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MTTM C-204

Human Resource Management in Tourism

Unit I

Course Objective: This course aims to develop the insight of the students regarding the various Human Resource Practices & concepts in Organizations with special reference to the Tourism Industry.

Unit- I

Human Resource Management: Concept, Definition, Objectives, Functions of HRM, Historical Evolution of HRM , HRM VS PM, SHRM, Role & Importance of HRM in Tourism industry, Challenges and opportunities. Need for HRM in Tourism Industry.

Course Title: Human Resource Management in Tourism

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Unit I**Reference:-**

1. <http://www.yourarticlelibrary.com/hrm/human-resource-management-meaning-objectives-scope-and-functions/35229/>
2. Essentials of Human Resource Management & industrial Relations by P. Subha Rao.
3. Human Resource Management by K. Ashwathappa

Concept and Definition of Human Resource Management:-**Few Definitions explaining the concept of Human Resource:-**

Michael J. Jucius has defined human resources as “a whole consisting of inter-related, inter-dependent and interacting physiological, psychological, sociological and ethical components”

Sumantra Ghosal considers human resources as human capital. He classifies human capital into three categories-intellectual capitals, social capital and emotional capital. Intellectual capital consists of specialized knowledge, tacit knowledge and skills, cognitive complexity, and learning capacity.

According to Leon. C Megginson, Human Resource may be defined as a "the total knowledge , skill , creative abilities, talents, aptitudes as well as values , attitudes, approaches & beliefs of the individual involved in affairs of Organisation." -

According to P. Subha Rao , "Human Resource Management is managing employment, development compensation and utilization of Human Resource."

Few Definitions explaining the concept of Human Resource Management:-

According to Flippo "Personnel management, or say, human resource management is the planning, organising, directing and controlling of the procurement development compensation integration, maintenance, and separation of human resources to the end that individual, organisational and social objectives are accomplished".

Michael J. Jucious defined Personnel Management as "the field of management which has to do with the Planning, Organising, directing and controlling the functions of procuring, developing, maintaining and utilizing a labour force such as:

- (1) The objectives for the the organisation is established are attained economically and effectively.
- (2) The objectives of all levels of personnel are served to the highest possible degree.
- (3) The objectives of the society are duly considered and served.

The National Institute of Personnel Management (NIPM) of India has defined human resource/personnel management as "that part of management which is concerned with people at work and with their relationship within an enterprise. Its aim is to bring together and develop into an effective organisation of the men and women who make up an enterprise and having regard for the well-being of the individuals and of working groups, to enable them to make their best contribution to its success"

Summarizing the Definition of HRM and explaining the Concept:-

Human Resource is the most flexible resources available with the organisation and is the most important factor for the success or failure of the organisation. Managing Human Resource is a comprehensive and a continuous task which encompasses the following genres:-

1. HRM is concerned with employees both as individual and as group in attaining goals and also deals with the emotional, behavioural and social aspects of personnel.

2. HRM is concerned with the development of Human Resources, i.e knowledge, capability, skills. Potentialities etc.
3. It covers all levels and categories of employees from lower level to top level and from skilled to unskilled.
4. It is common to all types of organisations.
5. It is a continuous and a never ending process.
6. It is a responsibility of line managers and a function of staff managers in an organisation.
7. It is a central sub system and permeates to all functional management levels.

Objectives of Human Resource Management:-

- Maximum Individual Development: HRM aims at improving the individuals working in the organisation to their full potential, by conducting performance and skill assessments and finding out the loop holes in each individual and thereby conducting the training programmes to fill in the loopholes. This is one of the vital objectives of Human Resource Management, to bring about Development in Individuals which includes improvement beyond the technical skills. HRM considers Human Resource as the most vital asset of the Organisation, and working on their individual development in turn leads to the development of Organisation as a whole.
- Desirable Working Relationship: - HRM helps in building cordial relations between the workers and the managers. It helps in developing peer relationships, superior-subordinate relationships, manager-manager relationships etc. HRM works on issues of interpersonal relations, interpersonal communications and encourages to build a congenial work atmosphere filled with peace and structured set-ups.
- Moulding Human Behaviour: - It helps in acclimatising the workers to a common work environment and work Culture by moulding the behaviour of all individuals into a common effective culture at workplace. Every Human Being is different from one another, and each employee brings along with him a unique behaviour of his own. In order for an organisation to be successful, the behaviour of all employees needs to be channelized in a specific manner for the power of unity to work as its strength. This channelizing of behaviour of all employees is also the objective of Human Resource Management, which it does by conducting socializing, induction and orientation events.

