HUMAN RESOURCES MANAGEMENT IN HOSPITALITY INDUSTRY

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Abstract
Human resource management is the effective management of people at work which examines what can be done to make the people more productive and satisfied. The function performed in organization facilitates the most effective use of people (employees) to achieve organizational and individual goals. Human resources are cited as a company’s valuable assets. The challenge of finding, retaining and developing great employees has become more difficult because employees are now looking for trusting relationship with their employer, which can be termed, ‘Employee Promise’. This means, to guarantee respect, safe and hospitable workplace, training, mentoring, fair and equal treatment, employee assistance programmes and so on. Hence, hospitality company should be made the employment of choice that employees should prefer to work when compared to other industries such as retail. The hospitality experience is intangible, meaning that a hotel, restaurant or tourism enterprise is the same, the only difference is ‘service’ and ‘professionalism’. This paper seeks to examine human resources management in hospitality industry. To do that, the following issues will be treated – nature of human resources management, functions of management in human resources department, desirable qualities of the human resources manager, organizational planning.

Introduction
Hospitality, according to (Ghosh, 2008) defined it as the friendly reception and generous treatment of guests, which means entertaining guest with courtesy and warmth. It is also an industry made up of businesses that provide lodging (accommodation) food and other services to travelers. It comprises mainly hotels, motels, resorts and restaurants. A hotel, according to British Law in 1960, is a place where a bonafide traveler can receive food and shelter provided he/she is in a position to pay for it and is in a fit condition to be received (Vallen, 1991). This definition implies that a hotel must provide food and lodging to travelers on payment and has right to turn down admission if the traveler is disorderly, drunk, unkept or is not in a position to pay for the services.

Hall and Goodale (1996) considered human resources management as the process of bringing people and organization together so that the goals of each other will be met.

Management, can be defined as the art of bringing together available resources including the abilities of different people and organizing them in a
scientific and orderly manner to achieve the desired goals of the organization, while promoting individual aspirations as well (Sethi, 2006).

It can be regarded as the process by which people work together to achieve common goals. It is also a continuous process of establishing objectives, putting together all available human and material resources in the best possible manner in an atmosphere of cooperation and goodwill.

Hospitality industry involves diverse activities and a variety of products and services which provide special challenge to the manager. Therefore, management can be put simply as what managers do such as forecast, plan, organize, make decision, communicate, motivate and control. It is seen as the process of coordinating work activities so that they are completed efficiently and effectively with and through other people. Efficiency here means managers working with scarce resources such as money, people, time and equipment and yet are able to move the industry forward. For instance, using the kind of rush in the kitchen in order to make ready for a meal service promptly. But it is not enough to be just efficient; management is also all about being effective, ‘doing the right thing’. For example, cooks do the right thing when they cook the food correctly according to the recipe and have it ready when needed.

**The Nature of Human Resources Management**

Formal organizations are made up of people. They are set up in order to achieve certain objectives and goals and the attainment of these goals depend on the proper utilization of these resources (i.e. human and non-human). Resources, according to Kings (1984) are considered as those things which help, support and or have positive impact upon the achievement of organizational goals. They are categorized into human and non-human resources.

Non-human resources are of two types (financial and non-financial). Financial could be monetary resources such as operating liquid cash, impress account, salaries, wages, emoluments, bonuses, bills, current and deferred, and so on. Non-financial resources, include facilities/services (hotel bedrooms and recreational facilities – swimming pools), structures and infrastructure, equipment, land, time, transportation, the organizational climate, information, geography and so on.

Human resources refers to all categories of employees, skilled and unskilled workers, supervisors and managers in an organization. If well treated and adequately motivated, human resources can be the greatest, most important, crucial and critical asset of an organization. The survival of an organization, its increased productivity and high profit margin are dependent on human resources. Schermertorn (1984) stated that employees are resources that should be effectively managed if organizations are to be successful and without them, even the best designed organization guided by well-made plans and equipment, cannot achieve its performance objectives.
Stone (1984) similarly opined that it is the people who supply the organization with their human work by creatively combine their talents and other non-human resources to achieve appropriate goals once they have been set.

Functions of Management in Human Resources Department

The functions of management for any hospitality operation are basically the activities which a manager performs to get people work harmoniously towards organizational goals. In a hospitality operation, there are levels of management plus non-managerial associates. That is, managers and non-managerial employees.

A manager is someone who works with and through other people by coordinating their work, activities to accomplish organizational goals. Managers are classified into three levels such as: front-line managers, middle managers, and top-managers.

Front-line managers are the lowest-level managers who manage the work of the employees. They may also be called supervisors. A front-office supervisor, for example, takes charge of a shift and supervises the guest service agents on the shift.

