

# HUMAN RESOURCE DEVELOPMENT CLIMATE IN TOURISM SECTOR

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## **Abstract**

Human resource has been considered as an important and dynamic capital in the growth of an organization. In the era of information and communication, the two most serious issues that surround a business are retention and development of human resource. Human resource development is a framework for developing employees that helps to develop personal and organizational skills, knowledge and abilities. Human resource development includes initiations in the area of employee training, employee career development, performance management and development, coaching, succession planning, key employee identification, training assistance, and organizational development.

The focus of all aspects of HRD is on developing a superior workforce so that the organization and individual employees can accomplish goals in harmony. Human resource development can be formal such as training, a college course, or an organizational planned effort. Healthy organizations believe in human resource development and cover all of these bases. An optimal level of developmental climate is essential for facilitating HRD.

The study is focused on the analysis of human resource development climate in tourism sector. Sample size of 78 respondents from Kathmandu valley with different experience, designations and educational level have been taken for this study to understand HRD climate in tourism-related businesses in Nepal. This research is quantitative in nature followed by descriptive research design. Researchers have examined the HRD climate of tourism sector on the basis of gender, designation, level of education and years of service. The result has shown that there is no statistically significant difference on the perception towards HRD climate among gender, length of service, designation and educational level. The result shows that the overall climate of tourism sector is good. However, there is scope for improvement in terms of prevention of stereotyping and encouragement in new methods of doing things.

## **Background**

Human resource development (HRD) is concerned with the provision of learning and development opportunities that support the achievement of business strategies and improvement of organizational, team and individual performance (Armstrong, & Baron, 2002). Climate, this is an overall feeling that is conveyed by a physical layout, the way employees interact and the way members of the organization conduct themselves with outsiders. It is provided by an organization. HRD climate is an integral part of organizational climate. It is the perception that the employee can have on the development environment of an organization (Rao, & Abraham, 1986).

Dynamic employees are essential for any organization that would like to be dynamic and growth oriented. Employees who are competent, motivated, proactive, learning and change loving and possess high desire to perform can be considered as dynamic employees. Human resource development aims out developing such dynamism in employees along with several other qualities that in combination make the organization perform well (Dessler, & Varkkey, 2011; & Rao et al., 1998).

Tourism industry of Nepal is in booming stage. The tourist industry in Nepal employs 42% of total working population in Nepal. It is the main source of economy after agriculture. Many Nepalese people depend on foreign tourists for sustaining their livelihood. The growth of organized tourism in Nepal has given rise to higher wages of the Nepali population depending upon tourist activity for their economic sustenance (Central Intelligence Agency [CIA], (2008). Similarly, National Planning Commission [NPC],(2013) has recognized that the tourism industry should be considered to be one of the most important foundations of national economic development. Furthermore, the commission has recognized tourism sector as a priority area for improvement and has stated the target as, 'tourism industries established throughout the country including hotels, travel and trekking agencies and houses offering home-stays will be encouraged to enhance their capabilities.' Enhancing capabilities requires the human resources to be developed accordingly to provide the tourism sector with a favorable human resource development (HRD) climate. Similarly, it has been emphasized that, one of the basic activities that have to be performed immediately is upgrading the service quality by the support of in-service human resource development with the appropriate programs (UPZRS, 2008). With such a large population working for the betterment of tourism sector in the country it must be understood that such working force or human resource must be properly trained and human resource practices should be properly executed for the wellbeing of the tourism sector as a whole.

In Nepal, knowledge about the different human resource development practices and instruments prevalent in various organizations- private, public and government is limited. A review of existing literature indicates that no systematic attempt has been made so far to study HRD practices comprehensively in Nepalese private enterprises, especially the tourism sector. The present study is an attempt in that direction with a view to examine the suitability of HRD climate for effective management and enhancement of human resources working in the tourism related industries.

The area of HRD is relatively new in the context of Nepalese business organizations and proper mechanisms of effective HRD are still lacking. This research is carried out with a view to explore the HRD climate, and provide recommendations such that they would serve instrumental in carrying out HRD or implementing effective HRD systems. This research aims to highlight the current scenario of HRD practices undertaken by tourism related organizations.

