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# UNIT 13 HUMAN RESOURCE MANAGEMENT

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## 13.0 OBJECTIVES

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After reading this Unit, you will be able to:

- appreciate the importance of human resource management in tourism,
- **understand** the role being played by the different agencies in the area of HRD,
- know about the issues related to manpower planning, wages and salaries, and
- know about the role of managers and entrepreneurs regarding HRD in tourism.

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## 13.1 INTRODUCTION

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Today, most of the countries promote tourism to earn foreign exchange, encourage developmental activities, improve local economies and generate employment. In Block-1, Unit-4, we had familiarised you with the features of tourism services **alongwith** a brief introduction on the necessity of human resource training and development in the area of tourism. It must be noted here that mere employment generation through tourism will not serve the purpose for sustainable tourism. **Infact**, it is the **quality** of the service that will determine the image of the destination. In this Unit, we have stressed upon the importance of human resources development and management in the tourism sector. The Unit, instead of dealing with theoretical issues, attempts to familiarise you with certain operational issues in this area. As managers or owners of small business, you can apply these issues to your own job requirements. The Unit starts with a discussion on the **significance** of human resource management in tourism taking into account the diversity in the industry as well as regional variations. Further it takes into account the process of manpower planning and deals with issues like recruitment, induction training, motivation, continuing education, wages and salaries, etc.

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## 13.2 HUMAN RESOURCE MANAGEMENT IN TOURISM

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When we talk of human resource management, we have in our mind a variety of things. These include:

- training,
- skill development and upgradation of knowledge **and** skills of the employees,
- motivating the **employees**,
- effective utilisation of the employees skills and capabilities,

- attracting the personnel and their retention,
- **wages**, salaries and rewards, and
- monitoring and controlling the employees performance.

These aspects of human resource management and development are essential for every sector but in the case of tourism, they have a special significance. This is because tourism is a service industry and here the **customer** is not only buying a service or a product but he is also experiencing and consuming the quality of service which is reflected in the performance of the persons involved in the production and delivery of the service. Since what is marketed here is a relationship between the customer and the producer of services, the importance of human resources becomes vital for the success of the business. Generally, in such service operations, the emphasis has been on courtesy and efficiency and it is assumed that the service in tourism is all smiles and effective communication. However, with the changing nature of tourism and growing specialisations, only smiles, communication skills and courtesy will not serve the purpose. For example, a guide may be very good in communication but unless he or she is equipped with knowledge and information related to the monument or the city, he or she will not be able to perform quality service. Similarly, a driver may be very good at driving but unless he **knows** the roads and addresses of the city, only his driving capabilities will be of no help in providing quality service. And we must remember here that tourists, whether foreign or domestic, are increasingly becoming more **demanding** as regards quality of service.

Generally, human resource management, planning and development in tourism has to be taken at both macro as well as micro levels. At the macro level, one takes into account the educational and training infrastructure available in a country and the efforts initiated by the Government or the National Tourist Organisation in this regard. This also includes the efforts initiated by the private sector. At the micro level, one takes into account how best individual organisations plan and manage their human resources. VS Mahesh, formerly Vice President (Human Resources) with the Taj Group of Hotels, is of the opinion that two central features common to all sectors of the tourism industry must be considered in this regard:

- 1) The concept of Moments of Truth (MOT), and
- 2) **MOT's** relationship to the attainment of service excellence in an organisation.

Jan Carlzon has defined MOT "**as an interaction between a customer and an organisation, which leads to a judgement by the customer about the quality of service received by her or him**". In tourism industry, 95 % of the MOTs take place between customers and the front line staff and most of the time they are not visible to the management. For example, how a hotel receptionist is handling the customers or how an escort is conducting the tour is not visible to the management. Yet, the tourist's experience of the holiday is dependent on how the staff manning such services has treated him or her. Mahesh has pointed out that in case of negative experiences, only less than **five** per cent cases get reported to the management by the customers and hence according to him the crucial question is "**are human beings capable of doing their job correctly, willingly and with a smile, when they know that their management is most unlikely to be able to see or hear them, let alone hear of their failure to do so**"? This puts additional burden on the human resource management factor in the tourism industry. Certain organisations, companies and even destinations are known for their hospitality and are even termed as **service leaders** in their areas of operations. Researches conducted by various scholars in this area show that they have achieved this status through effective human resource management in their organisations. According to Gail Cook Johnson these companies have applied the **principal of empowerment** to all employees. This empowerment is manifested in the way that companies:

- are highly **focused and consistent** in everything they do and say in relation to employees,
- have managers **who communicate with employees**,
- **facilitate**, rather than regulate, their employees' response to customers,
- **solicit employee feedback** about how they can do things better,
- stress the **importance of teamwork** at each level of the organisation, and
- **plan carefully** the organisation's recruitment and training needs.