Middle managers are like departmental heads, fall between frontline managers and top management. They are responsible for short to medium range plans and they establish goals and objectives to meet the organizational goals. They manage the work of front-line managers.

Top managers are responsible for making medium to long-range plans and for establishing goals and strategies to meet those of organizational goals.

The human resources department is lead by the executive director who carries with him enormous responsibilities of running an efficient and effective department. He sets the overall tone of how employee relations will be conducted and establishes the vision for the company. He also advocate for the employee at executive level in decision making.

The hospitality operation however involves basically six distinct activities namely planning, organizing, directing, coordinating, controlling and evaluating.

Planning is a continuous process by which a manager scrutinizes past performance, reviews its applicability in the light of environmental changes, internal and external to the organization and forecasts future trends. He then sets the goals and bases its activities towards achieving them. Goal setting is fundamental to any achievement and it must be clear to the planner as well as to all those who will be involved in the activities for achieving it. For instance, catering establishment of the hospitality industry, differ from other organizations basically in the type of goods and services they offer. For example, food is perishable in nature and the customers’ temperamental attitude towards food definitely makes it important for catering managers to set short term goal which covers six months to one year for food production, while goals concerning the
type of facility to be provided, can be meant for longer periods (1-5 years). This is because it is not practical to take up restructuring of premises or changing the type of equipment frequently, as they both require high investment and also have longer life spans. The planning for building, equipment, space etc is therefore done for five, ten or fifteen years.

Planning catering operations also involve stating objectives clearly such as: forecasting the number of customers; and judging expectation of those customers through familiarity with their food habits, religion and cultural background and economic status. This can be done by knowing their purchasing power, timings, manner of eating and expectations from food service.

Equally important is to determine the margin of profit required to cover all costs taking into account the inflationary trends, menu composition and tastes of customers. Also establishing profit policy in the light of financial constraints like tax requirements, subsidies in the form of free meals to employees or subsidized overheads. Finally, knowing staff skills for production and service. The accurate projections of the above objectives help establishments to lay down general policies that would prove feasible over longer periods of time.

**Organising**

Once the goals have been set and responsibilities of workers understood by key staff of departments, each area of the plan needs to be put into practice. For instance, in the catering field of the hospitality industry, the key areas of activity revolve around the production cycle, service areas, profit planning and record-keeping.

Each department manager has to translate his plan into clear-cut activities, which are then sequenced in a manner that will result in smooth workflow. The ability to establish such a work flow by proper coordination of activities allotted to staff, according to their abilities is termed as ‘organising’. This involves demarcating areas of activity and establishing activity – authority relationships for workers or a groups allotted the particular activities.

Organizing therefore, is a matter of putting together resources by matching skills with tasks within the structural and financial constraints of an establishment. A catering manager now needs to organize his staff, equipment and materials into work centres and service areas to provide optimum levels of production and service to give satisfaction to staff, customers and the organization in terms of profit.

**Directing**

While planning and organizing require mental effort on the part of the manager, directing is the function of actual performance of tasks and if requires greater interactions between people. This is done by instructing, guiding, supervising, teaching and reviewing.
**Instructing:** All instructions should be clearly written out in a language every staff will understand and will be verbally communicated to them in order to avoid any queries arising before the actual work starts. Copies of written instructions should also be placed on notice boards at suitable points in the kitchen and service areas. This is because people working in this industry have different educational, cultural and religious backgrounds and they understand according to their own experience and abilities. For instance, a simple instruction like ‘please bring me some coffee’, can mean different things to different people. For example, to a server it could convey a cup of coffee, to a kitchen staff, it may mean getting the manager some coffee beans to sample, to the store keeper, it may mean issuing a fresh tin of coffee and so on. In other to avoid such confusion, it is better to pass on instructions to the person directly in charge of the kitchen – the head cook or kitchen supervisor.

**Guiding**

Guiding involves directing people in their jobs in a manner that will help them achieve the standard of performance desired and gradually develop themselves through their jobs. An important component of good direction is supervision.

**Supervising**

This involves keeping a watch on what is going on at the production, service and other activity areas.

Supervision can be carried out effectively by viewing people’s work positively, that is looking for things they are doing 'right' and giving praise when it is due. Also, keen observation of other people’s work can bring out areas where guidance and correction may be necessary.

Supervision entails regular round of areas of work centres just to say ‘helo’ to people and find out about their welfare. Observations or curiosity shown about the way work is done can often produce response from which judgment of methods to follow can be made.

