CHAPTER – 5

FINDINGS AND SUGGESTIONS

5.1. Findings of the study

5.2. Suggestions

(A) Suggestions for Hotel Industry

(B) Suggestions for HRD in Hotel Units

(C) Other suggestions
5.1. FINDINGS OF THE STUDY

The major findings of the present study on ‘HRD Strategies and Practices of Hotel Industry - A Study of Selected Hotels in Gujarat’ are summarized as follows.

5.1.1 Hotel units in Gujarat have almost same goal. Hotel units believe in Profit maximization with the growth and Development. Along with providing the better services to customers, as their main goal, building brand image and reputation in market is also important to the same extent.

5.1.2 Local, national and foreign tourists have been visiting Gujarat for one or more reasons, but the percentage of local visitors using the hotel is very low. International tourists are coming from U.S.A, U.K, Canada, African countries and Asian countries. Out of the total tourists, 43 % tourists are from international locations.

5.1.3 The study reveals that tourists who visit the hotels in Gujarat can be classified into individual, with family, as institution, NRI and VIP categories. NRI are found to be highest 33 %, VIP are found to be 23 % while 7% tourists are visiting individually.

5.1.4 Hotel industry in Gujarat is growing day by day. The flow of tourists visiting is satisfactory for the economic viabilities of the business. The pace of industrializations, historical importance, infrastructural facilities and varieties of tourist’s interests has attracted them to be the strong flow of tourists in hotels of Gujarat.

5.1.5 Providing maximum facilities for customers delight is essential for the growth of hotel units. Hotels in Gujarat provide good accommodation, housekeeping, transportation, quality food, canteen, communication
and entertainment facilities to their tourists. However, liquor facility is not available in Gujarat because of prohibition.

5.1.6 Different forms of business organizations are used by hotel industry in Gujarat. Widely used form is Pvt. Ltd. Company, as it gives separate entity under The Companies Act.1956. Very few hotels have raised funds by public company. Therefore, this form is not yet familiar in Gujarat. Small and medium hotels use partnership and proprietorship forms.

5.1.7 Leader’s vision is important in any enterprise. Hotel industry needs special attention and personal touch for the growth and development. These are the reasons that majority of hotel units under study use autocratic leadership style. “I” is in the center in the leadership style. It is also found that very few hotel units in Gujarat use democratic, benevolent and free rein leadership style. Their proportion is around to be 10% to 15% only.

5.1.8 ‘Human Resource Planning’ is very crucial for the service rendering units. According to the present study -HR Planning for hotel units is divided into three categories viz. short term, medium term and long term planning.

Study reveals that 12 out of 30 hotel units prefer the short term planning and only eight hotels prefer the long term planning for their human resource requirements.

In hotel industry, ‘human touch’ is most important; as a result things are changing very fast. Therefore, short term planning is found to be widely used in the industry.

5.1.9 Hotel industry uses managerial, skilled and semi skilled human resources. According to study of 30 units, it is found that more than
2400 people are employed in hotel industry, of which more than 115 belongs to managerial category 300, belongs to skilled category and the rest belongs to semi skilled category.

Hotel Yuvraj, Hotel Sayaji, Hotel Inder Residency, The House of Magandas, Hotel Lords Plaza and Hotel Wel-Come are the major hotel units, employing large number of people. Further, Hotel Balwas, Hotel Toran and Hotel Sun Plaza, their minimum workforce is around 32 to 40 employees.

5.1.10 As far as recent recruitment practices in hotel organizations are concerned, following observation has been made during the study.

(i) From 2005 to 2010, 20 managerial, 63 skilled and 93 semi skilled employees have been recruited in the hotel industry.
(ii) Total number of recruitment during the years 2005 to 2010 is 175 managerial, skilled and semi skilled employees. The year 2007-08 witnessed the greatest number of recruitment as 42 managerial, skilled semi skilled employees had been recruited. The year 2005-06 showed the least number of recruitment as only 21 employees had been recruited during this year.
(iii) A recruitment practice is observed irrespective of sex, cast and creed. It is based on the merit of the candidate.

5.1.11 Promotion is a dream for any employee. It promotes good HRD in the organization. Hotel units of Gujarat, under study are using seniority, merit and their combination as criterions for promotion. Of 63% hotel units make ideal combination of both, while 5 out of 30 hotels use the promotion based on seniority and 6 hotels use the merit base promotion.
Following table highlights on the status of promotion for the last five years.

**TABLE: 5.1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Promotion granted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Managerial</td>
<td>Skilled</td>
</tr>
<tr>
<td>05-06</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>06-07</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>07-08</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>08-09</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>09-10</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>10-11</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>45</strong></td>
</tr>
</tbody>
</table>

Source: Based on compiled and analyzed data collected through fieldwork.

