Chapter 2
REVIEW OF LITERATURE

1. Hotel Industry:

1.1. Hotel Industry: An Overview

The word hotel is derived from an old French word "Ostel", meaning an inn servant. The Latin word 'hospititum', the hall in medieval monasteries, where guests were given hospitality became French 'hospice', then hostel and eventually hotel. The word hotel came to use in England at the introduction of the kind of establishment after 1760 in London, which was then common in Paris, called "hotel garni", a long house in which apartments were let by the day, week or month to travelers (EncyclopediaBritanica 1964).

The term hotel (Pragati 2008) is of ancient origin but its use to mean offering accommodation and food services for travelers is a recent concept and word 'inn' has been in use since about 14th century and it was not until 18th century, the word hotel became fashionable. Henry Ford's (Prior 1999) mass production of the model T in 1913 led to the construction of highways and motels and the word motel has its origin from "mo" in motor and "tel" in hotel.

According to British law hotel is a place where a “bonafide” traveler can receive food and shelter provided he is in a position to for it and is in a fit condition to receive. Tourism, hospitality and leisure sector (B. Tom 2006) continues to be one of the fastest growing sectors within the global economy even in the major setbacks in the early twenty first century. Hotel industry is one of the biggest sectors in the tourist economy of a country and plays a major role in bringing in foreign money to a country. The hospitality industry (Biju 2006) is
much larger than oil industry or arms industry and in Kerala tourism has emerged as one of the few economic alternatives to develop the state economy as an important sector for the development on account of its potential for generating income and employment. Hotels (Sipra 2007) both registered and unregistered, of different types are expanding at different tourist destination points and main cities of Kerala. The Tata Group of companies (PTI, Articles: The Economic Times 2002) has plans to invest in the hospitality industry in Kerala by opening new hotels and they are looking at increasing the number of hotels and are in the process of finding the right locations.

1.2 Global Hotel Industry:

Hotel industry (Swans 1953) is America’s seventh largest service industry and the hotel industry has spent billions since the end of World War II in remodeling old hotels and building new ones. The most significant development (Larry 1999) in the world economy during the past few decades has been the increasing globalization of the economic activities and in today’s rapidly changing world, the economic activities of the individual countries do not occur in isolation, nor they are insulated by geographic distance and this made economies more integrated worldwide.

Globalization made economies more open and countries that had restricted trade practices started sharing of their economy and made their country more open to foreign investors to trade and start business. In the 21st century (Sandhya 2012), with the increasing levels of globalization in the hospitality industry, hotel companies will need to learn different management approaches to survive and develop in environmental circumstances with high levels of uncertainty as well as understand the implications of the future impacts, both positive and negative, of the changing environment in which they operate.

The globalization has made the hotel industry to expose to different cultures worldwide. This has helped the industry to learn more about the world cultures and hence promoting the good aspects in each culture, so that this infuses the best among the world. Globalization helped to open global market for the industry. The visit of the international clients helped to pump more money into the
country. Globalization brought in more technological advancements, more job opportunities and more creative environment in the industry. Globalization (Sandhya 2012) has impacts on the organisational culture, management styles, and organisational structure of the hospitality institutions. Technology plays a major role in decision making made by the customers in choosing a hotel to stay in. The technology has become a buzz word in the world and everyone highlights to be a part of the high end technology, it can be either the car which they buy or the hotel where they stay in. The lodging decisions (Maury 2006) made by a customer depends on the technological offerings by the hotel.

In the early 1990s there was little interaction between the people in the eastern hemisphere and western hemisphere. As the communication technology advanced to a great extent enabled constant communication and travel between areas throughout the world. There is a hot investment (Janson 2012) that is occurring in the hotel industry and the major regions of this investment are China, Brazil, India and Africa. The hospitality industry is a global industry and is operating in many different countries and hence it has its pros and cones depending on the country of operation and culture assimilators in each place of operations. From an international perspective (Bob 2003) it is important to understand that hotel may be considered as a culturally bound phenomenon and due to this the customs that govern hospitality provisions and the ways that hospitality providers operate have built in set of assumptions and hence the industry needs set of people who have the capability to manage and participate in the operations based on this international standards.

The global hotel industry (Hanquin, Ray and Terry 2005) is dominated by western hotel chains and continued to expand mainly through acquisition and partnership with other chains

1.3. Hotel Industry and Tourism:

The organisation and structure (B. Tom 2006) of tourism, hospitality and leisure is different in different parts of the world according to the culture, national and regional characteristics, and the difference can be found in Ireland, India, Italy, Iran and Iceland. ECO-tourism (Arshdeep 2002) is emerging as a new
mantra in domestic tourism and enchasing an increasing awareness about environment-friendly products. A new international hospitality brand Ecotel, which belongs to HVS International, is gaining grounds in the country. The Ecotel Collection is an exclusive group of international inns, hotels, and resorts that define the concept of environmental responsibility in the hospitality industry and have to pass a detailed inspection and satisfy stringent criteria.

In India, medical tourism is a sunrise sector valued at more than US$ 310 million. Currently, India receives more than 100,000 foreign patients a year. The number of medical tourists is anticipated to grow at a CAGR of over 19 per cent during the forecast period to reach 1.3 million by 2013.

Tourism (Biju 2006) is one of the world's most rapidly growing industries, which has emerged as a growing sector in terms of employment and income generation and its contribution to the world economy is very significant. The hotel industry (Pragati 2008) plays a very pivotal role in tourism and has tremendous potentialities for earning foreign exchange, yielding tax revenues, providing employment, promoting the growth of ancillary industrial activities and overall development of industrially backward regions through its linkage effects. The world travel (Rolf and Dennis 2011) and tourism industry has a growing market, there is a room for everybody and scope for everybody to make profits, and the travel and tourism sector was growing faster than most.

Indian tourism and hospitality sector has reached new heights today. Travelers are taking new interests in the country which leads to the upgrading of the hospitality sector. Even an increase in business travel has driven the hospitality sector to serve their guests better. Visiting foreigners has reached a record 3.92 million and consequently International tourism receipts have also reached a height of US$ 5.7 billion.

1.4. Hotel Industry: A sub Section of Hospitality Industry

Hospitality (wikipedia 2012) is the relationship between guest and host, or the act or practice of being hospitable and specifically, this includes the reception and entertainment of guests, visitors, or strangers, resorts, membership clubs, conventions, attractions, special events, and other services for travelers and
tourists. To the ancient Greeks hospitality was the divine right and the host has to make sure that all the needs of the guest are looked after with care and ritualized guest-friendship relation and in Greek society hospitality nature and behavior a person determines his nobility and position in the society. Hospitality industry normally refers to hotels and restaurants. But when we look in a broader way to the word hospitality, the word is derived from "hospice" which means a medieval house of rest for travelers and pilgrims. According to Oxford English dictionary, hospitality means the “the reception and entertainment of Guests, visitors or strangers with liberality and goodwill". Hospitality (Clayton and Tom 2009) not only includes hotels and restaurants but also to other institutions that offer shelter, food, or both to people away from their homes. Hospitality (Lea and David 2008) can be defined as the friendly and charitable reception and entertainment of guests or strangers and is a specific segment of travel and tourism industry.

In hospitality industry other institutions that provide food and shelter for people when they are away from home other than hotels can be included. This makes the term hospitality and hospitality industry more wide. In this we can include clubs, casinos, resorts, even hospitals and care homes where people stay, because here also people are away from their homes. The term hospitality has a long heritage as long as the human civilization started on the earth. This become more eminent as people started travelling. The hospitality industry consists of management activities like providing food and shelter, like a normal business establishment of constructing building, providing energy supply of heat, light and electric power, tiding up and maintaining the place, managing the employees, preparing and serving food to guests and managing the accommodation facilities for the guests who stay with them. The same thing happens with a dietary department in a hospital or care home or in a place like amusement park.

The hospitality profession (Clayton and Tom 2009) are among the oldest of humane professions, and it involve making a guest, client, member or resident feel welcome and comfortable. After world war II, (C. W. Michael 2010) the conclusion of years of cold war in Europe, the collapse of the Eastern Bloc of European nations, and the easing of tensions in the Asian Pacific theater, chilly relations made way for global community tourism and by this process, doors were
opened through diplomacy and friendship, which ultimately also paved the way for mutual trade, commerce and investments and the promotion of tourism by the establishment of organisations like International Air Transport Association (IATA), American Society of Travel Agents (ASTA), Pacific Asia Travel Association (PATA) promoted inbound and outbound tourism and travel. These all factors lead to the growth of travel industry providing establishment of more organisations offering hospitality for the travelers.

Many (N. Dennis 2007) academics, industrialists and policy makers have attempted to define the nature of tourism industry- and the place of the hospitality and hotel industry as sub-sector within this broader conceptualization. When we look into this whether hospitality industry is a subset of tourism industry and hotel industry is a subset of hospitality industry, it can be complex. But one thing can be clearly seen that all three are closely associated. When we look in to tourism, it is movement of people to visit place, where hotel industry supports this framework of travel and tourism and hospitality is the binding factor that makes all the travel and tourism meaningful.

A hotel works with the defined concept of hospitality, where guests are satisfied by the comfortable service and hospitality provided by the hotel. The hotel cannot satisfy the wordings “the reception and entertainment of Guests, visitors or strangers with liberality and goodwill” without providing hospitality to its clients. Hotel becomes a hotel only when hospitality takes place. Hotel industry and hospitality industry are closely related. When we take in broader spectrum hotel industry comes as a subset of the hospitality industry, which is the keyword that sustains the activities for which the hotels are established.

The hospitality industry (wikipedia 2012) consists of land 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 and it 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. The hospitality industry consists of wide range of organisations offering food, accommodation and other guest services and requires a number of staff with skill levels of various disciplines of management, food operations, engineering and finance and accounting in order to provide accommodation, food and beverage production and service and also to conduct meetings, events, games, entertainment, recreation, tourism services and providing visitor information.

Hospitality industry (EconomyWatch 2010) can be empirically divided into two parts: entertainment areas like clubs and bars, and accommodation and accommodation takes the form of public houses, resorts, inn, campgrounds, hotels, hostels, serviced apartments, and motels. The clubs and bars category include restaurants, fast foods, and nightclubs. The hospitality industry also consists of tourism supporting business activities like travel agents, cruise line operators, airline staff, and travel agents. Hotel is an establishment that provides food and accommodation in lieu of paying money. Lodging and food service activities are given on the basis of pre determined tariff and menu card. The hotel industry (Sharma 2004) is a service and hospitality industry. Modern hotels provide all ultimate luxury and hospitality to the maximum extent. Night clubs are for entertainments were dancing with light snacks and beverages are served. Comedians, disc jockeys, show personnel, celebrity events and shows are part of the attractions in the night clubs.

The entry of fast food concept and the fast food outlets forms a major part of the hospitality industry. The food courts and the fast food outlets employ people to provide food and beverage services to the guests. In most of the classified good hotels night clubs, 24 hours coffee shops and entertainment and gaming zones are available. These are done with the aim to provide and attract customers who are travelers and visitors to various tourist attractions and locations in the place. Hotels conduct night shows and celebrity events in their special premises and theatres in order to provide hospitality to their guests. The original of hotels started in medieval Europe associated with monasteries offering hospitality to travelers with the aim of promoting pilgrimage to holy places. This later turned into inns with profit making design offering hospitality to travelers.
later turned into the concept of hotels. When we look into the history, Termand house was the earlier first class hotel made in Boston in 1829 to provide private guest room, door with lock and bell boy service (Manpreet 2008). Tourism, hospitality and leisure (B. Tom 2006) are closely related concepts and, in many respects, are mutually dependent upon each other. India holds (Daniel 2010) a special place in the international world of hospitality and culturally the country might very well be the most diverse place in the world with a vivid kaleidoscope of landscapes, magnificent historical sites and royal cities, misty mountain retreats, colorful people, rich cultures, festivities luxurious and destitute, hot and cold, chaotic and tranquil, ancient and modern - India's extremes and rarely fail to leave a lasting impression.

1.5. Hotel Industry: A General Perspective

The constant transformation (Manish 2011) has made the Indian hotel industry more functional and practical and has gained a level of acceptance world over and the standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, market segmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and, boutique and budget hotels. The Federation of Hotel and Restaurant Association of India (FHRAI), an apex body in the hospitality industry, has said that the industry is set to see an investment of about Rs 26,000 crore by 2017 (BusinessStandard 2012). “The sector will witness and investment boom soon. According to estimates, we will require an additional 1,88,000 rooms by the end of the Twelfth Five Year Plan Period. We expect an investment of about Rs 26,000 crore by then,” said Kamlesh Barot, president, FHRAI.

The industry currently employs 24 million people and by 2017 it is expected to add another 44 million employees. From the present 26 lakh rooms, the industry is likely to double its number of rooms by 2017. According to FHRAI, though the industry was given infrastructure status, it excludes majority of hotels in the country. “It covers only 5 per cent of hotels. The remaining 95 per
cent will not enjoy infrastructure status. We have requested the Government to provide this status to the entire segment. We will then be able to compete with the rates at which foreign hoteliers operate,” he added.

Barot said that the hike in service tax from 10 to 12 per cent during the last Budget has also affected the sector negatively. Tourism and Hospitality in India (IBEF 2012) is the largest service industry contributing up to 6.23 per cent to the National Gross Domestic Product (GDP) and providing 8.78 per cent of the total employment opportunity in India. In India travel and tourism industry is the one of the profitable industries among the country. This industry brings a large amount of foreign exchange to Indian economy. Indian tourism offers a wide variety of different cultures, traditions, festivals, cultural activities, regional and seasonal activities, variety food, and place interest to see and enjoy. From 2009 to 2018, as per World Tourism and Travel Council (WTTC), India will be one of the favorite tourist destinations in the world. According to World Economic Forum, India has ranked sixth place in tourism and hospitality. The key segments (IBEF 2012) of the Indian tourism and hospitality industry are:

- Accommodation and catering
- Transportation
- Attractions
- Travel Agents
- Tour operators

The tourism and hospitality sector’s direct contribution to the GDP in 2011 was estimated at US$ 32.7 billion. It registered a compound annual growth rate (CAGR) of 13 per cent during 2006-11. Total contribution increased to US$ 76.7 billion in 2011 from US$ 56.3 billion in 2009. The total contribution comprises direct, indirect and induced contribution to the GDP. Foreign Tourist Arrivals (FTAs) during the Month of April 2012 was 452,000 as compared to FTAs of 438,000 during the month of April 2011 registering a growth of 3.3 per cent. Foreign Exchange Earnings (FEE) during the month of April 2012 were Rs 6745 crore (US$ 1.2 billion) as compared to Rs 5724 crore (US$ 1.02 billion) in April
The growth rate in FEE in rupee terms in April 2012 over April 2011 was 17.8 per cent, according to the data released by the Ministry of Tourism. The Indian hospitality industry is projected to grow at a rate of 8.8 per cent during 2007-16, placing India as the second-fastest growing tourism market in the world. Federation of Hotel and Restaurant Associations of India (Manish 2011) states that India currently has over 200,000 hotel rooms spread across hotel categories and guest-houses and is still facing a shortfall of over 100,000 rooms. Leading hotel brands have pepped up their investments and are in various stages of commencement of new proprieties in India, both in metro and non-metro cities.

The Indian hotel industry (Manish 2011) is seeing huge spurt of foreign investment and international brands entering the fray and most major international hotel brands such as Starwood, Hilton, Marriott, Hyatt and Accor already have a growing presence in India and they have an even stronger pipeline. Global hotel operators like Marriott International has the plan to expand to more than 100 hotels in India. The emergence of branded budget and economy segment hotels present tremendous opportunities. Keys Hotels, a brand of Berggruen Hotels, is setting up a leading chain of mid market hotels, resorts and service apartments across India and plans to open and manage 40 hotels over the next five years. The Indian hospitality industry (DNB n.d.) has emerged as one of the key industries driving growth of the services sector in India has evolved into an industry that is sensitive to the needs and desires of people and the fortunes of the hospitality industry have always been linked to the prospects of the tourism industry and tourism is the foremost demand driver of the industry.

When we look into the hotel industry in India, (Asha 2005) the software giants like Infosys also enters into hotel business by hiring hotel Leela Palace's former F&B head Michael Jasserand to start French restaurant in their 500 room property in Bangalore’s electronic city

India's business conglomerate ITC group (Sobia 2012) which has business spanning from hotels, consumer goods, IT and agriculture also had revenue disappointment in their hotel revenue of flat 2.3 billion due to weak global economic situation, which lead to lower foreign tourist arrival.
Even ultra luxury hotel brands like Bulgari, Waldorf Astoria and Raffles (Ravi, Articles: The Economic Times 2012) are interested in getting an opening to the Indian hotel market, where these three giants have joined the race for Obreoi Reality's new luxury hotel in Worli, Mumbai. These three ultra luxury hotel brands are seeking to make an India entry through a management tie-up with Oberoi Realty.

Fairmont Raffles Hotels International (Ravi, Articles: The Economic Times 2012), which owns the Raffles brand already has two brands - Fairmont and Swissotel - in India and is looking at bringing in the Raffles brand to the country soon. According to HVS India (Ravi, The Economic Times: Articles 2012), about 102,400 hotel rooms are expected to come up in the country over the next four to five years and for the first time, over 50% of this will be in the budget segment where mid-market hotels are easier to build and are more resilient to the pressures of the economy.

Tata Group's budget hotel chain Ginger today said it would adopt a "flexible approach" on choosing locations for its expansion as it plans to open 54 hotels in next 3-4 years (PTI, Articles: The Economic Times 2012).

Delhi-based Claridges Hotels (Meenakshi 2009) is about to enter into a long-term management contract with a Swiss investment firm which is foraying into the hospitality industry in India and Swiss investment firm will build a chain of golf & polo spa resorts and has roped in the hotel chain as the management partner.

According to estimates (Agencies 2012) of hospitality consulting firm HVS, India's hospitality industry is expected to touch a total room capacity of 1,02,438 by 2015-16, from the current capacity of around 71,530 rooms. In 2010-11, about 9,130 branded rooms were added in the country across segments.

India's hospitality industry (Ravi, The Economic Times: Articles 2012) has witnessed three deals in the mid-market and budget hotels category in the last one year, signaling the emergence of the segment as the new hotspot for institutional and private equity money, where in Dutch pension fund manager APG invested Rs 650 crore to pick up 5% stake in mid-market hotels brand Lemon Tree and also
set up a joint venture with the same group to build 35 mid-market hotels in the country in four years. The global brand Hilton (Vyas, Newstrack: Expresshospitality.com 2005) have firmly set its sights on the South Indian market, while consolidating its presence in the country by signing up a property in Chennai recently, it is now set to enter Goa and Hyderabad markets, according to reliable sources within Hilton International and the group has already firmed up its plans to enter Bangalore with two properties. Hospitality Industry is closely linked with travel and tourism industries. India is experiencing huge footfalls as a favorite vacation destination of foreigners and natives and the hospitality industry is going into a tizzy working towards improving itself. Fierce competition and fight to rank on the number one position is leading the leaders of this industry to contemplate on ideas and innovative successful hospitality products and services every day. The Indian hospitality (Samie 2008) industry has been on a high growth phase fuelled by robust growth in the economy and tourism.

In the present global economic scenario (Expresshospitality, Spotlight:Expresshospitality.com 2005), the role of private sector in the tourism industry in the state of Kerala has also got immense significance and realizing this, Kerala Tourism has been involving the private sector stakeholders in playing a better role in promoting Kerala in the national as well as international markets. Kerala (Baker 2008), a small state in Southern India has been innovative in linking the two concepts of sustainable development and sustainable tourism development. The potential of tourism to promote regional development through the consumption of a wide variety of local goods and services has been rarely realized, but in Kerala tourism promotes local goods and services to a large extent.

2. Manpower Scenario in Hotel Industry

2.1. Introduction

Hotel industry is a sub section of the major employer giant hospitality industry. Hospitality industry employees largest number of people of all other industries in the world. Out of these hotels employee more people. This industry has started theoretically several centuries ago as man started moving from place to place. In ancient world people started moving from place to place, the concept of
inns came to existence. In ancient years people started travelling to explore new places, and new business opportunities. Local travel started to attend functions, to perform rituals, visit friends and relatives and participate in functions organized by the ruling emperors. In the modern world the concept of travel has entirely changed. The new concept of leisure travel has evolved. Tourism was the primary highlight behind people travel.

Apart from this business, for jobs, studies, conferences and meetings, all made people to travel. As the intensity of travel increased, the travelling facilities and infrastructure also developed. This came with the operation of many giant airline companies, cruise lines, travel agencies, tour operators and hotels along with several travel support companies and personnel. The role of hotels in travel and tourism is inevitable. This is a several billion worth industry employing millions of people around the globe. The growth in the tourism industry (B. Tom 2006) is rapid in almost all parts of the world and industry is highly labor intensive, notwithstanding the impact if technology on all aspects of product and service development, distribution and delivery and therefore people are central to the commercial and cultural form of tourism, hospitality and leisure in both developed and developing world.

The manpower scenario in the hotel industry is wide concept. The industry has a wide variety of people working in wider areas. Hotel industry is one of the largest employment generators for the employable in India and its biggest strength was right manpower resource, but today it is becoming a toughest challenge for all the hoteliers. The manpower scenario in the hotel industry has a major change in the last ten years. Most of the hoteliers are suffering from shortage of staff and increased labour turnover. The staff poaching is one of the major concerns of all the hoteliers. When new hotels come to existence the hotels around the new ones face the competition of loose their current staff. Our employees have moved from us just for carrots, says one of the HR managers in a five star property in Kochi who does not want to reveal his name. The manpower scenario identifies the population characteristics, manpower formation process, manpower utilisation, and the labour market features that are existence in the hotel industry. Typically in the hotel industry manpower scenario in Kerala, many people from the other states
of Kerala work in Kerala’s hotels industry sector. The manpower formation process consists of the training and development institutions and other facilities that train people and develop professionals to the hotel industry. The manpower utilisation explains how effectively the manpower is utilized and the labour market features explains current demand and supply trends in the labour market in the hotel industry.

2.2. Manpower Situation

Manpower (Dennis and Theodore 1977) which is the combination of skills, capabilities, and sensibilities of individual human beings-represents a resource that is fundamental to the operations of all organisations. Manpower resources are different from other resources of an organisation. The special qualities possessed by the human beings makes them different and more valuable resources for the functioning of an organisation. By virtue of the unique features like learning, thinking and decision making capacities makes human resources unique and significant ones. As money, material and men are considered as the basic trios behind the establishment, execution and operation of the organisation, but manpower is considered as the most significant one. Many of the special qualities and properties possessed by the human beings makes them difficult to be developed, assessed, in numbers and values and covert them in terms of assets.

Modern India (Prasad, Gayathri and Bhoop 2004) provides an imminent into the macro and micro labor market features as a result of rapid changes in the landscape of labor formation and its dynamics. There are several features of formation and development of labour force (Prasad, Gayathri and Bhoop 2004), i.e., demographic transition from traditional sector to modern ones, migration from village to city, and from field to factory. Manpower planning (ILO, Some Aspects of the Role of Manpower Planning in Economic Planning 1963), or the establishment and implementation of a manpower policy for development purpose, represents an important part of the total strategy development and utilisation of human resource and it concerns itself with all the problems related to both the making and the implementation of programmes for the employment of manpower and the formation of manpower through education and training. Due to
The advent of technological transformation (Prasad, Gayathri and Bhoop 2004) and its significant contribution to the economy of any nation especially of Indian economy, there is profound effect on the skill of labour force, which in turn has led to increased per capital productivity and sustained economic growth. The manpower formation process (Prasad, Gayathri and Bhoop 2004) is dependent on demographic forces which determine the aggregate size of labour force and its distribution by age and gender. The formation of manpower (ILO, Some Aspects of the Role of Manpower Planning in Economic Planning 1963) through education and training answers the question of how much and the kind of education and training should be given to how many people in the country for their direct employment in the productive functions in the economy.

The existing manpower resources can be efficiently utilized by promoting work with studies, vocational guidance, employment service, management training etc. The achievements in the education (Arora, Gayathri and Bhoop 2004) sector has a direct bearing on the manpower formation process of a country and the quantitative achievements are determined by the availability in number and types of educational institutions and their intake capacity, while quality aspects are the achievements of the learners, the quality of teaching and the quality of learning process which all ultimately corresponds to the quality of manpower in the country. Manpower formation process provides (Ozay 1978) citizens with the opportunity to equip themselves with education, skills and know-how and is allowing each one of them to contribute to, and play part in, future social and economic development.

In any organisation (Dennis and Theodore 1977) or industry in which a single type of resource or "factor of production" accounts for 75 percent of the annual expenditures, prudent management requires that particular attention be devoiced to the acquisition and utilisation of that resource. Using financial resources (Dennis and Theodore 1977) as an analogy for identifying the components of a set of information about manpower resources, the following general types of information can be considered as being of greatest importance and utility:
1. Information that describes the kinds and amounts of manpower resources available to the institution. (Information that is analogous to a description of the various fund groups and the dollars available for allocation in each).

2. Information about the allocation of manpower resources to programs and the utilisation of those resources (the equivalent of budget and expenditure information),

3. Information about the activities conducted by manpower resources (the manpower resource analog of objects of expenditure).

2.3. Stems of Manpower Scenario:

Scenario (Wikipedia, wikipedia , The free encyclopedia 2012) is a synoptical collage of an event or series of actions and events. Human resources, which are the result of existing demographic forces, are generated and subsequently transformed into manpower. Demographic forces (Gareth and Jennifer 2009) are outcomes of changes in, or changing attitude toward, the characteristics of a population, such as age, gender, ethnic origin, race, genderual orientation, and social class. Changes (Charles and Gareth 2008) in the age distribution of a population are an example of demographic forces that affects managers and organisations.

Like other forces in general environment (Gareth and Jennifer 2009), demographic forces present managers with opportunities and threats and can have major implications on organisations. The three important political and institutional implications (Scott 1990) of demographic forces are: they affect the cost of meeting social goals, they affect the capacity of the society to pay those costs and they affect the character of political institutions whose function is to set goals and to resolve tension caused by disparities between costs and capacities. The level, composition and distribution of population reflect the interplay of three key demographic forces (C. Chris 1997)- fertility, mortality and migration. Fertility (C. Chris 1997) refers to the number of births that occur to an individual or in a population. Changes (G. Linda 2011) in fertility and mortality are the driving forces behind population aging, and population aging has important demographic and socio economic consequences.
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Migration (C. Chris 1997) refers to the movement of people into or out of a specific area, so it increases or decreases that area’s population depending on whether more people move in or out. The demand for labor (Mark 2009) and educational opportunities drives people to migrate temporarily and often the migrants are positively selected for various forms of human capital.

