

MODULE – 5

Management of Tourism
Business



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HUMAN RESOURCE MANAGEMENT – I

Tourism is a service industry where mostly service is produced and consumed simultaneously. In the delivery of this service human resource plays an important role. In tourism operation a highly motivated, committed, trained and professional work force and its proper management is required. In this lesson, we have stressed upon the importance of human resources management (HRM) in the tourism sector. Along with certain theoretical issues it attempts to familiarise you with vital operational issues in tourism. As managers or owners of small tourism business, you can apply these issues to your own job requirements. We believe that every tourism manager must be aware of these issues. It starts with introducing you to the significance and functions of HRM, and goes on giving you an idea of planning and acquisition of human resources, and their training and compensation.

As a result, human resource management in tourism emerges as a vital area of concern.



OBJECTIVES

After studying this lesson, you will be able to:

- discuss the concepts and functions of HRM;
- identify the role of HRM in tourism industry;
- explain the process of HR planning and
- describe the methods of recruitment and selection.

16.1 CONCEPT AND FUNCTIONS OF HRM

All the organisations are formed for the attainment of some objectives like earning profit, exploiting certain natural resources, supplying goods and services

to the public, developing a certain geographical area etc. For the accomplishment of these objectives, organisations use money, machines, materials, resources and above all the human resources. Since every organisation is made up of people, acquiring their services, developing their skills, motivating them to high levels of their performance and effective handling and maintaining them is the essence of the management of an organisation and essential for achieving its organisational objectives. This is true regardless of the type and size of the organisation. Getting and retaining deserving people, at right time, in the right place and at right price is basic to the success of all the organisations, whether profit or non profit, public or private. An examination of the most successful corporations and government agencies reveals that a quality workforce has made the difference between the success and the failure. Effectively managing human resources has a positive impact on a firm's overall survival, growth, profitability, competitiveness and flexibility to changing conditions. Even in an age of high technology, people are still the most important assets to an organisation, whether it is a multinational company (MNC), a federal government agency like CBI or a small auto parts store. This is equally true in case of a tourism organisation as most of the tourism firms are small sized family firms with family members holding top executive positions.

Human Resources Management (HRM) is concerned with the 'people' dimension in management. It involves all the matters in an organisation regarding decision about people. Frequently, the terms like HRM, Personnel Management, Personnel Administration, Labour Management and Manpower Management are used interchangeably. All these terms refer to the class of activities devoted to identifying the organisation's need for people, attracting them, designing their work, training them, motivating them, evaluating their performance, administering their reward and maintaining cordial labour- management relations. These functions exist in every organisation irrespective of the size and type of the organisation and tourism organisations are no exception. Management of human resources is the essence of being a manager who has to get the work done through others as the responsibility of managing the human resources lies with every manager. According to Edwin B. Flippo, "The personnel function is concerned with the procurement, development, compensation, integration, and maintenance of the personnel of an organisation for the purpose of contributing towards the accomplishment of that organisation's major goals or objectives". Therefore, the basic elements in HRM are human resource planning, recruitment and selection, training and development and compensation administration. These components of HRM are discussed in this lesson in detail.

HRM is a unique management function, the main features of which are as under:

- HRM is concerned with employees both in groups as well as individuals, the aim being to get better results with their collaboration and active involvement in the organisational activities.



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- It covers all types and levels of employees including professional and technical workers, managers, tourist guides, tour operators, skill and unskilled workers etc.
- HRM is concerned with developing the potential and capacities of employees for deriving greater satisfaction from their jobs.
- It is inherent in all organisations and covers all functional areas of management because acquiring, developing, maintaining and compensating people is an integral part of every organisational effort.
- HRM is of continuous nature as it requires continuous awareness of human relations in every type of operation.
- It attempts to acquire the willing cooperation of the people for the attainment of the desired goals.

16.1.1 Objectives of HRM

HRM in an organisation aims at:

- Obtaining and utilising human resources effectively for the accomplishment of organisational goals.
- Establishing and maintaining an effective organisational structure, a cooperative climate and a healthy working relationship among the members of an organisation.
- Securing the integration of individual and group goals with those of an organisation.
- Developing the human resources as individuals and groups within an organisation by providing training and retraining facilities, education and career development advancement opportunities.
- Recognising and rewarding individual needs by offering adequate remuneration, social security and welfare facilities.
- Maintaining high morale and better human relations for retaining the talent in an organisation.
- Meeting the social and legal responsibilities of the organisation towards its employees.

16.1.2 Functions of HRM

Since HRM activities are carried out by both the staff Personnel Department and operational department in the course of directing the activities of the workforce, the most commonly agreed upon classification of HRM functions is into two categories: Managerial and Operative. Every manager, whether performing the operative function or not, performs certain basic managerial functions. Each managerial function is given practical shape at the operational level.

16.1.2.1 Managerial Functions of HRM

Planning: Planning involves an estimate of human resource requirements and provision for meeting those contingencies. It involves establishing objectives, setting up programmes, determining policies and procedures and anticipating manpower requirements.

Organising: It involves providing for the division of work among the most capable groups and individuals. It amounts to bringing together the physical and human resources and establishing the responsibility and authority/accountability relationships. Essentially this function sets up the requirements of each job and position in the organisation.

Staffing: Staffing is concerned with obtaining capable people whose personal characteristics match the job requirements of available positions in the organisation. It is specifically concerned with recruiting, selecting, training and developing these individuals.