Records of production and sales, statements of costs and profit margins can be a good guide to supervision. Areas showing variances with respect to expected results indicate that attention is needed. In hospitality establishments, good supervision helps in maximizing resource use because one is dealing with ‘food’ which can tempt just any person, especially if it is an expensive item and not easy to afford.

**Teaching:** For motivating people to achieve goals, the supervisor will be able to demonstrate methods of work that will relieve stress situations in the production and service centres especially during peaks and toughs periods (moments when tempo of work is very fast and under pressure and when it is low). That is, meal-time when the influx of customers is maximum and in between when it slows down. Teaching people to organize work to be evenly
spread throughout the working day and using quicker methods for finishing time-consuming jobs, make work less stressful and performance better.

Reviewing the effect of every activity on individual and total performance is the job of every food director. Reviewing helps to determine and modify the quality of food placed on the customer’s plate in order to conform to standards laid down.

Coordinating

The activities of all staff need to be well coordinated so that group efforts will be meaningful. Fayol and Koontz (1980) considered coordination as binding, unifying and harmonizing all activities and efforts which help to keep individual departments together instead of alienating their activities. Where good coordination exists, staff loyalty to the establishment is strengthened; therefore there is need for all the functions of management to be coordinated to achieve goals. For instance, one may imagine the chaos that can result if the purchase of food materials is not coordinated with the menus planned or quality received is not suitable for the dish planned. Also, if service style is not linked with production and clearing operations, it can result in customer dissatisfaction and unhygienic conditions for all.

Constant coordination helps to tackle problems when they arise, gather ideas from various experiences, anticipate problems and take timely action to prevent them from recurring.

Controlling

Control is necessary to give the right direction to activities. The food service establishment for instance, is constantly surrounded by a changing environment consisting of helping and hindering forces. For example, the hindering forces are – food shortage, rising prices, structural damage, staff strike and so on while helping forces are food glut, better equipment, good management, cordial staff relations and so on.

The controlling function in management is expected to increase the impact of the ‘helping’ rather than the hindering forces. This can be done if managers make use of natural forces such as favourable crops (food in season), good weather, holiday time to attract customers, motivate staff, invest on better equipment and provide a safe, healthy and happy working environment.

Close supervision in form of control can be done through the formulation of budgets such as capital, purchase, cost, sales and operational budgets. Also regular maintenance, inspection and security measures help to establish control of operations and ensure efficient resource use.

Evaluating

People’s performance can be ascertained by comparing actual results with expected ones over a period of time. Evaluation therefore can be judged by
reviewing how far set goals have been achieved, it could be done periodically by
the manager or his supervisor.

The areas for evaluation in hospitality establishments are: staff appraisal, appraisal of work conditions and procedures, food product evaluation, evaluation for profitability.

**Staff Appraisal**

Staff performance needs to be evaluated to determine how efficiently their potential is being tapped. It helps to identify training needs or areas of guidance. Staff may also be appraised with the help of rating scales designed to judge the following:

- a person’s knowledge and understanding of his work
- the quality of performance in terms of its being ‘unsatisfactory’ or ‘outstanding’.
- a person’s compatibility, dependability, awareness regarding safety, cleanliness.
- a person’s integrity, loyalty in terms of willing cooperation with co-workers to help achieve organizational goals
- health status

**Appraisal of Work Conditions and Procedures**

This involves the following:

- evaluating kitchen and service area plans to see if they require redesigning or rearranging for smoother work flow and comfort.
- evaluating jobs for deciding on areas requiring mechanization for speeding-up of work, efficiency, cleanliness and safety.
- the degree of lighting and ventilation required in relation to particular work centres
- evaluating structures for necessary maintenance jobs
- analyzing economic aspects of the work environment
- evaluating methods of serving, washing and clearing to estimate the amount of breakage.

**Food Product Evaluation**

It is necessary to see that products conform to standards laid down and this is done by sensory and objective methods of assessment. The sensory methods involve setting up taste panels consisting of people who are highly sensitive to slight changes in taste, flavor, odour and colour of foods.

The objective methods make use of instruments to measure qualities like thickness, flow, crispness, lightness and intensity of colour of food. The nutritional quality of food can be judged through chemical estimation of the contents of various nutrients in different foods and dishes at regular intervals.
caterers use available information in the form of nutritive value tables of different foods).

Evaluation for Profit

All food service operations must be evaluated for viability. This involves estimating sales, costs and profit figures. If food costs are too high it can be indicative of the following:

- pilferage of food from stock
- prices too high
- cooking method inappropriate, giving inadequate portions
- menu planning unsuitable to cost structure of the establishment
- inadequate weighing facilities or supervision at strategic points in the production cycle
- plate waste (menu items rejected by customers)

It could be as a result of poor preparation of meal by unskilled staff or a change in customers tastes. The above points indicate inefficient management and can be corrected to reduce costs (overhead and labour costs). Evaluation is necessary however for ensuring continued efficiency at all levels of the establishment.