The four dimensions of demography (H. Jonathan 2010) are: the numbers of individuals present, the density of individuals that are co-present, the distribution of individuals across categorical units, and the movement or migration of individuals. The population (C. Chris 1997) of a place, a country or the whole world contains individuals with many different characteristics, including gender, age, race and ethnicity, occupation, education, religion, marital status and life style preference.

The extent of manpower depends on the formal education and also on the entrepreneurial skill and subsequent entry into the labour market. The manpower scenario can be divided into following sections (Vinod 2010):

• Population characteristics;
• Manpower formation process;
• Manpower Utilisation;
• Labour market features

2.3.1. Population Characteristics

Large amount of data is required to assess the population characteristics. Population characteristics (R. John 2012) explain what people are like in a place in terms of variables such as education, income, occupation, family old and household relationships, immigrant and refugee status, and the many other characteristics that add up to who are as individuals or groups of people.

The population characteristics (Vinod 2010) is explained on the basis of the magnitude of population size, population by gender, growth of population and changes in population characteristics, distribution of population amongst the various states and union territories, percentage distribution of male and female population by quinquennial age group, rural and urban population by state/union
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territory and gender, percentage of total population in rural areas by size of villages, percentage of total population in urban areas by size of town, percentage distribution of migrants by place of last residence, gender and rural/urban, percentage of scheduled caste and scheduled tribe population to total population, three-year moving average of birth and death rates in the whole country and in major states, age-specific fertility rates, changes in infant mortality rates in rural and urban areas, age-specific mortality rates, literacy rates- states and union territories, literacy rates for scheduled castes/scheduled tribe population by gender, educational composition of population by number of years of schooling, population by activity status.

In hotel industry the composition of people working in the industry can reveal tremendous details about the number of people working in the hotel and as well as the number male and female and male employees working in the hotel. When we look into the number of employees working in the hotel, we can segregate them on the basis of the people working in the different departments in the hotel. The different departments are front office, food and beverage service, food and beverage production, housekeeping, finance and administration, and engineering and maintenance department.

The main characteristics of population (Margaret and Howard 2007) are gender ratio, age composition and sociologists put together the data about population characteristics to develop pictures of the population. The major elements of population considered under the study are: total number of employees working in the hotel, the categorization of employees based on gender i.e. number of male and female employees, the number of employees working in the different departments of the hotel, viz: front office, food and beverage service, food and beverage production, housekeeping, engineering and maintenance, and finance and administration.

The demographic features of the employees such as location where the employees dwell from such as corporation/metropolitan/city areas, municipal area, and village/ panchayath area are considered in the population characteristics. Whether the hotel is employing local employees, employees from other districts,
other states of India, and the foreign countries are also considered. The number of people recruited in the hotel and the number of people leaving the hotel in a year is a looked after in the population characteristics. Apart from this educational qualifications of the employees working in the hotel are analysed. The duration of employment of the employee in the hotel and the nature of labour such as permanent, contract and traineeship are also considered in the population characteristics features.

2.3.2. Manpower Formation Process

Governments (Podrecca and Carmeci 2001) in developing countries spend considerable resources in human capital investment like education, health and so on. The development and growth of a nation depends up on its resources. However the kind of any materialistic resources a country possesses, still the manpower capacities and its potentials determines the growth and development of the country. The concept of human capital (Asok 2004) refers to the abilities and skill of human resources of a country and formation of human capital consists in a qualitative improvement of abilities and skill of the same. It is a contrary fact the countries which are developing and those which are underdeveloped have more population than developed countries, but it is matter of fact that questions are raised why this happens?, the answer clearly says that the developed countries have more quality human resource. There is a major role for quality human resource on the economic structure of a nation. The role of human capital (Asok 2004) in the process of economic development is now a well established fact.

Manpower formation process corresponds how the citizens of a country are molded to impart the knowledge and skills which match up to the developmental, needs of the country. This requires from the initial state of delivering primary education, higher education, technical education and advanced education in different fields. Manpower contributes to the major entity in the growth and development of a country. The employment requirements of a country are satisfied by the availability of quality educated people with the necessary knowledge and skills to hold various job positions.
In a country like India, which constitutes the world’s second largest population, the role of technical and non-technical education has significant roles in determining the destiny of the country. The educational system in ancient India is well known for its Vedic education and “Gurukula Vidhyabhyasa”. The ancient civilizations that existed in India have given much importance for education. Though Sanskrit was known as the dominant educational medium in Vedic period, but nowadays educational systems and learning media are available in most of all the Indian dialects.

Since India faced the foreign invasions from early years and the knowledge brought to India by foreign rulers and visitors and businessmen have a dominant role in framing up Indian educational system and knowledge management. India is considered as a friendlier and more attracted and attached towards the foreign educational systems and methods of learning. Now Indians are acquiring knowledge at various levels from various foreign countries. The eager of Indians to acquire knowledge has broadened the educational horizons of Indians. The rule by the British has significantly influenced the educational system in India. The missionaries who came to India during the British rule have played a major role in building up educational infrastructure in India. The British rule made Indians to accept English as their common learning medium. The Indians are well known for their English language skills and that made Indians to be accepted globally by worldwide employers in their organisations.

In order to assess the manpower situation (Vinod 2010), it is necessary to have the following data-set:

- Number of educational institutions
- Number of teachers by type of institution
- Number of male teachers by type of institution
- Number of female teachers by type of institutions
- Enrolment by stages of education
- Enrolment of boys by stages of education
• Enrolment of girls by stages of education
• Total enrolment in general education by level and state/union territory,
• Enrolment of boys in general education by level and state/union territory,
• Enrolment of girls in general education by level and state/union territory,
• Enrolment in engineering/technology/architecture by levels and gender,
• Enrolment in medicine by levels and gender
• Enrolment in agriculture and forestry by levels and gender
• Enrolment in education- teacher’s training- by levels and gender
• Enrolment in veterinary science by levels and gender
• Enrolment others- business management, journalism, law, library science, music and dancing, physical education, oriental studies, social work and others- by levels and gender
• Total enrolment in higher education-general- by faculty and level,
• Enrolment of boys in higher education-general- by faculty and level,
• Enrolment of girls in higher education-general- by faculty and level,
• Enrolment of girls as per cent of total enrolment in university education by faculty
• Enrolment in different stages of education as per cent of population in the appropriate age groups
• Percentage of drop-out in different stages of school education
• Number of school leavers after completing classes VII, VIII and IX,
• Progress of educational institutions- selected professional courses-,
• Progress of admissions and out-turn- selected professional courses-
• Progress of out-turn at diploma level in engineering and technology,
• Progress of out-turn at degree level in engineering and technology
- Number of it is and their seating capacity by state/union territory
- Number of apprentices undergoing training- appeared and passed in trade tests
- Number of apprentices seats available and utilized in various trades in central and state sectors
- Labour force participation rates (LFPR) and estimates of labour force by gender and rural/urban location
- Labour force participation rate by state/union territory
- Age-specific labour force participation rates for population above the age of 15 years
- Labour force participation rates for educated persons
- Educational composition of labour force
- Educational expenditure as percentage of GDP(current prices)
- Percentage of educational expenditure on education department to total budget
- Percentage distribution of total income (recurring and non-recurring) of all educational institutions by source
- Growth of total direct/recurring expenditure by type of institutions.

Hotel industry is one of the largest employment generators for the employable in India and its biggest strength till yesterday- is the right manpower source, and in today becoming the toughest challenges for all hotel managers. In the previous year’s hotel industry was considered as the major booming industry where there was lot of employment opportunities available and youngsters considered joining the hotel industry as a pride part of life to found a profession. But today’s changes in the professional academics less inspires students to join in the hotel and hospitality education sector to find a career. This makes hotels to find difficulty in availing quality staff during their recruitment and selection process. More youngsters are interested to join the IT, engineering and
management education sector to find a suitable job. Internationally, tourism and hotel industry contributes to 6-7 percent of overall number of jobs directly and indirectly available in the world. Women labour force in the tourism industry accounts for 70 percent globally worldwide. This shows that there is major stake for women employees in the world travel and tourism industry. In India, travel and tourism industry accounts for 5.9 percent of the GDP and 9.2 percent of the total employment.

For the semi-skilled and skilled level entrants hotels still need to head-hunt at the main-stream and catering colleges, of which also the decreasing number of entrants and increasing number of drop outs are causes of grave concern, leave alone the graduates joining the non-tourism industries, leaving behind a huge gap of demand and supply.

Academicians and experts (Tasmayee 2012) from the industry believe that for the past few years the industry has been going through a positive phase and the expansion of the industry has raised the need for more manpower, which leads to the boom of hospitality training institutes.

With an aim to bring in quality learning in hospitality industry to India (PTI, Artilces: The Economic Times 2007), Pune-based Lavasa Corporation has entered into an agreement with a prominent hotel management school in Switzerland and the corporation aims to set up a world-class 'Hospitality Learning Centre' in Lavasa hill-town near Pune, in collaboration with Ecole Hotelier de Lausanne (EHL) of Switzerland, a hotel management training institute since 1893.

During 2004 (Rabindra 2005), the 25 hotel management institutes under the National Council of Hotel Management and Catering Technology produced 1,658 trained personnel, private institutions offered the industry 5,171 additional hands.

Non-availability of quality (Ashik 2005) manpower has been an area of concern for most hotel companies in India, however, with leading industry players getting serious about making quality manpower available for their respective hotels, this scenario is set to witness a drastic change. The “earn while you learn” programs implemented by hotel groups like Oberoi and ITC by tying up with universities like
IGNOU have proved good results. By these programs the aspirants to hotel profession can start working in the hotel and they can start their studies in professional hotel management courses from universities. This is mutual beneficial activity where the hotels can avail quality trained and educated staffs mean while the recruits can do their studies while working. The learners are provided with a job, accommodation, food, uniforms, tuition fee, and course materials as well as a salary during their tenure in the hotel. This program helps to minimise the problems of manpower supply to the hotel industry.

These initiatives are appreciated as successful ones because the hotel can get quality people trained and educated in their premises. The 51 institutes accredited to the National Council for Hotel Management and Catering Technology (NHMCT) train around 7,500 students at the graduate and diploma level (Moulishree and Prashant 2012). In Kerala the main training institutes are the food craft institute and the various colleges affiliated to the different universities of Kerala. Besides these the National Institute of Hotel Management and Catering Technology has its campuses in Thiruvanathapuram and Kozhikode also play major role in developing professionals to hotel and hospitality industry. Apart from this government affiliated institutions various institutes which are autonomous conduct diploma programmes and graduate programmes offered by other state universities play major role in hotel management and catering technology education.

2.3.3. Manpower Utilisation

Manpower utilisation (S.L.Goel 2010) (Nirmal 2004) is concerned with the efficient use of the existing manpower resources. Manpower utilisation (Brian 2012) is a business concept that describes how effectively a business uses its manpower or employees and businesses commonly use the concept of manpower utilisation to evaluate output in relation to labor costs. Manpower utilisation helps businesses to find new ways to more effectively harness the output of labor. Manpower utilisation is computed as a percentage of utilized hours to net available hours i.e. total available hours, (No. of direct workmen x number of working days in a year x number of working hours per day) less absenteeism.
Organisations initiates manpower utilisation study in order to determine their percentage of workforce how effectively is being utilized.

Organisations spend large amount of money on human resource. The HR costs are boosting up and if the manpower is not effectively used, it may affect the financial as well as operational sustainability of the business. Manpower utilisation study helps to determine (Brian 2012) wages, technology, purchases and ongoing efforts to modernize production lines. For the effective utilisation of manpower there should be effective manpower planning. For this manpower planners have to follow the following strategies (Jai 2002):

- There should be proper collection, maintenance, and relevant information regarding human resources
- There should be periodical reporting of manpower objectives, requirements and existing employment and allied features of manpower
- There should be proper development of procedures and techniques to determine the requirements of different types of manpower over a period of time in the hotel
- There should be measures of manpower utilisation as component of manpower requirements forecasting
- There should be techniques for effective allocation of work
- There should be economic assessment techniques of human resources reflecting its feature as income generators and cost centers
- There should be proper evaluation of procurement, promotion, and retention
- There should be proper analysis of recruitment, promotion, with a view to effectively maximise individual and group performance without involving high cost.

Manpower utilisation is concerned with efficient use of the organisation’s existing manpower resources at its present level of development. For the efficient use of manpower (Jai 2002) employees in the hotel must be placed on jobs such a way that the organisation’s total manpower resources most effectively allocated
and optimum productivity must be achieved from the workforce after the workforce allocation.

Utilisation (Arora, Gayathri and Bhoop 2004) of the manpower resources is one of the three components other than manpower formation and maintenance in the manpower development process. There are two methods for assessing manpower utilisation (Goel and Shalini 2007): the first one is manning ratio which is based on the relationship between the number of employed in an organisation and a specified measure of productivity and the other one is work study method. Better manpower utilisation is usually caused by better management, better organisation of work within each work groups within the organisation, and better work management cooperation. Better manpower utilisation normally results in improved labour productivity, and hence reduction in manpower requirements.

**Figure 5:** Manpower Utilisation (Goel and Shalini 2007)

For the effective utilisation of manpower in a hotel, firstly we have to identify the job requirements and then to the manpower requirements in the hotel. This depends up on the organisational structure and the job positions, duties and responsibilities and skill requirements for the corresponding job positions. These are available in the job descriptions framed up by the hotel. For the effective full utilisation of the manpower along with these above factors job competence of the employees in the hotel has to be incorporated. For effective utilisation of manpower (S. Richard 2000) managers and supervisors must have basic insights
into human motivation, basic needs of employees, and methods of behavioral reinforcements, rating employee performance and counseling sessions to minimise weaknesses and maximise strengths of employees.

2.3.4. Labour Market Features

The importance of tourism and hospitality employment (N. Dennis 2007) in both developed and developing countries is attested to by the World Travel and Tourism Council (WTTC), who suggest that travel-and tourism-related activities account for over 230 million jobs, or 8.7 percent of the jobs worldwide. Hospitality industry is characterised by a large number of employees. Both white collar employees and blue collar workers may find gainful employment. Entry level jobs usually require no formal education. Professionals in the hospitality sector are usually qualified with trade certificates and college degrees. Many hospitality schools offer specialised courses of study in one particular aspect of the industry.

The hospitality industry (Dibeyendu 2012) is a major employment generator and thus capable of making a difference and the Marriot group of hotels, for its part, has recently launched an initiative to train youngsters from economically under privileged backgrounds for jobs in the hotel industry.

According to Federation of Hotel and Restaurant Associations of India (FHRAI) (PTI, Artlices: The Economic Times 2007) there are more than 180 institutes granting certificate, diploma, or degree courses in hotel management or specialized subjects like F&B (Food and Beverage) production, F&B Service and Housekeeping and FHRAI experts feel despite such large number there is crunch of well-trained persons in the hospitality industry.

The hospitality industry (Vyas, Talkingpoint:Expresshospitality.com 2005) is witnessing comprehensive augmentation in business with most hotels raking in the segment owing to the vast gap in demand & supply and it may seem to be the best of times for the industry, but one vital area, which is simultaneously ‘suffering’, is the human resource segment.

As the world’s largest single industry (H. Kim 2005), the hospitality industry as a whole continues to become more complex, competitive, global, and technological and as such, the industry struggles with a high percentage of low-
skilled or unskilled workers and a scarcity of well-trained personnel at management levels.

According to a study conducted by tourism and training agency Cert (H. Kim 2005), around 105,000 recruits will be needed in the tourism and hospitality industry over the next five years. An analysis of the employment and training needs of the sector found 25,000 recruits would be needed across a wide range of disciplines. An additional 100,000 vacancies would arise as a direct consequence of continuing labour turnover within individual businesses over the next five year period. For every hotel there is a increased demand for skilled and experienced labour force. it is very challenging for hotels to acquire such skilled labour. Hence hospitality training institutions and internship and apprenticeship programs can solve the problem of staffing needs.

The $23 billion hotel industry (Moulishree and Prashant 2012) is planning to add at least 50,000 more rooms in the top six cities of India by 2016-17, but there are concerns over whether there will be enough skilled people to meet demand in the labour-intensive sector, which is already facing shortage of staff. There are only 52,000 trained people available against the hospitality industry’s need for 583,0000 professionals, which will go up to 754,000 over next few years, according to the government. The current manpower supply in the hotel industry is only 8.92% of the total requirement. The shortage of manpower has affected the expansion plans of major hotel industry giants in India. The hotel industry is going to face key challenges if the shortage of manpower persists in the industry.


3.1. Introduction

Hotel industry is one of the fastest growing sectors in the Indian economy. It is a multibillion dollar growing business. Everywhere in the world as people started travelling the accommodation business started budding. When people move away from home, they need a place for food and shelter. This concept later turned up in to a big industry that enhanced the facelift of tourism and accommodation business. Hospitality is available anywhere on the earth, whether it is on sky, ground or water. The larger cruise vessels, luxurious airplanes, and
multi storied hotels are examples for this. This is a highly people intervened business and people dominates the operations. In fact none of this hospitality business is able to sustain without people.

Hotel industry and working in hotels are considered as exciting profession and there is large number of hotel management institutions which offer variety of courses in hotel and hospitality management evolved. Large numbers of professionals are involved in teaching hotel management and there are a number of students interested in opting hospitality profession as career. Since this is people oriented business and staff is one of major stakeholders of the business, hotels are highly concerned about the people working with them. Most of the all the standardized and categorized hotels have separate human resources department managed by the HR manager. Some of the very best hotels have a HR director under him a number of managers and assistants who manages the HR operations. Hotels follow the concept of HR management similar to all other industries. But it is interesting fact that the HR management in hotel industry is delicate and sensitive. From the time when the job vacancies are advertised, to recruitment and selection, from induction to placement and training, throughout an employee’s life in the hotel to enable him to deliver his or excellence in the due course of time in the hotel, and till the employee leaves the hotel the HR department plays a critical role. It is not machine oriented business but men oriented and hence significance and priorities are given to deliver best HR practices to keep its people motivated and made them happy so that they can be retained back in the hotel to deliver the best in their career time in the hotel.

3.2. Concept of Human Resource Management

According to John Martin (M. John 2010) the term human resource management is used in two different ways: firstly, it refers to the department within an organisation that has the responsibility for the policy and practices in relation to the people management with in the business and secondly HRM seeks to reflect particular approach to the management of people under the umbrella of the term personnel management. The concept and practice (Thomas and John 1986) of human resource management are widely held to have evolved out of the
prior area of personnel administration. According to Beaumont (Beaumont 1993) this is an evolutionary process in which employees are viewed as a valuable resource rather than a cost factor which need to be minimised, which need to be managed rather than administered, effectively from the strategic point of view, which will contribute significantly to organisational effectiveness, and thus will be a source of competitive advantage to the organisation concerned. HRM concepts come with the terms policy, practices and people management. The human resource management activities have to be tailored at different levels of the organisational life cycle. It requires a planned set of activities so that from introduction to growth, maturity till the decline of the business activity.

**Table 3:** Human Resource Management activities at different organisational stages (Thomas and Thomas 1985)

<table>
<thead>
<tr>
<th>Human Resource Management functions</th>
<th>Life Cycle Stages</th>
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<tbody>
<tr>
<td></td>
<td>Introduction</td>
</tr>
<tr>
<td>Recruitment, Selection and Staffing</td>
<td>Attract best technical/professional talent</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>Meet or exceed labour market rates to attract needed talent</td>
</tr>
<tr>
<td>Employee training and development</td>
<td>Define future skill requirement and begin establishing career ladders</td>
</tr>
<tr>
<td>Labour/Employee relations</td>
<td>Set basic employee relations philosophy and organisation</td>
</tr>
</tbody>
</table>

**Source:** Thomas A. Kochan and Thomas A. Barocci, Human Resource management and Industrial Relations, Little, Brown, Boston, 1985, p 104
The human resource management is frequently seen in terms of a three part cycle (B. Tom 2006), which contains all the functional responsibilities of the managers and can be summarized as:

1. Attract an effective workforce
   - labor markets
   - Human resource planning
   - Recruitment and selection
   - Flexible approaches to employment
   - Retention

2. Develop an effective workforce
   - Performance and appraisal
   - Education, training and development,
   - Career development and succession planning

3. Maintain an effective workforce
   - Rewards-formal and informal
   - Welfare
   - Teamwork and empowerment
   - Employee involvement and employee relations
   - Grievance and discipline
   - Equality and diversity

Human resource management activities have to be made effectively to attract the workforce by understanding the labor market features, proper human resource planning, selecting the right people in the right time using standard recruitment and selection process. Facilities and strategies should make to retain an effective workforce using employee development strategies and effective appraisal system with career development and succession planning strategies. The
effective maintenance of the workforce will help to retain the employees and reduce labour turnover using formal and informal rewards, welfare measures, enabling team work and introducing employee empowerment with fine employee relations and established employee involvement mechanisms.

Equality and diversity of the workforce have to be maintained with proper grievance handling mechanisms. Human resource management (K. Kavitha 2006) is a set of activities and functions to be used in the management of human resources in a nondiscriminatory, affirmative, and effective manner for the benefit of the organisation, the individual, and the society in a given organisational environmental context. Related to human resource management (Chris and Keith 2011), the concept of human capital development (HCD) and human resource development (HRD), where the emphasis is on managing the development and expression of skills and intelligence that people as employees might bring towards adding value to the organisation and ultimately, its customers and other key stakeholders. For hotels in India (Natwar, HVS website, articles: Indian hotel industry...new paradigms and shifts 2005), the HR function needs to move out from the job of simply 'recruiting', and adopt a more holistic picture; in other words, pay attention to the deeper issues that affect their people.

The hospitality industry (David and Jack 2009) is broad and diverse and hotel industry which is one of the leading players in the hospitality sector need staff members with variety of knowledge, skills and experience to produce the products and services that are needed or desired by customers and the industry is often described as people business. Here people are referred to both employees working who produce products and services and the clients who purchase the service. Whatever the type of the industry the need of the people working the in different industries are same. In hotel industry the almost everything involved is the relation between the staff and the organisation. The human resource management practices have a major role in determining this relation. From the point of selection to the frequent and timely training, career planning and developmental activities to the employees are very much significant in creating a better relation between the employees and the organisation.
3.3. Practice of Human Resource Management

Human resource management (HRM) (Storey 2007) has two main forms of existence: one is the academic discourse and activity that comes through expressions in conferences, journals, books, courses in business schools and so on and the other is in the form of practicing organisations that employ people and thus have employment relationships. Human resource management is practiced in organisations to have better employee employer relationships. Better employee employer relationships help organisations to retain their employees in the organisation and henceforth the movement of staff can be minimised. Human resource management (Armstrong, A Handbook of Human resource Management Practice: 10th Edition 2006) operates through HR philosophies, HR strategies, HR policies, HR process, HR practices and HR programmes that bring together in a coherent way. Human resource management (Graeme, John and Jon 2005) includes the firm’s work systems and its models of employment and embraces both individual and collective aspects of people management.

People management is the core component while practicing human resource management. It is not just managing the people working in an organisation, but it is concerned with the development and up keeping of the employees working in the organisation. The effective management and development of the people (Mick and Adrian, Human Resource Management at Work: People Management and Development 2005) is now seen as critical to gaining improvements in organisational performance. Tapping the potentials and capacities of the employees will help an organisation to improvise its operations and hence the ultimate aim of accelerating the organisational performance is achieved. While practicing human resource management, the different models of human resource management are needed to be analysed. There are different models available by various studies, but out of these the models of human resource management (K. R. Srinivas 2003) Baldrige Model, Harvard Model, and Guest Model are given more importance in explain labour turnover associated with human resource management practices. In Malcolm Baldrige Model Human resource practices like employee development, employee involvement and employee empowerment are given more importance. Malcolm Baldrige model (P.
J. Jack (1999) purposes on customer satisfaction with increased employee involvement. Hotel industry is highly employee involved and customer satisfaction at instance is the key point of delivering service.

The customers availing services from hotels are required to be satisfied at the point when they avail the service. It is not like other products or services offered, where the customer avail the product and enjoy the facilities and utilities after purchasing the product. In hotel business care and concern is given at the point and the moment before and after the service is made to the guest. This is a sensitive business operation where customer satisfaction is so significant, and the services cannot be implemented without employee involvement. In Malcolm Baldrige model the five categories like HR planning and management, employee involvement, employee education and training, employee performance and performance recognition and employee well being and satisfaction are the core areas where importance is given.

Organisations which give importance to employee involvement, by giving importance to training and development of their employees, by ensuring the proper measurement of the employee’s performance through various performance measurement mechanisms like performance appraisal system and potential appraisal systems by which they can maintain the wellbeing and satisfaction of their employees can retain the employees in the organisation to extract the best performance out of its employees. In Malcolm Baldrige model (Crispina 2006) the importance is given to the value of training given to employees. Harvard model (Alan 2011) is one of the interesting models of human resource management in which employees are seen as a resource. In this model employees are considered as the major stake holders of the business. When an organisations frames up its HR policies in relation to see employees as the major stake holders of its policies, the organisation is considering the value of its employees working in its business. This is a major concept that is helpful in retaining the employees in an organisation. When the organisation is capable of satisfying the employee’s needs and concerns along with other groups such as shareholders and customers, provides a positive track to retain its best talent within the organisation itself. In Harvard human resource management model (K. R. Srinivas 2003), the situational
factors like labour market conditions, societal values, business strategies, technologies, market conditions, management philosophies will constrain the formation of HRM policies.

The stake holder’s interests also influence the framing of short term HR policies, which include management of employees, unions and government agencies. The Harvard model is based on the believe (Biswaject 2005) that the problems of the historical personal management can only be solved when the general managers develop a view point of how they wish to see employees involved in and developed by the enterprise and of how HRM policies and practices are used to achieve these goals. When the stake holders interests frames up the HRM policies, which analyzes the situational factors to frame up these policies gives out the HRM outcomes like commitment, competence, congruence and cost effectiveness among the employees and this will result in long term consequence of individual well being and organisational effectiveness which in turn leads to establishment of committed employees leading the effective management of labour turnover. The Guest model of human resource management (Tapomoy, Managing Human Resources and Industrial Relations 2009) consists of six components: HR strategy, HR practices, HR outcomes, behavioral outcomes, a number of financial outcomes and performance outcomes.

