

## **A Study on HR Practices in Travel and Tourism Industry of Udaipur City**

**\*Dr. Hina Hashmi**

Instructor (Travel & Tourism)  
Centre of Excellence for Tourism Training  
Udaipur, (Rajasthan), India.

### ***ABSTRACT***

Tourism is a service industry and its efficient management and successful operation depends upon the quality of manpower. As the hospitality industry continues to recoup, it needs to focus on its employees and their roles as service providers. In India, the shortage of Effective recruitment and selection of skilled manpower is a major concern for the development of tourism and hospitality industry. The study focuses on the HR practices and importance of effective recruitment in the Udaipur travel and tourism industry. The main objective of the paper is to study the status and the scope of recruitment function in travel industry with focus towards travel agencies.

**Keywords: Tourism, HR practices, Recruitment**

### ***INTRODUCTION***

As the tourism industry continues to grow, an extensive diversification of products is taking place in the industry hence, becoming one of the fastest growing economic sectors in the world. Tourism industry is considered a key for the development of socio-economic progress of a country.

Tourism & Hospitality industry has received rigorous attention of academics, business tycoons and economic analysts because of its growing effect on the GDP of a country (**Uddin, et.al 2008**). It is a dynamic service sector where optimal human resource management is required to ensure professionalism and efficiency in service delivery. Therefore, it is challenging for the hospitality based organizations to recruit and develop potential service providers to provide better services to the domestic and international guests. As impalpable services and products are offered by hospitality industry, effective human resource management, especially recruitment is critical to the success of the stated industry (**Walker, 2004**). Today tourism is one of the most important economic activities in the world as it directly generates services, products, foreign currency, employment and Investments. For many developing countries, hospitality and

tourism is considered to be as one of the biggest revenue generating and employment generating sources for economic development.

Likewise Indian tourism industry offers the potential to utilize natural resources and adds value to the local architectures and environments of many areas. Udaipur, being a tourism hub attracts a large number of tourists every year which not only adds to the economy of the nation but also generates job opportunities in abundance from airlines, hotels, travel agencies, handicrafts and cultural and other tourism-related activities.

In Human Resource Management, recruitment and selection is the first and foremost issue to be considered with sincerity, as its role is to create a positive impression about the employer in job market (**Kazi Huda, Ali Haque Rehnuma Khan 2014**). The observation is that the recruitment process is lagging behind when it comes to hiring of skilled manpower. This happens because of various reasons like Lack of government recruitment and selection policies. The Tourism sector comprises mostly of small and medium sized enterprises where HR practices are not standardized, lack of professional approach is leading to high employee dissatisfaction which reflects a poor image of the tourism sector. The industry-people and government should take the initiative to promote travel, tourism industry amongst all the stakeholders. This paper discusses the importance of human resource in the tourism industry, challenges faced by human resources, the best practices in the tourism industry and remedies for improving the HR practices in the hospitality industry.

### ***REVIEW OF LITERATURE***

In India, the tourism and hospitality industries are witnessing a period of Exponential growth; the world's leading travel and tourism journal, "Conde Nast Traveler", ranked India as the numero uno travel destination in the world in 2007, as against fourth position in 2006. Tourism has now become a significant industry in India, contributing around 5.9 per cent of the Gross Domestic Product (GDP) and providing employment to about 41.8 million people. As per the World Travel & Tourism Council, the tourism industry in India is likely to generate US\$ 121.4 billion of economic activity by 2015 and Hospitality sector has the potential to earn US\$ 24 billion in foreign exchange by 2015.

Labor and skills are a crucial component in the tourism supply chain. Enhancing the quality of service is pivotal in building a region's reputation both domestically and globally, and making it competitive in the

international marketplace. It ensures the tourist comeback and bring others with them' (**Australia Government, 2012**). In spite of having a lot of tourism potential, India's share of global international tourism is relatively small in volume about 0.40% of world tourism.

(**Nagarjuna & Kallarakal, 2014**). The major function of tourism sector depends on the human resources. The quality of human resource is very important for the success of tourism business.