## LITERATURE REVIEW

The term human resource development (HRD) was introduced in 1969 at Miami Conference of the American Society of Training and Development (ASTD) by Leonard Nadler and was provided a definition subsequently in 1970 (Wilson, 2005). Singh(1986)defined HRD as the development of abilities and attitudes of the individuals to contribute to societal wellbeing and development in achieving personal satisfaction and happiness. According to Wilson (2005), Nadler emphasized that there had been a significant number of people entering the field and therefore it deserved to have a definition. Saraswathi (2010) in his study revealed that the three variables: General Climate, HRD Mechanisms and OCTAPAC culture are better in software organizations compared to manufacturing industries in India. The findings indicate significant difference in the developmental climate prevailing in software and manufacturing organizations.

HRD climate can be grouped as General climate, OCTAPAC culture and HRD mechanisms. A review of literature indicates that HRD climate exists in various organizations. Venkateswaran (1997) found that, to a large extent, a favorable HRD climate was prevalent in a public sector undertaking in India. Srimannarayana (2001) identified below average level of HRD climate in a software organization in India. Agrawal (2002) found that HRD climate was significantly more developmental in IT industry when compared to the automobile industry, good in a private sector in Nepal.

Human resources development is the study and practice of increasing the learning capacity of individuals, groups and organizations through the development and application of learning -based interventions for the purpose of optimizing human and organizational growth and effectiveness (Chalofsky, 1992). In the words of Watkins (1989), HRD is the field of the study and practice responsible for fostering long term, work related learning capacity at a individual, group and organizational level of businesses.

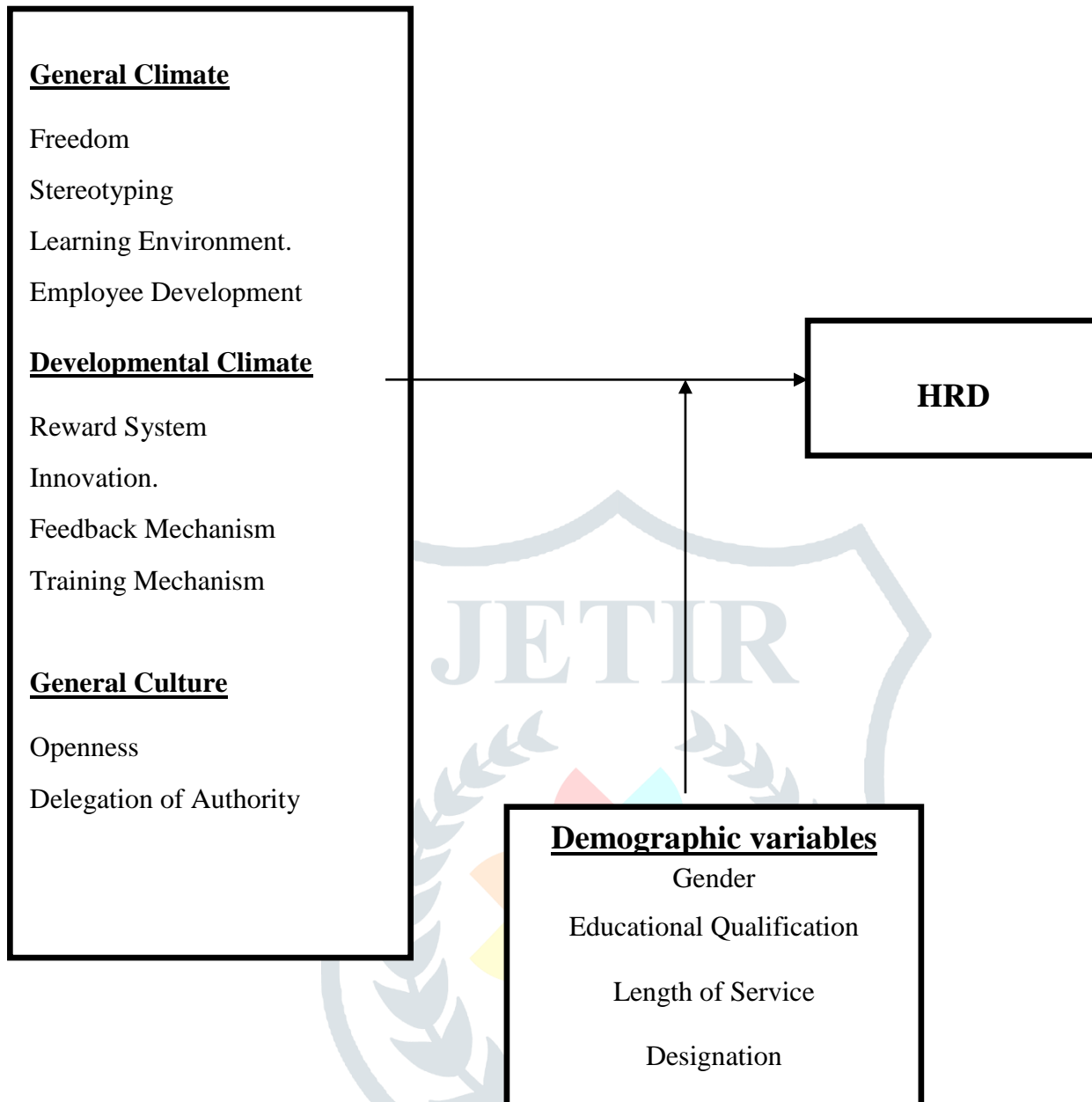
Pattanayak (1998) stated that HRD climate affects performance in three ways: a. by defining a stimulus that confronts the individual; b. placing constraints on the individual's freedom of choice; c. providing source of reward and punishment. Gonzalez (1999) stated that companies must realize that the health of the organizational climate will determine their ability to sustain high performance.

