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## **Critical assessment of the human resource challenges and issues faced by hospitality and tourism sector**

**Abstract:** *Hospitality and tourism are an industry which have become an essential revenue stream for many developing countries. Organizations and their management have to deal with many difficulties in recruiting, developing and maintaining well motivated employees, who must give high-quality service to demanding customers<sup>7</sup>. In this article all the difficulties and issues related to human resource management which exists in tourism and hospitality industry will be critically evaluated, particularly pertaining to organization management and personnel training and motivation. In order to form, develop and maintain effective and motivated personnel.*

**Keywords:** role of leadership, Hersey and Blanchard model, effective team development.

### **The importance of frontline employees**

The importance of frontline employees is essential for any company. They have many responsibilities and they need to be cheerful, helpful, and communicative with customers. Frontline service employee's work includes a number of difficult task, vital for the maintaining of quality service. There is a "dyadic performance" that exists in frontline employees and their customer communication<sup>8</sup>. Top management has realized the importance of frontline employees and they usually empower them to understand and tackle customer requirements completely<sup>9</sup>.

In order to retain higher customer satisfaction the "Ritz Carlton" established "customer customization", based on survey collection. This database allows hotel personnel to predict all the expectations, demands and requirements of returning guests and show them high quality service.

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<sup>7</sup> D. Nickson, *Human resource management for the hospitality and tourism industries*, Elsevier Publication 2007, pp. 2-3.

<sup>8</sup> S. Kusluvan, *Managing Employee Attitude and Behavior in the Tourism and Hospitality Industry*, NOVA publication 2003, pp. 181-182.

<sup>9</sup> S. Andrews, *Introduction to Tourism and Hospitality Industry*, Tata-Mc Grow Hill publication. India 2007, pp. 75.

Eighty percent of the “Ritz Carlton” customers announced that they were extremely satisfied with the hotel’s service<sup>10</sup>.

### Role of leadership on employee performance

There are three main styles of leadership: Authoritarians – Autocratic; Participative – Democratic; Delegate – Free reign. Autocratic style is used when leader make a decision on his own. But when there is a plenty of time and leaders want to motivation from the staff in this case participative style is much more appropriate. This style let the employee to participate in decision making process. In this stage leaders are not fully informed about the necessary information, therefore they need it from the personnel. This style doesn’t show the weaknesses of the employees, rather than strength because staff feels much more appreciated and a part of the team, as their ideas will be taken in consideration. In Delegate style employees are allowed to make decisions if they are well informed about the situation and self-confidence<sup>11</sup>.

There are many models in terms of a leadership and one of them is Hersey and Blanchard model which.....?

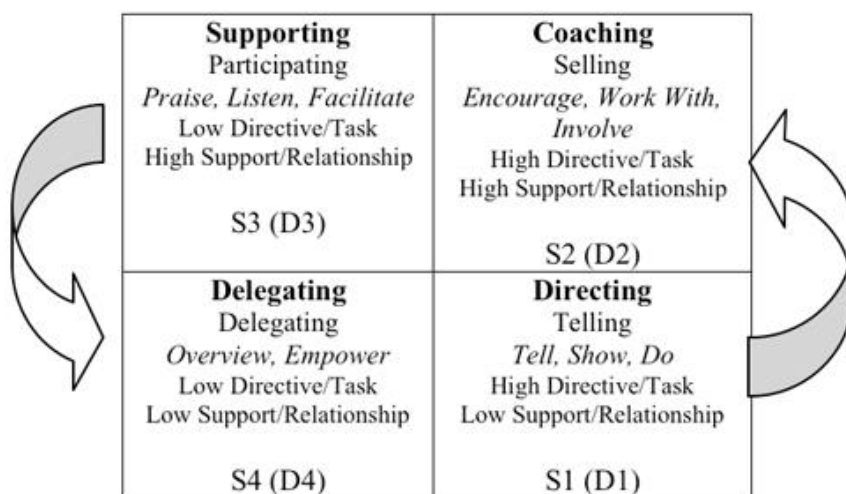


Figure 1. Hersey and Blanchard model

Source: [http://www.housing.umass.edu/ra\\_manual/images/Figure\\_1.jpg](http://www.housing.umass.edu/ra_manual/images/Figure_1.jpg)

To decide and specify a proper leadership style Hersey and Blanchard investigate three dimensions: task behavior, which means that leaders know what is their duty and obligations. Relationship behavior defines

<sup>10</sup> [www.nist.gov](http://www.nist.gov)2010.

<sup>11</sup> [www.sos.net](http://www.sos.net).2010.

communication between leaders and followers. Finally these parts create last stage of this model, pertaining to the the experience of the followers. The main idea of this model is that the leader directs, coaches, supports and delegates the followers and carries sensible activities intended to ensure future success<sup>12</sup>.