The data reveals that during the last six years, 162 employees have been granted promotion. Of which 24 managerial, 45 skilled, 93 semi skilled employees are given promotion from 2005 to 2011.

In the year 2008-09 maximum promotions granted are 41 while only 18 employees have been promoted as minimum number in the year 2009-10.

It was also found that monetary and non monetary rewards are given to the employees, while they are promoted. These benefits may vary from organizations to organizations and from employees to employees.

5.1.12 All hotel units accept that training is costly but absence of training is too costly. Most of the units under study prefer “on the job training” method for their human resource. The duration and timings for training are different for different categories of the employees.
Training programmes includes soft skills, communication skills, behavioral training, interpersonal relationship attitude, values and system development training.

Of hotel units, 90% are using on the job training and 10% of hotel units are using off the job training.

In “off the job training”, mostly managerial and skilled employees are sent to training institute like AIMS, Jindal School of Hotel Management.

Study reveals that from 2005-06 to 2010-11, total 232 employees have been trained, for various categories. Large sized hotels give more emphasis on training than small sized hotels.

5.1.13 As far as wage & salary structure is concerned, they are found to be poor particularly for bottom level employees. The study reveals that minimum salary received by the employee in hotel industry is Rs.3000 per month and maximum salary received by the managers is up to Rs.25000 per month.

Study shows that, there is significant difference in the salary paid to the employees for the same category. Salary structure ranges from Rs 3000 to Rs 5000 in 20 out of 30 hotels under study. Surprisingly 8 of the hotels are paying Rs 5000 to Rs 7000 to their employees for the same kind of work.

Recently, provision of Sixth Pay Commission is going to be implemented by the Gujarat government, as a result employees of hotel units are demanding rise in their salary.

Hotel owners are taking into account the rate of inflation of economy in order to give rise in the wage & salary of the employees. It is also observed that the amount and time to pay such rise is still suspense.
5.1.14 Hotel units in Gujarat evaluate the performance of their employees while they are working. The term used is different however, most of the units under study, measure the performance of their employees on yearly bases.

According to HRD executives, yearly term is logical and relevant by considering the issues of employees.

5.1.15 As far as methods to evaluate the performance of the employees are concerned hotel units use an ideal combination of traditional and modern methods. Further, large hotels emphasize the use of more scientific policy and practice for performance appraisal in comparison with small size hotels.

Performance evaluation has direct relevance to career opportunities and development of employees.

5.1.16 Employees are human beings. They have the tendency to remain absent on their job for various reasons. In hotel units of Gujarat following observations are made for absenteeism.

(i) Average absenteeism rate is below 5%.
(ii) Employees at large hotels remain absent on their job only after having the prior permission, while in small hotels, occasionally permission is taken and granted for the leave demanded.
(iii) More absentees are found on the previous day or the following day of public holidays. .
(iv) Demand for leave is more and acute during school vacation period i.e. during Diwali and Summer.
(v) Reasons for absenteeism are found social, personal and religious occasions and events. .
(vi) Alcohol and indebtedness have also been observed one of the reasons for absenteeism in small hotels.
(vii) Absenteeism in small hotels disturbs the existing work schedule.

(viii) Of the total absenteeism, 53% is because of individual causes, 25% is because of both individual and social, 32% is because of both individual and religious and 27% is because of individual, social and religious reasons.

5.1.17 Employee participation in management is a new concept for hotel industry at large. Hardly any employee is allowed to share his/her views in decision making.

According to present study, it is a great surprise that only 20% of hotel units are allowing the employee participation in management at shallow level and 80% of hotel units believe that employee participation is not required in their organization.

It was the response from the employees that hotel owners should consider their views and opinions while formulating the policies. They believe employee participation in decision making and policy formulation process will encourage and motivate the spirit of hardworking and will boost-up the HRD environment.

5.1.18 Human resource development is more influenced by the ideology of management. According to present study, 16 out of 30 hotel units believe in idealism. Furthermore, 10 hotel units under study believe in the combination of both idealism and realism as their philosophy.

5.1.19 Study reveals that, management for HRD strongly believes that there should be good job analysis, intra and extra human relations and which indirectly results into development of working in the organizations.
Very few hotel owners believe in such ideology as in their view such things hardly help in development of HRD.

5.1.20 Management’s views on HRD were also focused upon during this study. Following observations have been made after having the discussion with top management:

(i) The top management is willing to invest a considerable part of their time and other resources, to ensure the development of employees. 15 hotel units fall in mostly true category, while only 2 hotel units fall in ‘not at all true’ category.