Figure 16.1 Managerial Functions of HRM

Directing: Directing involves motivating people, maintaining homogenous work groups, stimulating a commitment to work, and providing fair compensation, job security, social satisfaction and recognition for employees and allowance for employee's participation in decisions affecting his job and welfare.

Controlling: Personnel plans and objectives are useless until they are carried out. Their implementation requires a feedback of the results of these plans and objectives to management; correction of anything that goes wrong; and appraisal of and reward for good performance.



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16.1.2.2 Operative Functions of HRM

Procurement: This function is mainly concerned with determining the manpower requirements of an organisation, identification of the sources of manpower supply and making them available to it for final selection. After selection, the HRM Department arranges for placement of the selected employees in the specific posts.

Development: Development pertains to the training, retraining and education of the selected employees to enable them to perform their duties effectively, their morale building, effective communication skill, promotion, career development suggestion systems, vocational counselling, and appraising employee performance and potential for further development. This function would continue to grow important because of the change in technology, and complexities of management task.

Compensation: Performance of the compensation function involves developing a philosophy of what wages should be, developing theories as to the source of pay roll, determining the company's basic wage policy, relating compensation to an individual jobs, selecting and finalising pay scales for different category of staff, arriving at individual differentials in pay, establishing methods of wage payment and determining the type and extent of fringe benefits.

Integration: With the employees procured, developed and reasonably compensated, HR Manager brings about an integration of human resources with the organisation to develop a healthy work place culture. In the organisations where labour relations are not entrusted to a separate department, all the issues pertaining to the trade unions, negotiations with labour unions, wage negotiation, developing effective work regulations and healthy working relationships, the matters dealing with individuals and collective labour problems that come under the purview of the HR Department.

Maintenance: This function is concerned with the specific issues of high standard of physical condition, grooming standard service adequate, positive attitude, job satisfaction and total service delivery to achieve guest satisfaction. Developing and administering accountability and responsibility, maintaining a favourable attitude towards the employees and their requirements is the basic requirement of HRM in every organisation particularly in a service industry like tourism as a dissatisfied employee will not be able to serve the tourists/guest.



ACTIVITY 16.1

1. Meet the Personnel Manager of any tourism firm and discuss the nature of his work.

2. Suppose you are working in a hotel, evaluate the functioning of your organisation's HR Department.



INTEXT QUESTIONS 16.1

1. What do you understand by Human Resource Management?
2. Describe the main characteristics of HRM.
3. Enlist the main objectives of HRM.
4. Enumerate the functions of HRM.

16.2 HRM IN TOURISM INDUSTRY

World over tourism has emerged as a strong economic factor and practically in every country tourism is being promoted to generate jobs, earn foreign exchange and to carry on the development works. Towards this end considerable importance is being attached to the management of human resources in tourism. Human resources are an inseparable constituent of tourism services with a lot of diversity. The tourism industry is a combination of different sectors and each sector has its own specialised requirements in terms of human resources. Even within one sector, there are specialisations and sub-specialisations. For example, in a hotel, different jobs need different types of trained manpower. Each and every segment in tourism needs special attention for training which requires proper planning and development of human resources. Tourism is intermingled with human resource. Tourism is a service industry and no tourist activity is possible without the involvement of human. Tourism is not about visiting a destination only but the services provided by the people such as escorts, guides, travel agents, hoteliers, entertainers etc to a tourist at any destination. Here, the customer is not only buying a service or a product but also experiencing and availing the quality of service which is reflected in the performance of the people involved in the production and delivery of the service. In such service operations, the emphasis is on courtesy and efficiency and timely delivery of service and it is assumed that the service in tourism is all smiles and effective communication coupled with knowledge and information.

A tourist perceives a destination by connecting the services he receives, the local behaviour and the destination attractions. The perception very much depends on the people interacting with the tourists and the services rendered by the human resources right from selecting the destination till finally visiting and departing from the chosen destination. The services would be that of a travel or tour operator, airlines or railways staff, staff of a hotel or a lodging place etc. No tourist can be satisfied without human element in his trip, as for most of the tourist travelling is more about interacting with new people and cultures



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and not just a tourist site for fun. Some tourists might like a destination due to the human element attached to it while others may not like it due to the absence of it. Tourism requires human resources like no other industry as it provides services which cannot be pre-checked before their delivery like goods produced on mass scale. These can only be felt once they have been utilised. In the tourism sector the unpredictability of the human nature always affects both the service provider and the service receiver. The need for HRM in tourism is not to be confined to the skills of the service providers alone but the planners and officials who carry out the plans should be themselves highly trained.

As the growth in tourism industry has surpassed the growth in all economies-developed or developing, every country has taken up HRM in tourism in a big way. Human Resource Management in tourism is taken at both macro and micro levels. At the macro level available educational and training infrastructure and the efforts of Government and private sector are taken into account. On the other hand at the micro level one takes into account how best the individual organisations manage their human resources. In fact, human resource management and customer's care management are inter-related areas in tourism. Some organisations and destinations are known for their hospitality and human service and called service leaders. Research reported in the area has shown that they have achieved this status through effective management of their human resources. The nature, determinants and problem areas of service quality within tourism points clearly to the central role of human resources in attaining levels of excellence at all levels in this respect. Developing service culture in tourism is crucial for the success of tourism. In the tourism industry human resource management is required mainly for the following reasons:

- Practically every country has adopted a national strategy for employment generation in all the sectors including tourism and job opportunities in tourism have been integrated with economic development.
- Tourism has emerged as a tool for economic development and foreign exchange earnings. All the countries and destinations have been using human resource planning and management for influencing the destination choice of the tourists as it is very closely related to the facilities and the level of services available at any destination.
- Human resource planning and development is vital for ensuring the required amount of quality and standards in hospitality which has now become an important product in tourism.
- Emergence of special forms of tourism like adventure tourism, convention tourism, medical tourism, spiritual tourism etc has led to the demand for specialised skills which can be acquired and developed through proper human resource management only.

