

Innovations of Human Resource Management in Lodging Industry

INNOVATION DU MANAGEMENT DES RESSOURCES HUMAINES DANS L'INDUSTRIE D'HÔTELLERIE

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Abstract: The role of the Human Resource Manager is evolving with the change in competitive market environment and it must be realized that that Human Resource Management must play a more strategic role in the success of an organization. A combined approach of literature review, periodical browsing, the application of Databases was used in this paper in order to analyze the changes of HRM in hotel industry. Firstly, the paper the challenges that hotel industry faced with and then, innovations related to HRM are put forward from the perspectives of managing diversity, improving motivation, building effective teamwork, managing change, balancing ethics and human resource management and linking the corporation culture with the strategy. That is the best way to be successful.

Key words: human resource management, challenge, innovation

Résumé: Le rôle du directeur des ressources humaines évolue avec le changement de l'environnement compétitif du marché et la connaissance que le management des ressources humaines doit jouer un rôle stratégique dans le succès d'une organisation. Une approche synthétique combinant la rétrospective des documents, la revue des périodiques, l'application des banques de données est utilisée dans le présent article afin d'analyser le changement du management des ressources humaines dans l'industrie d'hôtellerie. D'abord, l'auteur analyse les défis que l'hôtel doit relever, et puis il propose des innovations relatives au management des ressources humaines dans les perspectives suivantes : diversité de management, motivation d'amélioration, construction d'une équipe de travail efficace, changement du management, équilibre entre l'éthique et le management des ressources humaines et la liaison de la culture d'entreprise avec la stratégie. Voilà la meilleure voie d'accéder au succès.

Mots-Clés: management des ressources humaines, défi, innovation

1. INTRODUCTION

The renowned father of scientific management was Frederick W. Taylor. He studied worker efficiency and attempted to discover the "one best way" and the on fastest way to do a job. Whereas scientific management focused on the job and efficiencies, industrial psychology focused on the worker and individual differences. Hugo Munsterberg and his book *Psychology and Industrial Efficiency* initiated in 1913

the field of industrial psychology. Another early contributor to HRM was called the human relations movement. Harvard researchers, Elton Mayo and Fritz Roelthisberger, incorporated human factors into work. During the 1920s work on these analytical schemes expanded to encompass issues of appraising and training individuals, essentially for the same purposes. While the focus during the first quarter of the last century was on the individual employee, the second quarter was to see it shift to the group. Mayo's work at the Hawthorne plant focused on improving the productivity of individuals by experimenting with

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groups. Knowledge of groups and the impact of group on individuals advanced with the work of Lewin and Sherif and Sherif during the 1930s and into the 1940s. During the 1950s and 1960s much of the work concerned with managing individuals in organizations highlighted individual needs and motivation. Advances were made in selection and development. At this time, however, the more applied work in these areas related to managing and motivating individuals became the domain of those identifying primarily with personnel psychology and industrial and organizational psychology. The more theoretical work came under the new domain of organizational behaviourists. Until the 1960s, the personnel function was considered to be concerned only with blue-collar or operating employees. Peter Drucker, a respected management scholar and consultant, made a statement about personnel management that reflected its blue-collar orientation. Drucker stated that the job of personnel was "partly a file clerk's job, partly a housekeeping job, partly a social worker's job, and partly firefighting, heading off union trouble." During the 1970s another discipline evolved under the name of human resource management, which focused on concerns for the safety and health of the worker as well as individual satisfaction and performance. Industrial relations and planning for personnel needs also came within the domain of human resource management. In the late 1970s and 1980s, the discipline of organizational strategy started to make an impact upon human resource management. Environmental forces, namely more intense international and domestic competition for companies, also began to make an impact. Thus, organizational characteristics such as structure, strategy, size, culture, and product and organizational life cycle began to be incorporated into the work under the human resource management label. Today, forces of global competition, worldwide labor availability, business ethics and the environment are winning the attention of human resource management.

2. DATA AND METHODOLOGY

Literature review and browsing Periodicals –the following periodicals are available in print and may contain helpful information about the human resource management. General periodicals may also have relevant materials on the topics. Using databases to find articles from journals, magazines, and newspapers about topic, databases is another good approach.

Few limitations still exist. This identification and selection methodology depends heavily on articles having titles that reflect content related to the area of human resource management in hotel industry. Articles with misleading titles may have been neglected in the identification process.