<table>
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<th>Table 4: Guest Model of Human Resource Management</th>
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<tbody>
<tr>
<td><strong>HRM Strategy</strong></td>
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<tr>
<td>Differentiation (Innovation)</td>
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<tr>
<td>Focus (Quality)</td>
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<tr>
<td>Cost/ (Cost-reduction)</td>
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Guest’s approach defines human resource management which gives more concerns on employee relations. The core concept is that the HR practices should be designed to generate high employee commitment and high quality and flexibility. The HR outcomes (H. Kim 2000) are seen as the primary first order goals of the organisation, which, if achieved, will lead to a considerable
organisational pay off. In Guest’s model the major performance outcomes are high productivity and quality and it is explicitly explains low labour turnover and absenteeism among employees with lesser customer complaints. Guest’s model is a clear evidence of practicing human resource management models which explains how clearly defined human resource practices can minimise labour turnover.

3.4. Concept of Human Resource Development

In this era (Frederick H 1964) of dramatic forward strides in science and technology, it is well to remember that human beings are of all resources the most critical for the development of the nation. The wealth of the nation comprises of the organisations and the people who are the money generating centers of the country. The development of personnel (Carlos C 1993) is one of the fundamental pillars of management. People play a major role in the success of every organisation. So it is necessary that the knowledge of people and their capacity to build new knowledge is vital for the triumph of the organisation. Human resource development (Carlos C 1993) refers to the updating of the personnel’s knowledge and attitude with the end in view of improving their skills and performance to achieve organisational objectives. For this a better attitude has to be developed among the employees so that they will enjoy the process of knowledge updating. To achieve this people in all levels are need to be developed, that organisations will have continual success and survival. There is no technology for human development (Robert R 1973), only human technology allows helping programs to raise the form of self thought art that translates the helping art to develop development attitude among people. One of the goals of HRD (Swansburg 1995) is a self-reliant learner who remains a knowledgeable and skilled worker on into the future. Like the investment (Gerald S 1965) in plant and equipment, investments in human resource development are far from homogenous; and the rates of return may vary sharply from one line of investment to another. Human resource development (John P 1999) is a title which represents the latest evolutionary stage in the long tradition of training, educating and developing people for the purpose of contributing towards the achievement of individual, organisational and societal objective.
Chapter 2  

Review of Literature

Human resource development (ILO, Human Resource Development in the public service in the context of Structural Adjustment and Transition 1998) includes the interdependency between individuals and institution policies and structures, which may be related to issues such as information, awareness, ethics, motivation and behavior and the strategic capacity for people development. HRD policies (A. Michael 2000) are closely associated with those aspects of HRM that is concerned with investing in people and developing the organisation’s human capital. The scope of HRD (Rona and Marilyn 1998) includes close links with strategy and practice as well as with the functional world of training and development. For establishing prospective HRD (Jonathan and Ruth 1999), organisations need to establish a high-trust, ‘integrative’ culture with all employees by combining pluralist approach with collaborative employee relations.

To improve organisational effectiveness (R. Philip 1998) through better utilisation of human energy, human resource management and development in tomorrow’s organisations will be more decentralized, more performance oriented and more computers based. The interpretation of HRD (P. Manuel 1989) will determine to a large extent what problem the organisation identify, what action it took to respond to those problems, and how the organisation determine what success have been achieved. HRD encompass (Beverly and Stephen 1990) both the long range planning of the human resource needs of an entire organisation and the development of managers who will have the psychological and technical skill necessary for future needs of the organisation. Human resource development (Carkhuff 2000) is defined by its component resources: physical, emotional and intellectual, which are dedicated to the effective functioning to meet the environment in which people live, learn and work. Motivated in large part by recognition of links between education, skill acquisition and development, (T. David 1993) almost all developing countries have devoted substantial outlays to expanding the coverage and increasing the access of the population to education. In common with other general management practice, HRD (Jennifer, David and Mark 1993) is set against a background of turbulence and change in organisational life, changes in business environment, work process and organisational cultures, which drive a need for successful change management.
strategies. HRD is concerned (Sanjeev 2008) with creating a climate of work culture, productive efficiency and integration by:

(i) Building capabilities of people

(ii) Preparing them for change

(iii) Improving productivity with quality development and achieving organisational goals in a dynamic and competitive business environment

In a growing number of organisations (S. R. Ronald 2006) human resources are now viewed as a source of competitive advantage and there is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organisational cultures, management process and systems. Human resource development (LiCheng and Michelle 2011) plays an important role in developing the skills of workers in order to improve productivity and international competitiveness.

3.4.1. Human Resource Development Practices

Humans (Sanjeev 2008) are unfathomable resource and human resource development is a dynamic and continuous process encompassing individuals, organisations and societies. Human resource development is aimed at developing the individuals working in an organisation using various human resource development practices and mechanisms. The purpose of HRD is to enable employees to achieve success by identifying and developing their talents and potentials. As long as the employee works for an organisation, he is delivering his talents and efforts for the accomplishments of various tasks assigned to him in the organisation. For the work done he is paid. But this not only enables the employees to get in return what he had done for the organisation. In lieu of this the organisation offers developmental activities to employee’s carrier, education, knowledge etc. in order to enable his to be successful personality in his livelihood. This is a societal developmental activity where the employees, who are the members of the society, have enablement in life by human resource developmental activities, which creates a society of people who are empowered.
Human resource management (Mick and Adrian, Human Resource Management at Work: People Management and Development 2005) is now often seen as the major factor differentiating between successful and unsuccessful organisations, more important than technology and finance.

The change of focus (Jay and Ria 2002) from product to services and the use of technology to enhance services have, indeed, established a new paradigm that recognizes the importance of human input in the quality of service delivery. This itself states that there is a major stake for the human factor concern in the hotel industry. The key focus of today’s human resource management (D. Margaret 2002) is managing people to maximise employees’ performance while at the same time developing staff and gaining their loyalty. In hotel industry the HRD process helps to create an environment that builds up the people capabilities for improving the quality of service provided to the customers. Human resource development (Laura 2011) can be described as a continuous process or virtuous cycle which uses investment in human capital in order to improve productive output, enhance the quality of that output, provide increased benefits for those employed and contribute to an improved quality of life of those involved and their dependents which is a core business activity of an organisation in its human capital to make significant contribution to improve performance, productivity and profitability.

Human resource development (Sampad and Babu 2007) aims at developing a variety of competencies of employees and developing a dynamic work culture in the organisation to utilize these competencies and enormously contribute to organisational growth. Even though the hospitality industry (M. Boella 2000) from product point of view has seen vast growth and technical improvements and conditions in the industry may have improved over and over what they were in the past, the relative position of the industry as an employer, compared with other employers, has not improved. Today’s hotel professionals (Natwar, HVS website, articles: Indian hotel industry ...new paradigms and shifts 2005) are markedly different from what they were five (even three) years ago, in term of
their career growth aspirations, and their willingness to make the personal adjustments that hotel industry career so often demands.

The hotel industry faces attrition (Times 2006) in the top level as like the airline industry is in its hunt for pilots. Even it is at the best boom, still the hotel industry faces immense sift of people due large number of and lucrative opportunities in other service segments. This makes lot of new properties in operational crunch. The major challenge (Natwar, HVS executive search website 2009) for the hotel human resource department in the year 2009 was keeping employees motivated as well as informed about the global melt down, which impinge the on the work environment in terms of job security, reduced growth avenues, and compensation.

Years before people opted hospitality industry career as a prestigious one. This leads to the establishment of good number institutions molding up hospitality professionals in government and private colleges. According to the estimates (S. P. Srinivas 2008) of requirements for additional hotel rooms, the number of personnel who will need formal training in the hospitality and catering sector would increase by about 4000 a year, from 16,000 to 20,000 people by year 2010. HRD practices consists of a set of interventions and activities which are used throughout the life of an employee in an organisation in order to make him capable of achieving excellence throughout his professional life time. These interventions or instruments are called as HRD systems or HRD practices. HRD systems consist of manpower planning activities in which recruitment; selection and placement have more importance. It is well known that keeping the right person in the right place in the right time, makes the organisation to ensure the sustainability of the person in the organisation for a long time. When human resource development practices are executed in organisations that will enable development of the employees which in turn keeps the employees retain back in the organisation. HRD practices helps organisations to retain their best talent for long time and make the employees more committed to the organisation. The
major HRD instruments or mechanisms are (T. Rao 1999) recruitment and selection process, induction, training and development, performance planning and performance analysis and reviews, performance development, performance appraisals, performance counseling, rewards, recognition, and welfare, potential appraisal and development, career planning, job rotation, team work and team based activities, job enrichment, empowerment and engagement, OD and OD techniques, quality of work life, maintaining human resource information system and other practices which are helpful for development of an employee. In this study the following HRD practices are considered in order to associate how effectively using the following HRD practices helps to retain employees in the hotel and minimise labour turnover in the hotel industry. They are:

(i) Recruitment practices
(ii) Selection process and procedures
(iii) Induction
(iv) Training and development
(v) Performance appraisal
(vi) Potential appraisal
(vii) Career Planning
(viii) Organisation Development
(ix) Motivation and rewards
(x) Performance feedback and coaching
(xi) Mentoring
(xii) Employee engagement
(xiii) Employee welfare
(xiv) Salary and wages
(xv) Job enrichment
(xvi) Quality of work life
(xvii) Human resource information system (HRIS)
(xviii) Employee empowerment
With the arrival of international chains to Indian hotel market and the number of hotels increased in a large number, most hotels face the acute shortage of staff. The major problems faced by the hotels are the large volume of staff turnover and staff shortage. The employees have more options to join in a hotel as they like, where the labour market has the shortage of staff. This makes the head hunters to strive hard to find people, where the youngsters have more options to join in other industries like BPO and IT. The labour market structure has changed in a wide way compared to the last ten years. In this changing world of technology evolved employment opportunities people choose to join a job which suites more closely to the personal needs and societal life. HRD (K. S. Anil 2005) have the ability to attract and retain people and is the key to manage changes in system, structures, technologies, methods and market in the macro dimensions.

3.4.1.1. Recruitment Practices

Recruitment (Robert, William and Alan 2009) is the process of attempting to locate and encourage potential applicants to apply for existing or anticipated job openings and recruitment strategies attempts to create a pool of appropriately qualified, skilled and experienced people so that selection strategies and decisions can be effective. It is through the recruitment process people knows about an organisation and opts to choose to apply for the job positions or not. An effective recruitment method helps organisations to find the suitable talent to their required job positions. Hotels find different ways to recruit people to their staff roles. Finding the source for the recruitment is the major concern in the recruitment process. For hotels to find the fresh graduates and diploma holders, they can go to different hotel management and catering institutions and various professional colleges as per their requirement. To get experienced staff, they have to advertise in the media and also by taking references through their existing employees. Recruitment helps to source the right people at the right time in the right place at right cost. Finding and identifying the right person is of major important factor in the recruitment process. This is because when you have the right person with you, as the saying says “well began half done”, you can reduce the tensions of
occupying a new entrant to your hotel. When a new recruit enters into the hotel now a day’s major concern is how long he is going to stay in the hotel. Keeping an employee to stay back and committed to the organisation is a difficult task. So when you have the right person with you, since he is the right person in the right place at the right time reduce the tensions and anxiety of him leaving the organisation soon, leaving unproductive time line in his duration in the hotel. The employees (K. S. Anil 2005) are socialized into the organisation first by way of recruitment and then through continuous functioning in the organisation.

Skills, knowledge, and competencies (Schuller 2000) are the key factors in determining whether the organisations and nations will prosper. Recruitment involves (Kleynhans, et al. 2006) the attracting individuals on a regular basis, in enough numbers and with the right qualification and motivating them to apply for specific jobs in the organisation. When hotels practice the right recruitment methods, definitely they will be able to attract and retain the best talent with them. Hence recruitment process is the first stepping stone that relays and ensures the stay back and long term survival of the employee in the hotel. Recruitment process is the first HRD practice that determines how the hotel can develop its employees. Developing an employee, who is not the right person with sufficient talents, educational levels and skills is tiresome. So hotels need to be cautious in recruiting the staff. When the hotel has the real talents as per its requirements will enable to practice human resource development practices and enable high commitment among the employees and thus to reduce labour turnover. Fair and effective recruitment procedure helps (Jane 1996):

- To build an effective team
- Reduce staff turnover
- Promote high standards of trust
- Achieve the aims of the organisation
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When there exists a team with high amount of trust and reliability will act as a cohesive group which will be more productive. People who are the members of such virtual groups tend to stay and work effectively in such groups and this will result in reduced staff turnover. The first step in the recruitment process (Pravin 2010) is the human resource planning, which determines the people requirements and this should be in tune with organisational objectives.

![Diagram](image)

**Figure 6: Steps in Recruitment Process (Pravin 2010)**

Next phase is the determination of the recruitment strategy, and in this frame work the organisational strategy and organisational goals are considered. In developing recruitment strategy (Victor, et al. 2005), both internal and external constraints on the organisation has to be considered, where in the external(labour market, legal environment) organisation has less control and the internal factors(compensation strategy, business plan, values) where the organisation can influence. After the formation of the recruitment strategy the next phase is the evaluation of the sources of recruitment.
Table 5: Source of Recruitment and their Characteristics (Robert, Hubert and Murray 2011)

<table>
<thead>
<tr>
<th>Recruitment Source</th>
<th>Cost</th>
<th>Amount of Information Given</th>
<th>Predictability Number of Applicants</th>
<th>Internal/External Recruitment Source</th>
<th>Principally used for Professional Positions</th>
<th>Principally Used for Non Professional positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADVERTISEMENTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local News Papers</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>National News Papers</td>
<td>High</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Trade Publications/Magazines</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Television or Radio</td>
<td>High</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>AGENCIES AND ORGANIZATIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted Minority recruiting</td>
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<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
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<tr>
<td>Private Employment Agencies</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>State Employment Agencies</td>
<td>Low</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Temporary Help Agencies</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Universities</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Community, organization, Partnerships</td>
<td>Low</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Community College</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Search Firms</td>
<td>High</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Job Fairs</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
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<td></td>
</tr>
<tr>
<td>PROFESSIONAL ASSOCIATIONS</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Conferences</td>
<td>Moderate</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Professional Organizations</td>
<td>Low</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>INSIDE ORGANIZATION RESOURCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Previous Employees</td>
<td>Moderate</td>
<td>High</td>
<td>Low</td>
<td>Internal</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Employee Referrals</td>
<td>Low</td>
<td>Moderate</td>
<td>Moderate</td>
<td>Internal</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Job posting to Current Employees</td>
<td>Low</td>
<td>High</td>
<td>Moderate</td>
<td>Internal</td>
<td>Yes</td>
<td></td>
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<tr>
<td>Company websites</td>
<td>Low</td>
<td>High</td>
<td>Moderate</td>
<td>Internal</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Internships</td>
<td>Low</td>
<td>high</td>
<td>Moderate</td>
<td>Internal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OTHER SOURCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Job Boards</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Walk-in</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Word of Mouth</td>
<td>Low</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Retiree Job Bank</td>
<td>Low</td>
<td>Little</td>
<td>Low</td>
<td>External</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>
The following are the four factors need to be considered while tapping the sources of recruitment viz. (Diane 2001): how much money is available, how quickly the opening must be filled, whether a wide audience must be reached, exemption level of available position. Once the strategies are formulated, sources are decided, and then the implementation of the recruitment strategies takes place. After the recruitment process takes place necessary feedback has to me made so that the effectiveness of the recruitment process can be identified and necessary changes can be made in the next time recruitments. In hotel industry employers are acknowledging that the recruitment and retention pictures have changed where applicants are demanding more, competition for good workers is often fierce, and employees are seeking greater incentives to stay and it is hard to attract and recruit the best workers, in addition to have a successful retention environment. Best recruitment practices enable hotels to attract best people which in turn make the retention environment capable enough to minimise labour turnover and hoping of employees from place to place.

3.4.1.2. Selection Process and Procedures

Employee selection process (Kerry 2007) consists of locating, recruiting, hiring the best candidate to fill any open position that the business may have. In selection process the goal is to pick the best among a pool of qualified job seekers. Selecting and hiring the employees are critical to the success and future of the organisation. Matching the right applicant with right job is the key element in selection process and for this well described job descriptions can be used. Purpose of selection (R. Gareth 1997) is to match people to work and it is the most important element in any organisation’s management of people simply because it is not possible to optimize the effectiveness of human resources, by whatever method, if there is a less than adequate match.

While conducting the selection process the selectors should make sure that from the pool of recruits the people who match to the current job positions should be matched suitably. If this suitability identification is not properly executed it will lead to the non fit ability of the person to the current vacant position. This will ultimately lead to the expulsion of the person by the organisation or by the
individual himself leaving the job. It is through selection process people are entering into the organisation and it is the gateway mechanism that determines who should be chosen for the right job that matches to the right skills and experience. A framework for systematic selection should specify the need to (Dominic, Ivan and Gordon 2005):

- Ensure that selectors have some understanding of how people differ in different situations
- Identify customer’s need and expectations via job analysis
- Set standards that meet customer requirements
- Establish evaluative standards with which to assess the selection methods used
- Set evaluative standards to assess the efficiency of the selection procedures
- Identify the most appropriate selection methods for the jobs
- Set decision making standards
- Develop further ideas for continuous improvement

In this era of red competition for talented employees (Elearn 2005), employers everywhere recognize that they must evolve better recruitment, selection and retention strategies if they have to compete effectively with their competitors for the best people. The hotel industry now days face acute shortage of staff and search for talented people is a nightmare. If a hotel has to get the best people, it should have good selection and recruitment strategies. Any organisation to have a pool of talents needs to frame up a good image among its competitors. Getting a new recruit may be easy, but to select him to a position that matches to the skill requirements of the vacant position may be difficult task. In the hotel industry this situation is more important because of less availability of recruits. When hotel have more recruits then there can be more precise options for people to be selected. If not hotels have to select anyone comes in front of them for a job. This will lead to the loop holes in selection strategy which in turn will lead to
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more staff turnover. If the ‘right man’ is not at the ‘right position’, then it will be a tough task to keep him retained to the organisation. Selection policies and practices should be sound enough and the existing employees and recruits should be aware that organisation poses framed up standardized selection policies and procedures. There should be transparency and clarity in the process. This will create image of the organisation among the employees. They will feel proud about getting job in such organisation as an achievement in their professional life.

In line with overall human resource imperatives to achieve success in human resource management (Robert, William and Alan 2009) functions, recruitment and selection should not only be integrated, but also be aligned with subsequent functions such as skills inventories, labour turnover analyses, career and succession planning. The labour turnover analyses will help the organisation to understand why people are leaving, the reasons and what can be done reduce turnover by adopting changes in the selection policies and procedures. A feedback from turnover to selection process always helps to maintain a selection strategy that can reduce employee turnover.

A fair and systematic selection process (Nelarine 2001) should define selection criteria using job descriptions, role definitions and person descriptions. When job descriptions and person definitions as well as role definition are defined during the selection process the exact person that matches to requirements can be identified and selected which in turn will lead to the existence of committed staff and the retention process will be easy. Human resource development and HRD practices are essential for the growth and development of an organisation during the competitive environment and if an organisation wants to maintain competitive enough to the changing world of technology and unexpected financial turbulence and turmoil and the changing nature of the labour market there should sound policies to select and retain talent with them in order to execute HRD which is a continuous and dynamic process require staff with potentials and capabilities who are ready to receive and accept such developmental programmes. Selection process is a HRD practice that is important to select the best people with right talents and skills so that such people will be more productive, committed and retain back in organisation for a long time. Hotels have to adopt selection policies
and strategies that fit with their business process and business goals suitable enough to retain best talents with them, so that organisation will have success in future.

### 3.4.1.3. Induction Programme

Induction programme is the process used within many businesses to welcome new employees to the company and prepare them for their new role. Induction programmes is the socialization occasion for a new recruit to an organisation. Effective induction programmes (Toiteora 2013) reduce startup costs, reduce anxiety, reduce employee turnover, saves time for supervisors and co workers, develop realistic job expectations, develops positive attitudes and job satisfaction and ensure that the new employee knows everything they need to know.

Induction programme helps to introduce an organisation to the new recruit. This helps to familiarize the employee with the organisation and the job related activities. A total introduction to the organisation during the induction programme helps to speed up the learning of the job by the employee and this can reduce the cost of learning the job and minimise time taken to familiarize the environment. Lack of effective socialization to the new job environment puts the employee into a new strange situation during the initial days in the organisation. An effective induction programme minimises the anxiety and helps to develop a set of conduct and behavior in the mind of the employees. This will reduce the stress in the employee and the new recruit can easily settle into work.

Employee turnover (Toiteora 2013) is increased when employees feel that they are not valued or capable, or when they put in position where it is impossible to do the job and quality induction programme remove this feeling and fear and provides professional development for the employee necessary for succeeding in the job. Hence quality and well planned induction programmes have pivotal role in retaining the employee in an organisation. Induction programmes helps to reduce the intensity of labour turnover in the initial time line of an employee in the organisation. There are two types of employee induction (Pieter, et al. 2006) in which one is formal induction, where the induction is planned and officially
conducted by the organisation and the other one is informal induction, which is unplanned and unofficially conducted by co-workers. A successful induction programme is one during which the employee feels supported, welcomed and knowledgeable about their role, the organisation and the work environment. All new employees should participate in an induction programme that assists them in adjusting to their role and instills motivation and a positive work attitude from the outset. The most important principle to convey during an induction is a commitment to continuous improvement and ongoing learning. That way new employees are made comfortable for asking questions to obtain the information they need to learn, problem solve and make decisions. Induction (David and Jack 2009) relates to the process of providing new employees with the basic information that everyone in their department must know that is unique to their department. Good induction programme consists of introduction to the organisation and the work area, introduction to the other staff members, introduction to the other teams within the work area, terms and conditions of the work, introduction to the performance standards, work culture of the area, office systems, jobs specific training and development, health and safety awareness course, and probation policies if apply.

Introduction to the organisation consists of familiarizing with the mission and vision and objectives of the organisation and the work area. This will also introduce the new recruit to the operational and social areas of the organisation. During the introduction to the members of the staff, the new recruit is familiarized with the organisational chart, discussion about the roles and responsibilities of the staff in general terms and visits are made to the key contacts of the work area are made. After that the activities of the other teams in the work area are made understood to the new recruit and made aware that how these teams fit into the work area. During induction programme the new employee is made understood about the terms and conditions and the employment policies of the organisation. This provides the new recruit code of conduct, rules and regulations, policies on leave and vacation, and other welfare and employment policies of the organisation. Induction programme introduces the employee with the performance standards of the organisation which outlines the specifics of the job, goals,
objectives and expectations of the job and knowledge about the performance appraisal process. The work culture of the organisation such as hours of work, holiday requests, sickness procedure, after hours working, dress code, lunch arrangements etc. are made aware to the employee during the induction programme. Introduction to the office systems such as computer, telephone, voicemail, fax, printer, printer, photo copier and its uses are made aware to the employee. During the induction programme role specific development needs of the employee are reviewed and suitable training programme are planned so that there will be alignment of the individual skills with the demanding skills of the job. Health and safety awareness such as fire fighting procedures, fire exits, fire alarms, manual handling, first aid arrangements, handling of chemicals etc are made during the induction programme. It is important that the induction programme is monitored and reviewed so that adjustments that need to be made in the further programmes can be identified. When a new recruit is made aware of the above said items, he will have a thorough awareness of the organisation and its work culture and policies. This will help the employee to overcome the stress and anxiety during the initial days in the organisation. This reduces the chances of the employee to leave the organisation and he tends to stick to organisation for delivering performance for long time. The induction programmes are made to help new employees to become familiar with the requirements of their posts and adapt to the new working environments as quickly as possible. The objectives (Ruth and Philippa 2007) of good induction programme are:

- To provide a sincere welcome to the organisation
- To put the new comer at ease
- To give a good impression of the company
- To give an introduction to the culture of the company
- To integrate the new comer effectively
- To give the new comer skills and knowledge to do the job well

By induction programme the companies have financial benefits and productivity benefits. Many people leave a job because they are disillusioned,
(Ruth and Philippa 2007) let down or misinformed and good induction will illustrate to new comers that the organisation is committed to them and will do everything it can to retain them for as long as possible and which will in turn results in reduction of staff turnover and recruitment costs. Induction programme (Robert, William and Alan 2009) plan should take into account the anxiety employees feel on their first days on the job, and anxious employees may increase costs in the areas of education and development, turnover, absenteeism and production. There are potential long term and short term benefits of induction programme. The potential short term benefits of induction programme are (Robert, William and Alan 2009):

- The new employees forms a favorable impression of the organisation
- Confidence is build up more quickly
- Transition from school or university/college is made easier for employees with limited work experience
- Enthusiasm and commitment can be generated.
- The loss of valuable staff in the early months of employment may be reduced
- The employee adapts to the job and work environment more quickly thus reducing disruptions and restoring productivity
- Organisation’s cultural norms can be learned quickly

Potential long term benefits (Robert, William and Alan 2009) of induction are:

- Reduced levels of employee absenteeism and turnover
- Improvements in employee morale and engagement
- Lower recruitment and selection costs due to lower turnover

Good induction programme helps to reduce the employee turnover in the initial days of employment of a new recruit in the organisation. This is one of the HRD practices that can be adapted in the initial time of an employee as he enters into the organisation. Turnover (Gurpreet 2007) among the new employees is
higher than the other workers and employees are more likely to resign during their first months after joining the organisation and hence organisations should induct an employee properly.

3.4.1.4. Training and Development

Training and development (Adeola 2012) is the framework for helping employees to develop their personal and organisational skills, knowledge and abilities. The main aim of human resource development is for developing superior workforce so that organisation and the employees can achieve their goals while delivering services to customers. Training and development has received considerable attention in recent years and competitive advantages are achieved through best practices in training are very much significant. Training and development makes employees valuable and helps them to remain competitive in the labour market al the times.

Training programmes helps employees to acquire new knowledge and skills necessary for the job while development activities makes the employees competitive to develop talents and abilities so that their potentials can be tapped to the best to achieve the organisational goals by improving their performance. Developmental activities are dynamic processes which use a set of practices and methods by which employees remain sustainable in the competitive environment. This is mutual beneficial programme for the employees and the employer so that performance levels of the employees are boosted and the employer achieves higher productivity. Training and development (Dugan 2003), though primarily concerned with people, is also concerned with technology and processes, or the precise way an organisation does business. People and technology are the two main inputs to a organisation.