- Tourists have become too demanding and for the tourism industry to survive in this demanding and competitive environment, a higher degree of improvement in skills, training and performance improvement of its manpower is necessary. This again is possible only through proper human resource planning and development.
- The human resource involved in providing the tourism service, in fact, is a part of the service. The tourists not only observe but also feels the attitude and behaviour of the human resource. Hence, the role and skills of the staff poses a major management challenge.



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ACTIVITY 16.2

Interview the following in relation to the HRM tasks they perform and find out whether they apply the HRM concepts and functions in their business operations:

- Manager of a travel agency
- Tourism Development Officer
- Personnel Manager of a hotel



INTEXT QUESTIONS 16.2

1. What is the significance of HRM in tourism?
2. Examine the role of HRM in tourism.

16.3 HUMAN RESOURCE PLANNING

The first step in the process of procurement of personnel to man the organisation is to ensure that the organisation has enough of right kind of people at the right time and place and also to adjust the requirements to the available supply. This forms part of Manpower Planning also referred to as Human Resource Planning. It is the complex task of identifying human resource needs and the actions that need to be taken over time to satisfy these needs. Human resource planning consists of forecasting future human resource needs, forecasting the availability of those human resources, and matching the supply of human resources with their demand. It may be defined a strategy for the acquisition, utilisation, improvement and preservation of the human resources of an enterprise.

The major underlying objective of human resource planning is to ensure that the organisation will always have the right number and type of people, at the right time and at the right places to work required by the organisation. Specifically the main objectives of human resource planning are to:

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- ensure the optimum utilisation of the available human resources;
- determine the human resource requirements;
- provide necessary control measures to ensure that necessary human resources are available at right time;
- forecast future skill requirements to serve as a basis of for training and development programmes.

These objectives are relevant to any type of tourism firm though as per its specific requirements the firm may add more to it, like meeting the increasing demand of tourists, providing right service at the right moment or meeting the demand of changing trends and fashions in tourism. The unpredictability of human nature and its need in every spectra of tourism industry makes it necessary to plan well in advance for any expected or unexpected human resource requirement in future. While planning for human resources in tourism sector one has to take into account whether the approach is to be demand or supply driven.

16.3.1 Human Resource Planning Process

The steps involved in the process of human resource planning are illustrated in Figure 16.2 and briefly described below.

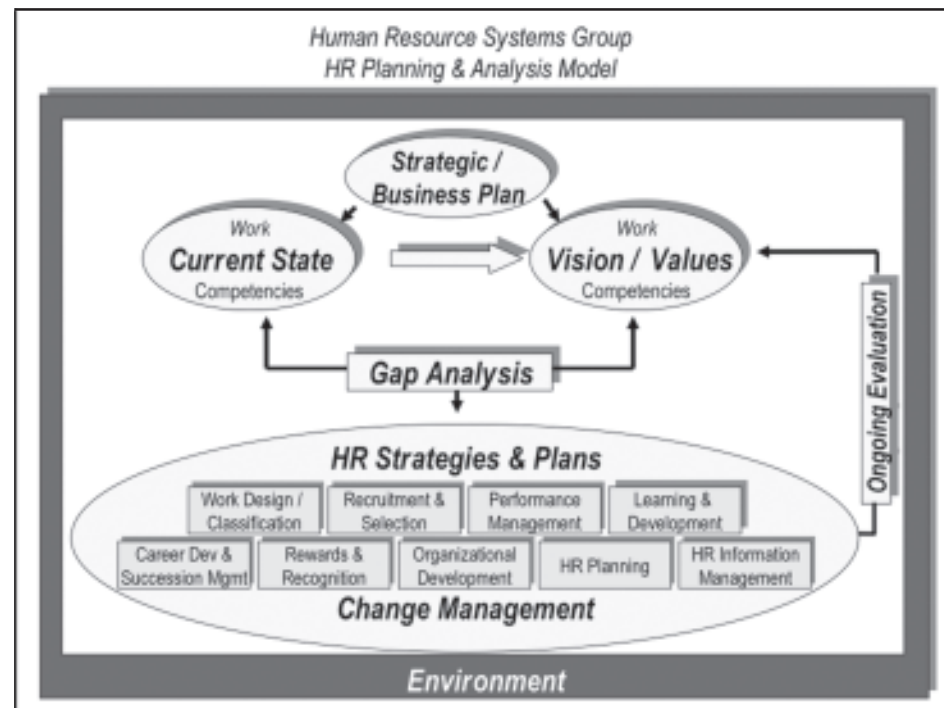


Figure 16.2 Human Resource Planning Model

Assessing current human resources and future business requirements

The process of human resource planning begins with the preparation of a profile of the current status of human resources. This internal analysis includes an inventory of the workers and skills already available within the organisation and a comprehensive job analysis. A human resource inventory report includes a list of names, education, training, prior employment, current position, performance ratings, salary level, languages spoken, capabilities and specialised skills for every employee in the organisation. This inventory acts as a guide for considering new pursuits for the organisation and helps in taking serious personnel decisions such as selecting employees for training and development, promotion and transfers, career progression etc. An executive inventory covering individuals in middle and top management positions also adds a new dimension to the human resource planning activity by highlighting those positions that may become vacant in future due to retirements, promotions, transfers or resignations. This inventory can help in determining whether there is sufficient managerial talent to cover both the expected and unexpected vacancies.