Solkhe and Chaudary (2011) conducted another empirical investigation examining the three components of HRDC. The result from their study showed a reasonable level development orientation, trust and freedom of expression, healthy interpersonal relationship and openness. However, employees are not satisfied with promotion decisions within the company.

Srimannarayana (2007) assessed the prevailing HRDC in Dubai based organizations on the responses of executives. He concluded that the climate is at an average level. The study also revealed that HRDC in banking business is higher than the other businesses. HRDC is higher in the insurance and shipping business than in tourism, food and trading organizations when compared to banking, insurance and shipping organizations. Saxena and Tiwari (2009) did an empirical study of HRDC in selected public sector banks. Their study showed that the HRDC in public sector banks are in average. They also found no difference in perception of the employee on the basis of gender, qualification, designation but the perception of employees differs on the basis of years of service.

Sharma and Purang (2000) in their study on "value institutionalization and HRD climate" found a positive relationship between value institutionalization and HRD climate, which mean a better and more ethical environment of the organization shall lead to a better HRD climate for the organization. If organizational climate or culture is not congruent with HRD practices wouldn't produce the desired result. Rao (1998) stated that the culture of an organization has a tremendous impact on its success therefore fostering a suitable culture seems to be one of the critical functions.

Singh and Dalal(1989) proposed a comprehensive definition of HRD that it refers to identification, development, actualization and utilization of competences , learning and social energy of employees with a mutual agreement of enhancement of the organization , as well as , individual effectiveness. Frank (1998) utilizes the theories of the change and how these relate to the organization. Based on the literature reviews, following theoretical framework has been developed:

**Figure 1. Theoretical Framework**

## RESEARCH METHODOLOGY

This research is quantitative in nature, followed by descriptive research design. Researchers have used primary source of data. Primary source of data has been the principal source of information in the process of conducting the research. Primary data has been collected from structured questionnaire using Five Point Likert Scale. This research has been conducted to find the HRD climate in tourism- related businesses, that include travel and trek businesses, food and beverage service providers, hotels and airlines. So, the employees working in those institutions are considered as population of the study. Such businesses exist in large numbers throughout Nepal and the figures relating to total number of currently operational businesses are not easily available. Hence, only those businesses operating within Kathmandu valley are considered in this study. Sample size of 78 respondents from Kathmandu valley with different experience, designations, educational level is taken for this study to understand HRD climate in tourism-related businesses. Respondents were selected purposively. A survey questionnaire has been used as a major tool for data collection. For data entry, processing and analyses of the outcomes, Statistical Package for Social Sciences (SPSS) Version 20 for Windows has been used. Frequency and mean has been used to assess the climate of HRD.

**ANALYSIS and RESULTS**

Table 1: Distribution by Gender

Gender	Frequency	Percent
Male	46	59
Female	32	41
Total	78	100

Table 1 shows distribution of respondents by Gender. Out of 78 respondents, 59% were male and 41% were female respondents. It means study more covers the opinion of male employees working in tourism sector of Nepal.

Table 2: Distribution by length of service

Length of Service	Frequency	Percent
Below 5	44	56.4
5 to 10	22	28.2
10 to 15	2	2.6
15 to 20	1	1.3
20 and above	9	11.5
Total	78	100

Table 2 shows distribution by length of service. Out of 78 respondents, 56.4% of respondents have length of service below 5 years, 28.2% of respondents have served in the organization for 5 to 10 years. Similarly, 2.6% of respondents have length of service of 10 to 15 years, 1.3% of 15 to 20 years and 11.5% of 20 years and above respectively. It means this result shows the opinion of employees having less experience in the tourism sector.