Training helps to improve the effectiveness of these two inputs to improve the efficiency of the organisation. Training helps the employees to do their work in the right way. The right way is called as the standard way. The major aim of training is the standardization of the processes production or delivering of services. Training (Dugan 2003) is the acquisition of the technology which permits employees to perform to a standard and thus training may be defined as an
experience, a discipline, or a regimen that causes people to acquire new, predetermined behaviours. Achieving organisational excellence (Ronald R 1998) is linked to defining values and training is based on a set of shared values that meshes with the mission of the organisation, a culture that is energized and continually driven for prevailing excellence. Training and development department is responsible for conducting training and development programmes. The major responsibilities of the training and development department are (Dugan 2003):

- Training people to do their present tasks properly
- Educating certain employees so they can assume greater responsibilities in future
- Developing people and entire organisation for the foreseeable and unforeseeable future
- Training to facilitate both individual and organisational performance

Training is growing in importance for the tourism industry (Particia L. 2003) as more organisations find it a greater priority today than in the past and increased emphasis on training has been fueled by labour force issues which are the most apparent problems facing the tourism industry in the recent times.

Labour turnover is a problem that plagues the hotel industry and there is a need to efficiently train the workforce to reduce the turnover. One key method (Eward, Sheila and Jean 2011) of gaining and retaining staff loyalty is to have programmes that give ample opportunities for staff to grow and develop and this will definitely help long term retention of the best and brightest people. Effective training and development involves (B. Richard 2003):

- Identifying human resource development needs
- Skills auditing
- Planning, Designing, and delivering training
- Evaluation of training
Identifying human resource development needs should be done in line with the business objectives of the organisation. Business objectives indicate the required job roles to execute the operations. The job roles show the required skill, knowledge and attitude required for performing the job. Skill auditing is used to identify the required skill levels of different job roles in the organisation. By identifying the skills required skills and matching with the skills of the current employees the skill gaps can be identified. This will help to design training needs and requirements so that training programmes can be identified. Planning, designing, and delivering training consists of the processes of how training can be effectively made in the organisation. After the delivery of the training programme evaluation of the training is done in order to measure its effectiveness. The essential steps (Radha 2007) of training activities involve the following:

(i) Developing a mission statement, vision and function priorities
(ii) Identifying departmental systems audit/assessment tools and how to use them
(iii) Identifying the consulting process within the organisation
(iv) Identifying when to use the assessment tools to determine training needs
(v) Gaining management’s commitment to performance improvement
(vi) Preparation of plan to build alliances and work successfully with line managers and employees
(vii) Highlight the need to focus on results, not just the training activities
(viii) Keeping the contents relevant
(ix) Evaluating how to supervise and develop strong training staff
(x) Preparation of budget and monitoring system
(xi) Preparation of cost benefit analysis to demonstrate training effectiveness
(xii) Developing a system to anticipate the changing trends in the business

Training typically involves providing employees the knowledge and skills needed to do a particular task or job, attitude. By training attitude changes can be even modified. In hotel industry employees have a significant role in delivering
services to the guest. Employees are inevitable part to the operations in the hotel industry. All most all the standard and star categorized hotels have a separate training and development department for training and developing the employees. The training manager and his associates along with the line managers provide training and development to the employees. In hotel industry the training and development is a line function and the managers in the corresponding department have significant role in developing and training the employees. Most of the employees recruited into the hotel have basic education in the hospitality management or catering science.

In order to mould up such employees to the required job positions are easy than training and developing an employee coming from a non-catering or non-hospitality management operations. Hotel industry the precision of the eservices made to the guest is significant. Whether it is preparing food or making a room or welcoming and greeting a guest. Hospitality services are highly sensitive so that only the guest feels home away from when they are in a hotel. A few decades ago (Mohini 2008) people joined work wit in a hotel and stayed there till retirement and loyalty was defined through number of years for which an employee served the organisation. But nowadays the things are changing. It is not like the old days people working won’t be so loyal to the hotel where they work. Employees stick to stay back in the organisation where they get proper development and training. Hotels which fail to provide training and development to its employees will lose their employees. There is a close link between training and development (Mohini 2008) and every progressive organisation aims at developing employees and through them jobs to be performed.

Development is said to take place when people acquire new values, attitudes and understanding and these help in achieving individual as well as organisational goals by enabling favorable responses to environmental influence. Training and development (H. Kim 2000) has assumed greater importance, and hotels now days are started assessment centers to assess the skill requirements of the employees. By establishing proper employee development and training programmes hotels are able to retain their best talent to work with them for a long time. This helps in higher productivity and efficient delivery of operations.
3.4.1.5. Performance Appraisal

A performance appraisal (PA) or performance evaluation (Muchinsky, Psychology Applied to Work (10th ed.) 2012) is a systematic and periodic process that assesses an individual employee’s job performance and productivity in relation to certain pre-established criteria and organisational objectives. (Manasa and Reddy 2009) (Abu-Doleh and Weir 2007) and in this other aspects of individual employees are considered as well, such as organisational citizenship behavior (Muchinsky, Psychology applied to work (8th ed.). 2006) accomplishments, potential for future improvement, strengths and weaknesses, etc. (Manasa and Reddy 2009) (Broady-Preston and Steel 2002). In order to collect data for performance appraisal (Abu-Doleh and Weir 2007) (Broady-Preston and Steel 2002) the three main methods used are objective production, personnel evaluation and judgmental evaluation and out of these three judgmental evaluation is widely used (Muchinsky, Psychology Applied to Work (10th ed.) 2012).

Performance appraisal (Cederblom 1982) is usually conducted annually and it functions as providing a feedback to the employees about their performance, conveying and discussing compensation, job position status, salary, promotion possibilities, addition on responsibilities, development possibilities, and disciplinary decisions. Performance appraisal system (Muchinsky, Psychology Applied to Work (10th ed.) 2012) consists of systems which are used to manage and align the organisational resources in order to achieve the highest possible performance. The success and failure of an organisation is determined by how effectively the organisation uses the performance appraisal system and hence for improving performance, the performance appraisal (Muczyk and Gable 1987) should be considered by everyone as the highest priorities in a contemporary organisation.

The performance appraisal system (DeNisi and Pritchard, Performance appraisal, performance management, and improving individual performance: A motivational framework 2006) initially improves the employee in the individual level and its ultimate aim is improving the performance of the organisation and it
can be used as key guidelines for promotion, transfer, termination, communicating the expectation about the individual employees by the organisation, communicating the training requirements and conducting such programs, communicating about the individual employee development, documenting performance which involves the salary administration and also for guiding and monitoring career development of the employees. Performance appraisal (Vikas and Bharti 2012) is the most important human resource practices and an inseparable part of every organisation and performance appraisal is administered in organisations by which supervisors evaluate the performance of subordinates. Organisations (Cascio and Bernardin 1981) use appraisal ratings to take decisions regarding pay and promotion, identify training and development needs and motivate employees. Performance appraisal (Murphy and Cleveland 1991) is one of the most widely researched topics in industrial/organisational psychology.

The success and effectiveness of any appraisal system largely depends on the reaction of employees to important aspects of the appraisal process (Bernardin and Beatty 1984), (Cardy and Dobbins 1994). It is now a widely accepted fact that perceptions of fairness influence the way people think, feel, and act on the job (Bies and Shapiro 1987). Employee performance appraisal is an indispensable part of every organisation including hotels. The hotel industry sector which is one of the oldest, biggest, and fastest growing service sectors which have seen tremendous progress in the modern era. Arrival of new hotel groups, international chains, vigorous growth of domestic economy, and rapid growth of the Indian tourism sector, technological deployments, and rising household incomes are some of the factors contributing to its growth.

Making international presence, attracting and retaining talents, and overhaul of HR practices are some of the challenges being faced by hotels in India. Organisation’s success depends on the productivity of its employees. Thus, employee productivity (Vikas and Bharti 2012) becomes an important yardstick for measuring organisation’s performance. The performance appraisal system defined as fair by the following nine factors (Thurston 2001):
1. **Setting performance expectations:** It refers to the importance of setting performance expectations at the beginning of the performance period. It captures the nature of performance criteria; their relevance and flexibility.

2. **Rater confidence:** It refers to rater’s level of knowledge about the performance appraisal system, ratee’s job, and performance levels.

3. **Clarifying expectations:** It refers to raters clarifying performance expectations and the evaluative standards to the ratee’s before and during appraisal.

4. **Providing feedback:** It refers to the raters’ ability to provide clear, timely, frequent, and constructive feedback to their subordinates.

5. **Accuracy of ratings:** It talks about the appropriateness of the ratings which is based on employee’s efforts, abilities, and quality and quantity of his/her performance.

6. **Explaining rating decisions:** It refers to the raters’ ability to explain rating decisions to the ratee’s clearly and effectively. It also involves raters explaining to employees about bringing performance improvement.

7. **Seeking appeals:** It refers to the extent of freedom given to employees to challenge performance ratings and to express feelings, especially of discomfiture.

8. **Concern over ratings:** It refers to the concern that ratings should be a true reflection of employee’s performance that ought to be based on employee’s effort and contributions rather than on his/her personality.

9. **Treatment by rater:** It refers to the quality of interpersonal treatment received by the rates from their supervisor/s. It conveys the importance of sensitivity, dignity, and respect in supervision.

Perception of fairness holds an important place in organisations as it prevents negative consequences like theft, sabotage, withdrawal, and other disruptive behaviors and enhances positive outcomes like citizenship behavior, organisational commitment, and job satisfaction (Adams 1963). When appraisal system (Kush 2012) widely used in the enterprise, it should be systematically imposing the performance level of an individual as well as organisation, it provides data about past, present, and expected performance of the employ which
is helpful in taking decision on selection training and development. If P.A.S is implemented well it can take the organisation on a fast development trade and faster productivity, through committed, motivated and complete people. Performance management (DeNisi, Performance appraisal and performance management: A multilevel analysis 2000) is a function of human resource management which is a human resource development function consists of activities and processes in order to improve the employee performance, which is a organisational performance improvement function and this is conducted in organisational and individual level.

In the organisational level the performance of the organisation is compared with the set standards of the organisational performance goals which depends upon the performance of the individual employees (Selden, Ingraham and Jacobson 2001)). Many researchers argue (Sudhir 2009) that performance appraisal is one of the most important in human resource management that determines organisation's performance. Performance appraisal system minimises employee's perception of uncertainty (Spinks, Wells and Meche 1999) about the evaluation of their performance levels and this is essential for worker motivation which is achieved by proper communication (Schraeder, Becton and Portis 2007) and feedback after performance appraisal is conducted to the employees and this serve as guide for employee performance. Performance appraisal system enhances positive behavior, thoughts and removes distracting issues (Kanfer and Ackerman 1989) from their workplace and reduces the negative psychological energy that can lower employee's performance and a structured systematic performance appraisal system (Mayer and Gavin 2005) can trust within the organisation.

At the organisational level, numerous studies have reported (Schraeder, Becton and Portis 2007) positive relationships between human resource management (HRM) practices" and performance improvement at both the individual and organisational levels. Performance appraisal system evolved as part of modern management science and it has gained more importance in modern human resource management and development rather than in traditional personnel management. In the performance appraisal the talents and experience of the employee within the organisation are considered. In short term it serves the purpose of evaluating and
assessing the performance of an employee and in long term serves as the back bone for the organisational performance of achieving the missions and goals. Performance evaluation for an individual employee determines his potential to the higher positions, add on responsibilities and promotion.

3.4.1.6. Potential Appraisal

As the competition in the world of business increases and business firms are doing everything, especially the best to achieve success, every organisation need to be keen about framing up their policies and practices in business. This needs a team of competent people to work and manage business. For every organisation the past performance, the current achievements and the projected growth are very much necessary to survive the business. It is not only the projections, but the current operations and the people works with them are important. As the world is liberalized for business, more competing firms have entered the business arena of every type of business. The competing organisations from other countries have better access to technology, easy and unlimited finance, well established management systems and practices, high quality orientation, brand equity and hence need quality people to work with. Hence firms need competent people to manage all these business activities. To achieve this firms need competent and efficient managers to manage these roles, otherwise they cannot survive. Competent people (T.V.Rao 2004) should manage the strategic roles of an organisation and hence there is constant need of identifying competent people and in case potential appraisal is very significant. The potential appraisal (Dewakar 2008) was evolved in order to minimise the problem inherent in considering past performance as an indicator for the employee's suitability to take on a higher role and it is a holistic approach to study the qualities of an employee in terms of attributes of personality, character and intellect. To avail competent people the competency requirements have to be identified. The competency requirements of job role can be identified using the job profile and the list of tasks need to be performed in that corresponding job position. Potential appraisal (T.V.Rao 2004) is a valid and reliable method of assessing the extent to which given employee has the competence to perform new tasks or jobs. Potential appraisal is simple or complicated depending up on the situations and instance for
which is done for an individual employee. It (T.V.Rao 2004) will be simple if it is used for appraising the employee for a job that is similar to his job position and responsibilities, and can be complicated whether it is used for another job position where the responsibilities and potentials are different from his current job.

Potential appraisal refers to the identification of the hidden talents and skills of a person. The person might or might not aware of the potentials which they posses. Potential appraisal is a future oriented whose major objective is to identify and evaluate the potential of the employees to assume higher positions and responsibilities in the organisational hierarchy. Potential appraisal helps organisations to identify potential candidates who are capable of occupying the future positions in the organisation. Potential appraisal (Dipak 2011) data is useful for career planning, as the latent abilities of an individual can be captured and matched with the future roles and responsibilities.

Hotels if they conduct potential appraisal, they will be able to identify employees who have the capabilities to occupy the future higher positions. If hotels maintain such data through potential appraisal programme it will be easy to identify a person for a higher position. Potential appraisal is a future oriented appraisal programme which consists of techniques like self-appraisal, peer appraisals, superior appraisals, management by objectives (MBO), psychological and psychometric tests, role plays and leadership exercise. A potential appraisal helps to design career planning programme for its employees. Developing performance standards (Bizmanualz 2008) is an essential ingredient in employee relation and employee retention. Performance appraisal is done to appraise the current performance of an employee while potential appraisal is meant for evaluating employee’s unused capacities which can be used in future which helps an organisation to assess an employee in terms of the higher level of the work which the employee will be able to handle comfortably and successfully in the future without being over-stretched.

A good potential appraisal system (Rao and Udai, Designing and managing Human Resource Systems: 3rd Edition 2003) should provide an opportunity for every employee to know the results of this assessment and the employee should be helped to understand the qualities actually required for
performing the role for which he thinks he has the potential. A good potential appraisal system continuously provides employees to know their strengths and weaknesses so that employee will be able to know the chances of occupying future positions in the organisation. Potential appraisal systems have to be linked with other HRD subsystems like feedback and counseling, training, job rotation, data storage and manpower planning.

Potential appraisal aims to (Deb 2008):

- Inform employees of their future prospects in the organisation
- Facilitate succession planning for key leadership roles
- Reviewing recruitment, selection, socialization, training and mobility activities
- Guide employees to career paths available within the organisation

The emphasis of potential appraisal is identifying the growth potential of an employee. Potential appraisal (Santhosh and Sachin 2008) is an indicator of an employee’s future success in higher role only to the extent that the duties and responsibilities involved in the two roles are common. Potential appraisal is the evaluation of the growth potential of an employee which assesses the other talent possessed by the employee in which organisation has the motive of identifying future possibilities of an employee. This is human resource development mechanism which promotes the motivation in the employee (Bhatia 2007) regarding future prospects and helps to retain the employee within the organisation.

3.4.1.7. Career Planning

Career planning helps organisations to measure up employee's self development initiatives and focus on developing the organisation by valuing employees and aligning people policies to support organisation's performance goals. Career planning (J. William, et al. 2005) for individuals have been traditionally been the key focus since the early twentieth century. Career planning can provide employees with information that will enable them to make better career decisions. (Donald and Don, An Experiential Approach to Organization Development 2006). Organisations (Sandip 2009) seem to place important
emphasis on employee retention. To retain employees, organisations should be able to show proper career path to the employees working within. When employees are shown with a career ladder which is prospective to their professional life will motivate the employees to stay back and retain in the organisation. In today’s dynamic work environment (Serbrenia and Ronald 2007), individuals are increasingly responsible for initiating and managing their own career planning and organisations should be able to assist their employees in finding a career plan for their employees.

Career development is an ongoing, formalized effort by an organisation that focuses on developing and enriching the organisation’s human resources in light of both employee needs and the organisation needs and career planning (Sims 2002) is the process by which an individual formulates career goals and develops a plan for reaching those goals. Career planning and career developments are closely linked and one should reinforce with the other. Career development of an individual takes place with the viewpoint of the organisational needs. Career planning shows what all higher positions the individual can occupy during his life time in the organisation. If an employee gets a clear idea about his career path in the organisation always tends to motivate the employee. It provides the knowledge to the employee about his possible promotions and he can plan his professional development life.

Many progressive organisations (Pieter, et al. 2006) offer counseling on career opportunities as a part of their career management system, and it is voluntary process available to employees which is done by the counselors in the HR department. This type of career counseling will help employees to find their career path within the organisation and throughout their professional life. In smaller organisations the people in HR department itself does the counseling. The steps in the career planning process are (Pieter, et al. 2006):

(i) Assessment of personal interests
(ii) Collection of information about existing and future opportunities in the organisation
(iii) Individual planning process
Career planning for the employees can be conducted through career counseling seminars or classes. In the assessment of the personal interests aims at finding the skills and abilities, finding employee ambitions, needs, values, strengths and limitations. The next step is the collection of the existing future opportunities in the organisation. The career counselors in the organisation collect this data by associating with the line managers. This helps the employee to find the suitable options for them. Top management’s role (Donald, Gail and Stephanie 2009) in career planning and development is crucial and management must support the career planning programme by emphasizing its importance to all staff, committing adequate resources to its operation, and evaluating the overall results. For the effective working of career planning programme strong backing by the top management is required.

A career insight can be provided to the employees during this stage. Last step is the development of a planning strategy to achieve career goals. These decisions are highly informal and flexible planning for the employees are allowed to choose the better option for them to find a suitable career ladder. Career development (Pieter, et al. 2006) is a long term process, spanning an employee’s entire working career and effective career management enables career progression to proceed with some regularity and predictions. Career planning programmes (J. William, et al. 2005) help people to plan for future so that they can be flexible in a turbulent work environment, and succession planning programmes help managers prepare for the future by developing people for key positions throughout organisations. Responsibilities of the human resource administrators in career planning are (Donald, Gail and Stephanie 2009):

(i) Designing the overall system
(ii) Developing policies and procedures
(iii) Formulating career paths in conjunction with other managers
(iv) Selecting the developmental methods
(v) Training managers and supervisors for their responsibilities in career management
A firm’s HR policy should contain the career planning ideas and concept. This related to the promotion, increment, placement, transfers and training and development. All these activities are interrelated. Career planning should provide (Kesho 2012) within the context of the organisation some career choices which every staff can pursue as per their skill, expertise, competence, initiatives or interests and career planning system for the staff development is a shared responsibility between individual staff and the organisation, where the organisation must provide opportunity for sharing the career choices available to the staff within the organisation. By career planning programmes (Kleynhans, et al. 2006), employees plan their careers and how they develop and grow in the organisation, and for this performance appraisal data is essential for assessing the employee’s strengths and weaknesses. If organisations conduct potential appraisal, data can provide valuable information and insight into the career planning programme. Objectives and advantages of career planning are (Geet, Deshpande and Amita 2009):

(i) To attract competent candidates and also retain them in the organisation

(ii) To reduce employee dissatisfaction and turnover and to maintain a contended team of employees

(iii) To allow employees to achieve personal and work related goals

(iv) To increase efficiency and productivity as well as to ensure effectiveness of the organisation

(v) To correct employee placement
(vi) To help employees to develop and to make them ready to accept future challenges

(vii) To provide the employees suitable promotional opportunities

If organisations conduct effective career planning programme will promote employee retention and opportunities for career advancements motivates the employees and retention of the best talent will be effective thus by minimises the labour turnover. Career planning (Raj 2001) is beneficial to organisation by helping in reducing turnover of high potential staff and absenteeism of all staff.

3.4.1.8. Organisation Development

Organisation development (Thomas and Christopher 2009) differs from other planned change efforts, because the focus is on is on building the organisation’s ability to assess its current functioning and to achieve its goals. Organisational development is both a professional field of social action and an area of social enquiry where it addresses the effects of change, the methods of organisational change and the factors influencing OD success (Thomas and Christopher 2009). The five stems of OD practice are (Thomas and Christopher 2009): laboratory training, action research/survey feedback, normative approaches, quality of work life and strategic change. For a process to be called as organisational development (Worley and Feyerherm 2003) it must focus on or result in the change of some aspect of the organisational system and there must be learning or transfer of knowledge or skill to the system which leads to the improvement or intention to improve the client system. Organisational development (B. Warner 1982) is planned process of change in an organisation’s culture through the utilisation of behavioral science, technology, research and theory.

Organisation development (F. Wendell 1969) refers to a long range effort to improve an organisation’s problem solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavior – scientist consultants, or change agents, as they are sometimes called. Organisation development (B. Richard 1969) is an effort (1) planned, (2) organisation wide, and (3) managed from the top, to (4) increase organisation effectiveness and health through (5) planned interventions in the organisation’s process, using behavioral science.
knowledge. Organisation development is a systematic process (B. Michael 1980) of data collection, diagnosis, action planning, interventions and, evaluation aimed at (1) enhancing congruence among organisational structure, process, strategy, people, and culture; (2) developing a new and creative organisational solutions, and (3) developing organisation’s self renewing capacity through the collaboration of organisational members, working with a change agent using behavioral science theory, research and, technology.

Organisation development is based on (Warner and David 2005) a set of values which are largely humanistic by the application of behavioral science which is system wide process of planned change aimed at towards improving overall organisation effectiveness by way of enhanced congruence of such key organisation dimensions as external environment, mission, strategy, leadership, culture, structure, information and reward systems, and work policies and procedures. OD is seen as (Golembiewski 1979) a value loaded enterprise with an associated technology for intervening in organisation and process. OD (William, Jacqueline and Roland 2010) is along range perspective and it is a means to bring about complex, deep and lasting change in the organisation and not a quick fix tool for short term performance issues.

Organisation development (Bennis 1969) is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organisation so that they can better adapt to new technologies, markets and challenges, and the dizzying rate of change itself. Organisation development (William, Jacqueline and Roland 2010) may be regarded as part of a larger human resource field that is unified in its focus on people – primarily people in organisational setting. In organisation development the assumption is that changes cannot be successfully identified and cannot be implemented (Marshak 2005) without the true involvement of those responsible for doing actual work and this is to secure the best ideas and information to address the situation, with buy-in a side benefit and also usually assumed that there will be interdependencies and dynamics that cannot be fully anticipated or planned for, requiring interactive process open to new developments and outcome. OD (Clare, Carol and Halina 1997) is concerned with organisation as a whole in its wider setting, the people in the organisation and how they work, the expectation of the organisation about its people, how people respond
to the organisational expectations, the management philosophy and its effect on organisational behavior and the overall culture and climate of the organisation. Organisational development has been a process developmental system (Lloyd 1995) for people and organisations and current conventional wisdom suggest that organisation development must combine with technological methodologies such as total quality management, work redesign, project management, and re-engineering. Organisational development (Jerry and Ann 2000) focuses on personal, professional, and organisational growth, confidence, dignity, and freedom in a process that occurs over an extended period which is guided by change agents whose primary responsibility is to act as catalysts in this dynamic process.

Organisational development (Jon 2001) is yet another school of performance, one that stresses the need for constant learning and reinvention throughout an organisation. Organisations (Anne, Triin and Maaja 2007) are not isolated from their environments, it follows that changes in external environment have an impact on internal environment. It is important to remember (Clare, Carol and Halina 1997) that an organisation is never static, instead it operates within a dynamic equilibrium where an external change inevitably occurs, organisation can either continually react, or else it can proactively anticipate and adapt to such change and so learn to manage its future development. The need for focused organisational development (Roberto 1993) involves clearer definition of purpose, organisational definitions and business plans. Organisational development (D. Michael 1997) is the evolution of “expert centers” staffed by group of experts capable of high quality, high speed work at very competitive prices.

While deploying organisational development (Charles 1989) the attitude and values of the company as a whole as well as of employees, who are the user work groups, can hinder effective use of OD and hence specialists must be assigned to assist in dealing with human and organisational elements. There are four processes (Haring and Dalal 1995) of organisational development which lead to breakthrough improvements of individuals and organisational performance: task oriented OD, process oriented OD, value or culture driven and development oriented. The conditions (G. Jeffrey 1994) most conducive to high performance are when self organisation takes place. While classical organisations development theories (H.
Linda, Understanding Change: theory ,Implementation and Success 2006) assume that organisations exist in one state that then is subject to an unfreeze-change-refreeze process, complexity theories suggest that culture is not static thing.

OD (H. Linda, Understanding Change: theory, Implementation and Success 2006) is a systematic process for applying behavioral science principles and practices and is directed at organisational improvement. OD attempts to change (Applebaum 2002) an organisation as totality by changing the organisation’s structure, technology, people and or tasks. OD deal (Cheung-Judge 2003) with the gamut of “People issues” and “work system issues” in organisations—morale, motivation, production, quality of work, leadership, performance, structure, culture, processes, response to environmental demands, customer relationships and the alignment between the organisation’s strategy, structures, culture and process. Organisational development is a long term effort (Wendell, Bell and Ceicil, Organizational Development- 5th Edition 1996), led and supported by top management to improve an organisation’s visioning, empowerment, learning and problem solving process, through an ongoing collaborative management of organisational culture—with special emphasis on the culture of intact work teams and other ream configurations using the consultant-facilitator role and the theory and technology of applied behavioral science including action research.

The features of OD are (Kondalkar 2009): it is a long term effort, it needs management support, OD is a visionary process, OD is empowerment process, it is a learning process, and it is a problem solving process. Ideal culture is mandatory for organisation development to be successful which is team based and uses theories of applied science focuses on culture and process. Objectives of OD are (Kondalkar 2009): individual and group development, development of organisational culture and process by constant interaction between members of different levels of hierarchy, inculcating team spirit, empowerment of social side of employees, focus on value development, employee participation and problem solving and decision making at various levels, evaluation of present system and introduction of new systems there by achieving total system change if required, transformation of competitive edge of the organisation and achieving organisational growth by total human inputs by way of research and development, innovations, creativity and exploiting human talent.
Organisational development is a discipline applying behavioral sciences (S. Kavitha 2005) to help organisations to adapt changing customer attitude, legislations, and technological breakthrough and is aimed not only at improving organisation effectiveness but also enhancing the development of organisational members. Organisation development is an educational strategy (Keith 1975) which focuses on the whole culture of the organisation in order to bring about planned change and it seeks to change beliefs, attitude, values, and structures so that the organisation may better adapt to technology and live with the pace of change.

