what employees are good at.

RESEARCH METHODOLOGY

The relevant data for the study has been collected from both the primary and secondary sources. The primary data is collected through online, telephonic and field survey conducted on various stakeholders of the industry, educational institutions, student communities, travel agents/ tour operators, employees of various approved travel agencies/tour operators in India by the way of structured questionnaire, personal interviews, discussions and mails.

Two sets of questionnaires were designed, one for the industry stakeholders and another for the students community pursuing Tourism/Hotel Management courses from various universities and institutions located in different parts of the country. There were a total of 446 responses to the questionnaire and 200 responses were collected for questionnaire. The survey lasted for a period of two months from November to December, 2012. The questionnaire had both open ended and close ended questions. The observation was done using Lickert scale and the hypothesis was tested through Tools Tests, Standard Deviation, Average and Mean, Table, Charts and Graphs. The opinions were sought on three main statements given below.

Indian Tourism Industry still lacks competent professionals to serve the Industry.

Educational and Training Institutions have failed to churn out professionals who could fulfill the expectations of the industry.

Tourism Industry has not been able to attract the talented lot to pursue Hospitality and Tourism as a career.

TABLE 1.1: QUESTIONNAIRES

Question's	Strongly agree	Agree	Neither agree not Disagree	Disagree	Strongly disagree	Total
Indian Tourism Industry lacks competent professionals to serve the Industry.	90	71	27	6	0	194
Education & Training Institutions have failed to churn out professionals who could meet the industry expectations.	48	24	27	30	6	135
The Tourism Industry has not been able to attract the talented lot to pursue it as a career.	39	45	12	15	6	117
TOTAL	177	140	66	51	12	446

FINDING, ANALYSIS AND DISCUSSIONS

Findings of the consolidated focus groups consistently reiterated these themes. Indeed professional managers are well aware that the industry has to deal with additional and external factors such as Globalization, Technological Development and Cultural Diversity. The industry is moving away from the traditional reactive approach to a more proactive engaging perspective. Furthermore, because it depends more on complex and changing environments, employees are required to develop some higher skills (problem solving, critical thinking and so on). However, both the literature review and the focus group findings concur that the industry is very much

rooted in a traditional approach and needs to put a greater emphasis on communication skills, attitude and motivation before any higher skills. The literature review also acknowledges a trend toward an increased interest in career development but also recognizes that it is a long process, which again respects some traditional paths such as a bottom-up approach whereas in F&B for example, it is still requisite. The new generation of graduates are ambitious and do not have the patience to go through the traditional the steps of a career path. Additionally, they favor a better work/life balance, which is not always compatible with the hospitality industry. As a consequence, these new graduates tend to leave the industry for more attractive hours and pay. These are some of the reasons why professionals mentioned an important skills shortages and strong difficulties in recruitment.

Mai-Dalton, Latham and Fiedler (1978) argue that in some cases adequate training would be more useful than academic qualification. However, respondents in the focus groups pinpointed the fact that training was often provided by unskilled trainers who do not have any knowledge of the industry and provide inadequate and inconsistent training. Furthermore, this training is highly commercialized, meaning that it is available to anyone who can pay without any regards to the real potential and appropriateness of the individual. One point that was mentioned in the literature that was not reflected in the focus groups was the international character of the industry. This imposes on managers, additional competencies such as the ability to deal with cultural and value differences, and the need for language skills and employee mobility.

MAJOR FINDINGS OF THE STUDY ARE AS FOLLOWS

- The respondents strongly agreed with the fact that the Tourism Industry lacks competent people. One of the main reasons for the same was that the majority of the people joining the industry are plain graduates and under graduates, not having any specific degree or diploma in Tourism/Hospitality.
- Respondents expressed their concern over the fact that the Industry is still perceived as the Industry of ticketing agents, guides and brokers.
- Most of the respondents agreed that the salary packages offered by the Industry are quite less than the salaries offered by other Industries in Service Sector also they were of the opinion that HRD Practices in most of the organizations barring a few big organization are missing.
- Some of the universities providing variety of management courses have no separate Placement Cell for students of Tourism.
- There was a bizarre revelation by a few girls of the University during the survey. They said that they were pursuing Management Degree because of the family pressure as it is easier to get admission in this course and it also helps them to get better matrimonial prospects.

