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An important part of all the organizations is Human Resource Management. Human resources can be counted in one of the most valuable assets for a company. It is very necessary that human resource management runs smoothly for the benefit of the organization. Employing the right person for the right job with right personality is what human resource management is. Hospitality management and human resource management when combined together bring about a new opportunity that helps one to understand the critical issues in managing people in an organization. The combination also highlights work's social context and expertise with reference to operating and managing hospitality business. In order to gain competitive power for the hotel, human resource management is an elementary issue. Human resource management can be regarded as the foundation for the hotel to acquire competitive advantage. It is the proper human resource management that guarantees sustainability of your business. Innovative activities and ideas of the hotel get highlighted by the talents of the hotel thereby affecting the overall development of the hotel. It's all about service in the hotel industry. Human resources play an important role in developing the greatest asset, the people and helping them to our stand others. Recruiting qualified, energetic and motivated people and developing their skills so that they remain in the field for a long time. As it is said there is no business without customers and hospitality industry is all about getting customers. It's true that hospitality management and human resource management go hand in hand. Honoring the employees through effective communication, training programs for the employees and benefit programs is what effective hospitality management is all about. Human resource management and effective hospitality management is the corner stone of successful business in hospitality industry. Hospitality management along with apt human resource management provides:• Training the employees,• Involvement of management in achieving key goals,• Conducting surveys,• Encouraging the feeling of team spirit in employees,• Retaining the talented professionals,• Focusing on core business. Human resource management deals not only with recruitment but includes: staffing, training, working in a team and much more! Effective human resource management is all about creating better relationships between employees and employers. Quality of staff is another important issue involved in human resource management. Human resource professionals in hospitality industry ought to manage the staff differently. Thus, the human resource professionals in this industry ought to manage the pool of staff in their companies differently from other industries. Effective human resources management for hotels helps to provide a basis to increase the productivity of the hotel. Human Resource Management and Hospitality cannot be separated. Managing human resources effectively along with hotel industry takes a look at HRM policies and practices followed in the tourism industry. Application of theory to real life situations and developing a team spirit among members of staff, thereby enhancing thinking and communication skills is what Human Resource Management in hospitality involves. Human resource management in hospitality covers many areas of hospitality industry. In short, it can be said that Human Resource Management is a great help in bringing about the best quality of service. The hospitality industry is a broad category of fields within the service industry that includes lodging, restaurants, event planning, theme parks, transportation, cruise line, and additional fields within the tourism industry. The hospitality industry is a several billion dollar industry that mostly depends on the availability of leisure time and disposable income. A hospitality unit such as a restaurant, hotel, or even an amusement park consists of multiple groups such as facility maintenance, direct operations (servers, housekeepers, porters, kitchen workers, bartenders, etc.), management, marketing, and human resources. (without an Hospitality tectus no one can run any organisation directly or indirectly or add an values etc.

## ROLE OF HR IN HOSPITALITY

## Professionalism and leadership

Hospitality employs some remarkable talent. Every day people in this industry are faced with a unique balance of challenges. Day in, day out they use their skills, knowledge and other personal attributes to give people great experiences. Hospitality HR professionals are the ones who are responsible for attracting, engaging, developing and retaining this talent – it’s a major responsibility and also a privilege. HR in Hospitality is about bringing out the best in our HR professionals. In my view, the truly great and successful HR practitioners have a very diverse range of skills and attributes. A recent study showed that 25% of hospitality businesses in the UK are doing more training in these challenging times." Unless businesses have really good, well-structured development options then the best applicants simply won’t be interested in them." In a recession where competition is tougher, unless you go into ‘ suicide pricing’, the only real differentiator is service. It’s the people who know what they’re doing who make a great impression on the customer. Everyone in this climate should be investing in ‘ sales through service’ type training. Companies should make the most of their own resources by getting people to cross-train, buddy up, run mentoring schemes and so forth. This has the added benefit of bonding teams, improving motivation and engendering the ‘ feel good factor’ critical in challenging times.