An organisation development program (Chhabra 1978) is designed keeping in view the values and the culture of the organisation and its ultimate goal is creation of new team, changing the attitude of the organisation members and developing new values. Organisational development helps to develop (Mike 2007) a common purpose, values, shared understanding of objectives, future needs of the organisation, managing growth, balancing between managing and leading, to develop personal responsibility and individual and collective energy. Organisational development is a database activity and one of the characteristics (S. Kavitha 2005) of OD is the reliance on valid information about current problems and possible opportunities for improvement. OD is the strengthening (Lippit 1969) of those human processes in organisations, which improve the functioning of the organic systems, so as to achieve its objectives. OD is a planned effort (Udai, Managing Human Resource Systems 1988), initiated by process specialists to help an organisation to develop its diagnostic skills, coping capabilities, and linkage strategies in the form of temporary and semi permanent systems, and culture of mutuality.

OD follows action research model (French and Bell 1991) which is a data-based, problem solving model that replicates the steps involved in the scientific method of inquiry. Action research in OD (Susman and Evered 1978) is aimed both at helping a specific organisation to increase its effectiveness and developing a new knowledge that can be applied in other settings. The studies revealed that (Donald and Don, An Experimental Approach to Organization Development 2006) organisations adopt OD programs as large scale change programs in order manage the level of competition, for the survival and existence of the organisation and for promoting improved performance. The change achieved through establishing OD helps
organisation to manage the external as well as the internal environmental changes where the organisations have less control and control. The primary difference (Donald and Don, An Experimental Approach to Organization Development 2006) between OD and other behavioral science techniques is the emphasis upon viewing the organisation as a total system of interacting and inter related elements and OD is the application of an organisation wide approach to the functional, structural, technical, and personal relationship in organisation. Organisational development (Wendell, Cecil and Veena, Organization Development : Behavioral Science Interventions for Organization Improvement (6th Edition) 1999) is an organisational improvement strategy emerged in 1950s and 60s as insight from group dynamics and from the theory and practice of planned change which is an integrated framework capable of solving most of the problems confronting the human side of organisation. Organisational development deal with people problems like poor morale, interpersonal conflict, inter group conflict, poor team performance and can make changes in such situations to bring the organisation in the upfront of improvement. OD programs are helpful in coming out of the situations like low productivity, poor quality, unclear or in appropriate goals, inappropriate leadership styles, inappropriate organisation structure, poorly designed tasks, inappropriate response to environment demands, poor customer relations, and inadequate alignment among the organisation’s strategy and structure. All OD programs (Wendell, Cecil and Veena, Organization Development : Behavioral Science Interventions for Organization Improvement (6th Edition) 1999) are identifiable flows of interrelated events moving over time toward the goal of organisational improvement and individual development. The main strands of OD (A. L. Donald, Organization Development: The process of leading Organizational Change 2012) are: laboratory training and T groups, action research and survey feedback, management practices, quality and employee involvement, organisational culture, change management, strategic change, reengineering, organisational learning, organisational effectiveness and employee engagement. OD provides (Newton and Anthony 1972) opportunities for people to function as human beings rather than as resource in the productive system by attempting to create an environment where challenges can be taken and possibilities can be found out by giving opportunities for people in the organisation to influence
the way in which they relate to work the organisation and environment seeking to increase the effectiveness of the organisation in terms of all of its goals. OD is seen as an effort (C. G. David 2003) to deal with or initiate change in organisational cultures through a technology known as action research and action research is collaboration between change agent and members of the organisational system. OD (C. G. David 2003) does not “fix” people through the use of outside consultants but actions selected by organisational members are planned and underpinned by established norms of behavioral science and a set of optimistic values and assumptions about the human capacities.

OD is a package of optimistic assumptions (C. G. David 2003) about the potential of people; the faith that people know something about the work and that their know-how has a value to the organisation; an anti-bureaucratic bent; and a drive to treat staff as responsible adults who can make real contributions at work and people are viewed as motivated by needs for self-development, interesting and meaningful work, role in goal setting, and good relations with coworkers. Organisational development underscores the following points to the organisational leaders (Joan and Donald 2011):

- OD helps to meet the demands of the customer
- OD positions the members of the organisation to meet the demands of the future
- OD increases the organisation’s overall efficiency and effectiveness
- OD increases the stability, progress, and security of jobs
- OD challenges and inspires all members of the organisation towards peak performance

The doctrine of OD helps to make the mission of the organisation a reality. The goal of every organisation is to achieve the mission which is already stated. For achieving the mission it should have the capable human resource within. OD states the doctrine of developing and growth of human capital for the successful achievement of the organisational missions. OD helps to operationalise the organisational values by provide optimum customer service which reflects the
organisation’s charter which is already stated by the organisation before it starts its mission.

**Figure 7:** Essential Tenets of Organisational Development (Joan and Donald 2011)

An organisational development project (Hall 1985) in a community health center which, through team building and other measures, significantly cut the center’s turnover rate, improved its training capacity, developed a compensation system, and restructured its jobs. This shows that OD has a significant role in managing the employee performance as well as the organisational performance. The core components of the organisational development (Huse and Cummings 1985) (Sashkin and Burke 1987) are the emphasis on humanistic democratic values, focus on changing organisation’s culture, and the utilisation of consultants to facilitate change through some form of action research. OD suggests (David and Hillel 1992) a series of diagnostic and intervention techniques that enable the consultant, with the assistance of organisation’s members, to gather relevant data regarding pressing organisational problems, assess the cause of the problems, and suggest interventions to work toward their solution. Organisational development interventions should fit the particular structure and culture of the organisation (Kouzes and Mico 1979) (Martinko and Tolchinsky 1982). The activities of the organisation frequently reflect performance gaps (Zaltman and Duncan 1977) and the inability to adjust to external changes threaten organisational activity and survival (David and Hillel 1992).
The OD process (Reason and Bradbury 2001) is based in action research, which “seeks to bring together action and reflection, theory and practice, in participation with others, in the pursuit of practical solutions to issues of pressing concern to people, and more generally the flourishing of individual personas and their communities”. Participation (Donald A. L., Introduction: Cases and Exercises in Organization Development and Change, 2012) by organisational members in diagnosing the issues and solving the problem is the key feature of action research. OD is the generic field of research (Ned 1999) and practice concerned with structural organisational changes that can have a positive impact on competitiveness and it is about changing organisations in order to make them more competitive.

**Figure 8:** The OD Process (Donald A. L., Introduction: Cases and Exercises in Organization Development and Change, 2012)

Organisational development interventions (Afzalur 2011) are designed to help the organisational participants to learn mainly the integrative or collaborative style of behavior through which real causes for conflict are found and arrive at functional solutions. Organisation Development (Neilson 1984) is the attempt to influence the members of an organisation to expand their candidness with each other about their views of the organisation and their experience in it, and to take greater responsibility for their own actions as organisation members. The assumption behind OD is that when people pursue both of these objectives...
simultaneously, they are likely to discover new ways of working together that they experience as more effective for achieving their own and their shared (organisational) goals.

The OD approach (Bhupen 2007) aims at enabling the organisation to develop its internal capabilities to initiate and manage change on a sustained basis. To improve performance change from the previous to the current trends to look forward towards the future is necessary. When organisations think of performance, they are stating the vision and aim to move a step ahead from what they are currently occupying. Change is a vital factor that determines the willingness of the organisation to meet the future by managing effectively the workmen and workplace. Studies on change management reveal that without proper management of change, its effectiveness cannot be felt; instead doing well it can rather harm the effectiveness and performance of the organisation.

OD plays a crucial role in managing change. OD is a practice which is mostly carried out with the help of a external agent who is capable of analyzing, promoting and managing change by initiating and executing the OD activity by careful data gathering, analyzing and establishing interventions by which the aimed change can be achieved thus placing the organisation to move ahead from the what it was currently occupying. The primary goal of OD (Bhupen 2007) is to improve the effectiveness of the organisation and its members. The effectiveness of the organisation is the condition where there is mutual inclusion of the organisational goals and the individual goals. In a healthy organisation there exist a climate and congenial environment around which the optimal use of resources and the maximum performance of the employees are available.

Managing the workplace and managing the workers have a significant role in promoting the organisational performance. The scientific management study done by Taylor shows that performance or output of the employee’s efforts has a major association with how the work is carried out. In order to execute the functions workplace management has a dominant role. Organisation effectiveness (Edgar 1980) is the capacity of the organisation to adapt and cope with the changes in its environment. In order to achieve performance and to improve performance it
is necessary to take a new view of how the organisation works and must work every day so that it isn’t constantly trying to override the usual organisational process. High organisational performance (Wendell and Cecil H. 2003) can be congruent with a supportive of a sense of community, and vice versa and it requires vision, time, empathy, skill, commitment and hard work to achieve either or both.

3.4.1.9. Motivation and Rewards

As soon an employee enters into organisation the main aim is to motivate the employee to do the job. Without motivation people can’t do job. Motivation is different for different people. For some it can be money for others it can be a promotion or a good appraisal. To keep people motivated is challenging task the managers have to motivate the employees and organisations have to provide a motivating environment. Here the discussion is how motivation and motivating factors and environment can reduce labour turnover. Labour turnover and retention of the employees are crucial factors in the hotel industry. Many HR managers of the hotels say that they find it difficult to retain the employees in their organisation. For small peanuts people tends to leave the organisation and joins another one. Motivations along with rewards are necessary to retain the employees in the organisation.

Motivation (Dianna 2005) encompasses the entire scope of workplace activities, from the actual work being performed to who is performing the work and how the work is managed-all of these aspects significantly contribute to the health of the workplace and thus to the level of what is commonly termed employee motivation. Motivation is a universal process and all motivators are individuals. Individuals can only motivate individuals. Though machines and technology play the role of providing congenial environment for motivation, but individuals are required to motivate people. Hence motivation involves the willingness of the people to motivate others. Motivation is defined as a psychological force that determines the following (Sharlyn 2005):

(i) The direction of person’s behaviour: an individual behaviour defined by how the person is motivated. A motivated person can only deliver a
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satisfactory service to a customer. Especially in the hotel industry, customer satisfaction has the primary importance. For a person to perform a job with maximum efficiency requires good level of motivation.

(ii) A person’s level of effort: if an individual to perform a task he has to take an effort to do the job. The willingness of the individual to take an effort depends on the level of motivation he posses to take the effort to perform the job. Hence motivation is necessary factor that determines the level of effort taken by an individual to perform the job.

(iii) A person’s persistence in the face of obstacles: while executing a job, an employee may face number of obstacles. It can me small things to complicated matters. The level at which the employee see this obstacles as a hindrance to perform the task depends up on the perception of the employee about this obstacles. This also depends on the motivation the employee posses and the feeling in his mind how worth to execute the job which necessary for customer satisfaction. The persistence of the employee to face the obstacles depends on the motivational level of the individual. Employee motivation (Max 2001) goes in hand with productivity and success, and if an organisation had to succeed, it needs to make sure that its employees are satisfied, sufficiently challenged and contributing to the bottom line. For this compensation is not enough but the employee needs to be motivated. Motivated employees are foundation for the success and achievements of an organisation. The three important points to build a motivating organisation are (B. Anne 2003):

(i) Knowing why employees want to be motivated

(ii) Recognize that there is a real motivation inside the job

(iii) Turn employees on to what is important and meaningful

Motivation is the set of forces (W. Ricky 2008) that cause people to behave in certain ways in which an employee may choose to work hard as possible at a job and the role of a manager is to maximise such behaviour and to minimise the behaviour of doing just enough or to avoid the work. Motivated employees (Max 2001) are exceptionally loyal to their employers and they feel good about their
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jobs and their company which in turn promotes less employee turnover and such employees are less inclined to experience grass-is-greener syndrome or jump ship if the company goes through difficult period. Motivation (Richard and Dorothy 2011) is a challenge for managers because motivations arises from within employees and typically differ from each person to person. Promoting motivating environment in an organisation will have the following impacts (Shawn 2005):

- Increase in productivity
- Decrease in employee turnover
- Decrease in absenteeism
- Increase in sales
- Improvement in customer service
- Decrease in employee litigation claims
- Improvement in quality of employees
- Improvement in cash flow, efficiency and profits

Keeping the employees motivated and generating behaviour positive for delivering excellent service to the customers is very much necessary for the operations in the hotel industry. Since it is people serving people and the behaviours of the people delivering the service is significant. Small fluctuation in positive attitude among the hotel employees will lose the enchanting moments of the guest in the hotel even though the ambience and environment and facilities are good. Keeping people motivated and providing rewards for the employees to keep them motivated will make the retention process easy. Employee reward (A. Michael, Employee Reward 2002) is about how people are rewarded in accordance with their value to an organisation and is concerned with both financial and non financial rewards and embraces philosophies, strategies, policies, plans, and process used by organisation to develop and maintain reward system. Rewards are extrinsic and intrinsic. Extrinsic rewards (Armstrong, A Handbook of Employee Reward Management and Practice 2007) provided by employers in the form of pay will help to attract and retain employees and for
limited periods, may increase effort and minimise dissatisfaction and intrinsic or non financial rewards related to responsibility, achievement and the work itself may have longer term and deeper impact on motivation. The reward system in an organisation should be a mix of both extrinsic and intrinsic rewards.

In this section motivation and rewards the discussion is mainly on the intrinsic non financial rewards. It can be said that money will (A. Michael, Armstrong's Handbook of Reward Management Practice Improving Performance Through Reward: 4th Edition 2012) motivate some of the people all of the time and perhaps, all of the people some of the time, but it cannot be made sure that money always motivates all the people for this money has to reinforced with non financial rewards, especially that provides intrinsic motivation. Intrinsic rewards (Swanepoel, Erasmus and Schenk 2008) are self administered rewards that are associated with job itself, such as opportunity to perform meaningful work, experience variety and receive feedback on work results. Skills, knowledge and intellectual potential of employees can be promoted (Ivan and Branko 2006) or ensured through a stimulating reward system, i.e. system of monetary and nonmonetary rewards oriented to promote the work achievements of employees. Organisation and its prevailing work culture can be cause of intrinsic motivation. People find it as pride and motivating factor to work in certain hotels. This just because of the fact that the brand image of the hotel and working environment and working culture are good enough to give intrinsic motivation to the employees.

When working hard (P. Jeffrey 1998) for less money or for money people will come to see intrinsic interest in the work or the organisation itself as their motivation. There is an old saying that job well done is its own reward, and in organisations (Lawrence and Alfred 2009) if people can recognize that when they have done a good job they are reaping the intrinsic reward. Non financial rewards play important role in boosting the morale of the employees. If employees have to feel that a job well done is the best reward they can get, then organisation has to prevail such a culture which promotes this feeling among the employees. Intrinsic rewards (Rothwell J and Kazanas 2003) stemming from work or activity itself include of pride of accomplishment, increased self esteem, satisfaction with a job well-done, and joy at seeing results of one’s hard work. Intrinsic rewards (James
and Anthony 1982) are more intangible and it consists of the growth on the job, esteem or the interest or curiosity that the job may offer. The purpose of reward (Shields 2007) is to attract, retain and motivate right people at the right jobs in the right time by recognizing their contribution so that they can contribute to the best of their capability. Dissatisfaction (Wilton 2011) with the reward might be a key determinant of employee exit or intention to quit, and pay is not often the primary determinant of turnover. Hotels if they provide proper motivation to the employees by rewarding the expected behaviour through non financial or intrinsic rewards can minimise labour turnover.

3.4.1.10. Performance Feedback and Coaching

Everyone needs feedback and feedback helps employees to assess whether they are doing the job in the right way with the required performance standards. Meaningful feedback (L. Manuel 2008) is central to performance management and it guides, motivates, and reinforces effective behaviour and reduces or stops ineffective behaviours. Performance feedback helps employees to see whether they are able to meet customer expectations and to meet the expectations of their boss. Performance feedback (UniversityHumanResources 2006) is the on-going process between employee and manager where information is exchanged concerning the performance expected and the performance exhibited and constructive feedback can praise good performance or correct poor performance and should always be tied to the performance standards. Performance feedback after appraisals motivates employees. In the performance appraisals there is a faith in the employees that the feedback given to them after the appraisal (Clive 2004) will help in assisting task, performance, improving performance, and this can contribute to employee motivation. People (Clive 2004) who want feedback are interested in improving performance, have training needs and want to have a chance for constructive dialogue with their bosses. Feedback generates a positive mental attitude among the employee to achieve success and improve performance. Feedback is a critical communication required in the professional life. Feedback (R. Peter 2008) is a form of affirmation, which reinforces behaviour, telling the employees whether they are doing the right things and continue doing these
things in the future, and sometimes it informs employees that they are not doing the right things helps to change to better behaviour.

There are two types of feedback viz. formal and informal. In formal feedback the discussions between the employee and the supervisor are documented. There will be specially designed format for the performance feedback discussion. A coach (R. Peter 2008) can be anyone who provides direction and guidance. Performance feedback helps coaches to guide an individual for success. In informal feedback there is no documentation and it is general discussion between the supervisor and the employee. Informal feedback (R. Peter 2008) is more effective than formal feedback. Informal feedback can be as simple and quick as saying thank you to an employee who has done a good job on a particular task or project by offering a cup of coffee or inviting for a lunch to show appreciation and recognition of work. Positive effects of feedback are (L. Manuel 2008):

- Feedback directs behaviour
- Influences future performance goals, essentially creating objectives for achieving higher levels of performance in the future
- Reinforces the employee that they can do better and perform well if they try harder
- Heightens the sense of achievement and arises internal motivation
- Helps to set performance standards
- Improves employee motivation and commitment and helps to retain employees
- Increases the salience of the information and the importance of the feedback process
- Increases the amount of power and control employees feel
- Regular feedback helps to cope with performance problems

Giving feedback (Cynthia 2011) is a critical part of managing people and it increases employee’s self-awareness and fosters positive change throughout the organisation. Coaching (Michael and Helen, Reward Management: A handbook of
Remuneration Strategy and Practice: 5th edition 2007) lies at the heart of effective day-to-day feedback and successful development. Feedback is an integral part of two-way communication and it is the link between what an employee performs and its impact on people and organisation. Feedback (Roland and Frances 1996) can be either positive-reinforcing good performance and behaviours—or negative-correcting and improving poor performance and behaviours. Both positive and negative feedback must be constructive to improve performance and rectify poor performance. It is how the way in which feedback is given determines how it is going to be constructive.

Managers should take care that either negative or positive feedback is delivered to an employee it should be interpreted in a constructive format to motivate the employee. Performance feedback and coaching goes in hands together. Coaching with feedback is effective in designing and improving performance. Coaching (Duke 2006) is defined as a developmental partnership, based on the shared responsibility between a coach and an individual and it is not a simple hand-off or transfer of knowledge, but a relationship focused on developing people capabilities. An organisational culture that promotes coaching (Duke 2006):

- Is tolerant of people trying (and possibly failing)
- Rewards coaches who perform well
- Stresses that everyone has something to learn and to teach

Feedback benefits the coaching process (Teresa and Wendy 2009) by effective means of creating learning opportunities out of the performance mistakes and enables the coach and the employee to engage in joint problem solving to correct performance issues and feedback can uncover the root causes of performance problems. Organisations have increasingly adopted multi-source performance feedback programmes (Chingos 2002) as powerful tool to solicit feedback from work colleagues regarding individual’s performance from every part of the organisation. This multi-facet feedback programmes helps to get accurate overall perception about the employee’s performance in the organisation. Feedback and coaching helps an appraiser (Bhatia 2007) in both obtaining
information and providing inputs on how an appraisee is performing and whether or not he/she is headed in the right direction and is also an opportunity for the appraisee to solicit resources and help that may be required for enhancing performance.

Performance feedback and coaching helps hotels to develop employee performance by molding behaviour by taking corrective actions to create positive outcome that is suitable for efficient guest services. Through coaching everyone in the organisation learn and teach everyone. There are instances of learning and teaching in the work environment. Coaching helps in (Patrick 2008) the fundamental shift in workplace and ensures employee retention, team cohesiveness, sales and production increase and overall employee effectiveness and satisfaction. This develops a motivational environment that is suitable to increase the commitment of the employees towards others working with them, and this will improve the attachment and cohesiveness to the team and the organisation. All these in total bring to bind the employees together which in turn helps to minimise the labour turnover.

3.4.1.11. Mentoring

The word mentor derives from Mentor and Telemachus in Greek mythology. The word mentor means a wise and trusted teacher or counselor who is guiding some one ever since. A mentor is someone who helps person to learn the ways of the world, who is having protégé interests at heart. Mentoring (Helen, Ruth and Caroline 2004) is a transformational process that seeks to help individuals develop and use knowledge to improve themselves on an ongoing basis to encourage reflection and development. The difference between a teacher and mentor (Floyd and Terri 2005) is that usually a teacher is paid to train in a specific discipline, where as mentor is a friend who gives time and knowledge without asking for anything in return. Mentoring (Duke 2006) is typically broader and long term, and often more personal relationship in which the mentor may address the personal and professional growth of the person who is mentored. Mentoring (Marty 2011) involves making the effort and showing interest in helping staff grow in their skills and capabilities by teaching, encouraging, and
challenging them to do the best. Mentoring was once widely practiced in scientific and artistic field. Later it has been adopted in all fields where a person with experience mentors his junior or subordinate by delivering the knowledge and techniques he posses to the protégé. Core part of mentoring is the experience and knowledge of the mentor. Mentoring survives because experience is the best teacher and the protégé gets knowledge and experience while he works with the mentor. There is synergy that is always associated with mentoring, just because of the reason that mentor passes information to the protégé and the protégé together with mentor acts along to develop an additional energy that comes out of their association, relationship and the purpose for which they stand for.

Mentoring is a way to pass information from one generation to the next which have been kept secret for traditions. This can be techniques of trade, secret formulas or other knowledge pertaining to business, production or any activity. One of the successful conditions for mentoring is (Davis, et al. 2006) the voluntarism from the part of the mentor to mentor a protégé. The degree of voluntarism the mentor posses determines the success of mentoring. The next is the willingness and motivation possessed by the protégé to learn from the mentor. When these factors go together mentoring can be very much effective and there will be binding between people to learn and teach. Mentoring is a tool to accomplish the following goals (Beverly and Devon 2000):

- Attract and retain high performers (C. David 2004) (David and Michael 2005)
- Upgrade employee skills and knowledge
- Promote diversity of thought and style
- Develop leadership talent
- Preserve institutional memory
- Create inclusion
- Develop line of succession
- Foster a collaborative environment
- Ease the transition to new assignments
- Strengthen corporate competitive advantage
Benefits (Davis, et al. 2006) of mentoring to the business are staff retention and improved communication, improved morale, motivation and relationships, and improved business learning. There are three types of mentoring programmes, first is one to one mentoring, second is group mentoring and the third one is virtual mentoring. In one–to-one mentoring each mentor has one protégé and the mentor mentors the protégé and the relationship is patriarchal with a powerful mentor responsible for a junior who is an up-and-coming employee. In group mentoring one mentor mentors a group and it facilitates group learning. In virtual mentoring there is no physical contact between the mentor and the protégé. Mentoring is conducted through phone, email, video chat, or through other telecommunication media. The five essential components of mentoring programme are (Beverly and Devon 2000):

(i) Determine the purpose of the mentoring initiative
(ii) Identify and match mentors and protégés
(iii) Train mentors and prepare protégés
(iv) Monitoring the mentoring process
(v) Evaluation of the mentoring programme

The seven steps of mentoring are (Davis, et al. 2006): identify need, gather evidence, motivate and set targets, plan how to achieve, create practice opportunities, observing and giving feedback, and support through setbacks. The hotel industry (Clayton and Tom 2009) is addressing the need to attract and retain the best of the best in the labour force and many hotels are striving to become ‘employers of the choice’ through better wage and benefit packages, more career development opportunities, and increased recognition and mentoring. In hotel and hospitality industry mentoring plays major role in developing staff. One of the major advantage (Mary 2001) of mentoring programme is that the person being mentored receives individual attention and the mentors know the hospitality organisation, its mission and goals, hence particularly in complex, large organisations, the protégé learns how the system operates from someone mentors him. In mentoring the mentors play the major role. Any one cannot be a mentor,
but need skills, attitude and experience. The qualifications of mentor are (Andrews 2009):

- Long service in the organisation
- A sincere desire to develop
- Has exemplary interpersonal skills
- Has integrity
- Is objective and does not possess own political agenda
- A track record of success
- Devotes time for mentoring
- Has good organisational skills
- Is service oriented
- Does not misuse the protégé’s time and relation

Mentoring is an important process (Parsa and Francis 2001) for professionals entering the food service industry and formal mentoring process helps in the transfer of organisation philosophy, beliefs, values, and standards of performance from an experienced mentor to a new protégé in an organisational structure. Mentoring is a process of learning that help employees to develop skills and learn when they work in liaison with an experienced staff known as mentor. Mentoring activities helps organisations to retain their best talent with them. Mentoring (Abraham 2010) is a useful practice in hotel traineeship programme and can help employees in the socialization process when entering to new job positions and helps to (American 2008) retain best talent with sin the organisation.

3.4.1.12. Employee Engagement

Employee engagement (L. Simon 2010) is a positive work related psychological state reflected in enthusiasm, energy, passion, and vigor and creates a motivational state which creates a genuine willingness to generate effort towards organisational goals and success. Engaged employees (Khan 1990) are fully physically, cognitively, and emotionally connected with their work roles.
Employee engagement (Macey, et al. 2009) is an individual’s sense of purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort, and persistence directed toward organisational goals.

Employee engagement (L. Simon 2010) (Donna 2011) is associated with higher levels of employee well-being, increased proactivity, increased creativity and innovation, higher productivity, and better bottom line results. Employee engagement (Shaufeli, et al. 2002) is a positive, fulfilling, work-related state of mind that is characterised by vigor, dedication, and absorption. Employee engagement makes an employee engaged to develop a positive attitude towards work and he become proactive. It can help to develop creativity and innovation among employees. Engagement can boost up initiatives among people, and make them to take effort to attain organisational goals and customer satisfaction. Employee engagement (Sarah 2008) is personified by the passion and energy employees have to give of their best of the organisation to serve the customer and it is the willingness and ability of employees to give sustained discretionary effort to help their organisation to succeed.