## **Benefits of employee retention**

Nowadays employee retention is understood as being a cornerstone for all companies looking to be successful. Employee retention schemes can be categorized most often by way of salary packages and performance bonus schemes. The assigning of interesting task and formulated praise are also highly motivational. Companies should express a trust towards the employees and in return make them feel to pay back to their employers some loyalty. Increased benefits, more holiday time, company car, stock options are very helpful in this case. Financial support from the company, like providing education fees are very much appreciated by the staff<sup>13</sup>.

In most cases employee retention starts at an early stage. They want to leave the company not because of better offer, but for the opportunity to move to different working atmosphere. In this occasion employee's needs are purely personal one.

Companies have high expenses during recruiting or advertising process. New employees need time to gain experience. To select well trained employees represent the main investment for the company. When an employee decide to leave the company it is quite possible that they will take essential business secret from the previous employees, which will be useful for competitors. This is one of the vital factors to retain the employees in business. Also well qualified staff usually comes from competitors. This leads to selecting people from different places, far away from the competitors. Following elements are worth considering in order encourage retention.

## **Encourage retention**

To show potential employees an original job survey at the recruitment period. Recent development in technology gives chance employees to inform future personnel about the company in advance. Make line managers accountable for the action which takes place in the team. Training of line managers is important in orders them to gain special skills before promotion. Be flexible. When there is possibility to give employees preferences on working hours it will be helpful for them<sup>14</sup>. When people have pressure to do their job in an inconvenient time they, usually try to find other places. Even

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<sup>12</sup> Borkowski, *Organizational behavior in health care*, Jones and Burtlett publishers, USA 2005, pp. 197.

<sup>13</sup> D.Torrington, L. Hall, T. Taylor, *Human Resource Management*, Prentice Hall publication. Great Britain 2008, pp. 200.

<sup>14</sup> [www.cipd.co.uk](http://www.cipd.co.uk) 2010.

though an employee put all their strength the job and are praised by the management, if there is no security measures in the company they always easily leave their position. Therefore stability and security of personnel are essential. Discrimination of employees is the major reason of their resignation. It is essential to treat them equally despite their religion, origin or sexual orientation.

### **Reduce turn over in the company**

Companies spend huge amount of money as a result of employee turn-over. There are several steps which need to be taken in consideration by the companies to reduce this process. One of the main factors is that applicants should be chosen according their steady work history. People who are changing their job would not be welcomed to any company. Therefore their data should be checked in advance<sup>15</sup>. Employees will be pleased if they see that their ideas are being heard and they are playing a certain role in the organization. Analyze competition and other company's strength to attract their personnel should be identified. It might be the high wage benefits or work schedule. Once they identify the problem company needs change in order not to lag behind the competitors. Improve employee morale issue. Management should create a pleasant working environment for personnel to make them happy. If management provide with them with a pleasant working atmosphere they will be less likely to leave the company. Therefore company can reduce turn over and in this way save millions of dollar.

### **Three strategies used by organizations to empower its employees**

Employee empowerment has become a major factor of good service quality in tourism and hospitality management. It is helpful for customer and employee satisfaction and clear decision making to better organizational performance. Employee empowerment is the process of providing ability or gives official permission to staff to think, make decision, and take a control of the job in independent way<sup>16</sup>.

The main concept of implementing strategies is to provide high quality service for customers. In order to gain competitive advantage and customer satisfaction employees are playing an important role. Their experience and hard work provide organizations productivity. The main idea of staff empowerment in hospitality industry is beneficial for the company to gain competitive advantage by increasing high quality service. Especially frontline employees have main role in customer satisfaction.

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<sup>15</sup> www.ehow.com2010.

<sup>16</sup> S. Kusluvan, *Managing Employee Attitude and Behavior in the Tourism and Hospitality Industry*, NOVA publication 2003, pp. 181-182.

There is a good example of three tested strategies used by Douglas Conant, CEO of Campbell Soup Co. In one of the interview he talks about the employee involvement in the job.

1. To find leader from the group<sup>17</sup>. Mr. Conant changes 300 managers with leaders from the company. In this way he expresses how much he did care and trust his team. 2. Learn how to celebrate success in the organization with a few colleagues which make the managers and staff communication much closer. 3. Write thank you notes which are much more worthwhile then sending an email, a fast and easy way for communication. It make clear for employees that management have time for them and they don't think only about the profit.

Mr. Conant takes all these factors in consideration and motivates the whole teams. He makes everyone feel as an integral part of the organization. He demonstrates how much he cares about his team and in return the personnel have great desire to do their best for company's future success. Overall it is clear that empowerment is a key element of customer service. Company wouldn't be able to have productive business without providing special customer service and successful customer service doesn't exist without employee empowerment.