Desirable Qualities of the Human Resources Manager

All organizations, companies, industries, need good human resources managers who can help move the organization forward and they must posses certain qualities such as:

- good human relationships, be accessible and approachable
- patient, tolerance and endurance, have good sense of humour, cheerful and mature personality.
- having effective communication skills, including listening ability, physical, mental and emotional stability.
- being honest, reliable, dependable character; should be trusted and be one of integrity, intelligent, persuasive and diplomatic and should be knowledgeable of personnel functions.
- should have initiative and decisiveness, drive and efficiency, foresight and vision by keeping abreast of current industry practices and government regulations in order to keep company policies and practices up to date.

He should maintain a professional stance in the following ways:

- flexibility, adaptability, perceptive and empathy
- a democratic attitude, open-minded and potential for growth
- have ability to make suggestions to superiors and take suggestions from subordinates, willingness to accept criticism and admit mistakes
- be versatile, energetic and enthusiastic, self-confidence
- must be polite, courteous, thoughtful and tactful
Personnel Management Process and Policies

The process implies a series of steps, actions, or tasks performed in order to achieve a goal. Human resources in an organization flow through a number of processes in an attempt to achieve high productivity.

The steps generally include:
- organizational planning (manpower planning)
- staffing (recruitment, selection, placement, orientation, induction or socialization, training and development, incentive/rewards, etc)

Personnel policies are general guidelines formulated within the framework of the broader objectives of the establishment set by top management. These are passed on to managers at all levels for implementation when dealing with their staff.

Organizational Planning

Human resources planning can be determined by the number and kinds of employees an organization requires to accomplish its overall objectives. It is a situation where management anticipates personnel requirements now and in the foreseeable future, and so seeks ways to ensure that the right persons in the right mix and number are available for the right jobs at the right time.

Vetter (1967:15) defined human resources planning as the process by which management determines how the organization should move from its current manpower position to its desired position.

Compensation and Reward System

Compensation is a reward for services rendered by people at the workplace. According to Stahl (1995:265) compensation is the monetary payments (wages, salaries, emoluments, bonuses – current and deferred) and so on. Compensation can also be described as all rewards – direct financial payments, indirect payment, incentives and non-compensation rewards individuals receive in an organization.

Mondy and Jackson (1992) saw compensation as the money and benefits that organizations give employees in exchange for work. Pay, is the basic compensation employees receive. It is the money that a person receives for performing a job which is usually a wage or salary. Salary refers to a fix regular payment usually made every month to employees. Wage means a regular, usually hourly, weekly or forth-nightly payment made or received for work or services.

Benefits are additional monetary rewards in the form of allowances (other than pay). These include quarter maintenance, furniture, utility, meal subsidy, transport, rent subsidy and retirement pensions that an organization provides to her employees to make it more attractive. Incentives are rewards designed by organizations to encourage and reimburse employees for efforts beyond normal performance expectations.
Compensation needs to be properly planned and linked to the position not the person, and incentives should be given for how productively the work is performed. Job evaluation should be taken into account and bonuses given for outstanding performance. Most hospitality companies use the job description and job ranking based on the increasing skills required and job classification as a basis of establishing a ‘pay-scale’.

Companies also participate in a ‘wage-survey’ to check ‘area pay-scales’ and use this information to set their internal pay structure. Appropriate levels of compensation are set once the job is evaluated for skill levels, responsibility, competencies, knowledge, and working conditions. Frequently, a range is set, with increments allowing for progression after a specified time. Jobs then are graded (similar responsibilities and qualifications) and priced taking into account such factors as tips or service charges.

Some companies offer bonuses or other incentives based on achieving certain results, others have employee ownership plans.

There is what is called “Employee Assistance Programmes (EAP) and the purpose is to offer confidential and professional counselling and referral services to employees. Employees who have problems may request help (assistance) in confidence without losing their jobs. The major reason for the EAPs is for prevention and or intervening before a crisis stage is reached. Typically, EAP programmes assist employees with drug and alcohol-related problems and personal finance, marital, career and job as well as legal problems.

Incentives and Benefits

An incentive is additional compensation to employees for additional performance in an organization. A benefit is additional compensation given to employee as a condition of organization membership.

Mathis and Jackson (1982) illustrated the difference between a benefit and an incentive thus:

- individuals receive benefits as long as they are employees of the organization

  An incentive however, is tied directly to performance and is only given for above average performance. Incentives can be divided into two categories: financial and non-financial plans.

