

## Chapter 16

# Human Resource Management in Indian Hospitality Industry: Emerging Theoretical and Practical Aspects

**Mohinder Chand Dhiman**  
*Kurukshetra University, India*

**Amit Kumar**  
*Kurukshetra University, India*

### ABSTRACT

*In the present era of globalization, human resources is the most important asset for any organization and a source of achieving competitive advantage. The theory, research, and practice of human resource management (HRM) has evolved considerably over the past century; experiencing a major transformation in practices within the most recent three decades. Today, HRM is regarded as the source of sustained competitive advantage for many organizations operating in a global economy, with no exception for the tourism and hospitality industry. While there is growing evidence that the practice of human resource management in the hospitality industry is characterized by informality, there is less evidence about the emerging theoretical and practical aspects of HRM. Thus, this chapter makes a modest attempt in the direction of building management concerns and advocacy for better HRM systems and practices in Indian hospitality industry.*

### INTRODUCTION

Every industry requires certain prerequisites for its functioning namely; raw materials, finance and funding, machinery, etc. similarly, it requires manpower and Tourism & Hospitality industry is no exception. This manpower is the Human Resources and in order to manage the manpower, Human Resource Management is necessary. HRM

involves managing manpower in order to improve individual, group and organizational effectiveness. It is important to manage human resources as they help in the prosperity and progress through the committed and creative efforts and competencies of their human resources. Edwin Flippo defines the term, HR management as “planning, organizing, directing and controlling of the procurement, development, compensation, integration, mainte-

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nance and separation of human resources to the end that individual, organizational, and social objectives are accomplished.” HRM emphasizes mainly on the accomplishment of individual or personal objectives of the employees (e.g.: promotions), encouraging team work, attaining higher profits, social development, etc. Recruitment and maintaining good people are essential to the success of every organization, whether profit or non-profit, public or private. It is important that organizations, manage human resources on a continuous basis, due to the growing expectations of employees. HRM works on the availability of competent and diligent manpower ensures effective use of manpower through appropriate placements, constant provision of rewards, acknowledgements and incentives to the employees encourages and motivates them to do their best. HRM also attempts to devise the best possible compensation packages to the employees. HRM encourages team work, facilitates career development and makes an effort to create the right environment to develop careers of managers within the organization. A healthy environment can occur only when the working relationships between all the employees are established, leading to an overall development of every individual employee as well as the organization on a whole. Deming (1982) once remarked- “Abundance of natural resources is not a requirement for prosperity. The wealth of a nation depends on its people.” HRM also looks into the grievances and issues faced by the employees and industrial relations. Thus HRM acts as a fuel for the smooth functioning of an organization and its overall development and progress and HRM practices play a vital role in the successful human resource management and development in hospitality industry.

### **Hospitality as an Industry**

Hospitality industry today has become one of the most important aspects of employment op-

portunities. The internationalization of hospitality industry has progressed under the pressure of advanced technology, development of tourism industry, transportation, hotel industry, socio-cultural changes, economic development, besides growing competition in a growing economy. The terms hospitality includes hotels, restaurants, beach resorts and other tourism complexes providing accommodation and /or catering and food facilities to tourists. The economic reach of the hospitality sector is uncommonly broad: its supply chain generates business activity for many other parts of the economy and, in particular, for the retail, recreation, transport and restaurant sectors. Hotels also provide a forum for business meetings, trade shows and conventions that are an important catalyst of economic growth. Hospitality is a major global growth industry. There are now some 12.7 million hotel rooms around the world, including 4.9 million in the USA and 3.9 million in Europe. In total, the number of new rooms planned or under development (1.3 million) equates to more than 7% of the existing worldwide stock, while in the Middle East and Africa – which together are responsible for almost half the new rooms under construction – the share is more than 20%. Jobs in the hospitality sector are occasionally considered to be inferior or ‘non-career’ posts. In reality, to keep any large hotel operating round the clock takes not only receptionists and room attendants, but also a diverse team of highly skilled specialists with backgrounds ranging from accountancy to information technology. At the same time, hospitality is an important employer as it offers a wide range of full- and part-time jobs for young people, first-time job seekers, minority groups, retired people, and working mothers. Research has shown that, in times of economic recession, hospitality can also take up unemployment faster than almost any other sector.

The hospitality industry represents all sectors or enterprises of the industry – from Travel & Tourism companies, air transport and accommo-

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