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**A study on Relationship between Human Resource Development Climate and  
Organizational performance in Hotel industry: In special reference to Meerut city  
(U.P), India**

**Prof. (Dr.) D.C. Agrawal<sup>1</sup>, Parul Marwah<sup>2</sup>**

<sup>1</sup>Dean, <sup>2</sup> Research Scholar, Faculty of Commerce & Business Studies  
Motherhood University, Roorkee  
Dist. Haridwar, Uttarakhand

### **Abstract**

*In last four decades, one of the most important factors of consideration in front of any organization is the sustainable level of employee satisfaction. In earlier time, the role of retention was not popular for corporate houses as they were focusing on new employees and the rate of attrition was also high with departments but with changing market scenario and dynamic competitive environment, retention of employees become need of hour for the corporate houses. The role of Human Resource Department has witnessed huge transformation (in passage of time) with smooth shift from recruitment and selection procedures to implementation of HR Development practices and correct structuring of employees with accurate conciseness for overall progress of the corporate house and streamlined business returns with smooth internal functioning. A large number of organizations are exercising the developmental practices in their internal management activities to increase the overall internal functioning and concerned output level. The paper is designed to understand the relationship between effective Human Resource Development practices and organizational growth in terms of its performance*

**Keywords:** Human Resource department, employees, organizational growth.

### **Introduction**

Human Resource Development is a composition of several mutually dependent sub systems or structural parts including Development, Procurement, Potential and Performance Appraisal. If there is change in any one sub system than the impact of that change or alteration can be clearly witnessed on the other sub systems also. The sub systems working under the

umbrella of Human Resource Development are continuous in nature and they are for a perpetual succession. The primary functional objective of HRD is to develop competencies (Knowledge, Skills and Abilities) at four core levels including Individual level (by making the personnel aware about their role and expected result areas), dyadic level (creating robust relationship between employer and employee), group level (collaboration in inter group relationship by task group and internal committees) and organizational level (development of self renewing mechanism through which the automated absorption zone can be created through which external shocks can be prevented).

Through the involvement of HRD practices in organizational activity, the focus can be generated to improve the current capabilities of employees and prepare them for upcoming changes with controlled level of resistance. The objective behind the practice is to ensure nurturing at all the levels prevailing in the organization.

It is imperative for the firms to equip their manpower by providing developmental sessions and opportunities and positive working climate. Human Resources department encompass major focus on treating human as assets and their sustainability while Human Resource Development is ensuring the development of employees at each sphere including nurturing their capability by performing SWOT and identifying the areas for improvement, open communication channels for effective functioning, encouraging experimental validation by self, Flexible learning environment through which mutual benefit can be assured.

Organizations with effective HRD practices incorporate in their system have more positive reception towards new arrangements and additional alternative changes in the systems. With committed professional team behind implementing HRD system in the organization, the results can be seen in the form of higher retention level, commitment level, psychological and structural satisfaction level and controlled grudges and grievances level. Development is essential at all levels including lower and controlled routine job level so that the resistance level towards the changes can be eradicated. HRD can be exercised by introduction of mentoring sessions and coaching sessions at levels through which the individual performance can be fostered and initiated for better results.

**Literature Review:**a. **HRD:**

*In (1975) Pareek Udai & Rao, T V* designed the first ever HRD department which focus on competency, commitment and culture building. In 2012, they discover that HRD should be separated from the OD where HRD can be implemented as an OD intervention.

*In (1987) Patricia A. Mc Lagan (CEO of Mc Lagan International) defined* “HRD as the integrated use of training and development, career development and organizational development to improve individual, group and organizational effectiveness”. In year 1989 *Patricia A. Mc Lagan said that ‘HRD is inclusive of a broader term under which with training and development in organization, responsiveness and relevance of HRD are also identified’*. In year 2001 *Mc Lagan had identified nine important roles which an HRD professional needs to perform. Through channeled implementation of these nine roles, human ethics and morality can be represented at the correct position.*

Through the understanding made by *Mc Lean and Mc Lean* in year 2001 it was said that Human Resource Development is comprised of any activity/process in time tenure (either initial period of time or in longer tenure of time period) which is successfully leading to evolve individuals job related knowledge, productivity, expertise and satisfaction, which may be an individual level gain, team level gain, corporate level gain, community level gain, nation level gain or a gain to the ultimate human mankind creating harmony at all levels with sustainable growth and opportunity perspective.