## Transformation and development

For me, talent development is all about ‘ Transformation’ and this is the over-riding purpose of learn purple, my talent management consultancy. It’s what led me to HR in Hospitality in search of like-minded people. It’s about transforming organizations so that their people can grow towards their potential. For the individual, it’s probably planned or accidental development that enhances that person’s attitude, skills, knowledge and prospects. Development is everyone’s responsibility – not just someone’s line manager or the HR department. Research shows that when looking for a new role, one of the key criteria for applicants is development opportunities. Unless businesses have really good, well-structured development options then the best applicants simply won’t be interested in them. And employers won’t be able to assure them otherwise because they’ll be asking their friends and consulting internet forums before they even come to the interview. The hospitality industry, and all HR professionals, must look at how they attract, harness and retain, full stop. Bright and young or otherwise, there is much to be done when it comes to employee engagement and retention. Some of this is about communication and understanding the talent at our fingertips, but it’s also about development, succession planning, and, most of all, I believe, leadership – at all levels.

## Challenges for HR

Hospitality India is no stranger to this maxim and now finds itself in the midst of yet another change as the hands of time whirl on. As the sector transits from a period widely accepted as the ‘ Golden Age of the Indian Hospitality Sector’ to one that could well be known as that of the ‘ Golden Handshake’. The challenge for the Hotel Human Resource (HR) department in the year 2009 would, thus, be in keeping the employees motivated as well as informed about the fall out of the global meltdown, which could impinge on the work environment in terms of job security, reduced growth avenues, and compensation. It will not be easy for employees to rein in their needs and aspirations and changing their mindsets will be the next challenge for HR. The scenario requires precise and timely communication with employees apprising them of the situation. The drastic shift in world economies has led to emotional upheavals and turmoil for the employees, which would need to be identified and appropriately managed. Most employees, having not witnessed an era of pink slips and pay cuts, would also need to be psychologically counseled to avoid feelings of failure, insecurity, rejection and restlessness. On a more positive note the supply-demand imbalance in the Indian Hospitality industry means that for the average and good employees, the market still remains strong in the medium to long term.  Therefore, the numbers of hotels that are likely to come up are going to ensure that there will be job opportunities in the medium to long term. This is certainly a bright spot compared to other sectors that currently look bleak.

## Compensation

HVS predicts the current fiscal year to have relatively smaller growth in terms of real capital for employees. From a high of 15% in terms of year-on-year real compensation in the last three years, the industry now faces a ‘ ZERO year’. A few corporates are even planning on pay cuts for their senior management. With shrinking revenues and virtually non-existent profits/bonuses, the biggest dilemma is that of companies’ inability in meeting variable compensations. This problem is more serious amongst the mid-level and senior management who face the prospect of a lifestyle transformation with the fear of defaulting on their commitments and over-stretched loans, the repayment of which had been largely apportioned to the profits. Individuals would have to rework their financials to be better prepared for the immediate future. Companies might also benefit in terms of building upon employee trust and loyalty by extending soft loans to employees or finding other measures that ensure the continuity of their basic needs/ commitments.

## Leadership and Role Models

These difficult times would test the strength of the leadership, who would not only be responsible for managing the operations and improving the bottom lines but also providing emotional stability to their staff. The proverbial ‘ pat on the back’ and ‘ sharing and bonding’ with employees will make a comeback as most managers believed that emotional bonding between employees had evaporated with ‘ scarcity of time’. The credibility and openness of the leader is very important for motivating employees in roughing the conditions till the next fair weather patch as dissatisfaction spreads faster when employees lack faith in the abilities of the leadership, which eventually leads to lower quality services. Skills set comprising of experience, maturity, intransience, and ability to withstand pressure would become even more crucial. The younger workforce, too, would stand in good stead to imbibe these values and let arrogance give way to humility. Moreover, they should look at longer stints within companies where they can learn the trade rather than short career jumps across companies driven only by moneynomics.

