



## A Study of Select Human Resource Practices in FHRAI Listed Hotels in Jharkhand (India)

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### ABSTRACT:

The Hotel Industry in Jharkhand has got enormous potential to attract skilled and trained manpower, but there is a huge gap between the supply and demand sides which are raising some serious questions regarding the sustainability of the industry. The modest advantage of organizations in the hotel industry is their human resource practices. The aim of the authors in this article is to study the select human resources practices in FHRAI listed hotels in Jharkhand (India). We will study the practices of hotels in two main selected areas of human resource management, namely: compensation management and performance appraisal. However, the hotels in Jharkhand find their ways in terms of human resource practices and there has been less attention given to the development of human resource practices. Therefore, the implementation and development of human resource practices mostly depend on the individual hotel general manager or the hotel operator and available financial incomes. Human resource practices help the organization to aim high in terms of organizational outcomes. This study will help to identify and understand the select human resource practices adopted in the hotel industry with specific reference to FHRAI listed hotels in Jharkhand (India).

**KEYWORDS:** Human resource select practices, compensation management, performance appraisal, training & development, FHRAI listed hotels, Jharkhand

### INTRODUCTION

Hospitality is a rapidly expanding industry worldwide, and it is expected to remain a leading contributor to the global economy by generating desired foreign exchange reserves and simultaneously creating employment opportunities (Akanksha Pal, 2021, p. 1). The development of human resources (HR) remains the most crucial and significant factor for the success of the hospitality industry regardless of the country (Anuradha Mitra, 2020, p. 118). It is a challenge for the hotel business to implement the HR practices as employees every so often resist changes and usually like to continue with the traditional human resource practices.

Jharkhand as a state has many cultural heritages and is having great natural beauty with flora and fauna. It is a state which is surrounded by the lush green forest, wildlife, waterfalls, handicraft, folk dances, music, water bodies, and simple peace-loving people. Jharkhand is blessed with biodiversity, pleasant climate, cultural and historical heritage, religious places, which make it a unique and preferred tourist destination. Tourism has grown leaps and bounds in Jharkhand in recent years and the government has also worked towards the improvement of infrastructural facilities, improvement in tourist locations, development of new tourist sites, and launch of new hotels and restaurants for the comfort of the tourist.

The most important aspect of organizational performance is human resource practices. Employees are considered to be an asset for any organization and therefore they are always considered as the source of competitive advantage. To deal with these current challenges, the capability and skills of an organization's employees have gradually become vital for its better performance (Oday Hussein Ali, 2021). Many researchers have found that now organizations are giving utmost priority to human resource practices since it has a direct impact on organization success. There are certain constraints like budget and also the lack of clear thought process in understanding the role of human resources, very few organizations have been successful in establishing an independent human resource department. Earlier the scale of economics, access of capital, and the regulation of the competition were part of strategic organization plans, but now HR is treated as a source of competitive advantage, and human capital is very difficult to emulate or not be easily acquired (Peter A. Bamberger, 2014). In Jharkhand, HR practice was not taken seriously till recently. Despite enough proof, many hotels at Jharkhand have not readily accepted and implemented HR practices, which are required for high organizational performance. To make them more efficient, many hotels have started to treat HR as a separate entity to accept the challenges posed by globalization. However, the acceptance of HR practices is still in its initial phase in the hotels of Jharkhand. Besides cost-cutting, improving the quality of their products, and increasing product functionality, HR practices are an absolute necessity to gain a competitive advantage. It is rather easier to imitate the process or methods of guest satisfaction, technology, and strategic plans of the business, but the human resource is something that needs immaculate planning with proper implementation. As organizations are experiencing gigantic transformations in the demands for products and utilities they provide, there is a need to

change the way they do business to improve the product as well as service quality to meet the organizational goals and it is the human capital of the organization to play a key role in this. Thus, there is a new significance on the human factors correlated with organizational goals and performance.

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## OBJECTIVES OF THE STUDY

The aim of the authors in this article is to study the HR practices in five FHARAI listed hotels concerning Jharkhand; specifically, study the practices in two selected areas of human resource management which is including Compensation Management & Performance Appraisal.

1. To study the select human resource practices prevailing in the hotel industry of Jharkhand.

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## REVIEW OF LITERATURE

A Review of Literature is a body of text that aims to review the critical points of current knowledge on a particular topic. Most often associated with research, the ultimate goal of the literature review is to bring the reader up to date with current literature on a topic and forms the basis for another goal, such as future research that may be needed in the area. At the outset, it would be fruitful to review the available existing literature in the area of Human Resource Management, which is directed to identify and eventually improve certain key areas of HR Practices. The following literature was reviewed for the proposed study.

