

# Human Resources Practices Influencing Employees in Hotel Industry in Metropolitan City

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**Abstract:** *Human Resources department in the hotels has come far away from the traditional set of activities that included only recruitment and selection, training and development to work in many new and distinguished areas. This development of the HR department is because of the qualified and skilled manpower being the organization's competitive advantage. The HR department has introduced new practices in order to attract and retain the qualified and skilled manpower.*

*Employment practices in the hotel industry are considered to be poor which is also proven by the high employee attrition rate of 73.8% in 2019, whereas a healthy attrition rate is considered to be 10-13%. Poor management of the employees in the hotel industry in India is a matter of concern because ultimately the industry's success is at stake. Tourism and Hospitality industry in India is growing and contributing a large stake in the GDP of the country. The industry generated 4.2 crore jobs in the year 2019. The tourism and hospitality industry contributed Rs. 16.91 lakh crore that is 9.2% of the GDP in 2018. India moved from rank 65 in 2014 to rank 34 in 2019 on Travel and Tourism Competitive Index of the World Economic Forum.*

*This study will analyse the impact, in terms of productivity, motivation, attitude and behaviour and creativity, of some of the chosen HR policies that are of interest to the organization as well as to the employee. The study provides useful and valuable information regarding the effective HR practices and an employee's perspective to it. This study will also help in understanding the effective HR practices that are really looked upon by an employee. The study reveals that the applied HR policies like training & development, safety, security and health of the employee, performance appraisal and employee recognition are considered the most important by the employees. They look upon these HR practices as best motivators for improvement in employee behaviour and employee performance.*

**Keywords:** Monetary Benefits, HR Policies, Fringe Benefits, Employee Behaviour, Employee Performance

## I. INTRODUCTION

The hotel industry is a continuously developing industry that faces new challenges daily. With the travelling modes eased and affordable the people are travelling more which eventually leads to their increased expectations from the hotel industry. The hotel industry is expanding in manifolds and the employment opportunities are growing with the new upcoming hotels. To keep up the pace with these revisions and introductions of new service standards and technology, Human Resources plays a vital role. The main asset of hotel industry is the employees. The employees are the one who make or break a hotel, whether it may be goodwill or profits. The employees need to be very much taken care of, and then only they will serve well. Here the various Human Resources policies play the role in keeping the employee happy and satisfied with the work. HR practices model the attitude and behaviour of the employee towards the job. The work ethics and expectations of the employees have seen a drastic change from the last decade. Where job security was considered as the only necessary factor in the career a few decades ago, today the employees are ready to change their job frequently for newer growth opportunities. Employees today are more concerned about the career growth that the organisation can provide them. They are keen to learn new things and develop new skills to prepare themselves for future growth opportunities.

Thus to exercise employee motivation and employee engagement in the workplace the Human Resources department practices various policies. These policies are looked upon to as motivator to the employees which tend to improve the job performance. But employee belief and perception towards these policies also needs to be analysed so that there is a transparency maintained between the employees and the management, which will ensure that the fairness of these practices is maintained. These policies need to be designed in a synchronisation with the statutory requirements, management budgets and employee expectations.

In India, there is no set standard for the implementation and utilization of the Human Resources practices. However, there are a few statutory requirements that an employer needs to practise, like EPF, ESIC, Minimum wages Act, Shop Establishment Act, etc. These statutory requirements add up to the employee benefits in terms of insurance, post-retirement benefit and duration of work. With implementation of only these policies, how can anyone expect from the employee to give his hundred percent to the work.

The Metropolitan hotel industry targets corporate guests as the city offers set up to many multinational companies in various sectors spread across the city. Metropolitan hotel industry is a corporate business based industry where it is full in business for four days of the week and slows on the weekends. The purpose of the Human Resource is to improve employee performance which will eventually increase the productivity and the quality of the service. Effective HR policies build up and maintain the work culture of the organisation. The Human Resource also needs to keep a check on the changing technological updates. The technological changes increase the need for employee retention in order to keep up with the changing market conditions.

Effective Human Resources practices adopted will lead to desired change in the attitude of the employees. It helps to increase the morale and motivational levels of the employees; it increases their sense of job satisfaction and the employees appreciate the fact that the organisation is willing to spend on developing their skill sets and knowledge, even if it is ultimately for the benefit of the organisation.