- Students pursuing tourism education were of the opinion that the course delivery lacks practical orientation. Guest Faculties from the industry are available in big cities but when they come down to other cities, a rare industry interface is available. Also the course curriculum does not lay much emphasis on Soft Skills and Personality Development which is very essential to perform efficiently in the jobs.
- Students also opined that the courses offered are providing the basic level knowledge of tourism and other related discipline, the course curriculum designed is hybrid in nature covering travel and tour operation, hospitality, airline and cargo management but it seriously lacks specialization in any specific field.
- Professors and faculties at Universities and Institutes also admitted that the student's intake in the courses is average. During counseling sessions seats for MBA and Finance get filled first and the remaining lot of candidates then opts for tourism or other courses which clearly shows that the Tourism Industry which has tremendous employment potential is still not attracting good candidates.

ISSUES AND CONSTRAINTS IN HUMAN RESOURCE DEVELOPMENT IN TOURISM SECTOR

The major problems and constraints faced in Human Resources Development in the Tourism Sector can be summarized as follows:

- Shortage of qualified manpower, particularly at the managerial level is the major obstacle to the overall development of the Tourism Sector.
- Scarcity of qualified and experienced Teaching Staff in Hospitality Training Institutes.
- Dearth of training materials and facilities according to the present day industry need.
- Lack of strategies and policies for Human Resources Development in the Hospitality Sector
- Difficulty in keeping pace with rapidly changing technological innovations and dynamic changes in the global market place.
- Complexity of the multidisciplinary nature of Tourism studies.
- Huge Gap between the training capacity of Training Educational Institutes and the actual need of the industry.
- Shortage of higher-level programmers for management development in this sector.

The South Asia Integrated Human Resource Development Project, funded by the European Commission, has done much work in developing human resources, such as setting standards, securing industry acceptance of standards, preparing manuals for important trades, training of the trainers, setting up a system for testing standards and certification of trainers and trainees.

However, follow up is needed because further funding from the European Commission is not now available. The National Commission set up to oversee the project must be activated and the industry must implement the system so that quality can be ensured to make Indian tourism competitive internationally. The apprentice scheme being implemented by the Ministry of Labor is another activity that should be reviewed. The scheme started operating many years ago, and in view of development in the hospitality sector since then, the syllabus requires revision and the infrastructure for training in the council institutes at New Delhi, Faridabad and Meerut requires major upgrading. Trainers also need to upgrade their skills. Currently, they are providing training in cookery, bakery, confectionery, stewardship and housekeeping, with 1,000 trainees graduating annually. If the administration of this scheme and the institutions are handed over to the National Council for Hotel Management and Catering Technology under the Ministry of Tourism, there should be considerable synergy generated among the institutions for training in the hospitality sector. The Universities of Madras and Bangalore have also affiliated several catering institutes and award the Bachelor's Degree in Hotel Management. However, the industry has been reluctant to accept the students, because they lack practical experience. There is need to upgrade the curriculum of these university courses to meet the expectations of industry.

Another 35 private institutes affiliated to the All India Council of Technical Training (AICTT) provide training in hospitality and catering to about 500 students. However, they have not been able to meet the expectations of the industry and there have been numerous complaints about the quality of training. As a result, students find it difficult to get good job opportunities. An exception to the teaching shops is some private institutes run by reputable hotel groups like *Oberoi, ITDC, Taj and the ITC Mayra Group*. Other hotels are also setting up similar training institutes. These institutes award their own degrees and diplomas and some have ties with the American Hotel and Motel Association or the Swiss Hotel School. Some universities in Australia and in the United Kingdom have started offering split campus training in India. A proper system of admissions is required, because there are often allegations that the management of these institutes charge exorbitant entry fees.

CONCLUSION

Human Resource Management has been enormously important in the hotel business, when dealing with people; the basic requirement for the enterprise is to have good internal relationships between management and employees. Favorable Human Resource Management ensures business growth, and staff training is the most effective way to develop employees in order to have a good HRM. Therefore, staff training is concerned a lot in nowadays businesses. Staff training is an essential management tool, it has many benefits, such as shortens the study time, increases work effectiveness, helps employees and the company itself to compete in the fast changing environment, reduces damages and wastage. Staff training is a way of motivating

employees, upgrading their skills, expanding their knowledge, preparing employees for self-development. From both quantitative research and qualitative research we know that the trainings are very important and should be carefully considered, but in *Hotels* there are some existing problems with trainings.

- The outcomes of training are not as expected; because some employees are not aware of the importance of training and what they will benefit from staff training so that trainings are regarded as normal courses to participate.
- There is a lack of good communication between management and employees, when employees have complaints about trainings for instance the trainings are time consuming, but management team does not know, so that the trainings would never be improved until they communicate.
- About one thirds of the employees felt they did not get self-development and build self-confidence after the training, which did not match the purpose of the trainings.