Human resource within an enterprise is seen as the single biggest cost of most hospitality enterprises around the world (**Powell, 1999**). According to **Minchington, (2010)** human resource should be seen as an investment rather than cost because it aims at improving the efficiency within the hospitality industry to achieve economic development within the economy. **Bratton and Gold, (2003)** believes in the importance of human resource development in sustaining a business enterprise. **Minchington (2010)** argues that, the best practices of human resource management issues in the hospitality industry are employment and security, selective hiring, extensive training, performance appraisals, sharing and diffusion of information, incentives, which emphasis on promotion and development. According to **Subash (2015)**, the greatest thrust to tourism will come through human resource development in our country. We have skilled persons to handle this industry right from the level of waiters to executive level, but this sector is not well organized. **Gupta (2013)** says India lacks trained professionals in the tourism and hospitality sectors, reason being lack of specific recruitment policy regarding the recruitment of the specialized people in the industry. In **1982, Rao** conducted a survey of HRD practices in Indian industries. The survey reveals that only 17 out of 53 companies had formal policy focusing on HRD.

Developing more tourism infrastructure—hotels, resorts, transportation, tourist destinations, and other amenities—is not enough to meet the needs of this rapidly expanding industry. The government and private enterprises must invest in tourism and hospitality effective recruitment and selection processes and should lay emphasis on training and development in order to bring out an army of trained Professionals. It's high time to invest in human resources and skills development (**Source: The Hospitality Talent Gap, China Business Review**).

## ***PRESENT SCENARIO***

### ***HR Practice in Private Sector***

In Udaipur, there is a less number of qualified and skilled people working in the travel and tourism industry whether it is a travel agency, hotel or any other tourism related activity.

In the private sector, the business, whether in a hotel or a travel agency, the prime aim is to attract as much customers in order to make ample money. This is the reason why companies invest less on skilled and qualified employees. The qualified employee demands benefits which the employer finds cumbersome in the initial stage of setting up the business. Initially the employer looks for an all-rounder employee who can do all sorts of work and does not demand much of salary. Here the qualification needed is a pleasing personality, command over language and good communication skills. Irrespective of their qualifications all the graduates and undergraduates who don't even have the basic knowledge of tourism become a part of the tourism industry. During the course of the job, with regard to the customer's needs and demands, the employee learns about the industry and its working procedure.

### ***HR Practice in Indian Public Sector***

In the case of the government sector, in most of the cases, instead of pleasing personality and communication skills, the highest number of contacts and the number of gifts given to the authorities become the qualifications to enter into tourism sector. As it is the public sector, the employer is least worried about business, profit and customer satisfaction. What matters is, the salary which the government pays to him/her; whether he/she works or not; what kind of staff he/she hires. Whether it is the private sector or public, the effective means of recruitment and selection are overlooked by the authorities.

### ***Ignorance leads to defame of Indian Tourism Industry.***

Even with such unskilled staff, the business starts to run satisfactorily, customers come and go without much hassle. In between this there may occur a situation where the staff gets stuck with a certain question or demand of the customer. Though they work in the tourism industry, they only have a superficial knowledge of it and are unaware of what the reality is. Apart from satisfying customers, they are even unaware of how

to deal with such critical situations which leads to customer dissatisfaction. Such a state of affairs leads to the defaming of the industry. It is only then that the customer comes to know that no matter how luxurious and presentable the infrastructure and ambience might be, the staff hired is unqualified and untrained. This leaves a negative image in the mind of the customers with regard to not only the particular company or brand but also of the whole tourism sector. Such kind of ignorance may make the whole tourism industry questionable.