Table 3: Distribution by Designation

Designation	Frequency	Percent
Assistant	31	39.7
Officer	24	30.8
Manager	15	19.2
Executive	8	10.3
Total	78	100

Table 3 shows distribution by position. Out of 78 respondents, 39.7% were assistants, 30.8% were officers, 19.2% were managers and 10.3% were executives. This study is dominated by the opinions of assistant and officer level employees. So, the findings represent the opinion of two levels of employees i.e. assistant and officer level.

Table 4: Distribution by Educational level

Educational level	Frequency	Percent
Intermediate level	4	5.1
Bachelors level	43	55.1
Master level	29	37.2
Others(Diploma, Mphil, PhD)	2	2.6
Total	78	100

Table 4 shows distribution by educational level. Out of 78 respondents, 5.1% have educational qualification up to intermediate level, 55.1% have educational qualifications up to Masters level, while 2.6% of respondents have educational qualification up to others (Diploma, Mphil, Phd) level. This study mostly covers the opinions of people having higher level of education.

Table 5. Position of general climate

General Climate	N	Minimum	Maximum	Mean	Std. Deviation
Freedom	78	1	5	3.6538	1.22556
Stereotyping	78	1	5	2.3642	1.04542
Learning Environment	78	1	5	3.5513	1.02751
Employee Development	78	1	5	3.7308	1.06507

Table 5 shows mean score of general climate factors. The mean score of freedom is 3.65, which shows that most of the respondents agree that employees in the organization are informal and do not hesitate to discuss their personal problems with their supervisors.

The mean score of stereotyping is 2.36, which shows that most of the respondents disagree that people with different racial and biographical traits are treated equally in the organization.

The mean score of learning environment is 3.55, which shows that most of the respondents agree that, people lacking competence in doing their jobs try to acquire competence rather than being left unattended in the organization.

The mean score of employee development is 3.73, which shows that most of the respondents agree that the top management is willing to invest a considerable portion of their time and other resources to ensure the development of employees.

Table 6: Position of Development Climate

Development Climate	N	Minimum	Maximum	Mean	Std. Deviation
Motivation through reward	78	1	5	3.9359	1.01085
Innovation	78	1	5	2.0742	1.06288
Feedback Mechanism	78	1	5	3.6667	1.05272
Training Mechanism	78	1	5	3.9615	1.09831

Table 6 shows mean score of development climate factors. The mean score of motivation through reward is 3.93, that shows that there are mechanisms in the organization to reward any good work done or any contribution made by the employees.

The mean score of innovation is 2.07, that shows that employees are not encouraged to experiment with new methods and try out creative ideas in the organization.

The mean score of feedback mechanism is 3.66, that shows that tourism sector has a proper feedback mechanism, in which, weaknesses of employees are communicated to them in a non-threatening way.

The mean score of training Mechanism is 3.96, that shows that employees are sponsored for training programs on the basis of their genuine training needs in the organization.

Table 7: Mean score of general culture factors

General culture	N	Minimum	Maximum	Mean	Std. Deviation
Openness	78	1	5	4.0385	1.01216
Delegation of Authority	78	1	5	3.9744	0.88236

The mean score of openness is 4.03. Figure shows that employees discuss problems openly and try to solve their problems rather than accusing each other in the organization and superior level also is open to discuss on problems.

The mean score of delegation of authority is 3.97. It shows that authority is delegated to juniors to encourage them to develop skills which is required.

Table 8: HRD climate by gender

Gender	Mean	N	Std. Deviation	T value
				(p-value)
Male	3.5	46	1.14988	0.557
Female	3.625	32	0.8328	0.579
Total	3.5513	78	1.02751	

Here, p-value is 0.579, which is greater than level of significance (0.05). Hence, there is no significant difference between HRD climate and gender. It means tourism sector of Nepal does not discriminate in human resource development based on gender. It shows that equal opportunity is provided to all the employees across gender.