LIMITATION AND RECOMMENDATION

Recommendations to Hospitality Industry

- **Tie-ups with Institutes:** It is the duty of the Industry to make necessary tie-up/ arrangement for their required human resources with one or two hospitality institutes in the country.
- **Continuous Training:** There is a need of continuous training to all categories of employees in the organization. When they have a tie-up with the institutes, the institutes will offer in –house training to different category of employees from time to time to update their skills.
- **Sponsoring:** It is the duty of the industry to sponsor some amount / equipment to the institute for their betterment. If possible they sponsor a chair for continuous funding and research for that institute.
- **Research:** Every institute should spend some amount for the research which is essential for further development and understand the present situation. The industry should involve in the researchers by providing timely information and data which is ultimately useful for them only.

Recommendations to Academic Institutes of Hospitality

- **Industry institute interface/interaction:** Every institute must make necessary tie-ups with hotel/tourism industry for providing employment to their students.
- **Arranging guest lecturers from industry:** The management of the institutes must arrange guest lecturers/visiting faculty from the industry to give complete industry information to the students about the industry and its developments.

- **Visits to hotels (students):** The institutes should arrange field visits and training in star hotels for their final year students.
- **Nominating the industry people:** Every institute must nominate one or two people from industry in their advisory body for the betterment of students.
- **Revise the curriculum:** It is the duty of the institute to revise the curriculum as per the industry needs from time to time.
- **Pay good salaries to trained staff:** Several educational institutions are offering very low salaries to their teaching staff, this influence the quality of teaching and thereby it produces inferior quality managers which indirectly created unemployment though there is a demand in the industry.

Recommendations to the Government

The Government could constitute a steering committee to review the demand and supply of the human resources in the hospitality industry and prepare plans for developing qualitative human resources which are require for the present day global industry. The committee should constitute with the members from all concerned areas like:

- State and Central Tourism Development Commissioners.
- Representatives from all areas of Hospitality Industry.
- Members/President/Secretary of the Hotel Management Associations.
- Members/President/Secretary of the Travel and Tourism Associations.
- Representative from Hotel Employees Associations.
- One member representative from International Hotel Chain.

The committee should review the present situation and suggest the steps to be taken to reduce the gap between the demand and supply of human resources in the industry. The committee should concentrate on the following issues mainly:

- Creating a policy on Industry Institute Interaction
- Establishing an apex body to coordinate all the HM Institutes in the country.
- Conducting Common Entrance Test for all Government University/ AICTE/ Private institutes in the country.
- Developing curriculum from time to time as per industry requirement.
- Fees structure for different courses in different institutes.
- Appointing a committee to identify the requirements of qualified manpower for International Hotels and also identify the ways to develop.

The need to develop the required Human Resource in various segments of the tourism industry has become imperative as a consequence of the rapid growth in tourism, technology and dynamic changes in the international tourism market. The shortage of quality Human Resource can be solved when the government and private go together with a standard education and training system and better working conditions. Help employees to know staff training and understand the importance of it. Human resource department could explain to the employees about the Objectives of the trainings, and what employees will benefit from the training, meanwhile, the employees should be told that how can they use what they learnt from the trainings in the future. As human resource department planned to invite employees and trainers from stars hotels to introduce their experiences is a good way to remind employees of the importance of staff training. Increase the communication between management and employees by getting feedback from employees in order to know what they like and what can be improved in the trainings to get better outcomes. And trainers can observe while conducting trainings, some employees would not express themselves even though they do not feel satisfied with the trainings.

Moreover, employees from human resource department could attend the trainings themselves to find the problems and how does it feel when they are trainees. To understand each other better will bring better results for the trainings. Guide employees to realize that improving themselves is the main aim of training. The main purpose of staff training in the case hotel is to improve employees qualities in order to provide better customer service, but employees did not consider self development as the most important reason for trainings, therefore, they should be led to the right direction, which is to improve themselves and customer service but not for competition or promotion etc. other reasons. Finally, from this study, the importance of staff training is discovered, in order to help human resource department of the case hotel to solve current problems in staff training as above discussed, possible suggestions are provided. To improve the recent situation needs time and it requires the co-operation of both management team and employees. I do hope this study have some value in helping the hotel's Human Resource Development.

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WEBSITES

- The Chartered Institute of Personnel and Development (CIPD) is the main professional body for HRM practitioners in the UK. Their website can be found at <http://www.cipd.co.uk/default.cipd> and includes a number of downloadable items for non-members.
- <http://www.hrmguide.co.uk/> is a very good general guide to HRM issues in the UK. Within the site there is also links to HRM issues and practices in a range of other countries including Australia and the US.