The HR policies discussed in this study are clubbed under three headings:

- Monetary benefits
- HR policies
- Fringe benefits

Monetary benefits include all the financial benefits that an employee earns including the salary, increment, incentives and insurances. These benefits are the basic and statutory requirements that an employer needs to fulfil. HR policies ensure that an employee has a positive attitude and behaviour at the workplace. These include good appraisal system, employee recognition, training and development, effective grievance handling, effective measures to ensure safety and security at the workplace.

Fringe benefits are the non-financial or extra benefits that add up to the employee motivation. These include work-life balance (offs, flexible work timing, vacations), compensation, meals, family health schemes, children education insurance.

## **Key Terms**

### ***Human Resources***

Human Resources is used to describe both the people who work for a company or organisation and the department responsible for managing resources related to employees. The term human resources was first used in the 1960s when the value of labour relations began to garner attention when notions such as motivation, organisational behaviour, and selection assessments began to take shape.

### ***HR Policies***

Human resource policies are continuing guidelines on the approach of which an organization intends to adopt in managing its people. They represent specific guidelines to HR managers on various matters concerning employment and state the intent of the organization on different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections etc. They therefore serve as a reference point when human resources management practices are being developed or when decisions are being made about an organization's workforce.

### ***Monetary Benefits***

Monetary Benefits are financial incentives used mostly by employers to motivate employees towards meeting their targets. Money, being a symbol of power, status and respect plays a big role in satisfying the social–security and physiological needs of a person.

### ***Fringe Benefits***

Fringe benefits can be defined as any additional compensation provided to an employee that is not directly related with wages. These benefits are a commonly used tool to reward employees for their performance or to lift up the work conditions of the company. There are many different types of benefits, but the purpose of them is normally to motivate, compensate, and provide a more comfortable work or personal situation to the beneficiary.

### ***Employee Retention***

Employee retention is the ability of an organization to make the employees stay with them. The organization exercises various practices which add up to employee satisfaction and make the employee stay with the organization.

### ***Employee Attrition***

In simple terms, it is the turnover rate of employees due to various reasons such as retirement and resignation. The organization works towards keeping the employee attrition as low as possible which builds up a brand name for the organization.

### ***Employee Performance***

Employee performance refers to how your employees behave in the workplace and how well they perform the job duties you've obligated to them. For an individual employee, performance may refer to work effectiveness, quality and efficiency at the task level.

### ***Employee Behaviour***

Employee behaviour is defined as an employee's reaction to a particular situation at workplace. While many elements determine an individual's behaviour in the workplace, employees are shaped by their culture and by the organization's culture.

## **II. LITERATURE REVIEW**

*Author: Frank Nana Kweku Otoo, Dr. Mridula Mishra, Indian Journal of Commerce & Management Studies ISSN: 2249- 0310 EISSN: 2229-5674, Impact of Human Resource Management (HRM) Practices on Hotel Industry's Performance: The Mediating role of Employee Competencies*

The study shows that HR policies affect the attitude, motivation, and behaviour of the employee on his job performance. Career growth and appraisal do not affect the employee performance. The conclusion of the study can help various organizations in the hotel industry to manage their human resource by adopting the best policies to build their employee asset and eventually build the success of the organization. The research has a stake in human resource management literature, creating a relationship between HR practices and policies and employee's professional behaviour that has an effect on the organization's performance.

*Author: Milind A. Peshave, Rajashree Gujarathi, Human Resource Reflection 1(4) 021-033 September 2014 Avanseaza. In Impact Of Employment Practices Adopted By Hotels On Productivity Of Its Employees – A Comparative Study Between Hyderabad And Bangalore Cities*

The human resource practices in the hotel industry seem to be poor. Only handful of hospitality organizations follow the statutory requirements proposed by employment legislation. Poor human resource management is an issue of concern as it eventually hampers the hospitality and tourism industry and also equips people with low quality employment. The results of the study strengthen the fact that HR practices followed by the hotels have a good effect on the productiveness of the employees. Moreover this study suggests that the productiveness model should be accurately designed to enhance key HR practices to achieve the complete employee productiveness.

*Authors: Hazra, Sengupta, & Ghosh, ISSN: 2278-9111, SIT Journal of Management Vol. 3. No. 2: December 2013, Pp.654- 674, Impact of HR Policies on Employee's Performance: An Empirical Study of Selected*

*Hospitality Organizations.* Human resources department is no longer only concerned with hiring employees, training and development. Hotels with skilled manpower have the advantage in the market. The findings of the research can suggest HR professionals the HR practices that should be followed in the hotel. Moreover, the study will evaluate the connections between them and provide data for future hotel management needs. It will be useful for the management to evaluate and apply strategies and point out the factors to guide administrators in policy making and also give a direction to employees that will enhance their job performance. That is why it is very necessary to study the connection between Human Resources practices of the hotel industry and the employee performance.