## Building New Talent

We believe that it would be the golden opportunity for companies to attract good talent and enhance their capabilities for the long run and the good times. Regional players, boutique operators and independent owners should stretch themselves to find and attract human talent across the spectrum. The timing is perfect to invest in human talent at a more realistic price. With hotel professionals from other industries - such as real estate, health care, aviation and retail - desiring to come back to hospitality, it may be predicted that we are standing on the threshold of a reverse flow of hotel professionals from other sectors to hospitality. Some family run organisations and single owners who have ambitious plan to grow can attract top talent to their fold, both at the corporate and functional levels. Hotel professionals in India are very myopic in the view of their employment needs as they prefer to work with only established, large brands. Unlike, counterparts in the West who take calculated risks and are willing to explore work with small and unorganised players, Indian professionals are relatively averse to risk and try to play it safe. HVS Executive Search research shows that professionals who take the extra risk and are entrepreneurial in nature gained considerably more both in terms of job enhancement, satisfaction and growth in their careers. Small players/independent owners can provide a very attractive enriching career option that can be financially viable for professionals in providing a stable long-term career as both parties are well protected by tailor-made contracts and commitments.

## Emergence of New Mid-Market and Budget Hotels

Traditionally, Indian hotels have been a mix of Luxury, First-class and Mid-Market properties that have been able to nurture the classical hospitality professionals. However, with the recession on and Corporate India giving way to moderation, HVS believes Budget hotels with quality without frills will dominate the market in the coming years. The slew of mid-market and budget brands - such as Premier Inn, Ibis, Red Fox, Hometels, Fortune Select - have already captured the imagination with their value products. This would also breed a new hotel professional completely different in attitude and aptitude from the existing pool of Indian Hospitality professionals, who will have to acknowledge their presence and emergence.

## Sales and Marketing

The function of Sales and Marketing would be under a lot of stress. Gone are the days where rooms were full due to the market dynamics and a feel-good factor of the Indian economy. Sales and marketing professionals have to ‘ reach out’ and connect every day with their potential targets and audiences. New strategies and innovative pricing along with a demanding customer shall be the call of the day. Virtues and skills such as experience, humility, energy and enthusiasm that had disappeared from the Sales vocabulary in the last three years have to be demonstrated by all the sales professionals. Suddenly the Role of E-marketing, revenue management, and channel partners will increase and become robust as the second line of sales will flow through these measures.

## General Manager

The role of the General Manager in the coming year would be the toughest as s/he would face a new reality of shrinking revenues, demanding market, a greedy customer and low morale of employees. General Managers will have to lead their teams directly from the front by connecting with their customers.  They will have to be bold, aggressive, risk takers and willing to share their dream everyday with their team. Moreover, General Managers need to build in their team members a positive atmosphere and firm belief in a better and not-so-distant future. Recognition, reward and reprimand to the employees have to be quick, controlled and managed effectively on a day-to-day basis. S/he needs to be dynamic to meet the new challenges each day, along with being a visionary. The prior focus on rooms would have to be widened to encompass Food & Beverages (F&B) as that is where the future revenues would be coming from. To summarise, the hospitality sector in India is fundamentally strong and well placed for further growth and consolidation across all levels of the market. Human resources along with key stakeholders will play a crucial role in managing and balancing the hopes and despairs of their employees as the sector makes a transition in the fallout of the global meltdown.  However, it is at times such as these that the light at the end of the tunnel shines more brightly and through it signals the industry to innovate and advance. We, at HVS Executive Search, would continue to highlight key issues and share our experiences and feedback from the employees, industry leaders and captains of the industry. Being an optimist, I would like to end by sharing that our industry would open 50 new hotels in the financial year 2009 and shall provide direct employment to more than 10, 000 people during the time of recession!

## CHALLENGES AHEAD IN HOSPITALITY INDUSTRY

FAST changing consumer habits and attitudes have put the hospitality sector on notice and changes must be made now if future prosperity is to be attained. According to a global report released today by Deloitte, the global industry will need to address seven major imperatives over the next five years to achieve future growth. The Hospitality 2015 report explores trends which Deloitte believes will shape the hotel industry in the future and is supported by research, analysis and structured interviews with industry leaders. The seven key areas are: emerging markets; demographics; brand; talent; technology; sustainability and crisis management.