**Ciara Nolan (2002)** stated that small budget organizations tends to favor informal training and development sessions which are directly in consistence with the current operations and activities of the system Under the study conducted by Nolan in Ireland, it was found that the HRD activities are implemented in the organization exclusively at the time of emergence of any contingent work related issue. HRD activities are not practiced in organizations on a regular basis for long term development of the employees of the organizations and HRD activities are practiced in only those organizations in which the owners or management have direct interest in

human resource development activities and practices. HRD will form its place with relevance when correlated connection between HR operations and organizational success can be formulated.

**In year 2006, Dr Patel** had published a book under which it was mentioned that the service industry have less execution of HRD practices and human resource management procedures are more influential in operational activities and events in the hotel industry.

**In 2007, Planning Commission (GOI)** had also felt the need for efficient implementation of human resources in service sectors (Tourism Industry) and in respect to incorporate the HR Practices, the Government had added the key strategic objective under Eleventh Five Year Plan in 2007 -12 plan been issued under the umbrella named 'Developing Human Resources and Capacity Building of Service Providers'

**In 2010, Dr Verma** have contributed his research work in book entitled 'Hotel Management and Tourism' under which he has stated that servqual model is essential for measuring the service quality in hotel industry. It is seen through the study that the servqual model will lead to provide correct evaluation of the quality of services in the hotel industry which in turn will explore the untapped reasons through which the services can be maintained at desired level and improved swiftly for further up-gradations.

**In 2012, Mr Mahesh Verma** have published his contribution in research through publishing a book titled 'Research process in hospital and Tourism' under which it was stated that the research process should be systematically designed for the tourism industry to understand the insights of the operational efficiencies and events and to protect the system from any malfunctions. At the same time, Government of India should also take systematized steps to understand the needs of the human resources in various departments through commencing a committee consisting of HRD and Tourism professionals (Banerjee A. 2014).

**In 2015, Dr Vaskar Sengupta** states that the biggest challenge in front of the society is to understand the ways through which the KSA (Knowledge, Skills and Abilities) skill set is to be nurtured through which the excellence in the hospitality industry can be maintained. Hospitality

industry (including hotel industry) is based on the competence level and with sharpened skills set the up-gradations in the hospitality systems and procedures can be effectively implemented.

**b. Hotel Industry:**

Hotel Industry has shown many ups and downs since inception. It is a growing sector with turnover of multi billion dollars every financial year. Hotel Industry is comprised of diverse job profiles and employees are engaged in multiple operational activities which are non routine, dynamic and challenging jobs are involved on a regular basis. Total Quality Management is the basic fundamental mantra of the organizations dealing in hotel business and Kaizen approach is practiced to deliver the standardized services to the customers and attract prospective customers with positive review gained through offline and online mode.

Traditionally, with Greeks developing thermal bath system in villages for recuperation and rest, Romans introducing the mansions and monasteries for providing proper accommodation to government officials, the primitive version of hotel has emerged. In fifteenth century, the Government of France required the rest rooms to be legally registered and nearly in the same span, English Government also introduced new rules in respect to the inns and rooms. With the Industrial Revolution started in 1760's, construction of the hotel had started at a higher level.

In year 1974, the real transformation in the business of the hotel industry was witnessed with the inception of the 'City Hotel' in New York, U.S.A. This was the first hotel been created for the merchantable purpose. It was the first time that the high investment patterns and professional approach was incorporated in the hotel. In nutshell, this was regarded as the stepping stone of the hotel industry which is now one of the most prominent industries in worldwide scenario.

In India, the concept of 'Dak Bungalows' and 'Saraiye Khanas' has been initiated for providing reliable accommodation for travelers. Asian countries have also witnessed the concept of La Carte menu system and separate rooms for luggage with advanced physical facilities for the travelers. Indian Hotel Industry has been boosted with the introduction of the Asian Games in the year 1982. Further, increased rate of advancement in the industry has been witnessed through economic reforms.