3. RESULTS

The role of the Human Resource Manager is evolving with the change in competitive market environment and the realization that Human Resource Management must play a more strategic role in the success of an organization. Organizations that do not put their emphasis on attracting and retaining talents may find themselves in dire consequences, as their competitors may be outplaying them in the strategic employment of their human resources. With the increase in competition, the HR professional has to evolve to become a strategic partner, an employee sponsor or advocate, and a change mentor within the organization. In order to succeed, HR must be a business driven function with a thorough understanding of the organization's big picture and be able to influence key decisions and policies. In general, the focus of today's HR Manager is on strategic personnel retention and talents development. HR professionals will be coaches, counselors, mentors, and succession planners to help motivate organizations members and their loyalty. The HR manager will also promote and fight for values, ethics, beliefs, and spirituality within their organizations, especially in the management of labor force.

3.1 Challenges of Human Resource Management in Hotel Industry

3.1.1 Challenge of Labor Cost Leap

Leisure and hospitality industries weighed in with a 10 percent increase in the total number of jobs so far during the current decade. The most dramatic increase during the period occurred in arts, entertainment, and recreation, which experienced an 18 percent growth. Within that group, amusement, gambling, and recreation industries expanded their number of employed by 23 percent. Although the accommodation and food services sector did not increase as much as arts, entertainment, and recreation, it added jobs to the state's economy. The accommodation industry employment levels expanded by 5.4 percent, while food services and drinking places enlarged staffing by 9.3 percent. Inside food services, full service restaurants, with their 10.0 percent increase in employment, outpaced the 3.9 percent growth of the limited-service eating places. In 2005, labor expenses remained the largest single expense item for hotel managers, accounting for 44.6 percent of total operating costs. Consequently, any trend or issue that could potentially have an impact on labor costs must be taken seriously by hotel owners and managers alike. This analysis is based on the recently released 2006 edition of Trends in the Hotel Industry published by PKF Hospitality Research (PKF-HR), an affiliate of PKF Consulting. 'Due to the magnitude of the expense, labor costs and issues have always consumed a substantial portion of the time and efforts of hotel managers,' said R. Mark Woodworth, president of

Atlanta-based PKF-HR. 'Now, with news of union contact negotiations, changes to immigration laws, and proposed legislation to increase the minimum wage, hotel managers are on edge.' Several political and economic factors are brewing, which may have a strong influence on hotel labor costs.

1st. Union contract negotiations are under way in several major cities.

2nd. Proposed changes to immigration laws could affect the ability of hotels to find and retain employees.

3rd. Local and state governments are proposing legislation to increase the minimum wage.

3.1.2 The Challenge of Workplace Diversity

Changes in work force demographics have played a major role in fueling the interest in diversity. Diversity refers to the range of differences in attitudes, and behaviors of employees relative to gender, race, age, ethnicity, physical ability, and other relevant characteristics. According to Thomas (1992), dimensions of workplace diversity include, but are not limited to: age, ethnicity, ancestry, gender, physical abilities/qualities, race, sexual orientation, educational background, geographic location, income, marital status, military experience, religious beliefs, parental status, and work experience. The concept of diversity in the workforce receives much attention in the hospitality industry and especially in the hotel industry. It is true that it is illegal for employers to discriminate against employees or others on the basis of race, color, religion, sex, or national origin. You also know that people with disabilities who are seeking employment cannot be discriminated against. Therefore, the hotel industry will have an increasingly diverse workforce. Historically, the hotel industry has employed many women and other minorities for entry-level positions. However, as a percentage of the total positions at these levels, the number of women is still relatively small. Increasingly, hotel organizations are developing and implementing diversity programs because it makes good business sense.

The future success of any organizations relies on the ability to manage a diverse body of talent that can bring innovative ideas, perspectives and views to their work. The challenge and problems faced of workplace diversity can be turned into a strategic organizational asset if an organization is able to capitalize on this melting pot of diverse talents. With the mixture of talents of diverse cultural backgrounds, genders, ages and lifestyles, an organization can respond to business opportunities more rapidly and creatively, especially in the global arena (Cox, 1993), which must be one of the important organizational goals to be attained. More importantly, if the organizational environment does not support diversity broadly, one risks losing talent to competitors. This is especially true for multinational companies (MNCs) who have operations on a global scale and employ people from different countries,

ethical and cultural backgrounds. Thus, a HR manager needs to be mindful and may employ a Think Global, Act Local approach in most circumstances.