*Authors: Kerstin Alfes, Amanda Shantz, Catherine Truss and Emma Soane, The International Journal of Human Resource Management, ISSN 0958-5192 DOI: 10.1080/09585192.2012.679950, The Link Between Perceived Human Resource Management Practices, Engagement And Employee Behavior: A Moderated Mediation Model*  
The study throws light on the mediating and moderating processes which interlink the human resources practices and employee behavior. The model developed during the study suggests that, on similar lines of social exchange theory, the impact of human resources practices is moderated by the employee engagement which is further moderated by recognized organizational support and relation between the leader and the member. Moreover, it suggests that the positive impact on the employee behavior is largely affected by the employee's relationship with the manager which is a consequence of the employee engagement.

*Author: Umair Ahmed, Abdul Halim Abdul Majid, Md Lazim Mohd Zin, Management Review: An International Journal, December 30, 2016, ISSN: 1975-8480, HR Moderating HR: Critical link between Developmental HR Practices and work engagement in a Moderated Model*  
The research paper is about work engagement that an employee experiences in the organization due to various reasons. The authors have linked the research of work engagement of the employee to the HRM practices of training and career development. The research paper mentions the gaps in the literature that state relation between work engagement and human resources practices. Further, the study shows how the performance appraisal could play a role in developing the relation between the human resources practices and work engagement for the employees.

*Author: Mohamad Abdullah Hemdi Azzat Mohd. Nasuridin, Gadjah Mada International Journal of Business January-April 2006, Vol. 8, No. 1, pp. 21-42, Predicting Turnover Intentions Of Hotel Employees: The Influence of Employee Development Human Resource Management Practices and Trust in Organization*  
The research tries to find the reasons that may lead to turnover of hotel employees. The study also tries to analyze the effects exerted by the trust of employees in the organization as a mediator in the relationship between the proposed variables. The study uses hierarchical regression to analyze the data collected on the basis of hypothesis taken into concern. The study suggests that to improve employee's trust in the organization training and development, non-partial appraisal system and career development guidance to be practiced continuously.

*Authors: Ajeet Kumar Lal Mohan, Dharmaraj Arumugam, International journal of Academic Research in Accounting, Finance and Management Sciences, Vol 6, No. 4, October 2016, pp. 268-273, E-ISSN: 2225-8329, P-ISSN: 2308-0337, A Study on evaluation of Human Resource Practices in Hotel Industry with special reference to selected Hotels in Chennai City*

The hotel industry relies on the human resources for any kind of organizational effectiveness. The proper utilization of the human resources can give the organization a competitive advantage in the market. It is necessary for any organization to standardize the human resources management and HR practices. The research paper suggests that there should be transparency in the recruitment and selection, employee recognition process. These processes should be designed in line with the organizational policies and be known to all levels of the hierarchy. The grievance handling procedures should be developed for all levels of the employees. Hotel industry faces lack of employees for which training and development and internship employment should be practised.

*Author: Tehmina Sattar, Khalil Ahmad And Syeda Mahnaz Hassan, Pakistan Economic And Social Review Volume 53, No. 1 (Summer 2015), Pp. 81-96, Role Of Human Resource Practices In Employee Performance And Job Satisfaction With Mediating Effect Of Employee Engagement*

The study has evaluated the effectiveness of the HR policies on employee's satisfaction and job performance in the. The study suggests that training and development of the employees has more positive impact on their job performance than rewards and incentives. It also adds up to the employee satisfaction. However, rewards and incentives contribute to employee engagement at the workplace. HR practices of training and development and incentives have an impact on employee satisfaction and performance by moderate mediation of employee engagement, hence proving assumptions of Baron and Kenny(1986) correct.

*Author: Deepakshi Jaiswal, Journal of Human Resources in Hospitality & Tourism, Volume 16, 2017 - Issue 1, Impact of human resources practices on employee creativity in the hotel industry: The impact of job autonomy*

This research better the understanding of the impact of HR policies on the employee commitment towards their job in the hotel industry and gives proofs of employee commitment acting as mediator between the HR policies and employee creativity. The study intends to offer a complete model for HR policies, employee commitment, job autonomy and creativity of the employee. It analyses the factors which make up the conditions for employees for displaying the creativity. The research suggests that the employee commitment acts like a mediator between HR policies and employee creativity while job autonomy performs for moderating between the commitment and employee creativity.