### *Human Resource Development*

Human resource development is multidisciplinary encompassing enormous extents of practice and knowledge. Human resource development derives theories from diverse disciplines in evolving as a distinct area of research and study. In the course of its evolution, Human resource development integrated with the economic, system, and psychological theories in offering new dimensions to the theoretical underpinnings (R.A, 2001).

Armstrong defines (Stephen, 2014) 'Human Resource Management' as, "a strategic and coherent approach to the management of an organization's most valued assets the people working there whom individually and collectively contribute to the achievement of its objectives."

(Tracey, 2010) examined the human resource practices and related issues regarding the hospitality industry, he also included other industries in their studies such as the health care and retail industry that comes across the same issues. The study investigated issues like low remuneration, high labor turnover, and protracted operating hours. Data were collected from twenty-one companies, comprising three chain hotels, one foodservice industry, and the health care and retail industry. The results of the study acknowledged, compensation programs that mirror values and relations remuneration to performance, innovative methods of attracting, selecting, and retention of competent and loyal employees, and flexible schedules in meeting the needs of a self-motivated workforce as human resource practices on these organizations. The finding further revealed that most of these human resource practices offer considerable benefits and are less costly.

(Mohamed, 2014) studied human resource management practices concerning the tourism and hotel industry. The main purpose of this study was to examine the factors and indicators contributing to the suitable and unsuitable practices of human resources regarding understanding the challenges of human resource practices. The study emphasized factors- internal and external, strategy, and past practice of HRM. The study suggests the scope of opportunities for human resource building exercise and best work-life to enhance the competencies which promote the organization's performance. The researcher underlined the need to consider other human-resource-related issues specifically related to employee-employer relationships, self-competence for employees, and skill enhancement which has a positive impact on the perceived organizational performance.

(Hosany, 2015) The purpose of the study was to examine the role of human resource development, its importance, and outcomes concerning line managers in the Mauritian hotel industry. The data were collected from 135 hotel line managers through detailed interviews. The outcomes of the study direct that human resource development is very much related to improvements in operational competence, enhancements in service quality, organizational outcome, and knowledge sharing. The study further specified that the occurrence of a need-driven approach to HRD and the link between HRD and corporate strategy is not clear.

### *Compensation Management*

Compensation Management performs an important role in any organizational performance. Service industries are more dependent on human resources to provide quality services to guests. Consequently, Human resource practices are of utmost importance. Appropriately formulated pay systems motivate the employee to perform with total devotion and are considered to be the main component of any employer-employee long-term relationship, which directly affect the brand image of the organization. (Wah, 2000), (Bloom, 1996).

### *Performance Appraisal*

The performance appraisal arrangement is a crucial element for hotel operations. To instrument a performance appraisal effectively, some aspects are needed to be taken into account (Anderson, 1993). The first step is to ensure transparency, in which both appraisers and appraisees are required to participate. Even through appraisal interviews a two-way communication process that helps in understanding employees' strengths and weaknesses, which can further help to recognize the best performers and motivate average employees. The benefit of such methodology is being easily understood and well accepted (Armstrong, 1993).

## RESEARCH METHODOLOGY

We adopted an exploratory design in exploring the select human resource practices prevailing in FHRAI listed hotels at Jharkhand. The Primary Data was collected through a questionnaire and the Secondary Data has been collected with the help of journals, magazines, books, and the internet. Due to the pandemic, the questionnaire was formulated in the google form and online circulated among hoteliers at Jharkhand for data collection. Five Hotels were selected for data collection. The Likert scale was used in the survey questionnaire with closed-ended questions. We used a stratified sampling technique. The recorded and tabulated data has been presented in pie charts and tables for better understanding and portrayal.

## RESULTS

To complete the survey, a questionnaire was prepared to keep in mind the objectives, in total there were 100 respondents. The respondents were from all the departments of hotels.