Table 9: HRD climate by length of service

Length of Service	Mean	N	Std. Deviation	F-value
				(p-value)
Below 5	3.6364	44	0.96668	0.328
5 to 10	3.4545	22	1.05683	0.858
10 to 15	3	2	1.05555	
15-20	4	1	0.56555	
20 and above	3.4444	9	1.424	
Total	3.5513	78	1.02751	

Here, p-value is 0.858, which is greater than level of significance (0.05). Therefore, there is no significant difference on HRD climate based on length of service. It means equal opportunity is provided to all new or old employees without discrimination.

Table 10: HRD climate by designation

Designation	Mean	N	Std. Deviation	F value
				(p value)
Assistant	3.4839	31	0.96163	0.546
Officer	3.7083	24	1.08264	0.652
Manager	3.3333	15	1.1127	
Executive	3.75	8	1.0351	
Total	3.5513	78	1.02751	



Here, p-value is 0.652, which is greater than level of significance (0.05). Hence, there is no significant difference on HRD climate based on designation. Designation wise discrimination is not made for the human resource development in tourism sector of Nepal.

Table 11: HRD climate by educational level

Educational level of attainment	Mean	N	Std. Deviation	F value
				(p value)
Intermediate level	3.75	4	0.5	0.752
Bachelors level	3.5581	43	1.00717	0.525
Master level	3.5862	29	1.05279	
Others (Diploma, Mphil, PhD)	2.5	2	2.12132	
Total	3.5513	78	1.02751	

Here, p-value is 0.525, which is greater than level of significance (0.05). This states that there is no significant difference in HRD climate based on educational level.

## 5. Discussion and Conclusion

HRD climate is a key success factor in any organization because it affects the overall performance directly or indirectly. If HRD climate is good then it suggests maximum commitment and devotion of employees for betterment of the organizations.

Alphonsa (2000) conducted a survey to examine the HRD climate of private hospitals. The researcher found that the perception of the supervisors about HRD climate is satisfactory and reasonably good climate was prevailing in the hospital.

Sampath and kalpana (2005) conducted a study and found that to a large extent organizations where knowledge workers work have a 'good' HRD climate. The strengths of the HRD climate emerges from the organizations' belief that the human factor is a critical factor and need commitment to development, team spirit, helpfulness and providing training for the enhancement of skills and knowledge.

Ojha's study (1996) analyzed the Human Resource Management in Skill Development Institutions of Nepal. He found that all the training institutions under study seemed to send their employees for pre-service or in-service training or both. For training the employees were sent either in or outside the country. The employees' response towards training was that training facilities were not sufficient and satisfactory.

In the present research, similar methodologies were applied as other studies applied and various factors measured by above mentioned scholars was included in the 5 point Likert scale questionnaire and the result was that the prevailing HRD climate in the tourism sector is good. However, there exists a scope for improvement. Among general climate factors, freedom, learning environment and employee development showed positive results except for stereotyping. Among development climate factors, motivation through reward, feedback mechanism and training mechanism showed positive results except for innovation. Likewise, general culture factors such as openness and delegation of authority also showed positive results.

The result has shown that there is no statistically significant relationship between perception towards HRD climate among gender, length of service, designation and educational level.

The results are similar with the previous studies. It may be so because every organization across the world use the same techniques and maintains positive culture for the development of human resources. It can be concluded that Nepalese tourism sector can develop its employees emphasizing on general, developmental and general cultural climates without discriminating based on gender, educational level and length of service.

### **Managerial Implication**

Human resource has been considered as a vital source of competitive advantage and HRD plays a critical role in developing various competencies in employees. The result of the present study has shown that the HRD climate in the tourism sector is good. However, there exists a scope for improvement.

The management of these institutions should consider improving HRD climate by introducing changes in HR policies and practices.

1. Diversity training policy can be adopted to avoid stereotyping.
2. To compete effectively, tourism related businesses should be highly innovative in terms of cutting costs or in offering new and highly quality products that meet customer needs. Hence, manager should maintain environment for experiment with new methods for their own development as well as to compete effectively in competitive business environment. To maintain such environment, managers can change in their HR policies.

### **Future Research Implications**

1. The researchers having certain financial limits couldn't execute the research beyond Kathmandu valley. Therefore, future research can be conducted by collecting data throughout various geographical locations across Nepal.
2. Similarly, the present researchers could not consider all the variables that would affect HRD climate. Hence, comprehensive research can be carried out by including factors such as authenticity, proactiveness, confrontation, collaboration under general culture factors to assess the overall HRD climate of tourism-related businesses.
3. This study only considered tourism sector, future researchers can undertake research considering other sectors of business.

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