#### *Why is there a shortage of skilled manpower?*

The crisis of recruitment of unqualified personnel is that, in later stages, the same less qualified staff and with half cooked knowledge turns out to be the “experienced personnel” of the industry and become a competition for those candidates who are highly qualified but are either less or not experienced at all. In a hypothetical situation where qualification and experience confront each other, the experienced person is first on the preference list as they already know how to work which makes their qualification secondary. Whereas in case of a qualified candidate, the company avoids hiring them because they disregard the concept of training and development, for them it is waste of time and money. If a highly qualified candidate is chosen, they would not be given what they deserve. They have to make do with low salaries, long working hours, undesirable job responsibilities etc.

Hence the skilled and qualified staff is dissatisfied with the job which leads to employee attrition. The employee either switches the company or sometimes changes the field as well because his qualifications are not appreciated and his talents are underutilized at the current job. This leads to shortage of skilled manpower. The industry, when it makes the right selection, makes less or no efforts to retain that selection which leads to a loss. The industry which is known to be the service industry suffers shortage of efficient service providers.

#### **RESEARCH GAP**

The review of previous literatures has revealed that not much research has been done on studying the competencies of professionals in travel and tourism industry of India and especially with regard to Udaipur which is a renowned tourist destination. In majority of the travel agencies we will find employees with

inadequate qualification with regard to tourism. There is a lack of skilled manpower in travel and tourism industry. Many potential employees have switched their field of tourism and many more things are seen which lay a negative impact of the industry. The research seeks to study the present scenario of the tourism industry and also answers why the scenario is like that.

### **OBJECTIVES**

1. To study the HR practices in travel and tourism industry of Udaipur .

### **RESEARCH METHODOLOGY**

#### **RESEARCH DESIGN**

The research design is initially exploratory in nature and will further turn descriptive in nature during the course of research. The study makes use of Primary and secondary sources of data.

#### **SAMPLE DESIGN**

The universe of the study is the current employees of Travel and Tourism industry of Udaipur, The sample size is taken to be 150.

#### **SOURCES OF DATA**

The study utilizes both primary and secondary sources of data. Primary sources of data include a structured questionnaire was circulated among the employees working travel agencies followed by direct interview. Secondary sources of data include extensive literature from books, journals, magazines, newspapers and e-libraries such as JSTOR.

#### **HYPOTHESES**

To accomplish the objectives of study, the following hypotheses have been framed:

1. Majority of the employees currently working in the industry are academically incompetent.
2. There is a lack of efficient recruitment policy in the tourism industry.

### ANALYSIS AND INTERPRETATION OF DATA

The study was conducted on 150 respondents out of which 110 were utilized for the study, the rest being rejected due to insufficient information. The demographic profiling of the respondents was done and the following results were derived using SPSS Software and Content Analysis.

The Statistical tools used in analysis of data were:-

- Percentage.
- Chi-square test.

### RESEARCH FINDINGS

The primary objective of this research paper is to find out the professional competencies of the employees working in the travel and tourism industry. The following description is an outline of the present scenario of the current employees working in the travel and tourism industry.

Gender	79%	Males
	21%	Females
Professional Qualifications	57%	Not Qualified
	43%	Qualified Approx. 30% did diploma after entering into the industry
Information about vacancy	89%	Friends and Folks
	9%	Newspaper
	2%	Online Job Portal
Since how long employee has been working in the organization	9%	More than 5
	15%	4-5 years
	30%	3-4 years
	11%	2-3years

	35%	Less than 2 years
Cost to Company(in thousands)	11%	More than 15
	35%	6-8
	30%	8-10
	15%	10-15
	9%	Less than 6
Working hours	As per the survey generated the working hours varied from 9-14 hours.	
Area of work	It was found in the survey that staff count in majority of the offices is not more than 5, therefore, one single person is responsible for all the work in office except for technical work like VISA formalities and Ticketing for which tourism qualified is hired.	
Whether it is the first job	77%	Yes
	23%	No Out of them 13% are the ones whose earlier job was not related to Tourism.
Acquaintance working	22% said they have acquaintance already employed at their workplace.	
Training Received	79% said they did not receive any training regarding the job.	
Job satisfaction	33% employees are not satisfied with working conditions	
Satisfactory remuneration	69% employees do not find remuneration satisfactory.	