- Right Type, Right Job, Right Time: Since recruitment and selection are the prime tasks of HRM, where-in the purpose is to find out the best fit for the Job. It is the HR Department which conducts the recruitment and selection process, and as we all know the purpose always is to find the best among the applicants who fits the job on the basis of skills, qualifications, ability, eligibility, behaviour, attitude, expectations etc.
- Training: All employees whether newly recruited or the ones already working in the organisation for years require Training modules with different rationales. A fresher mostly requires induction and Orientation Training programs where in the fresher is appraised of the Organisation culture, set-up, structure, products etc. However existing employees also require different kinds of training modules to update their skills and knowledge to remain relevant in the Job .It is an important objective of HRM to train the individuals to keep up with the changing scenario of technology and management.
- Effective Utilisation of HR : HRM helps in the optimum utilization of human resource by allocating the most appropriate individual at the most fit Jobs. The demand and supply of manpower is a very significant issue handled by the HR department where a record of the inventory of manpower is maintained to know if there is any deficit or surplus in manpower. The manpower inventory management helps in allocating the right number, right kind of employee to the right section at the right time, thereby making effective utilisation of HR.
- Performance Appraisal- Assessment of performance, measuring and then comparing with the standards of performance and finally taking corrective measures is an important objective of HRM. Its important for the organisation to know how effective are the employees meeting their standard of performance, and if there is a need to take any corrective measure to help improve the performance of any employees.
- Welfare & Service facilities : HRM also takes care of the welfare facilities like employee insurance, child care facilities for working women, accidental covers, etc. These facilities are also provided by the HR Department.
- Develop a sense of Commitment & Loyalty : HRM also works throughout the life span of the organisation to develop a sense of belongingness and organisational citizenship behaviour within the employees of the organisation and instils the idea of subordination of individual goals to the Organisational goals.

- Help achieve high moral: HRM has the responsibility of maintaining high morale in the working environment for effectively and efficiently achieving the Organisational Objectives.
- Career Planning: Developing a career path and graph for each individual, and thereby appraising each individual about their future career prospects.
- Grievance Management: To address to the conflict and grievance issues of the employees and amicably provide viable solutions.

Functions of HRM

The functions of HRM can be broadly classified into two categories :

(A) Managerial Functions

(B) Operative Function

(A) Managerial Functions:-

(i) Planning: Planning refers to as a pre-determined course of action. Planning is determination of personnel programmes and changes in advance that will contribute to the organisational goals. In other words, it involves planning of Human resources, requirements, recruitment, selection, training, etc. It also involves forecasting of personnel needs, changing values, attitudes and behaviour of employees and their impact on organisation.

(ii) Organising: - It is the means to the end. It is essential to carry out the determined course of action. According to J.C Massie it is a "structure and a process by which cooperative group of human beings allocates its tasks among its members, identifies relationships and integrates its activities a towards common objectives.

(iii) Directing: - It refers to as the motivating, commanding, leading and activating people. The willing and effective cooperation of employees for the attainment of organisational goals is proper only through directing.

(iv) Controlling: - The performance is to be verified in order to know that the personnel functions are performed in conformity with the plans and directions. Controlling involves checking, verifying and comparing of the actual plans, identification of deviations, if any and correcting of identified deviations.

(B) Operative Functions:-

(i) Employment: It is concerned with securing and employing the people possessing required kind and level of human resource necessary to achieve the organisational goals. It includes functions like:

- Job Analysis
- Human Resource Planning
- Recruitment
- Selection
- Placement
- Induction & Orientation

(ii) Human Resource Development: It is the process of improving, moulding and changing the skills, knowledge, creative ability, aptitude, attitude, values, commitment etc based on present and future job requirements.

- Performance Appraisal
- Training
- Management Development
- Career Planning and Development
- Organizational Development

(iii) Compensation: It is the process of providing adequate, equitable and fair remuneration to the employees. It includes:-

- Job Evaluation
- Wage & Salary Administration
- Incentives
- Bonus
- Fringe Benefits
- Social Security Measures