Financial Incentive Plan

This is monetary and there are types – direct and indirect plan.

Direct financial incentive plans provide an opportunity for higher pay through increased productivity or effectiveness. They are based upon the concept of ‘plus performance’ (Heyel, 1965).

Indirect incentive plan include such things as equitable pay structures, merit increases, pension and profit-sharing plans and other benefits that are financial in nature but are not directly dependent upon the contribution of an individual or group.
Non-financial incentives are non-monetary. They include such things as recognition of achievement, feeling of participation and pride in superior performance which tend to stimulate good performance.

Types of Incentives
There are three types of incentive schemes:
- individual system (e.g. piece rate)
- group system (group bonus)
- organizational system (profit sharing)

Individual Incentive Systems
These are incentives made on an individual bases, relating individual effort to individual reward. The individual is paid in direct proportion to what he produces. The purpose of the individual incentive is to encourage the employee to produce work on the quantity above that which is specified.

Group Incentive Scheme
Group incentive is designed to provide rewards to all workers in a unit. The group incentive system is most appropriate under the following conditions:
- when it is difficult to accurately measure individual performance or contribution.
- where a job cannot be performed by an individual but by a team
- when teamwork is to be encouraged rather than individual performance
- there is a community of interest among the members of the group.

Organizational Incentive Systems
Organizational incentive schemes are designed to compensate all employees in an organization based on how well the entire organization performed during the year. The two most commonly practical organizational incentive system are scalon plan and profit sharing scheme.

Scalon Plan
Joint labour management committees are set up to solicit employee suggestions on how efficiency could be improved, productivity increased, production cost reduced and waste eliminated. Any cost savings of labour efficiency are placed in a bonus fund. A predetermined percentage of this fund is split between employees and the organization and certain percent held in reserve in case a deficit in labour cost efficiency occurs. This reserve account is closed out and distributed to employees at the end of each year.
**Profit-Sharing Incentive Scheme**

This allows the employees to receive a share or portion (fixed in advance) of the profits of the organization. This profit-sharing could be received at the end of the year or as Christmas bonus.

Types of profit-sharing are:

- cash
- deferred payment plans
- combination profit-sharing plan.

Cash is paid directly to employees in cash, cheque or stock as soon as profit is determined at specific intervals, (Monthly, quarterly, semi-annually, or annually).

Deferred payment plans, profits are credited to trust fund to be paid to an employee at retirement or other stated circumstances e.g. (disability, severance and withdrawal of services or death).

Combination profits-sharing plan; the employee’s share is divided into two; part of the profit is paid out currently in cash and the employee’s account in trust fund.

Finally, fringe benefit refers to extra income (entitlement) given especially to an employee by management in addition to basic salary or wages. Fringe benefits, unlike incentive system, are not based on individual performance. They are available to all employees as long and are also referred to as ‘wage extra’ or supplementary compensation practices and are not generally subjected.

**Types of Benefits**

The fringe benefits provided employees are man, varied and diversified. The concern here is to list a number of the fringe benefits offered in most Nigerian organizations.

They are as follows:

- Salary advance
- Transport allowance
- Housing allowance/house-rent subsidy
- Touring allowance
- Annual leave/leave grant
- Disturbance allowance
- Causal leave, study leave, examination leave
- Sick leave
- Maternity leave
- Medical leave
- Over time pay
- Retirement benefits-gratuities, pensions.
- Death benefits
Conclusion

The high rates of turnover experienced by many hotels and other hospitality organizations require that hoteliers should spend significant amount of time in recruitment activities to fill vacant positions needed for day to day operations. Some vacancies are filled from outside the hotel while others are filled by promoting from within.

There is also the need for employee’s safety and health due to work-related accidents and illness in hotels. For examples, cooks who work with knives and meat slicers, house-keepers who use potentially hazardous chemicals when cleaning guest rooms, and maintenance staff who operate power equipment in their daily jobs need safety precautions. Greasy floors and wet slippery surfaces can cause accidents for those persons working in kitchens or employees cleaning floors anywhere in the hotel.

In addition, employees need someone to report problems to if a supervisor or manager asks them to perform an unsafe task. This is the reason why the general manager (G.M.) and Human Resources (HR) department must be vocal advocates for employees’ safety.

There should be a high employee morale resulting to high productivity if line managers implement ongoing programs that allow employees gain additional job-related knowledge and skills leading to responsible and higher paying jobs within the hotel.

Equally important is educating mangers and employees about the numerous professional, personal and societal advantages inherent in recognizing the worth of all employees regard less of gender or race.

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