## Emerging markets

China and India will continue to be the key markets and according to the report, by 2015 these countries will have absolute year-on-year tourism growth greater than the UK, France or Japan. Deloitte’s Global Tourism, Hospitality & Leisure spokesperson Alex Kyriakidis, says in the emerging markets, the rise of the middle classes will drive significant new demand for both leisure and business hospitality." The greatest future potential in these markets will lie in developing mid-market and economy-branded products aimed at the domestic traveller," he says.

## Demographics

In 2015 and beyond, two key demographic drivers of change have been identified, which will create new patterns of travel and demand in the west and important new source markets in the east: the ageing baby boomer population and the emerging middle classes of China and India." Hospitality operators who understand the drives and needs of these growing demographics will reap the rewards and become the future leaders in the industry," says Kyriakidis." By 2015, US boomers are forecasted to account for 60 percent of the nation’s wealth and 40 percent of spending. In the United States, baby boomers will drive growth in hospitality in the leisure sector. The key to attracting boomers is appealing to their ‘ forever young’ attitude and desire for experiential travel. " The middle classes of China and India will also create ripples of change far into the future as their travel patterns evolve from domestic to regional to international. India alone is forecasted to have 50 million outbound tourists by 2020."

## Brand

The growth of social media in the last five years has been staggering and will continue to grow. This new form of communication and feedback is good news for consumers and offers both threats and opportunities for operators. " The transparency of social media will highlight any inconsistencies in the delivery of the brand, and will provide a quick and enriching communication channel between brand and consumer. The most successful brands will be those that embrace and learn to harness social media rather than underestimate or fight against its influence," says Kyriakidis.

## Talent

An average hotelier spends 33 per cent of revenues on labour costs, but employee turnover in the industry is as high as 31 per cent. High employee turnover continues to plague the industry and operators need robust strategic plans to retain their critical employees and manage turnover.

## Technology

According to the report, to be successful in 2015, hospitality companies must invest in technology. The battle to drive bookings through proprietary websites will continue, but all major operators will also develop applications and websites for mobile devices to meet consumer demands.

## Sustainability

Sustainability will become a defining issue for the industry in 2015 and beyond. Rising populations and increasingly scarce resources will provide a challenging business environment in which sustainability will need to be embedded within all facets of the hospitality industry.

## Crisis Management

The key to the hospitality industry’s survival of unpredictable shocks and minimising their impact is to establish appropriate responses, protocols and risk management programs. Operators also need to capitalise on new opportunities that may present themselves in challenging times.

## HRM IS VITALLY IMPORTANT IN HOSPITALITY INSDUSTRY

Especially it applies to Hotel and tourism and businesses. Basically HRM is a series of integrated decisions that form the employment relationship. Whether these decisions are efficient and consistent with one another directly influences ability of the company and its employees to achieve objectives. The entire HR mix includes the following activities: staffing, training and development, compensation, employee relations, and work structure. Each of these five in turn comprises several sub-concepts. Managing personnel of hospitality related business is somewhat different from that of another business. First of all, this kind of businesses is purely customer motivated. Hospitality businesses provide series of services and so employees should take into account individual preferences of each customer. Unlike at barber’s shop, for example, where most customers are local dwellers, hospitality businesses deal primarily with tourists, people from distant lands, people with different language, culture, religion, and other beliefs. There are many ways to boost personnel dedication and overall performance in hospitality businesses. Some of these ways intersect with general HRM concepts, while the rest is applicable to only tourism and hospitality companies. Every qualified HR specialist would want to keep current employees in lieu of constantly hiring new ones. So holding on to good, experienced, long term employees saves time, money and effort, however this method requires a knotty strategy that goes far beyond the pay. In the hotel industry, for example, it is not an unusual case that the entire staff changes perpetually. So HR managers would want to implement new series of ideas to boost personnel internal motivation. One way to keep current experienced employees happy is to permit flexible work schedule; not only arrange three of four shifts. This arrangement will allow employees to choose the best time that fits them. Another very useful technique HR manager might want to consider is to communicate much. So HR specialist must provide this information via different mediums like newsletters, memos, staff presentations, regular meetings, and Internet. Utilizing these channels both up and down, HR managers should keep employees up to speed with the company’s strategies, achievements, directions. This way people would feel they are not separate, but rather inseparable links of a greater entity, and this felling of unity in turn will entail greater internal motivation. Grievance boxes or other mediums that can highlight grievances are also very important. Employees should without fear list grievances, other they might simply leave the company without managers even knowing why. This way resolving current employees’ complaints will reduce future resignations.