*Author: Mohamad Abdullah Hemdi, Investigating Hotel Employees' Organizational Commitment: The Influence Of Human Resource Management Practices And Perceived Organizational Support*

The study analyses and evaluates a model that takes into account the human resources policies, organization's commitment and support towards the employees. The study is based on a hypothesis that states that performance appraisal, training and development and career growth have a positive relation with organization's commitment and support for the employees which eventually serves the mediating role between human resources policies and the employee commitment. The data analysis done by the researcher positively suggests that all the three competencies, performance appraisal, training and development and career growth mediate between the relationship with human resource policies and the organizational commitment.

### **Impact of HR Policies**

*Employee Recognition (awards and appreciation)*

The HR recognizes the employees for their outstanding performance which in turn becomes an achievement for the employees. They are looked up to as examples by other employees and hence this recognition acts as motivator for all the employees. The graph displays that 83.33% employees have an opinion that employee recognition has a positive impact on the employee behaviour. The other 10% are neutral and 6.66% employees disagree on the hypothesis. We find that employee recognition has significant impact on the employee behaviour that supports the hypothesis.

*Training and Development*

The HR department ensures that the employees are aware and updated about new trends in the industry which will help them in their career growth. The employees are provided training which hone their skills and knowledge. The graph representing the data shows 86.66% employees back the hypothesis that training and development have a positive impact on the employee behaviour and motivation. Equal percentage of employees, that is 6.66% each, employees are neutral and disagree over the hypothesis. Analysing the data and the graph we observe that training and development is has a positive impact on employee behaviour.

#### *Performance Appraisal*

After regular intervals the employee's job performance is evaluated by conducting performance appraisal. This policy needs to be fair and formal where there is no partiality to favour any of the employees. The employees look up to this as a chance which can show them where they stand in the organisation and what they need to do to get to a better position. The graph shows a trend of 83.33% employees stating a positive opinion about training and development process having a positive impact on their job performance and it acts as a motivator. However, 13.33% employees are neutral and 3.33% employees disagree with the hypothesis. We observe that performance appraisal does impact the employee behaviour in a positive manner.

#### *Grievance Handling*

After regular intervals the employee's job performance is evaluated by conducting performance appraisal. This policy needs to be fair and formal where there is no partiality to favour any of the employees. The employees look up to this as a chance which can show them where they stand in the organisation and what they need to do to get to a better position. The graph shows a trend of 83.33% employees stating a positive opinion about training and development process having a positive impact on their job performance and it acts as a motivator. However, 13.33% employees are neutral and 3.33% employees disagree with the hypothesis. We observe that performance appraisal does impact the employee behaviour in a positive manner.

#### *Security*

Security is one of the main objectives that an employee checks before joining the organization. It is the duty of the firm to provide a secure working environment to the employees. The security of an employee has various aspects related to it, these include: Secured workplace & Job security

#### *Work life balance (weekly offs, flexible timing, vacation)*

Weekly offs, flexible timing, paid vacation are some of the allowances given by the HR that allow an employee to maintain his balance between the work and his personal life. The graph shows a trend that includes employees with all kinds of responses.

#### *Compensation*

Nowadays, employees not only work for monetary requirements, but also place equal emphasis on other aspects of compensation. The compensatory benefits like membership, employee discounts that come along with a job are also gaining importance.

### **III. CONCLUSION**

The study identifies that the employees in the Metropolitan hotel industry are more focused on the HR policies that create a safe, secure, healthy and a fair work place. The HRM should work on these policies to improve employee behavior and eventually enhance employee job performance. Development of these policies to a certain level will also help the organization to make a higher employee satisfaction rate. Salary is the second most important factor for an employee. There should be balance maintained between the job responsibilities and the salary.

The employees rank the other major monetary benefits, grievance handling procedure, work life balance and family health schemes third in terms of HR policies that impact employee behavior. These could be worked upon by just maintaining to a certain a level where those will benefit the employee without much cost to the organization. Meals and Compensation are looked upon as motivators by only a few employees. This might be the result of it being available at all organizations and a written rule for hotel industry.

The study shows that the HR Policies implemented for the employee during his time of the day in the organization have a maximum impact on the employee behavior, followed by Monetary Benefits while the Fringe benefits contribute the minimum part of it.

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