Today in 21<sup>st</sup> Century, India is having the presence of all big brands with elegance, luxury and royalty associated with them. These hotels are not only providing accommodations to their customers but are facilitating themselves as the tourist destinations where customers are stepping in to check the infrastructure and the facilities associated with them.

In year 2012, Dr I.J Dagar have published his contributory work under which it was found that the hotel industry is currently small or medium sized in India and for successful implementation of the HRD practices it is highly essential that the professional knowledge is imparted with consistency. It was said that the Hotel Industry should concentrate on more specialization curricular aspects so that multidimensional HR concepts can be implemented and Indian tourism industry can be boosted at higher rate.

According to World Travel and Tourism Council Report (2016), India will register the probable growth rate of 7.5% outpacing China (7%) in-between the time tenure of 2016-2026. The report states that India will be among the fastest growing G20 countries for total travel and tourism GDP growth by 2026 and India will be boosted from 12<sup>th</sup> position (2015) to 7<sup>th</sup> position by 2026 making it the proud member of top ten travel and tourism economies. This noticeable move of India will place it among the top notch players in tourism industry in global league.

Hotel Industry in the state of Uttar Pradesh (UP) has been regarded as a non priority sector with regards to the economic planning in the early years but with the changing scenario of the political, economical, social and technological interfaces the tourism industry have undergone a major shift (Planning Commission Development Report – Uttar Pradesh).

Meerut is one of the ancient cities of Uttar Pradesh which have derived its name from Sanskrit word 'Mayarashtra' (The capital kingdom of Mayasura). Meerut is comprised of a flourished hotel industry comprised of total 64 hotels in total where individual hotels and chain hotels are prevailing. Big groups' including Godwin Group, Carlson Group, Tg Stays and Up Tourism is showing its remarkable presence in the city of Meerut.

According to Uttar Pradesh Tourism Department (2010), Meerut has shown the fastest rise in the proportion of foreign tourist inflow in the entire state. According to Development Commission of

U.P. (2016), the statistical data from year 2010 to 2015 clearly depicts the rise in the number of foreign tourist to Meerut city with a jump of whopping 173% (in contrast to 30% at state level).

### **Objective of the Study:**

The major objective taken into consideration for the research included:

1. To understand the HRD Practices evolved in hotel industry of Meerut city
2. To assess the organizational HRD practices followed by the organization including HRD Climate and employee performance
3. To study the level of association between HRD practices and performance of the employees and the factors that plays crucial role in determining the sustainable productivity of the employees in the organization.

### **Research Methodology and Hypothesis:**

Employees from selected hotels of Meerut city were chosen for the study. The research is based on problem identification perspective under which a sample size of 91 was targeted from managerial and supervisory level. After filling of questionnaire and eradication of improper filled questionnaires total 63 samples collected were finally included in the study. The sample was collected through the usage of observation method and random convenient sampling method under which the hotels of with easy reach ability were taken into consideration. The study has been conducted with the Likert Scale under which five dimensions to judge the parameters were used i.e. 5 for strongly agree to 1 for strongly disagree. The primary data collected from the respondents has been processed with the help of MS Excel software and SPSS tools.

To create proper understanding about HRD concept, standardized research questionnaire developed by Rao and Abraham in year 1990 at Center of HRD, XLRI, Jamshedpur was used (which is taken from the book 'HR Missionary') and total 38 elements were taken into consideration, which are further classified under three sections namely General climate, HRD Mechanism and OCTAPAC (Openness, Confrontation, Trust, Autonomy, Pro-activity, Authenticity and Collaboration) Culture. The composite score of all 38 elements are summed and if the composite scale exceeds the scale limit of 152, then it will be in acceptable state. The questionnaire chosen for the study has not been altered in any manner to maintain the

authenticity and reliability of the information collected. For checking the reliability of the data, Cronbach Alpha is used.

### Hypothesis:

H<sub>0</sub>: There is no significant relationship existing between Human Resource Development Practices and performance of the employees.