## ROLE OF HUMAN RESOURCE DEPARTMENT IN HOSPITALITY INDUSTRY

The human resource department plays a major role in helping plan the system and in developing job description, job specification and performance standards. Specialists in that department may be assigned to conduct job analysis and write job descriptions in cooperation with managers, supervisors and employees. The human resource department is not involved in the actual writing of performance standards but play a diagnostic, training and monitoring role. The human resources department’s role in job design is usually indirect, although job design influences almost every aspect of human resources management. The department diagnoses organizational problems that suggest job redesign, incorporate information on job design in training and management development programs, and help plan job redesign programs to ensure that sound human resources policies and practices are developed. Further, the department is needed to prepare to modify job descriptions and job specifications and to modify recruitment, selection, training, compensation and other practices to be consistent with any job redesign program.

## Training and development activities

These are designed in order to impart specific skills, abilities and knowledge to employees. Effective training is basic ingredient of success in the hotel industry. The concept of training is endorsed my most managers in the hotel industry, yet managers often give little thought to the training function in the context of their own business or departmental responsibilities until something goes wrong! One of the main problems in hotel industry is that investment in training and development of employees is a reactive process for many companies. Frequently, training and development arises as the result of significant change in the operational environment or as a consequent of crisis such as staff turnover or major departmental problems. Training is then used to cope with the immediate difficulty. This process may be proved costly to hotel. Whereas development refers to learning opportunities designed to help employees grow and evolve a vision about the future. Here the job of HR is to identify the training need and then accordingly to design the suitable programme for that. Training within a hotel provides the best opportunity to influence the attitude and performance of employees. The training programmes include is such as introduction, fire, food hygiene, control of substances hazardous to health, manual handling first-aid, technical skills, product knowledge, and customer service. Methods and Techniques of Training & Development followed in Hospitality IndustryThere are mainly two methods of training are used to train employees in Hotel Industry. They are classified into two groups.

## On-the-job training:

On-the-job training is primarily learning by doing and, as such, is probably the most used and most abused approach to training. Like other form of training, OJT requires planning, structure and supervision to be effective for developing a variety of practical and customer-oriented capabilities. When done correctly, OJT is a sensible and cost effective method for training and assessing trainees’ progress in jobs such as retail sales, food and beverage operatives, and check-in and check-out positions. Some of the On-the-job methods of training are orientation training, job-instruction training, apprentice training, internships and assistantships, job rotation etc.

## Off-the-job training:

Off-the-job training allows for the development of broader and more conceptual skills while providing a practice environment in which error need not be so costly. There are three main forms of off-the-job training: In-house, External, and Independent. In-house off-the-job training may take several formats including lectures and other Classroom techniques, discussions, demonstrations, case studies and role plays, and simulations. What distinguishes in-house off-the-job training from other type of off-the-job training is that in- House training is conducted away from the physical location where the job is actually carried out, but still on company premises.

