

Innovative HR Practices in Hotel Industry with reference to Delhi NCR: A Review

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Abstract:

Hotel industry operates successfully because its employees and they are the actual capital of their organization that reaps their knowledge, skills and abilities to satisfy the guests in hotel. The business of hotel industry is moreover associated with its human action because of which the knowledge of human capital is intrinsically associated with the human resource management practice of the organization. The employee with high level of skills and knowledge are asset to the organization and the organization also finding a wide range of skill and greater flexibility of work by improving the capacity of employees and also induce innovative methods of thinking. In fact, the literature review of the study also shows that innovative activities in combination of knowledgeable employees can bring competitive advantages to the organization. The better human resource in hotel industry will bring better opportunities for carrying out exchange of knowledge and information in the organization. However, study of hotel industry as whole is quite complicated and time consuming because of which, in this study, the scope of the study has been curtailed to hotel industry itself belonging to Delhi NCR region. The hotel business of Delhi NCR would represent the hotel industry of entire country

Introduction

Now days, the hospitality industry is facing dramatically challenges related to human resource as the hospitality industry is finding it difficult to recruit the optimum level of employees in the organization. The current study has been focused on hotel industry where the customers is considered as king because there are lot of sophisticated customers lands up in hotels because of which the hotel staff are supposed to manage the things in similar specific manner. In this study, it has been focused that, as the human resource is one of the utmost assets but the hotel industry is finding it difficult to sustain them. It is suggested that the hotel industry need to bring some innovation in human resource practice to sustain the employees in organization. The objective of study is to analyze the current human resource practices and also the kind of innovation approached in human resource system of Hotel business.

In recent times, the hospitality industry is operating under complex situations where challenges to business are shifting dramatically and abruptly across the globe. The hospitality industry is putting more effort to meet the expectations of sophisticated customers across the globe. There are numerous premium hotels and accommodation facilities are available throughout the globe but the hotels are putting extra energy in order to retain the loyal guests and this retainment would ensure the success of organization. After guests, second and most important aspect for successful operation of in hotel industry would be its employees who must be expert

in their jobs, technologically advanced and sensitive enough to deal even with delicate issues of guests. (Sainaghi, 2010)

The hospitality organization need to formulate new strategies and tactics to acquire and retain most important asset with respect to financial perspective but could not be shown in Balance sheet of the organization, i.e. Human resources. The human resource of hospitality sector, specifically from hotel industry have to work under immense pressure and also for long working hours because of which the employees in hospitality industry seems to be dissatisfied with their jobs resulting into high employee churn rate. According to Marti' nez&Orfila-Sintes (2012) the human resource strategies define with perspective of hotel industry that, now the management need to pay attention to make significant investment in human capital which is the potential source of achieving competitive advantages in the organization.

The hospitality services are produced and consumed simultaneously when the employee exchange the service to customer which shows that the customers equalise the services delivered by employee with his quality and ability to perform the duty. However, the hotel industry needs to proactively deal with human resource and bring innovative actions in order to sustain the employees in hospitality industry for the long duration in order to ascertain the success of organization. Sainaghi (2010) state that, the employees are the basic ingredient of service-based organization as they ensure success and subsequent profitability.

There are numerous researches to be conducted in order to identify different innovative aspect in Human Resource actions as they are significant resource of the organization which are also competitive advantage for the organization too. Salem (2014) state that that, the strategic HR action requires in hospitality industry to develop consistent and aligned practices to retain the employees which can match with strategic goals of organization. The innovation brought in human resource seems to be rare and valuable which cannot be easily imitated but it leverages the hotel organization to attain the strategic position in industry. The innovation in HR practices would enable the development of complex social relationship which cultivate the important organizational knowledge to be embedded in culture of organization and also reflects in actions and commitments of organization. The HR strategists in hotel business supposed to develop and implement differentiated and immobile innovations which can bring significant change in working methods and actions of human resource. The innovation is quite prominent in human resource system of hotel industry as innovation sparks new waves and technological revolution in industry resulting into enhanced customer satisfaction. The innovative HR practices and its impact have been majorly focused on corporate sector earlier but now the same is also significantly covered in other industries like Hotel.

There are numerous studies being conducted with respect of impact of innovation in HRM practices in hospitality industry by researchers from different nations. Some of the authors (Beugelsdijk, 2008; Chand and Katou, 2007; Chang et al., 2011; Cho et al., 2006; Jimé'nez and Sanz, 2005; Laursen and Foss, 2003) agreed that, there have been direct connection between innovative performance and human resource management have been notified whereas a separate group of researchers argue that they have established the relationship between

innovative HR practices and HRM but that relationship is indirect (Cabello et al., 2011; Chen and Huang, 2009; Collins and Smith, 2006; LópezCabrales et al., 2009). However, the fact cannot be denied that the HRM practice affects the innovation in organization and it also give strength to the organizational variables.