(iv) Human Relations

(v) Effectiveness of Human Resources Management

- Organizational Health
- HR Accounting, Audit & Research

Historical Evolution of HRM

- Human Resource Management is a relatively a new term - 1970.
- The term was coined in 4th Century BC- Arthashasthra by Kautaliya.
- 1800 BC also used the concept in the Babylonian Code of Hammurabi.
- In India the term was first coined in 1920's.
- Factories Act, 1881 & 1891,1911 were passed showing concern for worker's welfare especially women % children in the first factory acys(Women & Children)
- 1890- Scientific Management concept gave a new direction and the concept of Human Resource Management got more acceptances.
- First World War- 1914 led to Difficult Conditions which in turn led to Industrial Relations and Trade Unionism.
- 1930's- Hawthorne Studies provided another dimension to the Human Relations Approach of Management.
- Royal Commission-1931 which led to the Appointment of Labour Welfare Officers, reiterated the need for Human Resources Approach.
- Factories Act, 1948 made it Compulsory to appoint the Labour Welfare Officers.
- IIPM (K) & NILM (M) – were Personnel and Management Institutes were set up following the Factories Act, 1948.
- Second World War-1939 , Awareness & Expectations
- 1960's- Industrial Relations + Personal Administration became Personnel Management.
- Shift towards professionalism in Mgmt.
- 1970's- A shift from Employee Welfare to Employee Efficiency.
- 1980's- IIPM+ NILM= NILM (National Institute of Labour Management) came into existence.
- 1985- Ministry of HRD,(HRM & HRD)
- 1987- Terms like Role Analysis, Performance Appraisal, Management By Objective (MBO), Career Planning , Work life, Organisation Climate, etc were coined.
- 1990's- Shift to human values & productivity.
- 1995- Cultural Diversity, Team work, Liberalization, Privatization & Globalization.
- 2000- Empowerment of Employees
- 2001- Smart sizing of Organizations.

- 2002- Positive attitude rather than skill & Knowledge
- 2003- From Intelligence Quotient to Emotional Quotient.
- 2006- HRM as core of strategic Management.
- 2007- HCM- Human Capital Management
- 2008- Retention Management
- Strategic HRM is the latest evolution in the field of Human Resource Management.

Human Resource Management VS Personnel Management:-

Human Resource Management	Personnel Management
Broader Concept	Narrower Concept
Focuses on best utilization of HR.(Training & Dev)	Good Employee-Employer Relationship
Pro-Active	Re-active
PM to HRM	Labour Welfare to PM
Modern	Traditional
Responsibility of Line & Staff Managers	Responsibility of Personnel Manager
Integral function of Management	Independent function
8. Strategic Concept	8. Routine Concept
9. Focuses on Acquisition, development, motivation & maintenance.	9. Personal administration, welfare and labour relations.
10. Higher training & development.	10. Lesser training & development.
11. Effectiveness, culture, employee participation, productivity.	11. Production & satisfied employees.
12. Decision Making according to employees, participation, & productivity.	12. Decision Making by Top Mgmt/Rules & Regulations / More administrative / Payroll, Laws, regulations, Record keeping.
13. Nurturing	13. Monitoring.
14. Transformational Leadership	14. Transactional Leadership.
15. Direct Communication	15. Indirect Communication.
16. Facilitation.	16. Negotiation.

17. Selection-Integral task	17. Selection-Separate task
18. Performance related Pay.	18. Job Evaluation.
19. Few Job categories	19. Many Job Categories.
20. Team Work	20. Division of Labour
21. People as assets	21. People as tools.
22. Decentralisation	22. Centralised
23. Bottom up	23. Top-down,
24. Organic	24. Mechanistic

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Strategic Human Resource Management:-

- The word strategy is derived from the word " Strategos" which means to lead. Strategy refers to as a set of plans, policies and programs which help an organisation to move from the present state of affairs to the desired state.
- E.g:- Hero Honda Motors set a goal for themselves to increase the sales of motorcycles by 2 lakh in the coming year. They adopted a dual strategy :
 - Either Reducing Productions
 - Improving Product design
 - Increase fuel efficiency
- Strategy also refers to as a Pattern in a stream of decisions or actions taken by the top level management in order to achieve the long term goal of the organisation.

Strategic Management:-

- The formulation & Implementation of plans for
- Carrying out the activities related to
- Vital, pervasive or continuing importance to Organisation refers to as Strategic Management.

- Sharplin (1985)

Strategic Human Resource Management - Explanation:-

Strategic Human Resource Management refers to as the alignment of Strategic Management principles of long term importance with the Human Resource Practices. SHRM is integrated vertically with Business Strategy and horizontally with one another. SHRM is mainly concerned with thinking ahead and planning to meet the long term needs of the employees and the organisation in terms of Human Resource. SHRM aims to sharpen the Skilled, Committed & well motivated employees to achieve sustained Competitive advantage. SHRM provides a sense of direction even in turbulent environment to address to the needs of the business as well as the individual & collective needs of its employees which are met by development & implementation of coherent & practical HR practices. SHRM deals with developing strategic vision & mission for the manpower requirements of the Organisation and setting the manpower goals and objectives of the Organisation. SHRM is concerned more with creating, implementing and executing a long term strategy for the manpower needs of the Organisation. Implementation is followed with the evaluation and control of the strategy and then taking corrective actions, if needed. SHRM helps in planning about the long term recruitment, selection and training needs of the organisation and formulating the career graphs and plans of the Organisation.