(ii) The top management of hotel makes efforts to identify and utilize the potential of the employee’s. According to study 10 hotel units fall under ‘always true’ category & 2 hotel units fall under ‘not at all true’.

(iii) Performance appraisal reports in hotel units in Gujarat are based on objective assessment, adequate information and not on favoritism. For this 13 hotel units fall under ‘mostly true’, & only 3 hotel units fall under ‘sometimes true’ category.

(iv) During the appraisal task, training could be one of the necessities to the HRD departments. Study indicates that 11 hotels believe such ideology, while only 2 hotel units believe it to be rarely true.

5.1.21 Following are the major views of employees under study on HRD:

(i) Human Resource Planning in small sized hotels is not as important as large hotel units. Of the total 74% employees responded that HRP is existing in their hotels while 26 % responded that there is nothing like HRP in their hotel.

(ii) Of the 57 out of 90 employees responded that the scientific method is used for recruitment and selection of employees in hotels, while 37% employees responded that poor recruitment practices are followed in their hotel units. Majority of employees
are not satisfied with the selection method adopted by their hotel management.

(iii) Out of respondents, 70% employee responded that most of the hotel units use, on the job training to train their manpower. Further, induction training is found more effective in the hotel units.

(iv) As far as wage structure is concerned, about 40% of the employees believe that they get reasonable compensation for their work. So the ratio of unsatisfied employees is higher regarding their wage and salary structure.

(v) Majority of employees opined that reputation of the hotel and better work environment motivate them to dedicate for better performance. In such a case, wage structure becomes less important. Most of the employees viewed that cash wage and salary is the prime motivator in their hotels.

(vi) Employees feel that there is a need for career counseling in their hotel units, which is almost absent in hotels in Gujarat.

5.1.22 During study, employees have expressed their views on HRD mechanism. Following observations have been made out of discussion:

(i) All the 90 employees strongly believed that accidents affect the physical abilities of an employee.

(ii) Of the total 50% of the respondents said that annual gifts affect the attitude of the employees towards their job and management. While rest of the employees responded that it affects the relationship between the employees.

(iii) For ‘Autonomy to work’, 65 respondents said that it affects attitude and values while 25 believe that autonomy to work affects relationship of employees.
(iv) In response to ‘Awards and Rewards’, most of the employees believe that it affects the attitude and values of the employee while 22 respondents opined that relationship between employees and management is determined by levels of award and rewards given to them.

5.1.23 HRD – A COMPARATIVE VIEWS BY MANAGEMENT AND EMPLOYEES.

**TABLE 5.2**

<table>
<thead>
<tr>
<th>Nature of HRD</th>
<th>Management</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Good</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Good</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td>Average</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>Poor</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>90</strong></td>
</tr>
</tbody>
</table>

Source: Based on compiled and analyzed data collected through fieldwork.

Existing HRD practices are very good was responded by 15 random employees selected from total 90 employees from 30 hotels. While 11 out of 90 responded poor HRD performance in their respective hotels. Looking at the managerial view, 4 out of 30 hotels were found to have effective HRD performance while 4 hotels opined HRD to be average.

It is important to note at this point that management of 20 out of 30 hotels believed that performance of HRD in their respective hotels can be considered good.
According to HRD rating both managements and employees of hotel units believe that ‘Good’ HRD practices exist in hotel industry of Gujarat.

Chi-Square statistical test at 5% level of significance reveals that there is no association between views of management and those of employees about prevailing HRD in their units.
5.2. (A) Suggestions for Hotel Industry

5.2.1 As far as sound infrastructure is concerned, it is suggested that government should develop a sound infrastructure. It includes road, rail transport and air transport for the tourists who come from other states or abroad to visit the esteem places of Gujarat.

5.2.2 At present the requirement of star hotels in Gujarat, is increasing because the tourists and other NRI and other resident of the state demand star hotels. So the government and other associations should come out with policies and facilities to establish and nurture star hotels in Gujarat.

5.2.3 Gujarat is full of natural beauty, heritage buildings, monuments and safe as compare to the other states in the country. Gujarat has famous and memorable tourist places for tourists, so there should be special provision for the tourists’ safety and security therefore government should come out with special trained force to ensure safety of tourists.

5.2.4 Hotel industry comes under service sector. Numbers of people from all over the world come to witness Gujarat and its heritage every year. Such special visitors demand varieties of food and liquor. So it seems to be need of time to liberalize prohibition policy to boost tourism and hotel industry. Hence, government should come out with liberalized legal frame work to delight tourists.

5.2.5 Good services make a good hotel. An advanced reservation facility, online booking on internet, telephone booking system could be real asset to provide good services to customers in hotel industry. Hence, a hotel unit should possess such advance facilities and technology to ensure their sustainable performance.
In addition, a well trained and authorized guide should be provided by the hotel units.