In essence, the assessment of the organisation's current human resource situation based on human resource inventory and a thorough job analysis identifies where people are by taking a close look at the jobs currently being done and the people doing those jobs. The assessment is also supported by collecting information about the organisation's products or services in the light of potential changes in the external labour market and also the likely manpower requirements keeping in view the projected sales and business plans of the organisation.

Forecasting demand for manpower

The most crucial step of manpower planning is the forecasting of the demand for manpower for the period for which the plan is outlined. Demand for human resources is a result of demand for the organisation's products or services. Based on its projections, an organisation can attempt to establish a number and type of human resources needed to reach these projections. As a result, before we can estimate future human resource needs, some formal assessment of what course (in terms of sales or revenue) the organisation plans to take in future is required.

Once an assessment of the organisation's current human resource situation has been made and the future direction of the organisation's targets has been considered, a projection of future demand for human resource can be developed. Human resource demand for an organisation is affected by its environment, including the state of the economy, existing political, educational and social systems etc. The changing organisational requirements also influence the demand for human resources. Internal work force changes, such as retirements, resignations, terminations or deaths also result in the increased demand for



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human resources. Various techniques are used to forecast human resource demand. While judgmental forecasting is based mainly on the views of knowledgeable individuals, quantitative forecasting relies on numerical data and mathematical models, and technological forecasting, aimed mainly at predicting long-term trends in technology, can also help predict future human resource demand.

Forecasting manpower supply

In addition to the demand, managers must consider the supply of sufficient human resources to operate effectively. The supply of manpower may be obtained from both internal and external sources. One of the main sources of manpower supply is the pool of current employees who can be transferred, promoted or demoted to help meet immediate demands for human resources. The demand forecast and internal supply forecast match only in the exceptional circumstances. While in an expanding situation the supply will be less than the demand, in a contracting situation the supply will exceed the demand. In an expanding situation besides internal sources, various external sources of manpower supply are used. These sources expand the supply of available human resources. External supply forecast should be made in the light of several local and national factors operating in the labour market. The main external sources of manpower supply would be discussed later in this lesson.

Reconciling demand and supply

The objective of human resource planning is to bring together forecast of future manpower demand and supply. Once the demand and supply of human resources is estimated, the next step is to reconcile the two. The demand forecast and the supply forecast match only in the most exceptional circumstances. The reconciliation would provide details either of manpower surplus (projected overstaffing) or manpower deficit (staffing shortage). The result of this effort is to identify shortages in number and type of human resources and to highlight areas where overstaffing may exist. It provides the basis for planning action for dealing with manpower surplus and deficit.

Action planning

If reconciled estimates show that the internal supply of human resources is too large (over staffing), then plans need to be made to reduce the number of employees through measures such as attrition, resignations, retirements and termination schemes etc. If, however, there is a predicted short fall of employees for the future, then plans must be made for first promoting deserving employees, transferring existing employees from over staffed areas, discouraging retrenchments, and installing labour saving equipment and processes and then for hiring new workers. You need to make action plans on the basis of manpower requirements, productivity and manpower costs. It would be necessary for you

to estimate the costs involved so that they can be assessed against the potential benefits. You would also have to indicate who is responsible for implementing the plan, for reporting the progress and for monitoring the results achieved.

Tapping external manpower sources

When an organisation grows rapidly and diversifies into newer areas of operation or when it is not able to find people internally to fill the vacancies, it has to resort to external sources of manpower supply. The need for tapping external human resource supply arises primarily through recruitment which is necessarily meant to augment internal supply. These sources include college graduates, the new entrants, the unemployed with a wide range of skills and abilities, the retired experienced persons and others who are looking for jobs. This source also includes those whom you hire from outside for specific jobs like guides, tour escorts etc. To the extent a firm is able to anticipate its outside recruitment needs and scans the possible sources of supply with a feel for the labour market conditions, its problems in recruiting the right number with right skills in the right time would become easier. Given the recruitment policy, it is easy to predict the external supply. In a later section of this lesson you will learn in detail about these sources of manpower supply.