### Select Human resource Practices: -

- Compensation Management
- Performance Appraisal

### Indicators -

- Compensation Management- Salary and Wages, Variable Pay, Benefits and Rewards and recognition
- Performance Appraisal-Defined goal, Feedback System, Self-Evaluation, Rewards, Career improvement plan

Department  
100 responses

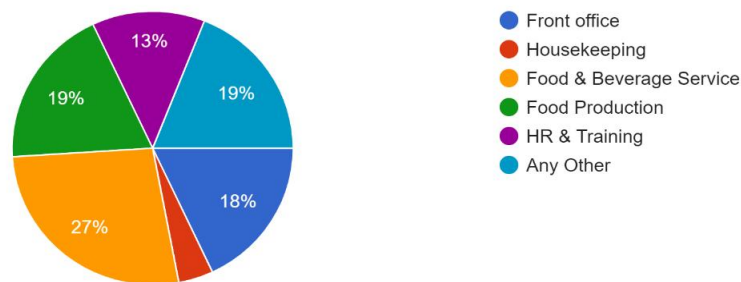


Figure-1

This represents that the respondents participated from all the departments. This will help us to understand the prevailing human resource practices in a broader aspect. The detail of respondent's department wise is as follow as (out of 100)-

Department	Number of Respondents
Front office	18
Housekeeping	04
Food & Beverage Service	27
Food Production	19
HR & Training	13
Any other	19

In this question, the respondents were asked about their belonging department. In the following survey done, 18% i.e., 18 were from Front office department, 04% i.e., 04 from Housekeeping Department, 27% i.e., 27 from Food and Beverage Service Department, 19% i.e., 19 from Food Production Department, 13% i.e., 13 from HR & Training Department and 19% i.e., from any other department like purchase, finance, security, etc.

*Select Human Resource Practices*

*Compensation Management*

Compensation is linked to employee's performance.

100 responses

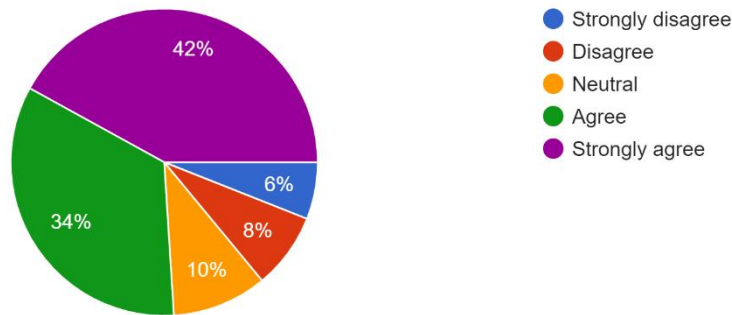


Figure-2

Level of Agreement	Number of Respondents
Strongly disagree	06
Disagree	08
Neutral	10
Agree	34
Strongly agree	42

In this question, the respondents were asked whether the “Compensation is linked to employee's performance.” In the following survey done 42% i.e.,42 and 34% i.e.,34respondents “strongly agreed” and “agreed” to the statement respectively. 10% i.e.,10 people had the “neutral” opinion regarding the statement whereas 08% i.e.,08 respondents & 06% i.e., 6 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 76 respondents agreed that compensation is linked to employee's performancein their organization.

(Adler, 2011) conclude in their research that compensation management has a positive influence on employee behavior which potentially affects the organizational outcome or productivity. Compensation also draws and inculcates great place to work feeling among employees. The hotel industry demonstrates a level of diplomacy and professional expertise towards designing and implementing the compensation structure. In most of the hotels, the level of satisfaction reflects among the employees linked to the status of compensation management practices.

Compensation is based on the expertise of employees.

100 responses

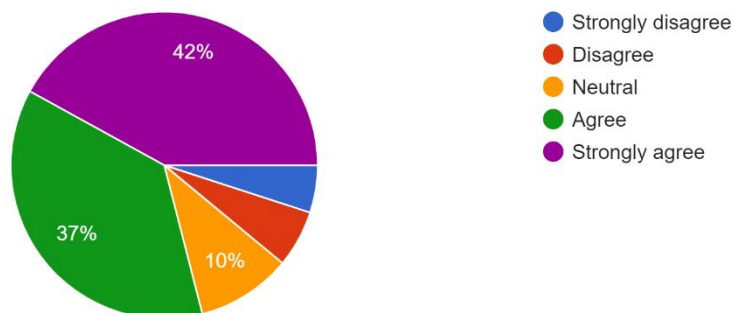


Figure-3

Level of Agreement	Number of Respondents
Strongly disagree	05
Disagree	06
Neutral	10
Agree	37
Strongly agree	42

In this question, the respondents were asked whether the “Compensation is based on the expertise of employees.” In the following survey done 42% i.e., 42 and 37% i.e., 37 respondents “strongly agreed” and “agreed” to the statement respectively. 10% i.e., 10 people had the “neutral” opinion regarding the statement whereas 06% i.e., 06 respondents & 05% i.e., 5 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 79 respondents agreed that compensation is based on the expertise of employees in their organization.