5.2.6 There must be ongoing evaluation of services and facilities provided by the head of the hotel units or an authorised professional to ensure the smooth functioning and customer satisfaction.

5.2.7 Building and interior design play an important role in attracting customers. During the present study, it was found that most of the hotels earn their benefits because of comfortable waiting lounge, attractive interior decoration, well decorated main entrance, and well shaved and nurtured gardens. To ensure smoothing experience to customers, every hotel unit should invest their potentials for such attraction.

5.2.8 Increasing online facilities and the growing competition in hotel industry demands need of 24 hours availability of internet connectivity to the customers. Therefore it is suggested that each hotel should come forward to have their websites giving full details of hotels, which can be used by the scattered and remote tourists.
5.2. (B) Suggestions for HRD in hotel units.

5.2.9. Gujarat is now fastest developing states in India and competing globally in all areas of human activity. It has variety of natural tourist destinations, historical monuments and heritage buildings. It is the birth place of international figures like Sardar Vallabhbhai Patel and Mahatma Gandhiji such features attract tourists from all over the world. In such circumstances Government of Gujarat and entrepreneurs should work hand in hand to improvise HRD policies to uplift Gujarat as a dream destination for the whole world.

5.2.10. India has become a member of the WTO, and it is expected that by 2020 India will be a developed country. To achieve this goal, hotel units should adopt democratic and free rein leadership philosophy, irrespective of their size and form.

5.2.11. Promotion policy is one of the key factors that affect HRD. Therefore, it is suggested for the hotel units of Gujarat that:
   
   (i) There should be increased monetary and non-monetary incentives associated with promotion, as at present incentives are inadequate. It is further suggested that these benefits, once granted, should be provided with immediate effect.

   (ii) Promotion is the sole right of an employee. Once it is due and not given, it could create HRD problems. Therefore, it is suggested not to deprive employees of their right of promotion.

5.2.12. Hotel is a service industry in India and employs large number of people directly and indirectly. At present very few institutes impart HRD training to hotel employees. Furthermore, in Gujarat no effective and
formal education and research is available to train the required manpower for hotel industry. Therefore it is suggested that:

(i) Universities of Gujarat should come out with educational programmes to impart formal education specialized in hotel and hospitality.

(ii) Service oriented training programmes should be arranged to train manpower of the industry. For this, special training center should be established.

5.2.13. For the performance appraisal in hotel units it could be suggested that:

(i) Performance must be evaluated regularly and scientifically of all employees and at all levels.

(ii) Performance rating must be communicated in time to the respective employees.

5.2.14. Indian economy is passing through a sea change of L.P.G process. Gujarat is a now ‘Vibrant’ state. Under such circumstances, to suit such changes and globalized culture, it is suggested that employees of hotel industry should be trained in a way that they create good HRD atmosphere and environment.

5.2.15. For wage structure which is at present fragile and traditional. It should be revised and new consistent and acceptable wage system and structure should be adopted for better HRD.

5.2.16. Employment and working conditions should be improved to that of international standard at hotel destination.

5.2.17. Existing welfare measures should be enhanced further and should be provided effectively to acceptable level.
5.2.18. There should be a continuous monitoring system for maintaining the discipline of hotel units.

5.2.19. Career planning guidance centers should be opened in each hotel units, where career counseling is made available to employees.

5.2.20. For the welfare of employees of hotel units, it is suggested that maternity benefits should be made available to the female employees and paternity benefits to male employees.

5.2.21. More and more large hotel units should come forward to provide facilities to their employees beyond statutory obligations, because employees are now considered as human asset and they should be appreciated by value-addition from time to time.
5.2. (C) Other Suggestions

5.2.22 In today’s world many well reputed hotels have their hotel chain which helps them to maintain their quality everywhere in the world. If any hotel do not have their chain then they can tie up with other hotels which have same reputation in the hotel industry. This will give them a boost to the development of the well and good hotels. On the other hand many owners collaborate or merge with other hotels and take it away or lead it.

5.2.23 According to the current scenario of the hotel industry in Gujarat tourists want to enjoy sea coast, mountains and other natural places. So it is suggested that hotels should be built near such natural surroundings to attract more tourists.

5.2.24 To sustain in the business, it is suggested that every hotels should maintain a good human relations with their employees.

5.2.25 During study it was found from the employees to establish residential colonies for them. Therefore it is here suggested that their demand should be fulfilled.

5.2.26 It is also suggested that hotel units should give some priority to educate children of their employees as a part of employee welfare in hotel units.

5.2.27 Hotel units should sharpen their human tools to compete not at national but international levels.

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