Strategic HRM issues:-

- Employment-
- Flat structures & Multiskills
- Long range HRP or Short Range HRP
- Skill based selection or Aptitude based
- Development
- In house training (On & Off the Job)
- External training
- Performance Appraisal
- Based on behaviour
- Based on results
- Performance based Pay
- Compensation
- Reliance high base salaries

- Infosys Low base salaries
- Fixed package or Flexible
- Long term incentives or Short term incentives
- Equal pay or Discriminated pay
- Industrial Relations
- Infosys prefers Individual negotiation
- L&T collective negotiation(Larson & Turbo)
- Employee participation
- Employee Ownership
- Employee Empowerment
- Work Systems
- Zee Telefilms prefers Job Enrichment
- Bharat Petroleum prefers simplified work
- Wipro prefers job analysis
- Satyam prefers team work
- Organisational Culture
- Multi culture or single culture
- Managing Diversity

Role & Importance of HRM in Tourism industry-

As we all know, tourism is a service based industry where in the product is intangible in nature. So in order to compete and satisfy the end user, it is important to have a well trained Human Resource which can deliver the product with utmost satisfaction. From Hotel Industry to Travel Agencies, every subsidiary of the Tourism Industry is dependent on Person to Person contact. It is because of this very attribute of Heterogeneity and intangibility the role of Human Resource Management and its importance increases manifold. From recruiting to selecting and then training the Human Resource to make them efficient enough to interact with the Tourists and satisfy their needs of Recreation, pleasure, pilgrim etc by providing high standard services which are human contact based and have very less mechanistic substitutes.

Challenges of HRM in Tourism Industry

- **Lack of competent professionals:-** Tourism Industry by and large has been struggling because of the lack of technical and professional employees. Tourism as a separate subject of study has been established very recently, and such very few professionally trained candidates are available in the Job market. This has led to the increase in the employment of untrained workers working in the industry which has led to a decrease in the service quality of the Industry.
- **Lack of Education and training institutions:-** Tourism Education and Training Institutes throughout India are very numbered, and as such very few number of well trained professionals in Hospitality, Travel, Adventure etc are been pumped out in the Job market.
- **Not been able to attract the talented lot to pursue it as a career:-** Tourism in the recent past was not considered an attractive industry and people preferred the Banking and investment sector more in comparison. However after the saturation in these fields and the Global increase in Tourism led to the shift of interests of people into Tourism Industry. Even today, Tourism Industry does not remunerate the employees to the extent they deserve, but it's picking up well especially in the Hospitality sector.
- **Generally low wages, skill shortages (e.g. chefs):-** The Jobs requiring technical skills are in good number available in the Industry but few takers because of low wages.
- **Unsocial hours and shift patterns:-** Tourism Industry is a round the clock, all season activity in major parts of the world which makes the working hours in Tourism Industry not the standard 9am to 5pm Jobs. The employees have to also face night shifts which make the Job a little tedious and demanding in comparison to other sectors.
- **Overrepresentation of women and ethnic minorities in low-level operative positions:-** The women in the Tourism sector usually do not get a good representation at the top level and are restricted to front desk and other operational Jobs making the Industry a male dominated affair.
- **Higher status and more skilled jobs filled by men:-**
- **Undeveloped equal opportunities policies in the sector:-** Tourism Industry as of now still lacks in having a proper administrative and policy framework in place. Career planning is also absent in major subsidiaries of the Industry which often leads to discriminating promotions and opportunities in the Industry.

- **Poor or non-existent career structures and use of casualized seasonal employment;**
- **Over reliance on informal recruitment methods:-** The recruitment process in Tourism Sector is not yet standardized and structured. Recruitment Policy is usually not in place and informal ways of recruiting especially referrals are being followed, thereby increasing the number of non-professional people in the Industry.
- **Lack of evidence of good practice personnel/HRM practices;**
- **Little or no trade union presence;**
- **High levels of labour turnover;**
- **Difficulties in recruitment and retention of employees**

Few more General Challenges in HRM are:-

- Responding to Globalisation.
- Managing Workforce Diversity
- Improving Quality & Productivity of HR.
- Improving Customer Service.
- Updating Skills with Changing Environment.
- Stimulating Innovation & Change
- Coping with Temporariness
- Working with Networked Organisations
- Balance Work-Life Conflict
- Creating a Positive Environment