These companies give less emphasis on hierarchy and formal relationships rather, they adopt flat organisational structure in terms of spans of control (see Unit 7). Johnson further states that these service leaders can be **recognised** for:

- **their unfailing commitment to service principles,**
- **their investments in people to ensure staffing competence,**
- a management philosophy which stresses **communication, a pro-active orientation and employee feedback,** and
- a **dedication** to teamwork.

In fact, human resource management and customer's **care/expectations** management are inter-related areas in **the area** of tourism. Sarah Mansfield has identified four key principles in the development of customer care within companies. These according to her **are** :

- 1) Customer care 'starts at the top', meaning that commitment to the principle of customer care must emanate from senior management levels within an organisation. Successful management 'is not only about the right management style but also an attitude, ethos or culture of the organisation which overrides the management techniques used, such that in the absence of other instructions these values will dictate how an employee will behave'.
- 2) 'Customer care involves everyone' within the organisation. It is not just about front-line staff. The contrary view 'only serves to reinforce the electricians' or administrators, opinion that **the standard** of service they give in support of the front-line staff is not important. How can cleaners do the right job unless they fully appreciate their customers' needs and the importance of their role? High standards of customer care cannot be achieved by ignoring seasonal, part-time or voluntary staff who represent the face of the business to many customers.'
- 3) 'Care for your staff and they will care for your customers.' Too often organisations look **first** to the customer, whereas the emphasis should be placed on the staff. 'Improving the experience of the staff encourages a better service and a better experience for customers. More customers are obtained thereby improving the climate in which management and staff work. Investment and greater professionalism follow success and the cycle of achievement is reinforced.'
- 4) 'It's a continuous process', meaning that 'customer care is not a quick **fix** project but a long term plan.'

According to V S Mahesh "**The nature, determinants and problem areas of service quality within tourism points clearly to the central role of personnel, at all levels, in attaining levels of excellence in this respect. Developing the service culture, within a company, and within a tourism industry, can be seen as crucial to the success of tourism.**" Hence, the activities of an HRD manager in tourism can be categorised as:

- Human resource planning, and
- Human resource development.

Aspects like forecasting, recruiting and induction in the human resource area are taken care of through human resource planning. The identification of specific developmental needs for the manpower aimed at developing and exploiting the competencies of the human resources are taken care of through human resource development.

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## 133 DIVERSITY IN INDUSTRY

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The tourism industry is a combination of different sectors (see Unit 5 of **TS-1**) and each sector has its own specialised requirements in terms of human resources. In fact, even within one sector, there are specialisations and sub-specialisations. For example, in a hotel, different jobs need different types of trained manpower. Each of the following **needs** different skills and training like receptionists, chefs, house-keepers, waiters, porters etc. Similarly, a guide needs different skills and knowledge and a person manning a ticketing counter has **different** skills. This diversity of the industry places additional responsibility on the planners and

developers of tourism products and services in the area of human resources planning and development.

In India, the **industry** as well as the Government stresses more and more **on** tourism **infrastructure** development but unfortunately not much attention is paid towards human resource planning and development. It is time one **realises** that if we are **targetting** to have five **million** foreign tourists and simultaneously trying to build an infrastructure (airports, hotels, highways, etc.) we should also have the **necessary** trained manpower to handle this infrastructure and serve the tourists. Moreover, we require trained manpower at all levels, from attendants to top managers, in **all** the diverse sectors of tourism industry. The private sector must take note of this aspect and accordingly should come forward to contribute in this area.