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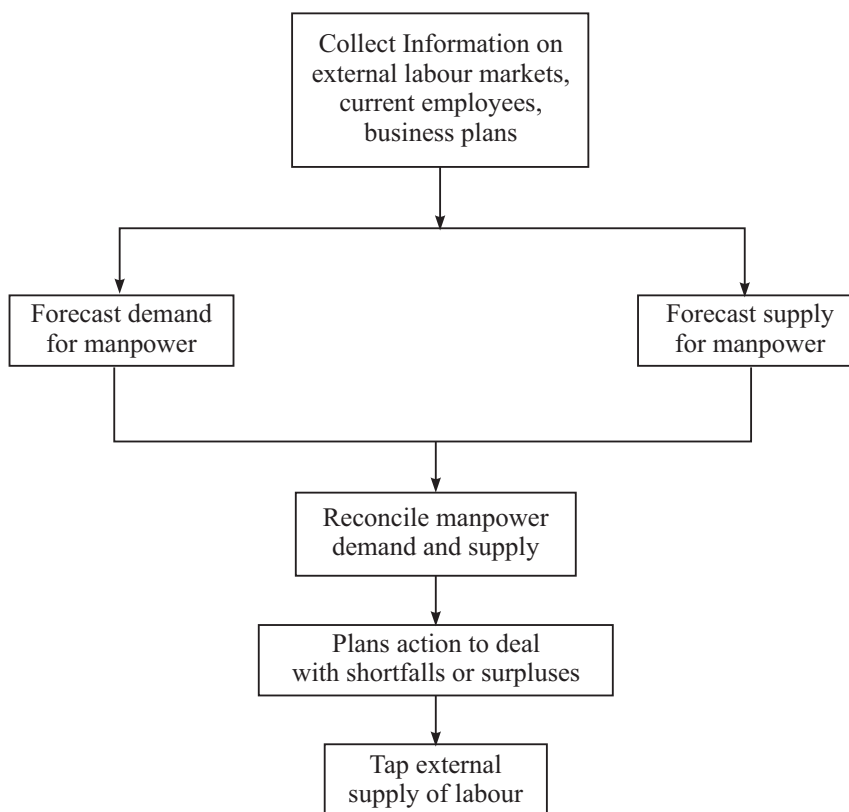


Figure 16.3: Human Resource Planning Process

**Notes****ACTIVITY 16.3**

Visit a hotel you have access to and do the following:

- (i) Identify the major manpower problems and their causes and interrelationship
- (ii) Identify the extent of manpower shortages/surpluses and the reasons there of.
- (iii) Identify and fix forward targets for manpower development.

**INTEXT QUESTIONS 16.3**

1. Explain the need for human resource planning in tourism.
2. Name the steps in human resource planning.

16.4 RECRUITMENT AND SELECTION**16.4.1 Recruitment**

Once the human resource planning has been done and we know our human resource needs, the next step is to acquire personnel. This activity makes it possible for us to recruit the types of people necessary to ensure the continued operation of the organisation. Recruiting is defined as the “discovering of potential candidates for actual or anticipated organisational vacancies.” Recruitment is the process of identifying the prospective employees, stimulating and encouraging them to apply for a particular job or jobs in an organisation. It is a positive action as it involves inviting people to apply. The purpose is to have an inventory of eligible persons from amongst whom proper selection of the most suitable person can be made. It is essentially a linking activity - bringing together those seeking jobs with those having jobs to fill. An ideal recruitment effort will attract a large number of qualified applicants who will take the job if it is offered. Information about the job should also be provided so that unqualified applicants can self-select themselves out of job candidacy; that is, a good recruiting programme should attract the qualified and not the unqualified. Recruitment is more likely to achieve its objective if recruiting sources reflect the type of position to be filled. For example, an advertisement in a film magazine about an executive position in a hotel is obviously a case of “looking for the right person in the wrong place”.

Before you think of inviting people to apply for a job you have to decide the type of persons to be invited and their requisite characteristics. The particular physical abilities, skills requirements, mental, emotional, social and behavioural specifications necessary for a given job have to be specified. Tourism organisations,

whether big or small, ought to spell out a clear recruitment policy within their organisations incorporating all these specifications. It states the objectives and provides a framework for implementation of recruitment programmes in the form of procedures. A recruitment policy may include several issues such as promotion or transfer from within the organisation. But it should be in line with the employee requirements to attain the organisation's objectives.

16.4.1.1 Sources of Manpower

There are two sources of supply of manpower: internal and external.

Internal Sources: Internal recruitment is finding potential candidates from within the organisation and encouraging them to apply for organisational jobs that are open. Most large organisations attempt to develop their own employees for positions beyond the lowest level. These sources include transfers, promotions and laid off employees. In some cases demotions may also take place. The advantages of the policy of recruiting from within the organisation are that it:

- boosts the morale of the employees
- encourages individuals who are ambitious
- fosters loyalty among the employees towards the organisation.
- improves the probability of good selection as information on the individual's performance is available
- acts as a training device for developing middle and top-level managers
- is less expensive than external recruitment

In addition the employees see it as a recognition by the organisation.

Recruiting from internal sources also has distinct disadvantages. It can be dysfunctional to the organisation to utilise inferior internal sources only because they happen to be there, when excellent candidates are available outside. Relying exclusively on this source may lead to inbreeding, discouraging new blood from entering the organisation. Moreover, it may be necessary to bring in some outsiders to broaden the present ideas, knowledge and enthusiasm and to question existing methods.

External Sources: All the firms cannot meet all their manpower requirements from internal sources. Employee resignations, retirement, deaths, dismissals etc may result in vacancies which need to be filled up using external sources. In external recruitment potential external candidates are found and encouraged to apply for organisational jobs that are open. A variety of sources exist for obtaining external job candidates. Advertising is generally the most popularly used recruiting source. Other external sources include campus recruiting programmes, employment agencies, referrals, jobbers and contractors, consultants. Another minor source of external supply is through seconding (or deputing)



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personnel from other organisations which takes place largely among government departments.