Feeling, thinking, and doing are the three aspects of employee engagement. In employee engagement the employee thinks about the organisation, feels about the organisation as its success is the success of the employee and he will be proactive in relation to achieving organisational goals for customers, colleagues and other stakeholders. In hotel industry all the above three aspects are necessary to execute and deliver services to the clients. Hence employee engagement has a significant role in promoting employee attitude and willingness in delivering services to the clients. Employee engagement (Sarah 2008) can result in four types of engagement such as cognitive engagement, emotional engagement, physical engagement and advocacy. In cognitive engagement the employee focuses on hard work and at any reason he did not distract from what he is doing and display single mindedness and high energy. In emotional engagement the employee is emotionally attached to the job and he is in a zone where he does not distract from work for any reason. In physical engagement employees always tend to go an extra mile in terms of all activities and taking responsibility for own learning and development and looks for innovative ways for doing work.
In advocacy the employee tends to recommend the organisation to others for job opportunities and doing business. In total engaged employees are beneficial to the organisation achieving success of the organisation. To develop a fully engaged team (S. Susan 2012), everyone in the organisation needs to be a leader, this means that the entire team should be able to exercise judgment on the day-to-day challenges and opportunities that are present in the organisation. To entrust employee engagement there should be a total team spirit among the employees without concerns to hierarchy and designation and power aura. The behaviour and attitude of engaged employees will be (Donna 2011):

- Delight in challenges of their work
- Constantly seek new and better ways to achieve the desired outcomes of their role
- Keenly aware of the business context of their work
- Collaborate with colleagues to improve performance
- They are in roles that best utilize their talents
- Feel positively towards the organisation values
- Experience a deep connection to the company

Table 6: Employee Engagement Frame work (Donna 2011)

<table>
<thead>
<tr>
<th>FRAMEWORK ELEMENT</th>
<th>OVERVIEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assess the Current state</td>
<td>Use an assessment to evaluate the current level of employee engagement, uncovering employee perceptions related to the primary influencers of engagement, so that improvement efforts are targeted effectively</td>
</tr>
<tr>
<td>Build The business case</td>
<td>Increase awareness of the employees as human capital and promote the value of employee engagement, thereby building a coalition of support for the employee engagement initiative. Create a communication plan</td>
</tr>
<tr>
<td>Close the engagement gaps</td>
<td>Use skill-building programmes and other tools to close engagement gaps. Revise human resource management policies and practices, as appropriate, to reduce barriers to engagement</td>
</tr>
<tr>
<td>Define the measures</td>
<td>Link engagement efforts to the overall business strategy or work goals. Establish accountability for results</td>
</tr>
</tbody>
</table>
In recent study of employees (Donna 2011) around the globe, 59 percent of those who reported being engaged at work said that they are committed to stay with their current employer. Employee engagement can leverage positive organisational outcomes (Harter, Schmidt and Hayes 2002) (Schneider, et al. 2009) (Sarah 2008) such as higher employee retention, greater customer satisfaction and improved financial performance. Employee engagement (Courtney and Alys 2007) is one of the elements that help in motivating and retaining top talent. Employee engagement (W. Jack 2010) (Mathis and Jackson 2011) is a precondition that leads to greater performance and helps in promoting employee retention. Employee engagement (Neil 2008) leads to employee satisfaction which drives employee retention which in turn drives employee productivity. Research (Wayne, et al. 2011) clearly shows that employee retention is higher in organisations that associate satisfaction and employee engagement. Employee engagement has created receptive environment (Jeff 2010) for solving employee retention problems. Employee engagement results in job satisfaction and involvement which in turn reduces employee turnover. This clearly shows that employee engagement is a HRD practice that promotes employee retention.

3.4.1.13. Employee Welfare

Employees work for the organisation and by spending their lifetime for working for executing organisational activities. The organisation in return pays salary to the employee for their labour. When there is a trouble for the employee or when the employee faces atrocities in life the organisation has to help the employee. When the employee feels that he is safe in the organisation when he is having problems and the organisation is willing to help the employee, this involves attachment and commitment from the part of the employee towards the organisation. These help reach the employees in terms of welfare measures. Welfare includes (Chaneta 2011) such activities as private advice on any type of personal problems; assistance with problems of health or sickness; special responsibilities for young people and elderly and retired staff and the provision of sports and social facilities.
Labour welfare (Aswathappa 2007) is referred as betterment work for employees which relates to the taking care of the well being of the workers by employers, trade unions, and governmental and non governmental agencies. Welfare includes (Laurent and Benon 2009) anything that is done for the comfort and improvement of employees and is provided over and above wages which helps in keeping the morale and motivation of the employees high so as to retain the employees for longer duration. Employers (Pravin 2010) have the first and direct responsibility to provide welfare facilities to the employees and the employer’s active role in the welfare facilities is crucial to the success of the welfare programme. Welfare measures motivates the employees and since it is the benefits given to employee on top of the salary will definitely helps to retain the employees in the organisation.

Organisations should take active role in establishing and conducting and disbursing welfare measures. If organisations are not interested in welfare of the employee, then the welfare system is not going to work effectively. The employer’s (W. W. Joseph 2009) business interest can and should be balanced against the employee’s welfare. If employers are formulating welfare measures based on their business interests balanced with employee welfare measure will help to create a better industrial relation environment in the organisation. The three main organisational strands identified in welfare are (Tom and Adrian 2002):

1. Legalistic-reactive: stemming from social as well as health and safety legislation, requiring employers to ensure employee’s physical safety and health
2. Corporate conscience: Based on the morale of religious convictions of owners, who sought to replicate theses in their enterprises
3. Corporate paternalism: seeking to create a corporate identity around a utilitarian consensus of the enterprise.

Labour welfare (Bhooshan 2008) is an important facet of industrial relations and is one of the major aspects of national programmes towards bettering the lot of labour and creating a life and work environment of decent comfort for
the labour class. Labour welfare is a part of social welfare both conceptually and operationally, which covers state of well-being, happiness, satisfaction, conservation and development of human resources. Labour welfare (Sivarethinamohan 2010) can be seen as a total concept, social concept and a relative concept. In total concept creating a desirable physical, mental and emotional well-being of the employee in total is considered. The welfare measures should be able to maintain a balanced state of well-being of the employees in physically, mentally and emotionally. Social concepts recognize the societal life of an employee, where employee is considered as a social being and his well-being is achieved through the welfare measures. In relative concept welfare is considered with the pace of time and place. This means that welfare changes from time to time, place to place, industry to industry and profession to profession. The basic features of labour welfare (Naukrihub 2012) (Bhooshan 2008) measures are as follows:

(i) Welfare includes various facilities, services, and amenities provided to workers for improving health, efficiency, economic betterment and social status

(ii) Welfare measure are in addition to regular wages and other economic benefits available to workers due to legal provisions and collective bargaining

(iii) Labour welfare schemes are flexible and ever changing. New welfare measures are added to the existing ones from time to time

(iv) The purpose of labour welfare is to bring about the development of the whole personality of the workers to make better workforce (Sivarethinamohan 2010).

Some of the objectives of labour welfare are (Bhooshan 2008):

(i) To see social comfort and intellectual improvement of employees

(ii) To ensure higher standards of working conditions apart those laid down by the Factories Act and provisions of the social legislation, which is not a necessity of the industry
(iii) To make life worth living for the employees
(iv) Voluntary efforts to improve the existing industrial system and the conditions of employment
(v) To inculcate among employees a sense of responsibility, dignity, belongingness, and make them proud of themselves and the company
(vi) To fulfill the future needs and aspirations of the employees
(vii) To win employee loyalty
(viii) To build a stable workforce
(ix) To reduce absenteeism and labour turnover
(x) To have an atmosphere of goodwill between the employees and the management and thereby improve the company’s image in the society
(xi) To increase productivity
(xii) Well being of employees and their families
(xiii) Ensure total employee involvement

Since hotel (Sharma 2004) is also part of industrial organisations and governed by the industrial dispute act of 1947, hotels must try and follow the rules of the Labour Welfare Act, Factory Act and Minimum Wages Act so that good industrial relations are maintained between the management and the employees. Welfare is in tangent, it can be observed, experienced and enjoyed, but it cannot be measured accurately and it is the effort of the management to make the life its employees worth living. Hence organisations have to be take care while practicing and measuring welfare activities. Welfare is an intangible activity and organisations should make sure that employees feel and enjoy that they are availing the welfare measures. For this welfare activity has to be done in the right time for the needed persons in the right methods. A belief that staff health and welfare (Alistair, et al. 1997) have direct implications for the success of organisations has encouraged a number of companies to introduce policies aimed at creating and maintaining a healthy workforce, policies which often have implications extending beyond the workplace into employees’ non work life. In
hotel industry to keep the employee loyal and motivated labour welfare has significant role. Hotels have to maintain the statutory as well as the non statutory welfare measures in order to attract and retain the staff with them. To retain people there should be effective welfare measures and to entrust effective welfare system hotels should take an active role.

Welfare measures (Pravin 2010) (Sine and Christine 2009) enables organisations to create a positive environment for its employees, which in turn creates high job satisfaction among them and the employees tend to remain in the organisation for long time thus by reducing labour turnover and improve employee retention. In UK (Pete, Margaret and Sharon 2012) the organisations that followed the philosophy of workplace welfare added strategic and operational value in terms recruitment, retention and staff performance. Welfare measures (Tony and Brian 2002) adopted by Burger King helped to retain 45% of its employees in its fast food outlets.

In competitive labour market (Angela 2004) to recruit and retain employees benefit package and welfare measures are more helpful. Welfare measures offered by employers are helpful in attracting pool of talents to work in the organisation. Organisations which provide more benefits to their employees can attract more people to work with them. Employers offer welfare services and benefits (Naga 2006) to attract and retain their employees and employee welfare offers organisational advantage such as attracting good employees, increasing employee morale, and reducing labour turnover.

3.1.1.14. Salary and Wages

Compensation (Malhotra 2009) is the process of planning, organizing, directing, and controlling the wages and salaries related to the pay policies and programmes of the hotel. This is also called as wage and salary administration. The term compensation (Dipak 2011) is a substitute word for ‘wage’ and ‘salaries’. Compensation or salary and wages is a HRD function (Ashok, Parveen and Hira 2010) where the HRD manager makes adequate provisions for adequate wages and salary for the workers and employees serving in the organisation and this includes job evaluation, wage and salary survey, determination of wage rate,
determination of mode of wage payment, incentive payment plans, bonus, benefits and services etc. Compensation function (Chandramohan 2008) deals with the determination of adequate for the employee contribution to the organisational goals and employees are compensated in terms of monetary as well as non-monetary rewards. In the hospitality industry (Boella and Steven 2005) a major responsibility of owners and their managers is to decide how to distribute fairly among all employees the money set aside for payment of staff. The guidelines for a good wage policy are (Rajendra 1997):

(a) Formulate carefully
(b) Communicate to managed staff
(c) Decide according to requirement
(d) Evaluate periodically
(e) Should be based on job description, specification and analysis
(f) Should encourage productivity
(g) Favour employee motivation and retention

A combination of internal and external factors (S. R. Ronald 2002) can influence, directly or indirectly, the rates at which employees are paid and each employer has the difficult task of weighting these factors and making numerous decisions that ultimately determine how much a specific employee will be paid. The factors that are relevant for determining the level of wages and salaries in the enterprise are (Basu 1998): (a) general wage and salary levels for similar work in the labour worker in the industry and in the locality (F. Peter 1974) (Arun and Rachana, Personnel Management: Theory and Practice 2000) (b) willingness and ability to pay on part of the enterprise which is a function of the socio-cultural enlightenment of the owners/managers and the financial soundness of the enterprise (Pattie 2005) (c) prevailing purchasing power of money for various wage goods and services (d) Size of the enterprise (e) Societal expectations as reflected in governmental regulations such as minimum wage laws; and (f) the bargaining strength of labour unions (Arun, Industrial Law 2003). The ongoing management of compensation and benefits (Angelo and Ricky 2009) is a critical
part of effective wage and salary administration and apart from the monitoring costs the organisation needs to maintain an ongoing assessment of how well it is managing the compensation and benefits system.

Appropriate compensation (Pattie 2005) plays three vital role in organisation such as: (1) attracts capable employees (b) motivates employees to perform effectively, and (3) helps to retain capable employees. An employee’s total compensation package (Pattie 2005) includes direct compensation and indirect compensation, where direct compensation is an employee’s base pay as well as any incentive pay programme and indirect compensation includes the whole array of benefits, some of which are required by law and others which are voluntary benefits offered by the company.

Table 7: Total Employee Compensation (Pattie 2005)

<table>
<thead>
<tr>
<th>Direct Compensation</th>
<th>Indirect Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Pay</td>
<td>Pay for time not worked:</td>
</tr>
<tr>
<td>Wage and Salaries</td>
<td>Vacations, breaks, holidays, sick pay, jury duty, and military duty</td>
</tr>
<tr>
<td>Incentives:</td>
<td>Insurance plans:</td>
</tr>
<tr>
<td>Bonuses, Commissions, gain sharing,</td>
<td>Medical, hospital, dental, life and surgical</td>
</tr>
<tr>
<td>merit raises, profit sharing, stock options, and stock ownership</td>
<td>Security plans:</td>
</tr>
<tr>
<td></td>
<td>Pension, Social Security, disability insurance</td>
</tr>
<tr>
<td></td>
<td>Employee services:</td>
</tr>
<tr>
<td></td>
<td>Educational assistance, recreational programmes, food services</td>
</tr>
</tbody>
</table>

A good employer should be capable of knowing how to retain the best talent within the organisation for a long time. Compensation is one of the major things that are involved in retention. Employee retention is beneficial to the employees and to the organisation. In hotel industry employees have more options to work. Hence if employees are dissatisfied with the current wages and salary they can move to another organisation where they can get a better salary. Compensation (Giri 2008) constitutes the largest part of the employee retention process and the employees have higher expectation about their salary, so an attractive compensation package plays a critical role in retaining the employees (Vijaya 2009).
Retaining talented staff should be one of the highest management priorities of any hotel, this is because it is generally understood that employees are the most important resource in a firm. To retain the talent (Laurie, Kathleen and Debra 2008) consistent salary administration and competitive wages are important. Wages and salaries (Nair and Latha 1999) are the most important single element which influence continued retention of the employees. Hotels are faced with task of establishing (Mary 2001) wages and salaries alluring enough to attract quality people and simultaneously assuring them of a fair internal structure in order to maximise retention.

The wage and salary practices of other hotels and industries have impact on the employment, retention, and morale of the people working in hotels and hence importance must be given for considering the salaries in other industries and hotels while fixing the salary. Recently in India many international chains of hotels have commenced their operations. The opening of the hospitality market globally have improved the salary structure in the hotel industry. When a global company attempts to develop a policy and it apply it uniformly (Arvind, Rabi and Roger 2005), offering salaries and benefits representing a specific market level there is often has a global policy to pay high wages to improve retention and quality of employees. The success of a compensation plan (Mary 2001) lies in its credibility and how well it is maintained as both hospitality enterprise and hospitality industry changes and grows. In hotel industry the numbers of hotels are increasing and hence hotels are forced to give higher salaries to attract and retain the staff. The growth of tourism has improved the business in the hotel sector and this resulted in large growth in the number of hotels. This made the industry to adopt higher pay packages compared to the previous times. To retain the best talent with in the hotel and to reduce labour turnover hotels have to adopt better compensation strategies, that is the wage and salaries should be competitive enough to hold the people with them.

3.4.1.14. Job Enrichment

Job enrichment is an attempt to motivate employees by giving them the opportunity to use the range of their abilities and it is an idea that was developed
by the American psychologist Frederick Herzberg in the 1950s (Eugene 2000). Job enrichment (Frank and Jeffrey 2010) is a motivational approach that involves increasing the responsibility and interest levels of jobs in order to increase the motivation and job satisfaction of employees performing those jobs. The primary dissatisfaction (K. R. Srinivas 2003) of employees in organisations is due to job erosion that includes repetitive, boring work, meaningless task, lack of employee participation etc.

The purpose of job enrichment (Aswathappa 2007) is to relieve the boredom of the worker which flows from excessive specialization in mass production and service industries so as to create job itself as a source of self satisfaction. Job enrichment was evolved after job rotation and job enlargement. It can be contrasted to job enlargement which simply increases the number of tasks without changing the challenge. As such job enrichment has been described as 'vertical loading' (Stephen, et al. 2009) of a job (Chase, et al. 2008) (W.David and Christine 2008), while job enlargement is 'horizontal loading'. An enriched job should ideally contain (Wikipedia 2013):

- A range of tasks and challenges of varying difficulties (Physical or Mental)
- A complete unit of work - a meaningful task
- Feedback, encouragement and communication

Job enrichment is a human resource development practice which is evolved out as a psychological worker approach of improving satisfaction among workers. In the era of industrialization and massive production shop floors made workers to do monotonous job for continuous hours throughout the shift and throughout entire weeks to months to years. The workers cannot escape from the same job which can be boring when it is being executed every day. Apart from this such jobs provide less opportunity for the worker to plan the work, and to take decisions on the work and workplace. The autonomy and independence at work cannot be felt by the employees. To overcome this job rotation and enlargement evolved. But these mechanisms have its pitfalls. Because of rotating the job the
employees cannot fulfill the production standards of quality and quantity during the initial days till they familiarize the job.

In job enrichment the employee is made to do the current job in a better way and also made to take responsibility and ownership of the job. This makes the employee to feel proud of the work and get self satisfaction when the targets are achieved. The organisational benefits (Chase, et al. 2008) of job enrichment occur in both quality and productivity because by enrichment individuals are responsible for their work output and they take ownership and simply do a better job. Job enrichment (William, Robert and Jack 2012) works best when employees seek more challenging work and employees must desire personal growth and have the skills and knowledge to perform enriched job. Job enrichment should be distinguished from job enlargement (Koontz and Heinz 2008), where the latter tries to make the job varied by removing the monotonous activity and enrichment attempts to build into jobs a higher sense of challenge and achievement. Jobs may be enriched (Koontz and Heinz 2008) by giving workers more freedom in deciding about such things as work methods, sequence, and pace or the acceptance or rejection of materials; encouraging participation of subordinates and interaction between workers; giving workers a feeling of personal responsibility for their tasks; taking steps to make sure that workers can see how their tasks contribute to the products and services and welfare of the organisation; giving people feedback on their performance, and involving workers in the analysis and change of physical aspects of work environment.

The five critical steps (Kathryn 2012) in implementing job enrichment programme are:

1. *Be willing to make changes in job*: for establishing job enrichment programme the organisation must be willing to change work procedures or job requirements to increase the motivational level of the employees (Dorothy and Anne 2002).

2. *Get the workers involved*: Job enrichment can be called as a motivation programme that involves the more involvement of employees in their jobs and day to day activities. In order to promote job enrichment organisations
must be ready to involve their employees in re designing the jobs and procedures of operation.

3. **Stay the Course:** To understand the effect of the programme that occurred changes in the activities and operational procedures which arise due to job enrichment takes more time and organisations must be patient enough to assess the effectiveness of the programme.

4. **Be prepared for more change:** job enrichment consists of changes in job pattern. The changes in some jobs require changes in another job. There can be ripple effect that occurs due to one change and hence to promote effectiveness organisations must be prepared to make changes in other jobs to make them more effective and challenging.

5. **Know how to measure the results:** The effectiveness of any programmes is known by measuring the end results. When job enrichment is implemented the organisation must formulate methods and mechanisms to measure the effectiveness of the programme. This is usually by looking into the customer feedback especially in service industries.

Job enrichment implies (Gerald 2004) taking tasks from both senior and junior to the job holder in order to enable a job holder to have more responsibility than before. Removing the seniority level in taking responsibility for doing a job, the responsibility of a job is given to the job holder. The job holder takes the ownership of the job and found pride in successful completion of the job. This helps to motivate the employees and provides more job satisfaction to the individuals which in turn help in retaining employees. The objectives (Geet and Asmita 2008) of job enrichment programme are:

(a) To motivate the workers to work more efficiently and effectively by using their capacities, skills and abilities

(b) To improve morale and improve the relation of the employee

(c) To retain quality employees, and increase their competence

(d) To reduce absenteeism

(e) To improve quality of work, product and productivity
The dimensions of job enrichment (Geet, Deshpande and Amita 2009) are skill variety, task variety, task identity, task significance, autonomy and knowledge of results and feedback. To implement job enrichment (Griffin W 2012) managers remove some controls from the job, delegate more authority to employees, and structure the work in complete natural units. Job enrichment (Coon and John 2009) makes a job more personally rewarding, interesting, or intrinsically motivating to the employee and it is a strategy to come out of routine, repetitive, boring and unfulfilling jobs (Dianna 2005). Job enrichment (Terry 2005) is the process of increasing the scope, challenge and breadth of a task. Job enrichment (Jex 2002) represented an attempt to build greater levels of “motivators” into jobs and, hence, to make them more motivating. In enriched jobs (Hitt, Miller and Colella 2006), workers have a greater responsibility for accomplishing assigned tasks, and it can be said that workers become “managers” of their own jobs and the tools for job enrichment include job enlargement, participation in making decisions, self managed teams, association in problem solving groups, job sharing, continuous learning and flexible work schedules. Job enrichment (T. G. Robert 1995) has a holistic view of work and aggregate activities into jobs that increase worker’s control over a set of related activities. The benefits of job enrichment are:

- Relieves the boredom of workers from monotonous job (Aswathappa 2007)
- Improves self satisfaction among employees (Aswathappa 2007)
- Promotes workers participation and more freedom and scope for workers and creates a sense of task significance (Richard and Patricia 2010)
- Gives employees more authority in planning and controlling work (Kathryn 2012)
- Promotes job related experiences such as sense of achievement, responsibility and recognition (Eugene 2000)
- Improves quality and productivity (Chase, et al. 2008)
- Creates self managed work groups (Pieter, et al. 2006)
• Enhances worker’s decision making responsibilities (Linda, Gregory and Margaret 2002)

• Improves job satisfaction among employee (Gerald 2004)

• Helps in retaining best talent within the organisation and reduces employee turnover (Geet and Asmita 2008)

In hotel industry, everywhere the operations are manned by employees. There is no substitute for people to perform the day to task. This is a highly service oriented industry with four major operational departments: front office, food and beverage service, food and beverage production and housekeeping. These four departments are supported by the other departments like finance and administration, engineering and maintenance and security wing. In all the above departments many employees are executing the tasks which can be same on a daily basis. The staff in the front office department has to greet, welcome, receive guests, allocate rooms and take guest reservations, maintain daily guest service consumption accounts and submitting the bills at the end of guest stay. The people in food and beverage service department work in the restaurants, bar, banquet halls and room service offering services to customers. Same thing happens with the food production people who make food, work in the kitchen looking after client’s food and beverage needs. The people in the housekeeping department maintain the guest rooms and the premises. In total an employee working in a hotel for consequent years can feel this job boring. At this juncture there is chance that the employee tends to leave the organisation. This can induce labour turnover. Hotels can practice job enrichment programme as part of their human resource development practice. In hotels changing the hierarchy level responsibility of a job to individual level responsibility is the key part in practicing job enrichment.

There should be a vertical loading of the employees to take more responsibilities and to perform jobs in the absence of senior staff. It is like looking after guest complaints, looking for guest needs, assisting the guest for other guest requests and amenities. This will help employees in the hotel to enjoy responsibilities embedded on them. The employees will feel pride in doing the jobs and completion of each task will make the employees to enjoy, feel
recognized and self satisfied. Self satisfaction is the primary phase of job satisfaction and employees who feel more autonomy, authority, participation will enjoy the workplace and productive group of employees will be evolved in the hotel. There will be synergy behind every employee working in hotel and employees show more commitment to their workplace. Job enrichment is a practice that helps hotels to minimise labour turnover by retaining talented, motivated staff in the organisation.

3.4.1.16. Quality of Work life

Quality of life (Waldermar 2006) is an important aspect of one’s life which is composed of two main parts – quality of work life and quality of non work life, where the former refers to an individual’s work domain, while latter refers to the individual’s out of work domain. According to Cambridge dictionary quality refers to how good or bad something is. Quality of work life refers to how good or bad an employee’s work life while he is employed in an organisation. Quality of work life is a human resource development technique (Chandramohan 2008) which deals with various aspects of working conditions and environment and it motivates the employees to learn future new roles of an employee job. Many workplaces throughout the world (Cary 2006) are changing dramatically from over a decade ago, with more changes in global economy like globalization, liberalization, mergers, acquisitions, joint ventures and this has lead to fatigue, lack of intrinsic job security and longer working hour culture in many organisation. Hotel industry is also not free from these aspects, where many new chains of hotels came into operation and many new hotels came into existence. Quality of work life (Waldermar 2006) can be described as the way an individual perceives and evaluates the characteristics intrinsic to his work such as: characteristics of the organisation and workplace, job and tasks the individual perform, the environment that surrounds the individual and the other subsystems that exist in the work system. Quality of work life (Ricky and Gregory 2007) (Gregory & Ricky W, 2009) is the extent to which workers can satisfy important personal needs through their experiences in the organisation.
Quality of work life initiatives (Paul 2000) include any actions designed to make work more intrinsically rewarding, increase job satisfaction, or remove or diminish negative aspects of the job and QWL initiatives are directed at improving worker health or safety. Quality of work life (Lawrence S 2000) programmes is industry’s attempt to improve productivity while allowing employees a more enjoyable work environment. The physical work environment, social relationship, and other morale factors determine the quality of work life (Charles R 2010). The benefits gained from quality of work life programmes are (Ricky and Gregory 2007):

- Develops a positive attitude among employees toward the work and the organisation
- Increased job satisfaction
- Increased productivity

The quality of work life or job quality (Francis 2006) is constituted by set of work features which foster the well being of the worker and this refer to what is good for the worker. In enhancing the quality of work life (Carlos C 1993) organisations must explore the areas where they can contribute positively to the quality of work life of the employees and these areas are: the job environment and the job itself. The job environment refers to the total surroundings and things and conditions that affect the quality of work life of an employee. This includes the hours of work, safety and health hazards, job security, pay policies, grievance procedures, the right to privacy and special services. The conditions necessary for maintaining quality of work life are (Richard E 1975) (Biswaheet 2005): adequate and fair compensation, safe and healthy working conditions, opportunity to use and develop human capacities, opportunities for career growth, social integration in the work force, constitutionalism in the work organisation, work and quality of life and special relevance of work.