Cerne et al (2013) state that, the impact of innovative HRM and performance of human resource is quite unresolved and complicated in some of the aspects. There are some of the innovative HR practices which affects the performance of employees directly whereas others are affecting indirectly and this influence is also conducted because the resources and capabilities are encouraged for development. However, the authors might have been confused regarding the direct or indirect impact of innovation in HR of hospitality industry as they conducted the empirical analysis initially with some other industries where involvement of HR could be less or more.

The current study is majorly focused on innovation HR practices and its impact in hotel industry as it is very important to address the industry to be studied because different industry involves different practices and also the economic activities because of which the innovative HR practice would also act differently in those industries. In this study, an attempt of studying different factors of innovation in HR would also be done and also the impact of other industries would be ruled out by focusing majorly on hotel industry as the hospitality sector comprise of numerous other industries too. The purpose of study is to determine that how specific the innovation HR would impact the performance of HR in hotel industry.

Literature Review

Walsh &Enz (2007) state that, most of the successful HR innovation are those actions which are composed by using number of business practices and also customer focused actions used in collaboration. The HR practice need to designed in such a comprehensive manner that it can cover the entire organization as whole not just the part of Human Resource such as Training, development or any other retention practice which can completely isolate the employees with the perspective of organization and innovative HR actions. For Example, ACCOR NORTH AMERICA used the HR innovation practice by implementing 360 – degree feedback system which can evaluate the performance of employees from different perspective and also empowers them to make effective decisions which further result into producing group process feedback system.

Walsh &Enz (2007) further mentioned that, Ramada hotel uses the HR innovation technique which suits and complements the objectives of hotels and the innovative actions starts from prescreening test for selection, interactive training program, employee loyalty program, rewards on employee performance, guest satisfaction survey on monthly basis and lastly seeking feedback of employee from guests.Nieves& Quintana (2018) supported the above comments by stating that, the innovation in HR would sustain the organization and bring effectiveness in employees and also giving mindful importance to the customers of hotel.

Cabello et al (2011) argued that, adopting the effective and good HR practice is not enough for the organization as the organization need to develop a portfolio of integrated services where the role and objective of HR professional also need to be evolved and changed by the time. In most of the hotel industry, the function of HR is more related to administrative and clerical activities which was filled with nice people and they are just appointed to organize the staff parties and also to maintain the payrolls of Human resource of the hotel. Chand (2010) further state, that, these activities are the necessary part of HR function but now their activities have been taken little seriously as their actions can turn the competitive future of the hotel industry. hang et al (2011) too supported the comment by stating that, future of study definitely based on the actions of human resource and development of this functional area with more innovation and strategic action is the major responsibility of HR department which can enhance the abilities of employees and also add value to the customers and bringing long term profitability and relationship with customers.

Hipp & Grupp (2005) mentioned that, there are ample researches being conducted in terms of examining the HR strategy and its innovative actions because in case the organization handles the innovation effectively then it acts as source of competitive advantage. The strategic goals of organization could be achieved by implementing the consistent and aligned HR practices where innovation in HR serve as rare but most valuable resource which cannot be easily imitated but can bring the organization at strategic position.

Leung & Law (2013) mentioned that, the HR strategy can bring competitive advantage to the organization by developing the human capital and the organization which design the business strategy more effectively and exploit the opportunities then it is considered as best available talent in the labor market. The recruitment strategy and talent of the human resource define new ways and actions and it suggest that the positions should be filled by matching the applications against the requirement of organization and the job and this matching is done by analyzing the knowledge, skills and ability of profiles and then screens the potential employees who are smart, conscientious and also creative.

According to Cho et al (2006), the innovative trait needed to be checked by testing the organization to create the real-life scenario, such as providing on-the job training processes. The recruitment and selection process are quite significant in terms of implementing the innovation in hospitality sector as Dahlmann properties and Ritz Carlton collectively created a seven-part action plan for human resources of “Three Diamond” hotels. The hotel industry can also decrease the turnover of employees and also improve the working environment must start from the time of recruitment as the candidate should be allowed to work in particular department for one full day before actually finalizing them for job. This innovative human resource strategy would help both the employee as well as the organization, as the employee would get to know that whether he or she is suitable for the job or not and similarly the management will also get to access the pre – employment performance. The method will also determine that, whether the candidate is suitable and fit for the department and also, they have required skill to handle the job given to them and also be able to make long – term commitment with organization. Dwyer & Edwards (2009) lastly argue that the hotel companies must start innovative employee

screening process at the time of recruitment as this will enable the organization to recruit the trait-oriented employees and also this will increase the employee satisfaction and employee retention resulting into improved satisfaction of guests.