H<sub>1</sub>: There is no significant impact of different Human Resource Development components on performance of the employees

### Data Analysis and Interpretation:

To understand the relationship between HRD climate prevailing in the organization and employee performance in Hotel Industry, the sample of 5 major hotels were taken into consideration. The result of the analysis on the basis of HRD climate on certain dimensions can be exhibited from the table I with N= 63:

Category	Mean	Standard Deviation	Decision
General HRD Climate	3.59	0.17	Processing Agreed
HRD Mechanism	3.53	0.15	Processing Agreed
OCTAPAC	3.39	0.18	Processing Agreed
Overall HRD Climate	3.50	0.96	Processing Agreed

It can be seen through the study that the mean score of 3.50 clearly shows that the three dimensions have overall moderate tendency. With the standard deviation of 0.96 it can be stated that the HRD climate of the sample organizations is mediocre and there is high scope of improvement at many spheres of operational functions.

The categorization of the data collected can be divided into following major categories:

- a. Training Effectiveness
- b. Administrative Capacities
- c. Style of Leadership
- d. Counselor attitude

**Reliability Analysis:** To check that whether the data is suitable for further study (with effectiveness) Cronbach Alpha Analysis score is implemented with the calculation under Table II:

HRD Climate	Cronbach Alpha Score
General Climate (Including 9 Items)	0.82542671
HRD Mechanism (Including 9 Items)	0.79353426
OCTAPAC (Including 20 Items)	0.81835495

As it can be depicted from the study that the data is showing high internal consistency therefore the data is suitable for further study and the items taken into consideration for the study are authenticated for further categorization to be used for the purpose of research.

With correct assessment of the overall items of consideration, the tendency of the data has been analyzed in reference to all 38 items been divided into three major categories. Table III categorically represents the data:

S. No	Items of HRD Climate	Mean	Standard Deviation	Variance	Group Variance	Skewness	Kurtosis
1	Top Management ensures that employees enjoy their work	3.968	0.54	0.87	1.20	-0.675	0.265
2	Top Management believes HR to be extremely important	3.793	0.74	1.20		-1.021	0.751
3	Development of subordinators are seen as important part by managers and officers	3.428	0.89	1.44		-0.490	-0.660
4	Personnel policy of organization facilitate employee development	3.793	0.76	1.23		-0.747	0.049
5	Top Management is willing to invest time to ensure employee development	3.387	0.81	1.32		-0.148	-0.791
6	Organizational future plans are forwarded to juniors well advanced	3.539	0.50	0.80		0.086	-0.716
7	People reporting less competence are pushed rather than left on their own	3.396	0.67	1.80		0.107	-1.138

8		Managers believes that employees can be developed and changed	3.746	0.66	1.06		-0.467	-0.496
9		Organizational Psychological climate is highly conducive for employees which looks for acquiring new knowledge and skills	3.301	0.91	1.47		-0.217	-0.865
10	HRD Mechanism Items	Top Management makes efforts to utilize employee potential	3.317	0.60	0.96	1.28	-0.156	-0.300
11		Promotion is based on characteristics of employee and not on favors	3.523	0.88	1.41		-0.415	-0.633
12		Proper mechanism is set by organization for reward of excellence in work	3.841	0.60	0.97		-0.398	-0.414
13		Supervisor takes extra efforts in appreciating employee on good work	3.523	0.80	1.29		-0.541	-0.311
14		Objective assessment is the basis of performance appraisal	3.349	1.01	1.62		-0.354	-0.960
15		Employee weakness is discussed by the management without any threatening	3.412	0.85	1.38		-0.186	-0.889
16		Information, Feelings and thoughts are openly shared by the employees	3.650	0.86	1.39		-0.800	-0.037
17		Proper employee welfare leads to save huge amount of employee energy	3.476	0.80	1.29		-0.282	-0.643
18		Employee development is facilitated by Job rotation	3.761	0.67	1.09		-0.558	-0.091
19		Employees are highly supportive by nature	3.285	0.83	1.34		1.48	-0.588
20	Employee share their professional and personal problems both with the supervisor	3.238	0.99	1.60	-0.220	-0.922		
21	Senior coaches the juniors for future responsibilities	3.015	0.97	1.56	-0.082	-0.962		
22	Employees don't have any fixed mental status for their professional counterparts	3.317	0.90	1.45	-0.243	-0.997		
23	New creative methods are encourages from employees	3.603	0.87	1.40	-0.735	-0.190		