(Wayan Wahyu Wiadnyana, 2019) studied compensation management and indicated that this variable has a significant impact on the employee’s performance of the hotel. Employee’s performance is the outcome of an employee’s work performance while they are performing their duties and responsibilities. Hotel employees’ performance level is influenced by many indicators such as compensation management and work-life balance. The compensation has an influential effect on work because with proper compensation management an employee feels rewarded for his/her work. The motivation level also increases up to the level where the employee gets into the culture of OBC.

Organization provide EPF (Employees' Provident Fund) as applicable.

100 responses

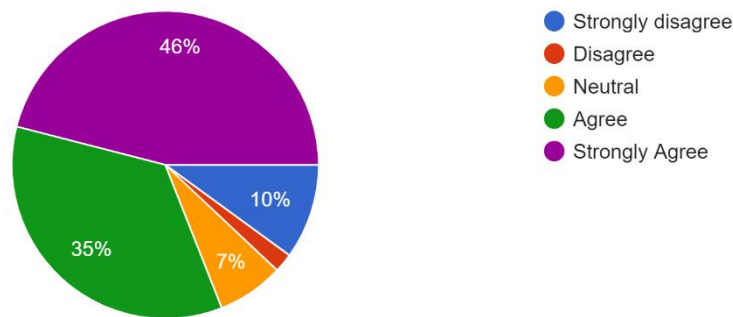


Figure-4

Level of Agreement	Number of Respondents
Strongly disagree	10
Disagree	02
Neutral	07
Agree	35
Strongly agree	46

In this question, the respondents were asked whether the “Organization provide EPF (Employees' Provident Fund) as applicable.” In the following survey done 46% i.e., 46 and 35% i.e., 35 respondents “strongly agreed” and “agreed” to the statement respectively. 07% i.e., 07 people had the “neutral” opinion regarding the statement whereas 02% i.e., 02 respondents & 010% i.e., 10 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 81 respondents agreed that Compensation is based on the expertise of employees in their organization.

The Employee Provident Fund (EPF) is a retirement benefit in which employees of an organization contribute a small portion of their basic pay monthly. In the same line, the employer also contributes a similar amount on their behalf towards the scheme. (Vishnu, 2021). The employee feels socially secured when he/she is provided with an EPF facility at the working place, which also creates ownership towards the organization. The employee will be motivated since he/she understands that he will get a lump sum amount after retirement which will fulfill the need of the family.

**Performance Appraisal**

Performance appraisal system is clearly defined in the organization.

100 responses

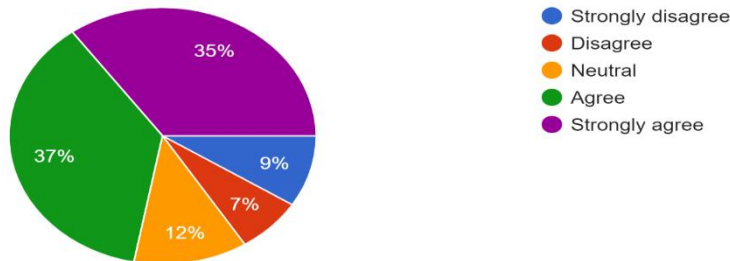


Figure-5

Level of Agreement	Number of Respondents
Strongly disagree	09
Disagree	07
Neutral	12
Agree	37
Strongly agree	35

In this question, the respondents were asked whether the “Performance appraisal system is clearly defined in the organization.” In the following survey done 35% i.e., 35 and 37% i.e., 37 respondents “strongly agreed” and “agreed” to the statement respectively. 12% i.e., 12 people had the “neutral” opinion regarding the statement whereas 07% i.e., 07 respondents & 09% i.e., 09 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 72 respondents agreed that the performance appraisal system is clearly defined in their organization.

(Al-Tawil, 2020) studied in their research hospitality employee’s work and rewards practices. Their study has indicated that a performance appraisal system has a positive impact on the employee’s performance which directly leads to perceived organizational performance.

The promotions are based on Appraisal System.