The external sources of manpower can be tapped using three methods of recruitment: direct, indirect and third party, depending on the job level and skills required for doing the job. Direct methods include sending recruiters to educational institutions, employee contact with public, manned exhibitions, and waitlists. Indirect methods cover advertisements in news papers, on electronic media, in trade and professional journals and brochures. Under third party methods various agencies are used for recruitment which include commercial and private employment agencies, state agencies, recruitment firms, and management consultancy firms. In tourism industry these are used particularly for those jobs which are seasonal in nature. For example, a tour operator may require a tour escort with the knowledge of a specific language to look after a particular group. In such a situation the help of professional bodies like the guides association is taken.

Organisations that follow the policy of external recruitment argue that the candidates selected from external sources:

- are a potential source of new ideas
- have wider experience and knowledge
- are familiar with competitors

Recruitment from external sources may however be more expensive than recruiting from internal sources. Moreover, the probability of a mistake in assessing a potential employee is high, as the information about him is not always reliable. You have to take chances regarding their loyalty and desire to continue with the organisation. You have also to make larger investment in their training and induction.

16.4.2 Selection

Once a pool of qualified applicants is recruited, the next step is the process of thinning this pool of applicants through the process of selection. Selection is the process of determining the extent to which the candidates have the skills, abilities and knowledge required to perform effectively in the positions for which they are being considered. It is the process of examining the applicants with regard to their suitability for the given job or jobs, and choosing the best from the available candidates and rejecting the others. For each candidate, the organisation evaluates the skills, education, experience etc. to find out the people who would “fit” the particular job specification. In other words, the ideal selection identifies the best-fit between the person and the job. All selection activities exist for the purpose of making effective selection decisions. Each activity is a step in the process by which managerial decision makers seek to predict which job applicants will be successful if hired. Another objective of the selection process is informing and

selling the job to the candidate, which means making the job appealing to the candidate. If you fail in selling the job to the candidate, there is little likelihood that the applicant will accept the job even if it is offered. Hence, a manager's dilemma in selection is to balance the desire to attract people to take up the job if offered with the desire to gather relevant selection data.

16.4.2.1 Steps in the Selection Process

The selection process involves choosing the best suitable candidate and rejection of unsuitable or less suitable ones. This may be done at any of the successive hurdles which an applicant must cross. That is the reason Dale Yoder considers selection process as negative in nature because rejections take place at each successive stage. He considers recruitment as positive because its purpose is to enlarge the pool of job applicants. Selection activities typically follow a standard pattern, beginning with an application form or preliminary interview and concluding with the final employment decision as given in Figure 16.4. The complexity of the process usually increases with the level and responsibility of the position to be filled. However, all organisations need not follow all the steps in their selection processes and these steps also need not necessarily be placed in the same order. Though arrangement may differ from organisation to organisation, these steps can be generalised to most organisations.



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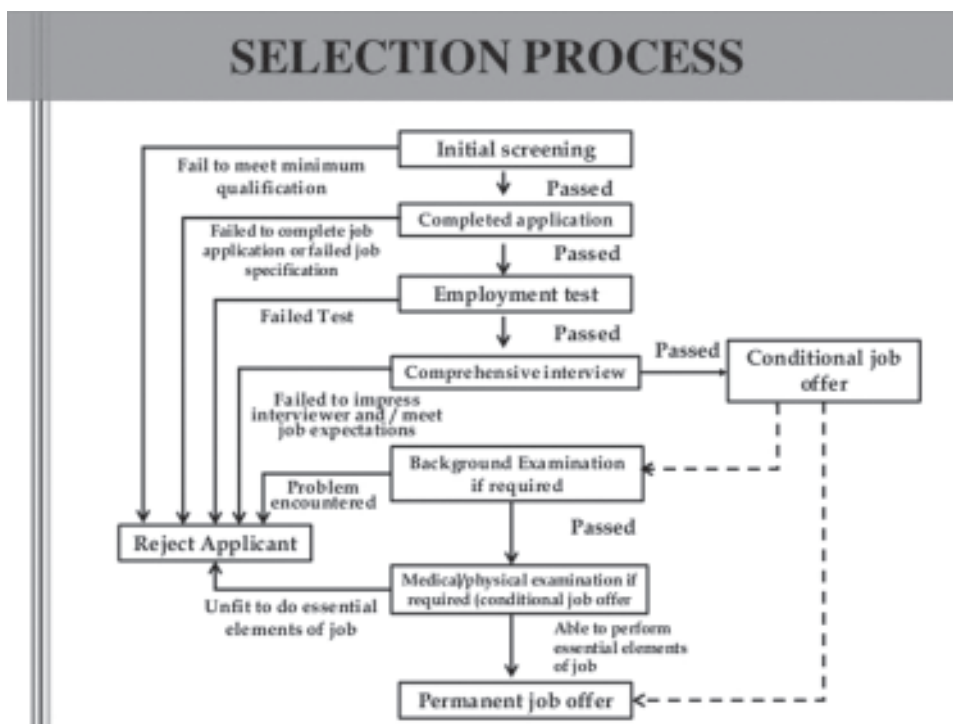


Figure 16.4: Steps in the Selection Process

**Notes****Application Form**

If your recruiting effort has been successful, you will be confronted with a number of potential applicants. Once the initial screening has been completed, applicants are asked to complete the organisation's application form. The application form is used to obtain useful information about the candidate. Most application forms provide information with respect to applicant's comprehensive personal and history profile, education, experience, references etc. Different types of forms may be used for different types employees. In general terms, the application form gives a synopsis of what applicants have been doing, their skills and their accomplishments. There is now a provision of submitting forms online. Applications so received are screened against the eligibility criteria so that only the eligible candidates are further processed. You may reject the candidates on the basis of scrutiny of the applications that are found lacking in relevant eligibility conditions. The sharing of job description information with the individual at the initial screening level encourages the unqualified or marginally qualified to voluntarily withdraw from candidacy.