The Department of Tourism, Government of India, has taken note of manpower development in its National Action Plan (1992) and has suggested certain measures for restructuring and strengthening the institutions for manpower development. Besides the hotel **management** and food craft institutes, it has set up the Indian Institute of Tourism and Travel Management (IITTM) at **Gwalior** with its Chapters in different states. In some universities **also**, tourism courses have been started. A major problem in **this** area is lack of availability of trained manpower in the destination zones **as** most of those who pass out from the institutes prefer to seek employment in the metros. In fact, the major objective of **IGNOU's** Tourism Studies programme is to train the local population at different destinations in the country. Besides, it emphasises on training the grass-root and supervisory level personnel as they are the ones who have direct contact with the tourists. Still there are areas which are totally neglected. For example, tourist transport management, training of drivers, escorts, guides, etc. need not be neglected any more. The emphasis of HRD in tourism has to be broad based taking into account all the diverse sectors and services rather than only **hotels** and ticketing. The local and regional bodies **alongwith** the respective segments of tourism industry in their areas should come forward for meeting the HRD requirements.

**Check Your Progress-1**

1) Discuss the importance of Human Resource Management in tourism.

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2) Discuss the characteristics of service leaders' policies towards their employees.

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## 13.4 HUMAN RESOURCE PLANNING

In this Section, we will deal with certain aspects **which** are relevant for managers or entrepreneurs at an organisation's level in the area of human resource planning. **Human resource planning can be termed as a process for preparing a plan for the future personnel needs of an organisation.** It takes into account the internal activities of the organisation and the external environmental factors. In a service industry like tourism, such planning also **aims at improving the quality of manpower resources.** Human resource planning involves:

- analysis of existing manpower resources,
- planning for future needs taking into account how many people-with what skills and at what levels the organisation will need, and
- planning for the development of the employees by adopting in-house training and continuing education methods to **upgrade** the knowledge and skills of the employees.

The following sub-sections deal with the various aspects:

### 13.4.1 Human Resource Management Process

The human resource management process includes seven basic activities:

- 1) human resource **planning** (we have already defined it),
- 2) **recruitment** (locating prospective candidates through advertisement, employment agencies, etc.),
- 3) **selection** (through interviews, skill tests, etc.),
- 4) **socialisation and induction training** (to assist selected candidates in adapting themselves to the organisation in relation to the **organisational** environment and job requirements),
- 5) **training and development** (for improving and upgrading their knowledge and skills in relation to the respective jobs they are handling),
- 6) **performance appraisal** i.e. comparing the job performance in relation to the standards set for that job position, and
- 7) **promotions, transfers and demotions**, etc. i.e. rewarding quality performance, giving positive strokes and motivating employees or transfers and demotions for low performers, etc.

### 13.4.2 Recruitment and Selection

A manager has to analyse the labour market in terms of availability of labour and the labour market flexibility. He or she should be fully aware as to what sort of personnel is required.

For supporting tourism development, a considerable lead time is required for recruitment and selection strategies. Each job should be carefully designed, the responsibilities **fixed** and the qualifications laid **down** i.e. the **job requirement, description and specification should be absolutely clear.** Similarly for each job designed the wages, salaries and perks to be offered should also be decided. Increments and future raises in salary should also be taken into account. The manager must be fully aware of labour laws and other government rules and regulations. To locate suitable candidates for the job, a number of ways can be adopted:

- advertisements can be put in newspapers and professional journals,
- employment agencies can be approached,
- educational and training institutes can be approached (for example hotels approach the hotel management institutes for recommending students), and
- specialists in the area can be approached by word of mouth or through correspondence for recommending suitable candidates.

Next stage comes in the form of the selection process. For this, certain steps are required. The Bio Datas of the candidates who have applied are put to scrutiny and those who fulfil the requirements are called for interviews. In fact, the selection process varies from organisation to organisation. An organisation may conduct written tests, group discussions, problem solving exercises, presentations or interviews etc. for completing the selection process. You must remember here that the candidates should be selected on the basis of merit in relation to the job specifications rather on the basis of other external considerations or pressures. A wrong selection not only affects the performance of the job but also brings a bad image to those involved in the selection process. Very often employees selected on other considerations do not find receptivity among other employees (seniors, equals or subordinates).

### 13.4.3 Induction and Training

When a new employee joins an organisation, induction is the first exposure. He or she should be properly welcomed in the organisation; introduced to colleagues; given details about the organisation; made to know his/her position vis-a-vis others; acquainted with company's rules, regulations and working conditions. The employee is also to be trained in relation to the job requirements as the procedures and environment vary from organisation to organisation. For example, a highly trained person in accounts will still require induction training when he or she joins a new organisation.