## AN OUTLINE OF BEST PRACTICES OF HR CONCEPTS IN HOTEL INDUSTRY

Recruitment and selection: Recruiting and selecting staff with the correct attitudinal and behavioral characteristics. A range of assessments in the selection process should be utilized to evaluate the work values, personality, interpersonal skills and problem-solving abilities of potential employees to assess their ‘ service orientation’. Retention: The need to avoid the development of a ‘ turnover culture’, which may of course, be particularly prevalent in tourism and hospitality. For example, the use of ‘ retention bonuses’ to influence employees to stay. Teamwork: The use of semi-autonomous, cross-process and multi-functional teams. Training and development: The need to equip operative level staff with team working and interpersonal skills to develop their ‘ service orientation’ and managers with a new leadership style which encourages a move to a more facilitative and coaching style of managing. Appraisal: Moving away from traditional top down approaches to appraisal and supporting things such as customer evaluation, peer review, team-based performance and the appraisal of managers by subordinates. Generally, all of these performance appraisal systems should focus on the quality goals of the organization and the behaviours of employees needed to sustain these. Rewarding quality: A need for a much more creative system of rewards and in particular the need to payment systems that reward employees for attaining quality goals. Job security: Promises of job security are seen as an essential component of any overall quality approach. Employee involvement and employee relations: By seeking greater involvement from employees the emphasis is on offering autonomy, creativity, co-operation and self-control in work processes. The use of educative and participative mechanisms, such as team briefings and quality circles are allied to changes in the organization of work which support an ‘ empowered’ environment. In simple terms best practice is likely to entail attempts to enhance the skills base of employees through HR activities such as selective staffing, comprehensive training andbroad developmental efforts like job rotation

## DEVELOP THE EMPLOYEE TO DELIVER SERVICE QUALITY IN HOSPITALITY INDUSTRY

In this central part HR strategy, the Hotel Industry must train and work with the hired employees to ensure service performance and it includes the sub strategies of train for technical and interactive skills empower employees, promote teamwork. Training for technical and interactive skills implies providing employees with ongoing training in the required technical skills and knowledge and in process or interactive skills. Formal and informal programmes, on and off the job training, as well as online learning, are provided to employees and managers about the company’s culture of service quality, a variety of tasks, knowledge of the workplace, leadership skills and executive coaching, people management skills, problem solving skills, listening skills, teamwork skills, communication and interpersonal skills, and customer relationship skills which can help employees and managers assist customers. Training through job rotation, and knowledge sharing via seminars, can also facilitate career development opportunities, and thus be viewed as a long- term investment in the organization’s Key asset. Empowering employees would mean to give employees the desire, skills, tools and authority to engage in customer service. Employees in customer oriented organisations are given the authority to resolve all customer issues with the managers getting involved only in extreme cases, and providing feedback 1-1 to employee at a later time. They are provided with training to teach them they hold the authority for problem solving. The Hospitality Industry need to celebrate, congratulate, and reward empowered employees, and this would require measuring specific service issues. Empowerment initiatives could include self-esteem and communications training, open-door policies, self-directed work teams, cross-training, task forces, management by walking around, employee surveys, sensing groups, information sharing, delegation strategies, involving employees in identifying causes of poor service quality, encouraging and rewarding employees for suggestions and innovative ideas, and empowering employees to respond to customer needs. Getting employees to work in teams, by promoting teamwork, will enhance customer satisfaction, since employees will feel better supported, reducing the stress and strains of service jobs. This will maintain their enthusiasm, through camaraderie and support, improving their inclination to provide service quality. The promotion of teamwork may require a restructuring of people around clusters of customers, where the work for the majority of employees is organized around team working on specific customer segment. The dominant mode of structuring work becomes self-managed teams and team working which will encourage better decision-making and facilitate creative problem-solving. Therefore, the HR practice of training and development in the hotel industry is expected to be aligned with the above-mentioned core HR strategy of developing people to deliver service quality and its sub-strategies

## Pessimistic Views of HRM in Tourism and Hospitality

Generally tourism and hospitality has often struggled with negative perceptions about employment practices and conditions and this perception has often been matched by the reality. Keep and Mayhew (1999) for example in their review of the skills issue in the tourism and hospitality industry suggest the industry has a number of personnel problems, including:● generally low wages, unless skill shortages act to counter this (e. g. chefs);● unsocial hours and shift patterns that are not family friendly;● overrepresentation of women and ethnic minorities in low-level operative positions, with better paid, higher status and more skilled jobs filled by men, pointing to undeveloped equal opportunities policies in the sector;● poor or non-existent career structures and use of casualized seasonal employment;● over reliance on informal recruitment methods;● lack of evidence of good practice personnel/HRM practices;● little or no trade union presence;● high levels of labour turnover;● difficulties in recruitment and retention of employees.