Testing

A test is a sample of an aspect of an individual's behaviour, performance or attitude. Employment testing is frequently used to help identify the candidates with the greatest potential for success on the job through paper-and-pencil responses or tests. Tests seek to eliminate the possibility of prejudice on the part of the interviewer and uncover qualifications and talents that would not be detected by the interviewer. Three major types of tests used in the selection process are ability, personality and performance tests. Ability tests measure mainly mental, mechanical and clerical abilities or sensory capacities (like vision and hearing), personality tests are means of measuring characteristics, such as patterns of thoughts, feelings and behaviors. Paper-and-pencil personality tests measure such characteristics sociability, independence and need for achievement. Performance tests are means of measuring practical ability on a specific job. The applicant completes some job activity under structured conditions. For example, a tourist guide may be asked to handle a situation involving a very difficult client. Although such tests can be costly if special facilities and equipment are needed, performance tests tend to be valid predictors of future performance.

Interviewing

Those individuals who are still viable applicants after the initial screening, application form, whose required tests have been completed, are then given a comprehensive interview. The interview is the most commonly used selection technique. The employment interview serves the purpose of obtaining information, giving information, and motivation. It provides an appraisal of personality, background, training, education and interests of the prospective employee. The

candidate should be given information about the organisation, job specification and personnel policies of the organisation. It should also motivate the applicant to want to work for the organisation. The applicant may be interviewed by the personnel department interviewers, executives within the organisation, potential supervisors, or colleagues. The interview is designed to probe into areas that cannot be addressed by the application form or tests. These areas consist of assessing one's motivation, ability to work under pressure and ability to 'fit in' with the organisation. To be successful in interviewing you should plan ahead and create a positive and supportive environment, conduct a goal oriented interview, avoid questions that may imply any form of discrimination and record your thoughts from the interview after the interview is over. Questions asked should reflect the specific characteristics of the job and the qualities the organisation is looking for.

Checking References

The applicants are often asked to provide a few references who may be their previous employers, colleagues, teachers, professional associations etc. They are approached by mail, telephone or post and requested to furnish their frank opinion about the candidate either on specified points or in general. It includes contacting former employers to confirm the candidates work record and to obtain their appraisal of the performance in the previous job. It also includes verifying the educational accomplishments shown on the application, and contacting personal references. This type of investigation has major implications and every personnel administrator has the responsibility to investigate each potential applicant. Though there is often some reluctance on the part of references to give information, there are ways in which the personnel administrators can obtain it. A seasoned personnel administrator expects this and delves deep into the candidate's background and gets his information.

Physical Examination

All the candidates who successfully cross the above hurdles of various stages of selection are required to undergo a medical examination. Organisations require candidates to take medical examination either prior to or immediately after the hiring decision in order to screen out those who are unable to comply physically with the requirements of the job and the organisation. The candidates are sent for physical examination to organisation's physician or to a medical officer approved for the purpose. The vast majority of physical examinations are required to meet the minimum standards for the organisation's group life and medical insurance programmes and to provide base data in case of future compensation claims. These help in preventing employment of those suffering from some type of contagious diseases.



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**Notes****Final Selection**

Candidates who perform successfully in all the above steps are now considered to be eligible to receive an offer of employment. Ideally, the actual hiring decision should be made by the manager in the department that had the position open. This is because the applicant will eventually work for this manager and therefore a good relation between the boss and the employee is necessary. If the selection process has been effective, the thrust of the selection decision will now be in the hands of the applicant. Individuals appear to move towards matching their work with their personality. For example, social individuals lean towards psychology, social work and the like, while enterprising individuals look for careers in management. Most job choice studies indicate that an individual's perception of the attractiveness of a job is important. People desire to work where their expectations are positive and where they believe their goals can be achieved. This should encourage management to ensure that those to whom offers are made can see that the job is compatible with their personality and goals.

At this stage, care should also be taken to see that those candidates, who were rejected, are communicated in such a manner that the image of the organisation is not damaged. In order to make adequate assessments of candidates, selection methods must have validity. As applied to selection, validity addresses how well a selection device such as a test, actually predicts a candidate's future job performance. When an individual joins the organisation, there is much to be learnt with respect to what should be done, how it is to be done and so on. This is done through socialisation by which the attitudes, expectations and behaviours of a new entrant is systematically changed by the organisation. After a final selection, a letter of intent is offered to the candidate. It has a time limit to join the organisation, it has got the other impact that it can be used by the employee in his previous organisation for better bargaining.

Induction

This programme is an orientation programme, where a fresher/trainee spends a few days in each department of the organisation before he actually joins his own department. He/she gets first hand information and procedure of all other departments, where she/he shall interact in future course of action, it is very helpful for a fresher to understand the needs of other departments.

**ACTIVITY 16.4**

Visit two hotels (from public and private sector each) of your city, and interview their Human Resources Managers to find out the method of their recruitment and judge which among the hotels is the best in recruitment and why?



INTEXT QUESTIONS 16.4

1. List out various sources for recruiting human resources in tourism.
2. What steps will you follow for selecting the employees?