Quality of work life programmes (Gregory & Ricky W, 2009) focus strongly on providing a work environment conducive to satisfying individual need. The main concept (Sanjeya 1991) used to explain quality of work life (QWL) is the socio-technical system which is based on the logic that any
productive system embraces a given kind of equipment, layout and work organisation and the latter has certain social and psychological properties independent of the technology. Indicators (John M, Robert and Michael T 2008) of quality of work life include accident rates, sick leave usage, employee turnover and number of grievances. The essence of (Sanjeev 2008) quality of work life lies in its emphasis on the socio-technical system of work through improvements in the work design, working environment and conditions, organisation of work, hierarchical structure and the production process brought with the active involvement of workers in decision making.

Quality of work life (Zeynep and Rabindra N 2001) is related to organisational conditions and practices that aim at promoting employee’s mental and physical health, safety and satisfaction. The various factors (Chandramohan 2008) involved in quality of work life are flexibility in work schedules, autonomous work groups, job enrichment, opportunity for growth, participation, communication. The basic principles of quality of work life are (Chandramohan 2008): principle of security, principle of equity, principle of individualism, and principle of democracy. Researchers listed six major characteristics (Steenkamp and Van A. 2002) of companies which promote QWL as:

1. Health, safety and job security
2. Pride in work and company
3. Pay and benefits
4. Opportunities
5. Camaraderie and friendliness
6. Openness and fairness

QWL refers to the favorableness and unfavorableness of a job environment for people (Ram and Chandra 2004). It is not only the salary and wages that make person or a employee favourable towards the job, but the working conditions, health and safety, job security, the pride what employee feels at work and work place, the friendly work environment, relations with the supervisors and the peers, all these constitutes the favorableness or un
favorableness of the job. The concept (Abraham 2010) of QWL deals with the issue of how rewarding or satisfying the time spent in the workplace is. In 1950s social scientists identified six requirements for job satisfaction and these factors have become the core elements of QWL (Emery and Emery 1975) and are:

1. Adequate elbow room
2. Opportunity of learning on the job and going on learning
3. An optimum level of variety
4. Conditions where workers can and do get help and respect from their workmates
5. A sense of one’s own work meaningfully contributing to the society
6. A desirable future

There are many issues in the quality of work life of employees working in the hospitality industry. It has been said that hospitality workers (Dana 2010) live to work, while those in other industries work to live, this is because of the reason that industry create a subculture life style owing to hours of operation and the social nature of the business. In hotel industry this exactly what happens to employee’s work life quality. Unlike other industries, the hotel employees have unsocial working hours. They have to work in late night hours and to do night shifts. The time for three ‘F’s: which are family, friends and functions are not available for the hotel industry workers. This says that they won’t get time to attend a function, no time to mingle with the family and there is no time for attending functions. When it is a holiday for the rest of the people in the world, the employees in the hotel have to work. They cannot enjoy the weekends, because it is that day the hotels will full with customers. The issues of work life (Deery 2008) are exacerbated in the context of tourism and hotel industry due to long and unsocial working hours, low pay, and often low status of jobs, prone to seasonality, and also causing high turnover (Deery and Jago 2009).

Employee satisfaction has major role in determining the productivity and performance of an organisation. If the organisation fail to accommodate the satisfaction levels of its employees will suffer from less morale and attachment
and commitment of the staff and results in higher employee turnover. If the company which does not measure and ensure the quality of work life (Kunal 2012) and employee satisfaction may face increasing turnover, declining productivity from the people that remain, and limited ability to attract and retain qualified replacements.

Quality of work life is a significant factor that motivates employees to do work. When employees feel that they do not achieve the quality of work life then we can see the deterioration in their motivational levels which result in higher absenteeism and increased labour turnover. To up keep and maintain a well and stable work force should be the management’s motive behind any successful organisation. To withstand the competencies in the current competitive business environment organisations has to adapt the HRD practice of maintaining quality of work life of the employees as a significant mechanism to promote employee well being, increasing levels of employee satisfaction and retaining best talents with sin the organisation.

3.4.1.17. Employee Empowerment

Empowerment is executing the operational process along with a set of managerial and decision making with sensible amount of autonomy at workplace invoking the employees’ enthusiasm and commitment towards the workplace. Empowerment is (Aeschwartz 2009): responsibility and ownership, working independently towards common goals, understanding the guidelines, weighting the impact of how decisions affect the stakeholders, making tradeoffs and an earned privilege in managing the system. Empowerment is dispersing power by assigning important tasks, provide autonomy and discretion, and give visibility and recognition and building strong relationships.

Empowerment can be used as a practice to develop and motivate employees in modern organisations. Many of the literatures say that empowerment is involving employees more into the existing system ensuring their increased participation. But when taken into consideration whether empowerment is involvement or engagement, such discretions are not made extensively. In order to execute empowerment in the organisation de layering and flattening of the
hierarchy is more important. By empowerment the employees get the opportunity to exhibit their capacity in day to day decisions. There are different traits of the organisation out of which, the leader’s traits which promote empowerment and the individual’s traits, and leaders are actually the key bearers of the program. Empowering (Kenneth and Mimi 2000) is mutual influence; it is the creative distribution of power, shared responsibility, inclusive and democratic, it is vital and energetic which is long lasting which enables people to use their talents and capabilities, fosters accomplishments, invest in learning, finds the spirit in organisation and builds effective relationships, informs, leads, coaches, serves and liberates employees at work place. In fact empowerment (Nimit and Bhagwati 2005) is the authority delegated to employees to take care of its most valued customer even if it means bending laws or even breaking them for the cause. An empowered employee is free to do whatever he can do on the spot to take care of a customer to that customer’s satisfaction- and not necessarily company satisfaction. At Disney Land USA, they are promoting employee empowerment to make their valued clients satisfied. During the cases of guest complaints, the employees who are in the scene can take ownership to solve the complaint. They have the full freedom to offer compliments or other facilities to the clients making them happy. Even hotel groups like Warner group of England started this program at 2005 in their fifteen hotels in United Kingdom to ensure guest satisfaction with zero guest complaints. While individuals and teams have (Simon and Malik 2009) degree of empowerment from their immediate managers, it is clear that for full empowerment covering rewards, goal setting, appraisals etc., empowerment has to be driven from the top of the organisation to become part of the company’s culture and business philosophy. This is one of major organisational trait that is required while establishing employee empowerment in a workplace. The commitment and the support of the top management to empower the employees and trust in their capacities is a key factor to ensure positive aspects of empowerment.

The emphasis of empowerment is on more democratic ways of working, which comes with modern organisation designs, does not happen with planned human resource development. The human resource development practices
of the organisation have a vital role in imparting the empowerment practices in the organisation; this is also one of the organisation’s aspects in imparting employee empowerment. The organisational factors (Madhukar 1997) that discourages employees from taking action and experimenting with new ideas is the failure to empower employees and are powerlessness and inaction and punish employees’ failures more than reward success and failure to provide adequate support, information, accountability, and resources to employees in doing their jobs. These are the traits that are necessary in an organisation where the employees feel empowered when they are delegated with authority and autonomy at work place.

If the organisation does not have the above said traits, there will be less approval and acceptance for employee empowerment, where the employees feel afraid of accepting responsibility and they inhibit themselves from accepting authority and freedom at workplace. Restructuring and staff empowerment (Pradip, Turnaround Excellence: Insights from 120 Cases 2011) are one of the building blocks of turnaround management where it is done through better human resource management, through improvements in recruitment, induction, placement, assessment and reward system and upgrading of personnel through training. In order for restructuring for competitiveness (H. Linda, Understanding Change: theory, Implementation and Success 2006) organisational culture need to be reshaped where command and control; structure had to be replaced by other cultures that enabled employee participation and empowerment where individuals and work teams were to be given autonomy to make decisions. Managerial and specialized staff empowerment (Pradip, Turnaround Excellence: Insights from 120 Cases 2011) through greater decentralization and accountability via setting up of new strategic units, new departments, creation of new roles, greater delegation, de layering, greater use of matrix structure etc. have great impact on ensuring employee empowerment in the organisation. People tend to feel empowered (B. Peter 1989) when:

(i) They feel their survival is on their hands. This feeling creates a sense of taking responsibility among the employees.
(ii) When they have an underlying purpose. If they have to “go the extra mile”, they have to believe that they have a goal or vision for something worthwhile.

(iii) When they commit themselves for achieving the purpose. The commitment of the employees towards the job makes them to fulfill the job even when the conditions are not supportive.

If the culture of the organisation and as well as the employees’ feelings match with the above said feelings, make the employees to take challenges and creates the feeling of pride and responsibility in executing operations by taking responsibility. At these cases the employees knowingly or unknowingly become empowered. The organisational settings as well as the leadership traits have a significant role in setting employees’ mind set to go an extra mile. When teams are being asked (Robert and James 2008) to participate in the process of innovation and change; employees are seeking, and ensuring that they get enhanced performance through greater involvement and empowerment (Piczak and Hauser 1996) (Anderson and West 1996). A study (Piczak and Hauser 1996) on the executive branches of the British governments’ department of social security (DSS) (now the department for work and pensions) suggested that female managers supported and welcomed change approaches that could be grouped under general heading empowering. Change programs (Argyris 1989) often leave people throughout the organisation feeling less empowered. People always tend to posses authority and when changes takes place they always feel that whether the power they possessed before will vanquish. Employee empowerment (Piczak and Hauser 1996) is one of the basics of change management, which is all about people management. Effective team empowerment (H. A. Linda 2003) involves a number of complex judgment calls developed through experimentation and practice and empowerment simply means sharing power or the potential to have influence. People always enjoy influencing others; these can be by coaching, mentoring, advising or giving instructions to others.

Feeling of their own foot by possessing the capacity to influence people provides an authority or feeling of possessing power helps the employees to take
challenging tasks and more committed to towards challenges. Empower tools (S. M. Stephen 2002) are those capabilities that are needed to make people succeed. Greater clarity (George and Colin 1995) about the job roles enables greater autonomy which is commonly translated as empowerment where leaders provide direction for the people by giving space, time, and knowledge to take initiative and it is one of the most used management concepts of the last decade.

Empowerment (Rapport and Swift 1984) is a mechanism by which people, organisations and communities gain mastery over their lives and it is process (Torre 1986) through which people become strong enough to participate within, share the control of an influence, events and institutions affecting them. Empowerment (Wallerstein 1992) can be called as a social action process that promotes participation of people, organisations and communities towards the goal of increased individual and community control for improved quality. Empowerment always ascertain quality, whether it is work place or at the case of customer service. Empowerment helps the employees to act collectively to solve problems (Kari and Michels 1991) and influence important issues which are closely related to organisations and helps to promote facelift of the activities, operations, and customer service of the organisation. Empowering individuals and certainly teams (Udai, Power, Politics, and OD 1998), certainly requires a culture of trust and collaboration. During empowerment (L.-B. Dorothy 1997) the belief in the potential of every individual to contribute meaningfully to the task at hand and the relinquishment by organisational authority figures to that individual of responsibility for that contribution. Empowered team members (W. W. Joseph 2001) have a purpose, are excited and have control over their work and they have the freedom to perform work successfully as they want and are capable of doing, not as managers and supervisors want. The attributes of high performance, self managing teams are (W. W. Joseph 2001): participative leadership, alignment on purpose, shared responsibility, and high level of communication, focus on future, and focus on tasks, creative talent and rapid response.

Empowerment (Frey 1993) is the process of sharing power with others through decentralizing structures, role, and responsibilities and through delegating work that has inherent authority. Effectiveness and productivity (W. W. Joseph
2001) are built on trust and empowerment. In 1980s UK surveys (L. Peter 2002) and studies of middle management shows that by de layering and de-manning can make people become more accountable, they got enlarged responsibilities, got control over activities that they had previously been performed by staff echelons and generally felt themselves to be more in control, but they complained that more stress and pressure effecting performance.

While empowering employees the organisational environment should be made smooth and targets should be aimed in such a way that the stresses on the employees are minimal. Otherwise it makes employees to stay away from empowering themselves. Empowerment (L. Peter 2002) takes out the ranks in the hierarchy and embodies positive values and status of equality, and the organisation becomes anti hierarchical and anti bureaucratic and it carries the change of pushing decisions down closer to the point of action and helps to promote better customer satisfaction where realistic decisions are taken from the frontline people. Empowering supervisory grades (L. Peter 2002) leaves those below with less direction, making the bottom layer to do more, make more decisions and freed from deadweight of supervision on the belief that operations will be done properly, but lack of direction and guidance can flounder the activities. By empowerment (H. F. Frank 1998) people are trained properly to adopt continuous or constant improvement as a way of life by creating an environment that encourages them to take personal interest in improving the organisation. Successful organisations (Franklyn 1995) will be characterised by ‘empowered’ rather than ‘command and control’ environments and will provide a climate which encourages innovation, flexibility, team work and quality of delivery. These are the main traits of the organisation where empowerment takes place in a congenial environment.

Empowerment (D. F. Peter 1995) is not a great step forward to take power out of the top and put it at the bottom, but it is power replaced with responsibility to build achieving organisation. This is the ordinary mistake everyone makes when the word empowerment is used. For a successful organisation empowerment is the delegation of authority that makes people in their job positions more responsible. The prerequisites (Kotter 1995) for effective execution of
empowerment are creation of vision that has been created by freeing from existing constraints, both mental and structural that produces under performance. A popular extension of job enrichment (Jay, Barry and Jagadesh 2008), employee empowerment is the practice of enriching jobs so employees accept responsibility for a variety of decisions normally associated with staff specialists and helps them to take ownership of their jobs so they have a personal interest in improving performance.

The three traits behind employee empowerment are the traits of the person who is empowered that is the personal traits, the next one is the traits of the people who promote and execute empowerment that is the leadership traits and the environment culture and practices of the organisation which is the organisational trait. It is necessary that when these three traits synchronize each other, makes empowerment successful. For at least 50 years management literature (Robert and Alan 2007) has acknowledged the merits of ‘employee involvement’ and input in decision making and by 1980s and 1990s employee empowerment became a watchword and most today’s leaders would say they believe in the virtues of including employees, if only indirectly in the planning process and they also express support of employees coming up with their ideas. The challenges (H. David 2000) that managers face is that empowering people to fulfill the tasks leave a feeling of total confidence in the person, while at the same time having regular contact to give necessary support which is a tightrope, not easy to walk as badly handled discussion can be construed as an attempt to control and inept coaching may be seen as preventing the person from being empowered. Leaders have to make it clear that their employees are encouraged and expected to bring forward any ideas, information or intelligence they think should be shared on the grounds that their experience and perspective are vital to the organisations success and hence managing the bottom-up communication and cross boundary communication are important while employee empowerment takes place and by this the leaders will be able to know what the frontline employees know and hear and helps to connect people at different location.

Managing Communication is one of the major traits that the leaders require or posses to practice employee empowerment. By managing bottom-up
communication and cross boundary communication the leaders will be able to understand what the customers speak and how the different teams speak. Staff (Ralph 2005) should have ample opportunity to communicate ideas and give reactions to their immediate supervisors and top management and this upward communication network can help managers to determine whether staff understand and accept requests or whether they have concern or problem. The success (Ethan 1999) of a team based operation depend open communication, both from the top down and bottom up. Hence the leaders while involved in employee empowerment program should exhibit the trait to manage the bottom up communication. This helps to bring out better communication and understanding between the employees and the leaders. The leaders (Roby 2008) need to be a resourceful person encouraging employee’s ownership of their areas of responsibility, recognizing the power of bottom-up inspiration and providing necessary training and insight into their work.

Bottom up communication (Owen, Christine and David 1994) allows members in the organisation to determine goals, tasks and methods and feels more responsibility at workplace. To be fair to leadership (Robert and Alan 2007), employee involvement can be difficult to manage and may deliver uneven results, because employees may lack contextual information and may fail to appreciate big-picture perspectives. There is a need to transform the communication model (Vipin, Ramesh and Rajasekhar 2004) for initiating organisational empowerment where the workforce even though they are empowered, they still have to perform the task delegated by the senior manager, as opposed to the task it decides to perform its own. While restructuring the communication model enough room has to be provided for incorporating autonomy during the employee empowerment process.

Managing bottom-up communication (Robert and Alan 2007) is first of all a matter of putting a value what the front line employees know and hear. Connecting people (Robert and Alan 2007) who work in different locations or functional groups presents its own challenges for leaders. Empowerment (Nilkant and Ramnarayan 2006) is not only a structural feature but also a state of mind and people feel truly empowered when they have a belief in their ability to achieve
challenging roles and for this leaders have to foster the following to enhance people efficacy: providing people with success experiences associated with achieving challenging goals, being a role model and persuading them that they have the ability to achieve the goals. This ensures the basic leadership trait of motivating or leader as a motivator to ensure that the employees are motivated to take challenges and capable of taking decisions of their own.

The Vroom jago time driven leadership model (Don and John 2007) is consistent with work on group and team behaviors and is appropriate for employee empowerment and evidence shows that this leadership style can result in productive and healthy organisation.

Of bad leaders, the followers say, “they were bad leaders”

Of Good leaders, the followers say, “they were good leaders”

Of the best leaders, the followers say, “we did it ourselves”

- Confucius

Currently popular in management thinking (Rodney 2007) effective leadership comes from the involvement, participation and empowerment of followers and employee empowerment is associated with many positive modern ideas of management and leadership, including flattening of hierarchies, the project team approach, employee productivity and satisfaction. Empowerment (Bessie and Carol 2009) occurs when leaders communicate their vision, employees are given the opportunity to make most of their talents, and learning, creativity and exploration are encouraged and it plants seeds of leadership, collegiality, self-respect, and professionalism among the employees. Leaders empower subordinates when they delegate assignments to provide learning opportunities and allow employees to share in the satisfaction derived from achievement (Bessie and Carol 2009).

Empowerment (Nilkant and Ramnarayan 2006) is included as one of the leadership competencies in GEs’ (General Electric) leadership framework. Empowering others (H. John 2008) is transformational leadership which involves identifying and removing obstacles like the tangible aspects of the organisation
such as reward system that penalize valued behavior, restrictive rules and regulations or flexible organisational structures that can stop people acting to implement the vision. Integrity, trust, patience, drive to achieve, steadiness of purpose and empathy have to be considered while empowering employees ensuring clear target setting, good delegation, managing without micro managing or abducting coaching (Esther and Mike 2004). Human resource management (G. Jim 2010) became important as a means to establish qualitative approaches such as participative leadership, motivation, task involvement and empowerment. Participative leadership styles have major and significant role in empowering the employees. Participative leadership, delegation, and empowerment (Gari 2006) are subjects that bridge the power and behavior approaches to leadership and research emphasize that delegation and empowerment are closely related on leaders’ perspective of power sharing.

Employee empowerment is seen many respects as a rejection of the traditional classical model of management associated with Taylor and Ford where standardized products were made through economies of scale and division of labor and, workers carried out fragmented and repetitive jobs (Wilkinson 1998). The major challenge (Jermy 2010) of leadership is not to exercise power but to rather empower others. Employee empowerment involves serious caution from the part of the leaders where they have to make sure that, when they rely on an employee as he is empowered makes the operations and decisions appropriately. At the initial stage of empowering continuous monitoring is required. Guidance and measure of control (Jermy 2010) are crucial to empowering people because they need specific roles and responsibilities and as well as a clear vision and clear objective. It is essentially the leader’s empowerment (Tanuja 2001) of the followers that changes their attitude and values and empowerment is a transformational process that draws followers to the leader, who is perceived of as a source of support and nurturance. To make empowerment a reality (Colin 1997) the manager needs to become a coach, counselor, enabler, facilitator and ‘leader of learning’. For participation and involvement in the enterprise managers must be willing to give up some control by empowering the employees (H. R. Philip 2003).
Empowerment of the workforce (Sunil 2001) is a strategy that many organisations have ventured to explore, with astonishing results which motivates the employees to focus on cost-competitiveness, enhancement of quality, innovation, and customer orientation, achievement of results and above all excellence and professionalism. Employee empowerment is a social reengineering process that takes place in an organisation where de layering of hierarchy and dissemination of power and authority to the lower levels by providing autonomy at workplace with enhanced participation of the employees. An organisation which wants to empower its employees to improve its performance must place greater emphasis on people sensitive policies, employee development, entrepreneurship, initiative and assertiveness (Sunil 2001).

Empowerment means (M. David 1997) an attack on the very concept of authority and hierarchy, at least until the existing authority structure is removed and replaced by new one, which for a time has to be operated in somewhat different style but it is no less authoritarian. Organisations (Jermy 2010) should keep the strategy flexible by adjusting and altering circumstances where the employees have the freedom to respond and adjust without waiting for permission or instructions from the superiors. An organisation (Limerick, Passfield and Cunnington 1994) conducive to action learning is characterised by employee empowerment at all levels, to achieve new ways of thinking and doing in the context of the organisation’s vision and purpose. Some of the companies that have successfully implemented employee empowerment are Hewlett Packard, Levi Strauss, Intel, Nord Storm, Xerox etc. Xerox in terms of its commitment to the employee empowerment, recognizes, and rewards employees for their proactive ideas, action plans to improve work process, and superior customer service through a variety of awards, bonuses, cash prizes and medallions (Hari 2001). Empowerment (Colin 1997) is about building local authority, accountability and ownership and creating circumstances in which inhibitors and constraints removed, thus allowing former to be responsibly exercised.

Empowerment is concerned with the ways in which organisational values and philosophy get translated into organisational policies, practices and system and it is related to organisational culture and environment (Sunil 2001). Employee
empowerment may take different forms in organisations (Rozana 2010) and therefore reflect the managerial strategies, and if management do not understand the purpose of employee empowerment or what it means, it can be difficult for the organisation to communicate to employees what they are trying to implement. The concept of OCTAPACE (Pareek 1996) (openness, confrontation, authenticity, pro-action, autonomy, collaboration, and experimentation) has been proposed as the ethos for empowerment. These are the traits of the organisation or the culture the organisation should possessed in order to practice employee empowerment. Staff empowerment (Pradip, Corporate Creativity: The winning Edge 2003) is a core belief and its amplification into personnel policies, participative management culture, training programs etc. brings out elaborative creativity among employees.

Employee empowerment, in addition to being similar to employee participation (Ricky and Gregory 2007) as a motivation technique, is now viewed as type of organisational culture. Empowerment occurs when employees make decisions, set their own work goals, and solve problems in their own area of responsibility (Ricky and Gregory 2007) and organisational culture plays a vital role in implanting employee empowerment in the organisation. HRM practices such as performance management, training, work designs, and compensation (Noe and Gerhart 2007) are important for ensuring the success of employee empowerment. Employee empowerment (Joseph and Susan 2000) requires developing a set of continuous improvement objectives that employees will accept. Empowered (Stephen, Mary and Neharika 2010), employees can provide flexibility and speed and they often display strong work motivation, better work quality, higher job satisfaction and lower turnover. The rhetoric of empowerment (Colin 1997) and de layering suggests that the dependencies of individual up on the organisation is being reduced as the boundaries of freedom and discretion are widened. An organisational culture (Geoffrey, et al. 2005) of power-sharing and support is important for staff empowerment. There should be a culture prevailing in the organisation where people are supportive and confident to help others when situation demands, so that employee empowerment will be tinted were people working independently. Excellence (Donald and Don, An Experiential Approach to Organization Development 2006) is achieved by organisations that push risk
taking and decision making down to the lowest possible level and this culture of
the organisation is built upon the empowerment of the individual. The equation
for empowerment (Alison, David and Tarek 2005) is: empowerment = power × information × knowledge × rewards, proposing that for employees need to be
empowered all these four elements must be shared by human resources in the organisation.

The major concern (Burdett 1991) of employee empowerment is not about its concept, but how people perceive it. In an organisation the mental setting of people working may be different. For the successful intervention of employee empowerment the traits of the employees who are going to empowered need to be considered. The danger of employee empowerment (Burdett 1991) is that people can formulate their own definitions, which in turn will influence their expectations. The key principle (Colin 1997) of empowerment is ‘subsidiarity’ or to locate power and responsibility at the levels at which they can be most effectively exercised. Empowerment (Hari 2001) does not work unless employees understand the business challenges and their imperatives. For those on the receiving end empowerment is being energized, committed and enabled autonomously achieve continuous quality improvement in work process and outputs (Colin 1997). Empowerment (Jermy 2010) often provides a solution, enabling people to work within clearly defined areas of responsibility leads and motivates people by setting directions and making decisions which are more difficult across borders during international operations. Hawthorne studies (Jay, Barry and Jagadesh 2008) found that individual differences may be dominant in what an employee expects from the job and what the employee thinks her or his contribution to the job should be. Traits (Allport 1966) like self identity, self esteem or pride, and self image makes individuals to take responsibility. Cardinality trait (Allport 1966) like ‘reverence for every living’ plays a major role in delegating authority, where the individual is considered or respected. Despite of its attraction, (George, Georgia and James 2004) empowerment is not for every subordinate, not everyone wants to be empowered; some people may be perfectly content to have others make all decisions and dislike taking on more responsibility.
When we take the case of an individual the concept of empowerment is multidimensional construct (Thomas and Velthouse 1990) of meaningfulness, competence, impact, and choice or self determination which reflects on individuals’ orientation to work roles. Meaningfulness is how an individual value the which he/she is doing with his/her own ideal standard. This can vary from individual to individual and also from circumstances to different occasions. Competence is the degree to which a person can execute a task successfully with perfection and minimal error. Impact is the psychological feeling the performing the task perceives while completing the task. Choice or self determination states how much the person prefers to do the task. All these create a sense of independence for the individual where he/she has the freedom in the initiation and continuation of work behavior and process (Deci, Connel and Ryan 1989).

Specifically research (George, Georgia and James 2004) suggests that empowerment is most appropriate for skilled professional staff with high need for achievement, who works on complex and non repetitive task, in decentralized, less formalized, more flexible organisations that emphasize individual learning and participation. Empowerment (Robert, et al. 2000) would better fit in egalitarian societies (low on the cultural dimensions of power distance) than in societies in which equal power for different members of society is both accepted and acceptable. Study about East Asian culture revealed (Yuet-Ha 1996) that it is easy to implement team working and shared responsibility and support, but it is difficult to implement such things as open communication, participation, decisiveness, empowerment, delegation of authority and responsibility, taking responsibility in leadership and sharing information. This shows that, the individual traits as well as the cultural impact have importance on establishing employee empowerment.