24	Mistake made by any employee is taken seriously by management with objective of non repetition of the mistake in future and make employee encouraged for further activities	3.603	0.83	1.34		-0.582	-0.311
25	Behavior related feedback is taken seriously by the employees and necessary action plan is made	3.571	0.73	1.18		-0.305	-0.599
26	Employees makes efforts to understand their strengths and weaknesses	3.190	0.90	1.45		-0.265	-0.728
27	Training programs are prepared for employee development and is taken seriously by employees for their future growth	3.587	0.93	1.50		-0.723	-0.272
28	Practical implementation opportunity is provided to employees who have taken training sessions	3.571	0.73	1.18		-0.383	-0.577
29	Employees are screened for training program based on the work profile handled by them and professional needs assessment	3.523	0.90	1.45		-0.374	-0.704
30	People have high level of trust for each other	3.412	0.89	1.44		-0.163	-1.000
31	Open culture is present through which employee can have open discussion with seniors	3.619	0.83	1.34		-0.882	0.091
32	Open culture is present through which employee can have open discussion with juniors	3.333	1.02	1.65		-0.326	-0.871
33	Initiatives are encouraged in organization with provision of absence of waiting time for instructions	3.253	1.08	1.74		-0.227	-1.007
34	Delegation of authority is taken as a opportunity for development by the employees	3.174	0.93	1.50		-0.073	-0.884
35	Delegation of responsibility is done to make junior employee more competent to handle responsibilities	3.428	0.95	1.54		-0.250	-0.985
36	High team spirit is present	3.380	0.87	1.40		-0.610	-0.293

	among employees						
37	Grievances and grudges with each other are solved mutually with putting accusation over one another	3.349	0.94	1.52		-0.493	-0.651
38	Seniors do the mapping of career development opportunities for their juniors	3.492	1.12	1.80		-0.437	-1.04

### Findings and Conclusive Remarks:

It has been seen through the study that the "tailedness" of the probability distribution of a real-valued random variable i.e. kurtosis has driven out compatible results. The study have revealed that the HRD Mechanism has direct and influential remark on the general working conditions and psycho-behavioral attitude been postulated by the employees of the Hotel Industry. Through the study conducted it was found out that there is scope prevailing for the changes in the segments associated with the HR functioning in the organization. Hotel Industry is witnessing a high level of fluctuation in terms of retention of talented employees in the industry and increasing attrition of personnel and their swift shift into other sectors.

From the study it is revealed that the top management is positive towards the development of the staff members and employees and is looking forward to implement innovative ideas through which the productivity and performance of the employees can be enhanced. Seniors develop plans through which the potential and competence level of the employees can be increased and junior staff also accepts the responsibility and consider it as an opportunity for future career development. The senior management employee coaches the junior members for better performance and acceptance of future changes with lesser possible resistance. The functionality of the system can be improved by effective HRD processes in the line and staff system and to ensure this layer levels checking with optimum usage of control system are needed to be present.

It is seen through the study that there is a positive relationship between the performance of the employees and HRD practices in Hotel Industry as with stable HRD practices in the system the overall performance of the employees is enhanced with element of standardization. The current HRD practices prevailing in the Hotel Industry of Meerut City is having high scope of

improvement and many hotels are in process of implementing new amended version of HR Development practices through which the overall progress of their respective hotel can be ensured.

Sustainable HRD climate have a positive influence on the performance of the employees as it leads to provide enhance the knowledge, skills and ability structure of the industry members and provide them a platform for creative idea implementation for the mutual benefit of employees and the hotel together.

It is revealed from the study that the performance of the employees are directly driven by the nature of the HR practices been incorporated by the hotel. The performance is boosted and flourished in the creative and innovative environment where employees postulate the tendency to be a part of the hotel for a longer tenure of time simultaneously with stable blend of high zeal and positive energy. Elements related to HRD Mechanism have shown considerable influence on the productivity of the employees and their overall working pattern in the hotel industry.

It can be concluded from the study that the Human Resource Development Practices have significant influence on the overall productivity and performance of the employees & hotels where HRD practices are not implemented precisely or are not present have high grievance level with strong attrition rate of the employees and sub standardized performance index, which is leading to adversely affect the hotel and its performance in the marketplace.

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