WHAT YOU HAVE LEARNT

- No organisation can achieve its objectives in the absence of proper human resource management. This is more so in the case of tourism industry where the emphasis is on customer care and satisfaction which can be achieved through the quality performance of the human resources involved in the delivery of the service product.
- Human resources are an inseparable constituent of tourism services. Each and every segment in tourism needs special attention for training which requires proper planning and development of human resources. The perception about tourism very much depends on the people interacting with the tourists and the services rendered by the human resources. The need for HRM in tourism is not to be confined to the skills of the service providers alone but the planners and officials who carry out the plans should be themselves highly trained. The nature, determinants and problem areas of service quality within tourism points clearly to the central role of human resources in attaining levels of excellence. Developing service culture in tourism is crucial for the success of tourism.
- Getting and retaining the right people, at the right time, in the right place and at the right price is basic to the success of all the organisations. There is a Huge demand of skilled workers in Tourism sector. HR also develops semi-skill to fully skilled and skilled employee to trainer. Effectively managing human resources has a positive impact on an organisation's overall survival, growth, profitability, competitiveness and flexibility. HRM is the essence of being a manager as the responsibility of managing the human resources lies with every manager.
- Organisations should correctly plan for the requisite number of people required at each level of each category of skill, providing for expansion, attrition and internal development needs. The major underlying objective of human resource planning is to ensure that the organisation will always have the right number and type of people, at the right time and at the right places to work required by the organisation. An ideal recruitment effort will attract a large number of qualified applicants to the organisation. The ideal selection identifies the best-fit between the person and the job. It is the process of



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MODULE – 5

Management of Tourism
Business



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determining the extent to which the candidates have the skills, abilities and knowledge required to perform effectively in the positions for which they are being considered.



TERMINAL EXERCISE

1. What is HRM all about? Discuss the objectives of HRM function?
2. Enumerate and explain the principle HRM functions.
3. Explain the role performed by HRM in tourism organisations.
4. Why is human resource planning necessary in tourism? Describe the steps involved in the process of human resource planning.
5. How does recruitment differ from selection? Identify the main sources of recruitment available to different sectors of tourism industry.
6. What is selection? List out the steps in the selection process.



ANSWER TO INTEXT QUESTIONS

16.1

1. HRM is concerned with identifying the human resource requirements of an organisation, attracting them, training them, motivating them, evaluating their performance, administering their compensation and maintaining cordial labour- management relations. It is the essence of being a manager who has to get the work done through others. The responsibility of managing the human resources lies with every manager. The basic elements of HRM are human resource planning, recruitment and selection, training and development and compensation administration.
2. HRM is of continuous nature. It is concerned with employees both in groups and as individuals, covers all types and levels of employees, is inherent in all organisations , covers all functional areas of management, and attempts to acquire the willing cooperation of the people for the attainment of the desired goals.
3. HRM aims at obtaining and utilising human resources effectively ,establishing and maintaining a desirable working relationship, securing integration of individual and group goals with those of an organisation, developing human resources as individuals and groups, recognising and satisfying individual needs, maintaining better human relations for retaining talent and meeting the social and legal responsibilities of the organisation.

4. Managerial Functions of HRM

- Planning
- Organising
- Staffing
- Directing
- Controlling

Operative Functions of HRM

- Human resource planning
- Recruitment and selection
- Training and development
- Compensation administration
- Integration and maintenance

16.2

1. In every country tourism is being promoted to generate jobs, earn foreign exchange and to carry out the development work. Every segment in tourism needs special attention for training which requires proper planning and development of human resources. Tourism is intermingled with human resource. No tourist activity is possible without the involvement of humans. Tourism is about services provided by the people such as escorts, guides, travel agents, hoteliers, entertainers etc. to a tourist at any destination. A Tourist is buying experiences and availing the quality of service which is reflected in the performance of the people involved in the production and delivery of the service. In such service operations, the emphasis is on courtesy and efficiency and it is assumed that the service in tourism is all smiles and effective communication coupled with knowledge and information. The tourist perception depends on the people interacting with the tourists and the services rendered by the human resources. The nature, determinants and problem areas of service quality within tourism points clearly to the central role of human resources in attaining levels of excellence at all levels in this respect.
2. In the tourism industry the role of HRM is to ensure employment generation and training, and helping growth in economic development and foreign exchange earning. IT helps all segment of tourism industry such as hospitality, conference and convention, adventure tourism, eco tourism by producing trained manpower to serve tourists in the most efficient way.



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16.3

1. The need for human resource planning arises because it provides for optimum utilisation of available human resources, determination of the human resource requirements, ensuring availability of necessary human resources and forecasting future skill requirements to serve as a basis for training and development programmes.
2. Process of human resource planning comprises following steps:
 - Assess current human resources and future business requirements
 - Forecast demand for manpower
 - Forecast manpower supply
 - Reconciling demand and supply
 - Action planning
 - Tapping external manpower sources

16.4

1. Sources of recruitment are broadly the following:

Internal Sources: These sources include identifying potential candidates from within the organisation on the basis of transfers, promotions, layoffs, demotions etc.

External Sources: Employee resignations, retirement, deaths, dismissals etc. may result in vacancies which need to be filled up using external sources comprising advertising, campus recruiting programmes, employment agencies, referrals, jobbers, contractors, consultants and seconding (or deputing) personnel from other organisations.

2. Steps in Selection Process
 - I. Formal application
 - II. Testing
 - III. Interview
 - IV. Reference checks
 - V. Physical examination
 - VI. Analysis and decision