3.1.3 HRM Problems for the International Corporation

As corporate evolves from domestic to global, they face several challenges related to managing human resources. One challenge is learning how to manage people in different countries effectively. Differences exist in employment laws, labor market conditions, and national cultures. Another challenge is to learn how to help employees around the world work together. Thus, many local HR managers have to undergo cultural-based Human Resource Management training to further their abilities to motivate a group of professional who are highly qualified but culturally diverse. Furthermore, the HR professional must assure the local professionals that these foreign talents are not a threat to their career advancement (Toh, 1993). In many ways, the effectiveness of workplace diversity management is dependent on the skilful balancing act of the HR manager.

- 1st. Selecting and training local managers
- 2nd. Company wide loyalty and motivation
- 3rd. Speaking local language and understanding local culture
- 4th. Appraising manager's overseas performance
- 5th. Planning systematic management succession
- 6th. Hiring local sales personnel
- 7th. Compensating local foreign managers
- 8th. Hiring and training foreign technical employees
- 9th. Selecting and training managers for overseas
- 10th. Dealing with foreign unions and labor laws
- 11th. Promoting or transferring foreign managers
- 12th. Compensating managers on overseas assignment

3.1.4 The Work Ethic is Vanishing

Research has demonstrated that the work ethic in hospitality industry is vanishing. It can be illustrated as followings:

Tardiness is increasing; sick-leave abuse is common.

Job security and high pay are not the motivators they once were, because social mobility is high and people seek job fulfillment.

For generation X, the post-baby Boom generation, work is only a means to meet their ends: money, fun, and leisure.

Fifty-five percent of the top executives interviewed in the poll said that erosion of the work ethic will have a major negative effect on corporate performance in the

future.

Ethics at the top are no better: Enron, WorldCom, Tyco International, Adelphia Cable, and ImClone just begin the list of companies under investigation for deceptive accounting practices, looting of corporate assets, and other misdeeds with dire implication for stock values.

3.2 Innovation of HRM in Hotel Industry

The role of human resource management has evolved in recent decades. HRM no longer just encompasses a supportive administrative function, relating to the organization's human resource transactions that are essential to its day-to-day operations. HRM is also, in many organizations, a strategic function, where human capital is explicitly and prominently factored into the organization's corporate planning and strategy decision-making processes. With this comes the increasing recognition that senior HR professionals need to engage in corporate strategic discussions, as advisor and partner executive management team.

3.2.1 Managing Diversity

Today, organizations find that diversity management practices must be sensitive to issues of gender, ethnicity, personality, religion, sexual orientation, marital and family status, age, and various other unifying life experiences. Many organizations are striving to manage diversity effectively because they believe that they can use diversity to create greater economic value. With a diverse workforce and positive organizational culture in place, many managers believe that their companies will be able to:

Develop products and services for new markets;

Attract a broader range of customers;

Improve customer satisfaction and increase business from repeat customers, and reduce costs, including those associated with litigation.

3.2.2 Communicating and Motivating

With today's diverse workforce, managers must be highly flexible to keep all of their employees motivated. The most important part for managers to remember is that each single one of their employees is an individual with a different background. Due to employees' varied needs and goals, the motivator will be different as well as the ultimate reward. They need to know:

1st. Understanding the "emotional" aspects of motivation will change the way we manage

2nd. Increased globalization is making the hospitality workforce even more diverse.

3rd. Advancing employee skills will help to satisfy needs particularly in the new work force-Generation X.

4th. Economic challenges are forcing hospitality

organizations to operate "leaner."

5th. The advent of telecommuting will change how we motivate employees

The following is a summary of suggestions of the essence of motivating employee.

Recognize individual differences. It is important to realize that each employee is different. That is each person has different factors that motivate him. Different attitudes, needs, and personality traits account for the individuality of every employee.

Individualize rewards. Every employee has its own different characteristics and qualities, they all need different motivator factors for better performance. For example, money can motivate a minimum-wage worker to achieve higher goals, but it will do little for a worker who is already well compensated and enjoys a challenge. Individualized rewards include more autonomy, promotions, more pay, participation, recognition, and work challenges.