Empowering employees in multinational environments have major impact based on these studies. Developing the empowered personal mindset in individuals is critical to the successful implementation of employee empowerment (Robert and Douglas 2009) which is a joint responsibility of leadership and individual and the core characteristics of empowered individuals are: they are inner directed, other focused, purpose centered, and externally open. The inner directed people have
closing gaps between personal values and behavior. The other focused people stand for a common good and welfare of others. They have increased authenticity and trust. Purpose centered people are driven by a central purpose. Externally open people tend to move outside of one’s comfort zone and always have the aspiration for reaching higher levels of competence. Individual traits (Elizabeth 1998), mental, physical, spiritual influence people’s will and capacity for empowerment and social attitudes and practices, disability, aging, lack of knowledge and feeling of accepting powerlessness as natural condition may undermine empowerment. The approaches and supports available (Frank, et al. 2006) to develop individual skill, self knowledge, self perception, the nature and strength of relationship being cultivated are the areas that influence empowerment. This clearly shows that the individual skills and perception of the employee about themselves and knowledge level of the employee are significant while empowerment takes place in the organisation. If an organisation wants to excel (James and James 195), each individual within the organisation needs to be empowered and have the required knowledge to perform their job in a superior manner.

Employee empowerment effectively takes place when the organisation natures the traits of developing people by imparting autonomy at workplace along with participation in Decision making. In order to make employee empowerment worth full the leaders and managers who have to play a significant role in delegating authority, trusting on the subordinates, guiding them and directing them with proper instructions and guidelines and continuous monitoring. The employees participating need to have the individual traits of knowledge, capacity building, commitment and the ability to take higher responsibility. Empowerment is a social reengineering process taking place in the organisation when the organisational traits, leadership traits and individual traits harmonize together to drive the organisation to excellence.

3.4.2. Human Resource Practices in Hotel Industry

As we step into a hotel every where we can see the people working. The staff is working hard to make sure each and every moment of guest is made memorable to them while they opt for a facility or service in the hotel. If you look
at the reception you can see the door man greets the guest and opens the door. The porter who brings the guest luggage inside the hotel, the receptionist allocates rooms for the guest, the bell boy who picks up the baggage and guides the guest towards the room. This happens when the guest comes for staying in the hotel. Look at the restaurant, as the guest steps into the restaurant the hostess greets the guest, finds a comfortable seating zone for the guest and wishes a happy meal, the waiters fills up the water goblets, provide the guest with food and beverage menu cards, picks up the order, serve the food and beverages to the guest. These works are done in the front and guest service areas of the hotel. In the back area the people in the kitchen prepares the food and beverages, check and cross checks for its palate and make sure that the guests are served with the best what they can prepare. The housekeeping department upkeeps the rooms and the public areas of the hotel to make the guest’s stay pleasant and ever memorable to the guest and generate the feeling of home away from home.

This team work unifies this service industry a unique one compared to other service industries. Providing immaculate ambience and service for the guest coming to stay and dine in the hotel is the ultimate aim behind this team work. Look every part, every location, every moment in a hotel people are working. They may use machines and equipments but you cannot substantiate any of those machines instead of an employee. In Japan there are restaurants working with robotic waiters. But there is an extent to which these machines can be adopted instead of human employees. Because in a hotel anything offered reaches the guest through the staff. The staff has major role in delivering services in the hotel industry. When we look into the hotel industry the human resource practices that are being executed have a significant role. It starts with recruitment, training and development, compensation plans and benefits up to till the employee leaves or retires from the hotel. The time span an employee spends in the hotel and its working environment is important for delivering performance to the organisation. To every business organisation especially like a hotel the employees are the human capital. To maintain this human capital, people working are seen as the resources and cannot be differentiated from other fixed assets and the money invested to start and operate the business.
Without effective and efficient labour a hotel cannot sustain. The major human resource practices that are being executed in the hotel are explainable like what is happening in other industries. But the significance is that these human resource practices are seen with vivid or different aspect when practiced in hotels. To deliver the services to a client or guest the mediators are the staff. The mindset of the staff, his feelings, motivation, and commitment to the profession moulds up the behaviour of the staff when he is delivering the service to the guest. To maintain highly motivated, well committed staff hotels have to take lot of effort. In these aspects the human resource practices have the major role. Right from the moment a hotel recruits the right person to the hotel, induct him, and train him, appraise his performance, allowing him to find a career plan, place him the best positions based on his talents and knowledge, finding a space for him in the succession ladder, keep him happy, provide with sufficient salary, maintaining industrial peace and quality of work life, keeping him satisfied and motivated towards the job are important.

Successful hotels (Natwar, HVS website, articles: Indian hotel industry ...new paradigms and shifts 2005) are effectively attracting, managing and retaining good people has a lot to do with their human resource departments. Human resource management has its roots in the manufacturing industry rather than the service industry. Human relations (Whyte 1948) had only ever been studied in a manufacturing environment and that more attention should paid to increasingly important service industries. Whyte stated this in 1948 and in the new era the concept of human relations has changed to human resource management. In the early years (Hales 1987) hotels were using management techniques for cost controlling and improve productivity by job loading. The previous management techniques were to improve productivity by minimizing the cost. This was initially experienced by the hotel industry when management concepts were applied.

Kim Hoque in his study on the relevance of HRM (H. Kim 2000) in business strategy and performance in hotel industry observed that the effectiveness is considered in terms of human resource outcomes such as commitment, flexibility and absenteeism and also in terms of performance
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outcomes such as quality of service and financial outcomes. The major role of HRM (David and Jack 2009) in hotel industry is staffing the organisation, developing the staff, motivating the staff and maintaining the staff. Staffing the organisation consists of recruiting and selecting the staff. The most important staffing related tasks of HR managers are (David and Jack 2009):

- Ensuring an adequate pool of qualified applicants to maximise the operation’s chances to hire an outstanding candidate
- Providing enough job information so that a pool of good candidates are available for recruitment

In staff development activity orienting the new staff, conducting induction programmes, making the new recruits aware of the policies, procedures and rules of the organisation takes place. Apart from this as an employee’s career progresses in the organisation the training of the employee to acquire new skills and development of the employee in the current job and to take responsibilities in the future higher positions has to be ensured. In motivating staff the HR function is to improve the ability of the employee to do the job and also to promote his willingness to do the job. Maintenance of the employees includes conducting programmes that help to encourage quality workers to stay in the organisation. This means that to frame policies and to conduct practices to retain the best talent within the organisation by minimizing labour turnover. In hospitality industry (Mary 2001) all managers are human resource managers, or more appropriately, all the managers have the responsibility that includes their human resources. In hotel industry to be precise human resource functions are line functions rather than staff functions.

4. Labour Turnover

4.1. Introduction

People are inevitable part in any business. As business started evolving in this world, people have major role as entrepreneurs and executers of business. The involvement of people is very much considered to be inevitable in the execution of business operations. Even though science and technology dominated the world and
the advancements in engineering and technology lead to the impact of automated and mechanized industries, the operations are vitalized by people only.

Movement of people from organisation to organisation has a culture as old as the business started in this world. There are many simple reasons why people move from organisation to organisation and from one industry to another. The simple reasons can that like for more salary and job security and the complex ones can be that like career opportunity, advancements, promotion, scope for development, autonomy, independence at work etc. As education has developed and industry based learning has evolved, there are passion for professions and people opted to work in certain industries or professions where they have their interests, learned and educated and there is a passion to work in professions and industries of their choice and education or training or experience.

When we consider the hotel industry which is a sub section of the hospitality trade, human factor in the business is very significant. Since it is a business where people interfacing with people, neither like other industries where people deal with machinery, human significance is most considered. Human resource (Mary 2001) skills have always been important for the hospitality industry. These human resource skills vary from customer relations to keeping and maintaining a room, preparing a dish and establishing a cordial ambience for a client who comes to stay in the hotel. Never machines can be substituted to humans to execute these activities. Human resource and human resource skills have a core role in executing operations in the hotel industry trade. The hotel industry is highly people oriented and the quality of the human resource affects the business performance of the hotel. In hotels the service interface is the staff and the service generators are also the staff. The capacity, morale and skills of the staff highly influence the quality of services and the products offered to the customers. A greeting by the doorman, wish by the valet, interaction by the front office staff, communication made by the reservationist, the smile by the waiter, appetite of the food from the kitchen and the atmosphere created by the housekeeping staff creates a totality image in the individual client’s mindset. Hence for the hotel industry human resource is the major asset and the quality of the employees are the major strength and add enhancements to the hotel’s brand image.
As is typical of the service industry (Vinnie 2004), people are an important asset that needs to be nurtured and built up over the years and HR practices; marketing, environmental, supplier related aspects need to be looked at for competing in the coming years. Competent staff plays the key component in the successful operation of the hotel. The hotel business (Peggy 1993) has a peculiar problem of high labour turnover, low pay and high proficiency requirements. With a boom imminent in the Indian hospitality industry (Irshad and Parvathy 2006), hotels could face a huge manpower crunch at lower to mid-management levels due to high attrition levels and while industry has seen a sharp growth in occupancies and ARRs (average room rates) in the past year, total capacity could end up doubling in the next three-four years. The high attrition levels could end up skippering growth, while the management of The Leela Group puts their churn rate at a 22%, industry observers feel that it could be a lot higher for other hotel chains with lesser brand equity. The attrition problem (Irshad and Parvathy 2006) exists both at the entry as well as the mid-management level and according to industry insiders, 10-20% of the graduates from hotel management institutes are now taking up jobs in the financial services sector and the problem becomes more acute at the mid-management level, with over 50% choosing to opt out in favor of other service sector jobs, of which BPO seems to be a hot favorite. Higher salaries (Irshad and Parvathy 2006) are the main draw for these hotel management graduates moving away from the industry and entry-level salaries in the hotel industry range between 1.5-3.6 lakhs per annum which isn't much different from most other sectors. But salaries hit a roadblock at the mid-management level, forcing employees to look outside of the industry. Also, a fatter pay package is not the only attraction. Better work conditions in other industries, particularly in banks where most employees enjoy a five-day week and a 9-6 jobs have become a big draw for employees moving out of the hospitality industry, while good food and guest comforts remain on top of the menu of the hospitality industry, the players could well add pampering employees to the list.

Lack (Vishakha 2007) of availability of good talent, staff shortages and rampant poaching has forced the hotel industry to look at innovative ways to retain people and as part of the carrots, Lemon Tree hotels claims to be the first
The attrition levels are going high in the hotel industry and the hotel industry is losing human resource due to competition. The growth of IT sector dominated the preference of people to join such sectors. To avoid attrition bigger branded hotel chains are offering staff to work at different destination with promotion within their chain of operations, while the small hotels improve their working conditions. In the hotel industry attrition is a grave problem and hotels have to work hard to solve this problem for smooth operation.

4.2. Concept of Labour Turnover

4.2.1. Types of Turnover

Labour turnover can be basically classified into two: voluntary and involuntary. Voluntary turnover means an employee leaving an organisation at his own will,
while in involuntary turnover the employee leaves the organisation because of not his own will, but because some other external factors or organisational decisions. The voluntary turnover (Michael J. 2004) can be again classified into functional and dysfunctional turnover. The functional turnover can be classified into avoidable and unavoidable turnover. Involuntary turnover occurs when the organisation takes the initiative to terminate or discharge an employee through firing, lay-off, downsizing, or right sizing. Voluntary turnover (Moshe 2002) is commonly viewed as the termination of the formal relations between employee and the organisation. The findings on voluntary turnover show that it is a reaction to an unsatisfying work environment. This can be low pay, lack of relationship or non congenial relationship with the supervisors and management. Examples of voluntary turnover include resignation and voluntary retirement. Voluntary turnover (Michael J. 2004) is most likely to occur when two conditions met: (a) the employee wants to leave the organisation, and (b) the employee must have the ability to leave the organisation. Most of the voluntary resignations occur (T. Stephen 2002) when the employee is unhappy with the work, organisation, and managers or with colleagues and the employee is able to find alternative employment which the employee feels that will give him a greater level of job satisfaction.

Voluntary reasons (Wayne and John 2011) for leaving can be another job that offers more responsibility, return to college for a full time course, or improved salary and benefits and on all these reasons employee has the control, while in the case of involuntary turnover can be death of employee, chronic illness, or spouse transfer. Employee turnover (Wayne and John 2011) has been defined as functional if the employee’s departure produces increased value for the organisation, while it is dysfunctional if the employee’s departure produces reduced value to the organisation. Turnover is functional when the resulting difference in workforce value is positive and high enough to offset the costs of transacting the turnover and it is dysfunctional when the resulting difference in the workforce value is negative or the positive change in workforce value doesn’t offset the costs. Functional turnover (Chuck 2011) is the loss of poor performing
employees who choose to leave the organisation and this gives the organisation chance to replace poor performers with better workers.

Fig 10: Avoidable vs. Unavoidable Turnover (Griffeth and Hom 2001)

4.3. Theories (Models) of Turnover

4.3.1. March & Simon (1958) Decision to Participate Model of Turnover:

According to March & Simon’s Decision to Participate Model of Turnover (March and Simon 1958), a person’s decision to stay in the organisation is a complicated rational process. March and Simon used Bernard-Simon theory of organisation equilibrium as the basis of their model. According to this model there are internal and external factors that affect employee turnover. The internal factor is the employee’s perceived desirability to leave and the overall feeling of ease of movement is the external factor (Loree 2008). The ease of movement refers to the availability of equitable job in another organisation when the employee leaves the current organisation and the job. An individual’s desire to leave job is a result of individual’s level of satisfaction with their jobs and their perception of alternatives for creating more satisfaction within the organisation. According to this model (Cheryl and Carol A. 2007) satisfaction is a product of (a) fit between the person’s self image and the job characteristics (b) predictability of the work environment (c) compatibility of the work requirement with those of other roles a person occupies. According to this model people voluntarily leaves the organisation when they had to find a viable alternative to their current position and this would be
more likely (March and Simon 1958): (a) in good economic times, (b) when many other organisations are “visible” alternatives, and (c) when the person’s own characteristics make them more attractive to another organisation.

![March and Simon Organisation Participation Model](image)

**Figure 11:** March and Simon Organisation Participation Model (March and Simon 1958)

The size of the organisation influences the perceived possibility of intra organisational transfer and perceived ease of movement component of the decision to participate model is the major factors that influence turnover. These include (Steven G. 2007) the level of business activity, the number of perceived extra organisational alternatives, and the personal characteristic of the individual.

### 4.3.2. Porter & Steers Met Expectation Model (1973):

Porter and Steers Met Expectation model is the modification of Vroom’s Expectancy theory. According to this model (Porter and Steers 1973) there are three denominators that characterize motivation and they are: (a) what energizes human behaviour; (b) what directs or channels such behaviour; (c) how this behaviour is maintained and sustained. According Vroom’s expectancy theory meeting the expectations is the individual’s motivational factor. When there is a discrepancy in what the individual expected and what actually attains arise a form of positive and negative experience among the individual. If the negative experiences are more, the individual tends to leave the organisation. In this model (Porter and Steers 1973) the concept of met expectation is described as the discrepancy between what a person encounters on the job in the form of positive and negative experiences and what he expects to encounter.
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Figure 12: Internal Factors of Expectancy (Porter and Steers 1973)

Porter and Steers model test (Norma, Gillian A. and Sandra 2002) the facet of satisfaction-turnover relationship together with the concept of met expectations, and the developers of the model recommend the use of job previews to prevent unmet expectations. In Porter and Steers model (Wendy R., Lily and Andrew T. 2008) met expectations were the central determinant of the employee’s decision to leave the organisation and the unmet expectations result in employees dissatisfied with their jobs and eventually the decision to leave. This model suggest that employees who experience met expectations have a lower turnover rate than employees who whose expectations are not met and there is considerable evidence indicating that employees who have realistic expectations of their job duties and environments are more satisfied with their jobs and have a lower turnover rate than employees who do not have realistic expectations (Fredric A. 2012). The employees expect their jobs (Dail L. 2002) to provide a mix of features (e.g. Pay, promotion, autonomy) for which the employees has certain preferential values and the range and importance of these preferences vary across individuals, but when the accumulations of unmet expectations become sufficiently large there is less job satisfaction and greater probability of leaving the organisation.
4.3.3. Mobley Intermediate Linkages Model (1977)

This model was represented by Mobley in 1977 proposed that there are several intermediate steps between job dissatisfaction and turnover decisions. These intermediate steps (Mobley 1977) include thinking of quitting, evaluating the expected utility of withdrawal, searching for alternatives, evaluating alternatives, and finally intending to quit.

Mobley’s model depicts the process of employee turnover as a series of sequential stages which begins with an employee’s (a) evaluation of the job: in this stage the employee evaluates the job and results in his experiences that gives him satisfaction or dissatisfaction. (b) Experience job satisfaction or dissatisfaction: at this stage the employee perceives satisfaction or dissatisfaction of the job (c) thinking of quitting: this stage tends the employee to make thinking of whether to quit or not to quit the job. This is based on the amount of satisfaction or dissatisfaction the employee perceives. (d) Evaluation of the expected utility of search and cost of quitting: this stage the employee evaluates the cost occurs for him if he quit the job. This can be of many items like: the availability of the job, the cost incurred in searching the job, the cost incurred in the time period between the quit of the job to presume of the new job. The next stage is the (e) Intentions to search for alternatives (f) search for alternatives, (g) evaluation of alternatives, (h) Comparison of alternatives to present job: at this stage the employee calculates the benefits of current job with the alternate job and see whether the current or new job is beneficial to him (i) intentions to stay and the last stage is the decision whether to (j) stay or quit.
Figure 13: Mobley Intermediate Linkage Model
4.3.4. Hom and Griffeth Alternate Linkages Model of Turnover (1991)

Hom and Griffeth developed model of labour turnover using structural equation modeling. This model is used to compare the model with Mobley’s model of labour turnover. The model is represented below.

Figure 14: Hom and Griffeth Alternate Linkages Model of Turnover (Hom and Griffeth 1991)

In this model, job satisfaction and organisational commitment are antecedents to withdrawal cognitions (thoughts about quitting). Factors that contribute to job satisfaction include characteristics of the work itself and characteristics of the work environment, including group cohesion and
compensation. The perception about the labour market also influences the turnover intentions.

4.3.5. Steers and Mowday Turnover Model (1981)

In Steer and Mowday model (Steers and Mowday 1981) affective response influences the desire to intentions to stay or leave. Affective response includes job satisfaction as well as organisational commitment, and job involvement. This model identifies job expectations and values, job performance, and organisational experiences are the predictors of the individual’s affective response to the job. Available information about job and organisation induces the job expectations and value among the individual. The induced characteristics arise the thinking of alternative job opportunities which leads to arise alternative modes of accommodation. This can be either stay in the organisation or leave the organisation. The job expectation and values together with organisational characteristics and organisational experience along with the employee’s job performance arises affective response to the job which consists of job satisfaction, organisational commitment and job involvement. In the mind of the employee there arises effort to change current situation as perceived by the employee. The employee’s effort in searching for new alternatives which can be preferable or non preferable to him. This along with desire or intent to stay or leave by evaluating alternative models of accommodation result in the employee’s intent to stay or leave the organisation. In Steer and Mowday model the organisational characteristics, organisational experience along with job expectations and values determine the employee’s intent to stay in the organisation.
4.5. Calculation of Labour Turnover

The rate of labour turnover is calculated by the simple percentage formula (Wiley J. 2003).

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\text{Rate of turnover} = \frac{\text{Number of terminations in a given period}}{\text{Average Number of Employees in the period}} \times 100
\]

4.6. Advantages of Labour Turnover

Staff turnover (Conrad 2008) is a positive factor because it is easier for managers to control staff numbers and is used as a management tool to create numerical flexibility. Labour turnover facilitates movement of labour (Douglas and Vladimir 1997) in and out of the organisation and hence substantial rigidities of hiring and firing can be reduced. Labour turnover (Bagad 2009) gives chances to recruit fresh staff and opens up promotion channels for longer serving employees and introduces an element of ‘self-selection’ among new employees. There are six main reasons why employee turnover can be beneficial to an organisation (Sean 2009):
• New employees bring new skills, ideas, enthusiasm, experience and contacts with them (L. Singh 2008) (R. Jim 2012)

• New employees are less resistant to change

• New employees are excited about their new jobs and work harder to please management and clients

• Turnover allows for flexibility in the way organisation is run

• Turnover allows management the opportunity to restructure departments and functions.

Employee turnover helps to bring in new blood (Sun 2012) to the organisation. There is an old saying that stagnant water doesn’t catch freshness. This means that in an organisation if the employees remain same for long run and there exists no turnover, they tend to become mature and this maturity can result in staleness in performance. The new employees reach the organisation by turnover process can bring in new ideas and room for innovation and creativity will be more in the organisation. The slackness of the longer performers in the organisation can be minimised by employee turnover. Employee turnover helps to rid the poor performers and troublesome employees in the organisation. Replacing the trouble makers by using avoidable practices of labour turnover will help organisations to maintain organisational peace and sustainability in performance of the individuals.

4.7. Disadvantages of Labour Turnover

Impact of turnover (Moshe 2002) spreads to entities such as the employee’s families, their communities, and the society affecting economic, social, and cultural systems. Staff turnover (Conrad 2008) can wreck planning, have a disastrous effect on staff morale, represent a considerable extra cost to business and reduces service quality and customer satisfaction and presents advantages to the competitors (Sine and Christine, Human Resource Management
for Travel and Tourism 2009). Frequent job changes (Douglas and Vladmir 1997) involve loss of job-specific skills and transaction cost for workers and employers and decreases worker motivation and commitment to corporate goals (Douglas and Vladmir 1997), and high resistance to change. Turnover increases recruitment costs (W. Stephen 1994) and wastage of time, efficiency, and energy of managers and tends them to concentrate more on recruiting people. Turnover (Bagad 2009) can cause disruptions to production of goods or services caused by leavers and the organisation has to spend more on job training costs for new recruits and leads to wastage in investment in people. High rate of turnover leads to difficulties in attracting new staff. As a result of high turnover (Ramachandra 2006) the organisation has to make alternate arrangements for the new employees and during this tenure till the new employee achieves the productivity there can be loss in productivity which results in loss of output and labour turnover can result in under-utilisation of the equipments and the organisation has to pay additional overtime costs to the existing employees to manage production.

The disadvantages of labour turnover (Sun 2012) can be: brain drain, potential loss of clients, and lower levels of loyalty among employees. When employees leave an organisation there is a potential loss of skills and process knowledge. The people who are working for long years have good possession of process knowledge and process skills and loss of such people would lead to brain drain in the organisation. The organisation has to invest more in talent development in such cases. Typically in an industry like hotels the clients will have good relationship with the staff. Especially this happens in the restaurants and in the banquets. When staff holding such key positions in the hotel who have good client relationship skills will result in the loss of potential customers. Employees who work for long years in the organisation will have more royalty and commitment to the organisation. When turnover is more and people coming
in and going out increases in the organisation will result in less loyalty among the employees. This can reduce the commitment and morale among the staff.


Employees (Ramesh 2009) are one of an organisation’s largest expenses these days and human capital is highly volatile unlike other major capital costs like building, machinery, and technology. The employee life cycle (Margeret 2012) is a human resource model that identifies stages in employee’s careers to help guide the management and the associated processes.

Employee life cycle consists of four basic phases (Ramesh 2009): hire, inspire, admire, and retire. Hire stage is the first stage where the employee is recruited into the organisation. Organisations have to take care while recruiting an employee into the organisation. The HRD practices like standard recruitment and selection processes have to be applied at this stage. At this stage the organisation has to make sure that it is hiring the right person at the right time. Once the recruitment is over the next is the inspire stage. At this stage the recruited employees come to work and they are molded according to the needs and objectives of the organisation. Induction, training activities takes place at this stage. The new employee is given warm welcome to the organisation at this stage. The next is admire phase where the employees are challenged and motivated to deliver performance. At this stage developmental activity of the employees takes place.

Employee performance is measured and valuable feedbacks are given. Salary and wage administrations and rewards and benefit administrations have significant role at this stage to maintain the employee’s commitment and morale towards the organisation and to persuade employees to stay back in the organisation with a view to minimise turnover. The next stage is retirement where the employee leaves the organisation after long service. If the organisation is
capable of motivating and providing challenging environment for the employees, they will continue to deliver maximum performance till they leave the organisation. The concept of employee life cycle management (Tapomoy, Strategic Approach to Human Resource Management: Concept, Tools and Application 2006) is based on providing both the organisation and the employee a full life cycle of services from initial employment to outplacement assistance.

**Figure 16:** Essence of Employee Life Cycle Model (Tapomoy, Strategic Approach to Human Resource Management: Concept, Tools and Application 2006)
Figure 17: Application of HRD Practices in Employee Life Cycle

The HRD practices can be effectively used in the employee life cycle. Right from the candidate search, which is the beginning of the employee life cycle, the organisation can use HRIS for advertising the vacancies internally and can establish the use of standard recruitment practices for searching the right candidates. To generate a pool of applicants the organisation has to follow the standard recruitment practices by which employer branding can be generated in the mind of prospective employees. The next life cycle phase recruitment should be based on the HRD practice recruitment practices. The selection process should be based on standard selection process and procedures. During the offers and hiring stage the application of wage and salary administration can be used. This
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has to be done based on job evaluation. Induction programmes has to be adapted during the orientation phase. During the training phase training programmes can be used and mentors can be assigned for the new employees. Development phase is for each and every employee in the organisation and it is dynamic and continuous process. The purpose of this phase is to maximise the efficiency of the employees and tap out the maximum output from the employee performance. OD practices can be suitably used in this phase to develop the employees and make their suitability to take decisions in the day to day activities and to develop problem solving skills. In the performance management phase the tools which can be used are performance appraisal and potential appraisal. Performance appraisals measure the performance of the employees and make the employees to set their own performance targets while the potential appraisal measures the suitability of the employee to occupy the higher responsible positions. Employee engagement and employee empowerment can be suitably used to ascertain responsibility, morale and commitment among the employees. HRIS can be effectively used to manage performance appraisals and performance management. Performance feedback and coaching help the employees to review their performance so that necessary performance corrections can be made. Motivation and reward strategies can be used to associate the salary and wage administration to boost employee morale. The salary and wage administration can be made transparent by using the facilities in the HRIS. Employee relations and industrial peace can be maintained by welfare measures and establishing quality of work life among the employees. In the termination phase HRIS can be used to conduct exit interviews and the reasons for turnover can be analysed. The outplacement activities can be made with the help of HRIS facilities. To summon up HRD practices can be effectively used in the employee life cycle in order to promote employee well being and uplift performance. The various HRD practices can be used in the various phases of the employee life cycle and by this human capital management can be efficiently established.