The reliability was tested using Cronbach's alpha and the test result was 0.756. The further data was tested using chi square test. The chi square test value was 12.037 which was significantly higher than the p value. This resulted in the non acceptance of the null hypothesis.

From this we infer Majority of the employees currently working in the industry are academically incompetent and there is a lack of efficient recruitment policy in the tourism industry.

**Analysis of above data has given following findings**



1. The tourism industry lacks people one of the reason for the same is most of who join the industry are simply graduates, undergraduates without having any basic knowledge of tourism.
2. The salary offered by the industry is quite less than salary offered by other service industry.
3. Persons having tourism degree are not getting any advantage of their degree during the promotion in travel and trade industry
4. The industry does not have any specific recruitment policy regarding the recruitment of the specialized people in the industry
5. HRD practices are not standardized in most of the travel trade organization except some big organization.
6. The management is unable to proper utilization of the talent of existing employees; it creates dissatisfaction among the employee.
7. One major finding which came out during the survey which creates a pressure to sales personnel and a important reason for attrition is that as the tour packages (Main product of travel agencies and tour operator) are very costly and it's not easy to attain the sales target in present scenario this decreases the sales volume and affect the business of organization.
8. Once the employee enters in the tourism industry his growth chances are limited within the tourism industry.
9. Most of the travel and trade organization are operated within two or three rooms and the physical work environment is not good.
10. Employees of travel and trade organization have to be in regular contact with clients, hotels, airlines, transport and embassy for various reason, it require lot of traveling and expenses and the pay is not able to recover these expenses.

### ***SUGGESTIONS***

1. 'Employers should not hire candidates by judging only their 'experience' equal importance should be given to 'merit' and also good supervisory and managerial competency'. For instance, a hotel with a good working environment, where people are rewarded and shown profound respected for their skills and given recognition and promotion based on merits, offers a decent compensation package, will easily draw the attention from good candidates.

2. To make tourism industry more attractive in the labor market, the organizational recruitment policies and functions should develop its surrounding to KPIs of recruitment. The hospitality organizations should practice time befitting recruitment process to create positive stimuli for the future workforce due to encourage them to join hospitality industry and by this; more sources of recruitment will definitely be created to balance the HR supply and demand of hospitality work force.
3. The government should take initiatives for the mass recruitment for the ones who are academically competent for tourism industry , as it is tourism which when taken care of keenly can contribute greatly into the economy and if skilled manpower is recruited in the industry it will be an icing on the cake.
4. Corporate Tie-ups is one of the key element of the tourism policy of India 2002; to acknowledge the critical role of the private sector with government acting as proactive facilitator and catalyst; the big corporate have not entered into the tourism field fully and they should be encouraged to enter into this field to manage and develop it professionally.
5. According to a survey report published by FICCI on the Present tourism scenario it was stated that ‘Government of India need to work out in contributing a GDP growth of 6.4% and 7.8% towards employment’ in tourism industry. In order to achieve this universities and institutes need to focus more on faculty establishment who can seriously work for the competent supply of talented young man power with the latest trends and developments in tourism industry.

## **CONCLUSION**

Amongst all the HRM functions, recruitment is the key ingredient that spreads the flavors of good HRM practice of an organization in the labor market, as it is responsible for advocacy of an organization. Effective recruitment will minimize cost, source quality incumbents and save time.

India has a pool of ‘skilled’ hospitality people, but unfortunately there is no proper channel through which the skilled people to come into action. Searching is not a problem as there is ample amount of HRs in India, but the key point is attracting talents and training them is challenging. Attracting people towards an organization is very easy, all is required a proper practice to admit an employee into it. There lies the challenge that many industry players are not willing to spend money in achieving the Key Performance Indicators(KPIs) of recruitment, as they consider it as costly and time-consuming investment. As more and

more players are coming into game day by day, there is a great need to focus on ‘skill development’ but the hospitality training schools that have become ‘commercialized’ are failing to provide a good foundation of required hospitality skills especially in the human resource management side.

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