Check the system for equity. Employees should be aware of the fact that their individual input is rewarded by their individual output. Input must always equal output. This means that if an employee has a higher skill level and experience, he will ultimately be paid higher and given more responsibility than an employee who is below the skill level and has no experience.

3.2.3 Team Work Building

The purpose of assembling a team is to accomplish bigger goals than any that would be possible for the individual working alone. The aim and purpose of a team is to perform, get results and achieve victory in the workplace and marketplace. Building productive teams is critical to the success of any organization, especially in the service-oriented hotel industry. Productive teams are built by giving associates the authority, responsibility, and encouragement to come together to work on guest-related improvements that will enhance not only the guest experience but also make the associates' job easier.

The best managers are those who can gather together a group of individuals and mould them into a team. The managers of human resource need to have the skills of understanding and recognizing the unique talents, knowledge and creativity to team objectives. Building up trust, in a team, members work in a climate of trust and are encouraged to openly express ideas, opinions, disagreements and feelings. Questions are welcomed.

3.2.4 Ethics and Human Resource Management

Ethics concern people-how we think, feel, and behave. The primary responsibility is managing the people who are delivering the service product to guests in hospitality. The way they think, feel, and behave can have a profound effect on our employees and determine whether or not they are successful managers. Selecting, recruiting appropriate people requires human resource manager to honestly identify any biases they may hold

which could interfere with their ability to see the match or mismatch between a candidate and the job specification. Careful selecting of potential employees demonstrates the value and philosophy of company. They show concern and respect for job applicants by taking them seriously and appreciating their time, interest in our positions, and their needs. Besides, providing formal training to new employees allows them to be competent on the job from the beginning. Training demonstrates concern and respect for new employees, continuing employees and also for guests. Leadership is not fearing that employees will surpass us, but, rather, giving employees the tools to excel. The reputation and morale of the workplace and staff rise as human resource manager make it possible for their employees to do their very best. People skills are the combination of communication skills, social skills, and empathy. Employees are more satisfied when they are treated with concern and respect, and reputation and morale rises.

3.2.5 Delegation

Delegation is the process of assigning responsibility and authority to employees in order to accomplish an objective. It can develop employees' capabilities, and, as it demonstrates trust and confidence, it can lead to better human relations and job performance. To be true successful managers human resource managers need to hire capable people and then help them to excel. Employees will appreciate that they reach their potentials and to be improved. They will be more loyal, more productive, and do better work.

Perhaps the greatest obstacle to delegation is the belief held by many managers that they can do the work better and more quickly than their subordinates. The primary objectives of delegating work should be to develop the abilities and talents of staff members. Managers who delegate effectively share power with their staff members and provide the training and coaching needed for their employees to succeed. These managers typically outperform and outlast those managers who burn out trying to do everything by themselves.

3.2.6 Combination of Corporation Culture and Corporation Strategy

Corporate culture is the overall style or feel of a

company. A company's culture governs how people relate to one another and their jobs. Each of the major corporations has a culture. Some more pronounced than others. It is tendency to align employees with a corporation that blends with personal culture, values, and style. A corporate culture gives the whole organization a sense of how to behave, what to do, and where to set the priorities to get the job done. Culture helps members fill in the blanks between formal directives and how the work actually is done. Because of this, culture is of critical importance in the implementation of strategy. As we move into the twenty-first century, the question is not whether corporate cultures will continue to exist but what type of corporate culture will be most effective in enabling a company to survive and excel? Therefore, creating a vision for the future is crucial in the future. A shared vision provides direction, focus, and commitment. Corporate cultures are the very essence of organizations. Whether effective or ineffective, organizational cultures exist-usually reflecting the personality of the top executive. Corporate cultures often affect the success or failure of the organization and are shaped in various ways by the employees. In recent years, corporate culture has been reorganized as a pervasive force influencing organizational effectiveness.

4. CONCLUSION

This paper analyzes the challenges that hotel industry faced with and then, innovations related to HRM was put forward from the perspectives of managing diversity, improving motivation, building effective teamwork, managing change, balancing ethics and human resource management and linking the corporation culture with the strategy. The task of managing human resources includes all of the activities that corporation use to affect the behavior of all the people who work for it. Because the behaviors of employees influence profitability, customer satisfaction, and a variety of other important effectiveness, managing human resource is a key strategic challenge. Today, in addition to the issue of labor cost, diversity, ethic, other significant fairness concerns are harassment, employment-at-will, privacy, and labor relation.

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