Information and upgradation of knowledge is the key to success in tourism sector and all employees must have updated knowledge. For example, a ticketing person must know the recent operating routes of airlines and the fare structures etc. He or she cannot man the ticketing counter with obsolete knowledge. Hence, it is the duty of the management to keep providing in-house training to the employees. These training programmes should be designed for maintaining and improving current job performance and at the same time development programmes should be taken up for equipping the employees with such skills which are required for future jobs.

### 13.4.4 Motivation

The quality of service in tourism depends on the job satisfaction of the employees. We have discussed earlier the characteristics of those organisations which are termed as service leaders. Hence, it is the manager's responsibility to motivate the employees. Besides rewards and incentives, this is also related to positive strokes. For example, it is very easy to tell an employee "you have done this work badly" or "you do not know how to work." These are negative strokes which can demotivate an employee. The same can be said in a positive manner like the work you have done could be done better by a little more concentration or "you can still improve upon by making full use of your capability." Employees' expectations should also be kept in mind and their achievements or good performance should be duly recognised. This also helps in the retention of good employees in the organisation.

### 13.4.5 Appraisal Systems

Performance appraisal is an important but difficult task of the manager. This can be carried out in two ways:

- 1) **Informal performance appraisal** : This means a continuous process of giving feedback to subordinates about their performance in the organisation. In this process, a manager spontaneously tells the employee how he or she has performed in relation to a particular work.
- 2) **Formal performance appraisal**: Many organisations adopt formal appraisal methods on a monthly, quarterly or an yearly basis. This is done through a proforma which has certain set questions regarding the job requirements. In certain cases, the superior officers are asked to authenticate and grade the performance of their subordinates. This exercise helps the management in identifying employees for promotion or whether they need additional training. This also sends a message to the employees that how their performance is being rated by the management.

In many organisations, promotions, rewards and bonus etc. are decided on the basis of performance appraisal.

On the basis of the above discussion, it is appropriate here to mention the nine steps HRPD model for tourism developed by V S Mahesh in the Indian context:

- 1) Correctly plan for **the** requisite number of people required at each level of each category of skill, providing for expansion, attrition and internal developmental needs.
- 2) Identify alternative sources from where people can be recruited, ranging from **fully** trained and experienced people who could operate directly on the job, to new entrants who require appropriate training before commencing work.
- 3) Set up appropriate, cost-effective recruitment systems.
- 4) Set up effective induction and training systems to cater for every source of recruitment.
- 5) Identify and make available the requisite number of trainers to operate these systems.
- 6) Instal an effective personnel administration system to take care of those recruited.
- 7) Set up a discipline management system whereby all employees are prepared to accept basic norms of discipline at work.
- 8) Create a collaborative climate for industrial peace so that customers are not in the least aware of unavoidable tensions that are likely to occur in any management-employee relationship.
- 9) Set up a team of human resource professionals who have the requisite professional and personal skills to ensure continuous monitoring and improvement of the integrated HRPD system described above.

**Check Your Progress-2**

1) What steps will you follow for recruiting and selecting an employee?

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2j Discuss the importance of motivation.

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**13.5 LET US SUM UP**

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In this **Unit**, we discussed the importance of human resource planning and development in **relation** to tourism **services**. No **organisation** can achieve its objectives in the absence of human resource management. This is more so in the case of tourism because what is marketed here is a **relationship** rather than a visible product. The emphasis is on customer care and

satisfaction which can be achieved through the quality performance of the manpower involved in the delivery of the service product. The Unit highlighted the diversity of the tourism industry and the need for manpower training and development in relation to the specialisations and sub-specialisations in the industry. It also made you aware of the man planning process taking into account recruitment, selection, training, motivation and performance appraisal. It also **familiarised** you with the views of certain experts in the field regarding the significance of HRD and why certain organisations are termed as service leaders in the area of tourism. It must be remembered that human resource planning and development is a continuous process and every organisation must take note of the changing environment, technology, customer needs and employees expectations, etc. while determining and reviewing its HRD policies.

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## 13.6 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

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### Check Your Progress-1

- 1) Being a service industry, the quality of the product depends on the calibre of the serving personnel. Hence, human resource management is vital to tourism. For details see Sec.13.2.
- 2) Mention the views of Gail Cook Johnson in your answer.

### Check Your Progress-2

- 1) Base your answer on Sub-sec.13.4.2.
- 2) Base your answer on Sub-sec.13.4.4.