Damanpour et al (2009) state that, the labour market is quite competitive because of which the hotel industry needs to implement effective strategy in order to manage the supply the workforce by providing the employees with offer of flexible working arrangement, creative and attractive apprenticing programs and also by investing into the long-term development of employees. Chang et al (2011) state that most of the hotel companies are able to retain and recruit the experienced candidates by providing them the options of job sharing and outsourcing. For example, Sheraton hotel in Denver West has created two highly qualified sales managers who can work half of the time but share full – time position in the organization. The innovative positions have been created because of changing family demand as the hotel is also using work-life balancing approach where two talented employees are recruited at same positions because of which the customer would also get consistent services and also this method will reduce the cost of further recruitment and training of new managers.

The hotels use different methods to attract the young employees and also stabilize them in work force and this is possible by providing them special training, apprenticeship programs, personal development and also the academic education. For example, Greenbrier is a resort located in the remote area because of which the resort was not able to sustain the talented employees for longer duration but the management devised special culinary apprenticeship program. This training program helped the resort to retain the kitchen staff then the resort also partnered with local hotel management school for providing permanent employees for the interested students. The high school culinary art program helped the resort to establish presence in community and also to assure that the kitchen staff should be stable.(Kattara& El-Said, 2013)

Kim et al (2012) mentioned about, Hyatt Regency from Scottsdale also provided hospitality training program for high school students in local area which gave exposure of hospitality career and credit to the students. The devising of curriculum took almost six months where the organization had to coordinate with local government, university, hotel industry etc. and this program, benefitted the hotel company to reach to entire Scottsdale and rose as fastest growing tourism sector of the area. However, these types of program application require extensive efforts and tourism experience as the organization is supposed to select the program carefully and must the traits of honesty, conscientiousness and ability to learn quickly by giving commitment to society.(Leung & Law, 2013)

Research Gaps & Objectives:

The major research gap, which provoked to conduct the study is that, the human resource of hotel industry in India are working at their best and the hospitality of Indians are also popular across the world but there is no study or no research being conducted in order to understand the dissatisfaction of people behind this world famous hospitality of India. The Indian researchers have conducted the employee satisfaction and dissatisfaction studies related to corporate and banking industry where the employees are supposed to do their

jobs for fix hours but there is no such study related to employee dissatisfaction is conducted in hotel industry in India where the employees even don't have the idea of their term of duty for the particular day.

The research objectives have been mentioned below:

- To identify the significant HR practices being followed in hotel industry in India
- To find the factors describing the need, process and applicability of innovative HRM practices.
- To analyse the nature of relationship between innovative HRM practices and demographic characteristics of the respondent.
- To find out the impact of innovative HR practices on organizational performance.
- To suggest innovative HR practices suites to the hotel industry.

In this study, an exploratory research method is supposed to be conducted as there is no such similar study has been conducted earlier in India. The research methodology adopted for the study would be combination of both qualitative and quantitative research. According to Kothari (2004) the quantitative research method refers to the kind of information which are available in numeric format whereas the qualitative information is available in form of comments and suggestions.

There would be two type of data sets to be used for the study, i.e. Primary data and Secondary data. Primary data would be the first hand data which will be collected from the samples directly with help of survey questionnaire. The primary data will be collected in order meet the objectives of the study.

Kothari (2004) state that, secondary data will be collected from research journals and different sources and also available in analyzed format which be used for the purpose.

The sampling would be done on random basis and the targeted population will be the employees working in prominent five - star hotels of Delhi NCR. The targeted people would be approached by meeting HR department of each hotel and requesting them to support in conducting the study. Accurate sampling is the most critical aspect for correct study.

Best statistical tool could be used as per the requirement of study, availability, limitations of data and tools.

Conclusions:

Human resource is most important aspect in hotel industry as their actions decide the success of the industry but, the researchers are ignoring the fact that the human resource of hotel industry are working under immense pressure and also for quite longer duration. In fact, sometimes they are also supposed to do odd jobs such as cleaning of toilets and housekeeping activities because of which they seem strongly dissatisfied with their jobs resulting into high employee churn rate. However, there are numerous studies being conducted with respect to employee dissatisfaction, employee churn rate and innovative human resource strategic applications in corporate but no such relevant studies have been conducted in hospitality sector. The hotel industry in India always complaints about the shortage of human resource and despite of paying good pay packages, the hotels are not getting required number of human resources to meet the satisfactory operational requirement. However, at this time, an innovative action needs to be taken in order to recruit and retain the human resources for the

longer duration. The role of human resource department has been changed dramatically in hospitality industry where most of the prominent hotels have understood the significance of human resource in hotel industry and they are shifting their paradigm in this area whereas some of the hotels are still operating on traditional practices and now they are at the verge of extinct. Now while understanding the perspective of human resource innovation practices in hospitality industry is concerned then the future and current innovations could be developed and sustained in case the HR department of industry proactively implement the innovative actions since the stage of hiring and this innovation exists upto the level of compensation.

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