## Effective team development

A team is nothing more than a group of people with common goals and objectives. Team development and work is an essential part of organization success. It is formed when experience and entire ability is necessary from employees to solve any kind of task. One person will not be able to tackle the issues as effectively as a whole team<sup>18</sup>.

There are four stages of team development described by Tuckmen and Jenson. In order to lead and manage team productively, understandings of those stages are major factor.

**Forming** - this is the first stage where people get together and evaluate, measure their role in the team. They are trying to avoid any misunderstanding and get direction from team leader.

**Storming** - this stage represents a serious disagreement between employees. The issues could be ethnic, cultural or interpersonal. (Morrison 2002.) Leaders should meet opponents face to face and keep under control the team development. They have to use all their people management abilities, networking skills and keep pleasant environment between the personnel and bring their focus back on team's main target.

**Norming** in this stage conflicts are tackled and situation is more stabilized. Team members are mainly concentrating on company's objectives and performance.

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<sup>17</sup> bacharachblog.com 2010.

<sup>18</sup> G. Cole, *Personnel and Human Resource Management*, THOMSON publication, United Kingdom 2002, pp. 91.

**Performing** – this is the final stage, where the successful and complete team is formed eventually. Where employees are working as a united whole, sharing experience, knowledge and efficiency. On this level performance reaches a peak because of high motivation.

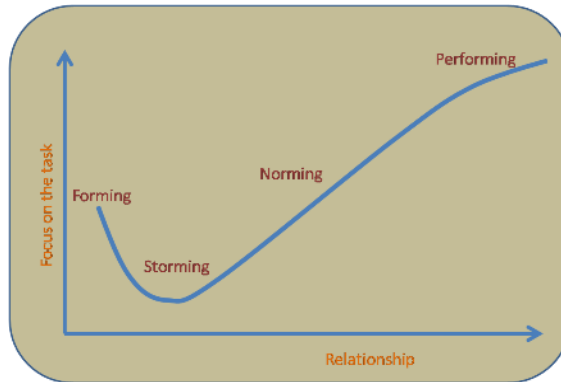


Figure 2. Four stages of team development described by Tuckmen and Jenson  
Source:<http://www.the-happy-manager.com/imagefiles/tuckmangroupstagesmodel1.png>.

## Build up an effective team

The main aim of team existence is to achieve a good result. At the same time team must be sustainable to achieve a success. There is a process of effective team building and team maintenance.

**To evaluate the present efficiency of the team**<sup>19</sup>. Personal interview is a good way to find out what happen in a team. Assessment tools which is regarded as a best method of measuring a current situation in a team, because it is anonymous. So employees are truthful in their responses.

**To form the view of successful team** This step refers an anticipation to create a cohesive and beneficial team. This part is about prediction to create most cohesive, productive team. Also includes: organizations priorities, values and desired result. There are positive factors which define interdependence and relationship between personnel and their strength such as respect, trust towards each other.

**Communicate effectively** is essential in the team. Not only one way works for everyone to get information. The team members should be asked how they would like to receive information in order to process it.

**Develop a plan to turn the team vision into reality.** On this level leaders should create the goals to help and move the team on the next stage. The

<sup>19</sup> [www.ezinearticles.com](http://www.ezinearticles.com)2010.

specific goals which need to be set are: measurable, realistic attainable and time orientation.

### **Highly effective teams characteristics**

After team formation in order those to maintain their effectiveness those factors are significant. Strong leadership is fundamental segment. Strong leader realize that his strength is in his team and not in his individual ability. So he/she is never scared of having powerful team members, whose talent is even brighter than his/hers own. Strong leader always protect their team, encourage, inspire them to go as far as their ability will take them.

Effective team is formed on trust. They never criticize each other and never let the outside negative forces to break their strong unity. Highly effective teams member respect their leaders first and then each other's capabilities. If an employees is not respected he/she wouldn't be able to survive in competent powerful team. To keep the team effectiveness<sup>20</sup>.

To sum up as an individual we can gain a great success in our life. But great achievement which may have a big impact on the company can be attained only by a group of people. It is difficult to find an effective team nowadays. Highly effective team is treasures that should be guarded for life.

### **Conclusions**

Tourism is the fastest growing industry. It creates jobs, earns foreign exchange and is a significant contributor to economic grows. In this competitive world customers demand increase day by day therefore, high quality service is essential in any service industry. It is obvious that human resource has a significant role to play in forming and maintaining competitive advantage in hospitality industry. In order to provide effective service delivery, range of factors should be taken in consideration. The importance of efficient leader is vital, who motivates the whole group toward the common goals and objectives. The role of whole management group is crucial to retain and empower the employees and reduce the personnel-turn over in the company. Frontline employee's productive and hard working skills, which is essential factor for the customers first impression. In order to determine and tackle all those human resource related challenges effective and motivated team work is must. Productive team's development and activities is the main background for company's future success.

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