100 responses

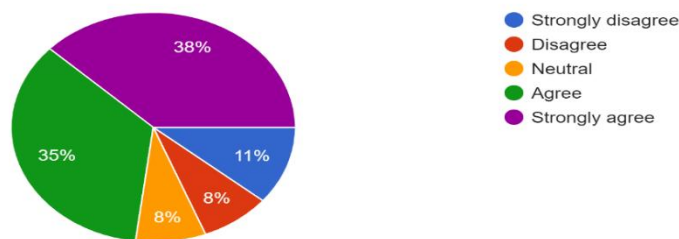


Figure-6

Level of Agreement	Number of Respondents
Strongly disagree	11
Disagree	08
Neutral	08
Agree	35
Strongly agree	38

In this question, the respondents were asked whether the “The promotions are based on Appraisal System.” In the following survey done 38% i.e., 38 and 35% i.e., 35 respondents “strongly agreed” and “agreed” to the statement respectively. 08% i.e., 08 people had the “neutral” opinion regarding the

statement whereas 08% i.e., 08 respondents & 11% i.e., 11 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 73 respondents agreed that the promotions are based on Appraisal System in their organization.

(Ranga, 2018) also concluded that hotels need to emphasize more on performance appraisal practices to achieve organizational success.

#### Performance appraisal system is transparent.

100 responses

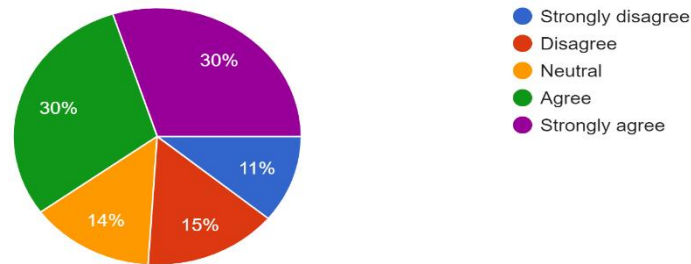


Figure-7

Level of Agreement	Number of Respondents
Strongly disagree	11
Disagree	15
Neutral	14
Agree	30
Strongly agree	30

In this question, the respondents were asked whether the “Performance appraisal system is transparent.” In the following survey done 30% i.e., 30 and 30% i.e., 30 respondents “strongly agreed” and “agreed” to the statement respectively. 14% i.e., 14 people had the “neutral” opinion regarding the statement whereas 15% i.e., 15 respondents & 11% i.e., 11 respondents “disagreed” and “strongly disagreed” with the statement respectively. In Total 60 respondents agreed that the performance appraisal system is transparent. in their organization.

## CONCLUSION

It can be concluded that few hotels have not articulated the formal policies to implement human resource practices concerning compensation management and performance appraisal system. This study will create awareness among the hotels situated at Jharkhand and they will understand the need and importance of HRM practices. It can help persuade both organizations and academics to reassess the importance of HRM practices. These responses indicate the gap prevailing regarding the implementation of human resource practices in the FHRAI listed hotels at Jharkhand.

## SUGGESTIONS

Human resource practices are worldwide principles that help improve and upscale hotels and take the business to the next level. Hotel Industry at Jharkhand has immense potential like any other established business. Every hotel has to understand the need and importance of human resource practices. Although every organization is different and how its own unique need, but there are select HR practices such as compensation management and performance appraisal system that should be implemented to become the profit earning business and best place to work for the employees. To encourage trust among the hotel employees towards management, it is very important to implement human resource practices and it has a direct impact on hotels with special reference to Jharkhand. Human resource practices comprise employee satisfaction, low attrition, optimum guest satisfaction, and a positive impact on high margin profit. In brief, A human resource department’s key goal is to instrument a variety of functions that are purposefully designed to both attract and maintain operative human resources. (Committee, 2015)

## LIMITATIONS

As any research is subject to a selective sample study, there is always scope for some differences in the results with a different test group or audience. As the sample studied will be from selective hotels wherever the Human resource department exists as an independent department, it goes to stand that the conclusion may differ in other workgroups or audiences. Therefore, the outcome or interpretations of this study may not be duplicable outside of the

reference framework selected.

This would also include demographic variables and their behavior in comparison

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## DIRECTIONS FOR FUTURE RESEARCH

Although this study will be successful in showing that still there is scope for organizations to implement formal HRM practices, it does have limitations. First, the study was conducted in Jharkhand and was limited to FHRAI listed Hotels only. And so, the conclusions are only representative of that context. Those who intend to do further research on the topic should include other FHRAI listed hotels also. In addition, it would be beneficial to research industries other than hospitality such as manufacturing, service, and airline, as well as specific industries such as FMCG, automotive, and electronics.

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