

INCLINATION OF INDIAN FIVE STAR HOTEL INDUSTRY TOWARDS DEVELOPING PEOPLE - AN EMPIRICAL VIEW

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PURPOSE

Indian Hotel industry is a rapidly evolving industry that has become increasingly competitive and dynamic in the global arena. It is gaining universal acceptance as a potent engine for inclusive socioeconomic progress because of the jobs created and infrastructure developed. It has potential to stimulate other economic factors through its forward and backward linkages and ability to create more employment due to its multiplier effect on economy. The tourism and hospitality industry is contributing significantly to Indian economy also. It is among the top 15 industries of the country to attract highest FDI since the

beginning of new millennium. The tourism and hospitality sector accounts for 7.5% of GDP and is the third largest foreign exchange earner for the country. Hotel industry is one of the major variant of tourism and hospitality industry. In Hotel Industry, employees play a very important role as they are in direct contact with the customers so Internal service quality i.e satisfaction of employees with the service received from the internal service providers play a very important role here. One of the important strategy of internal service quality is Developing The Right People, so the present study makes an attempt to analyze the developing strategies of selected five star hotels of North India by

garnering the views of the employees pertaining to their expectations and actual perception about the services being rendered to them. The employees' perspective on various developing strategies like training, empowering and teamwork are ascertained and analyzed in this paper. The study assumes a greater importance as the players chosen for the study represent highly esteemed five star hotels of India.

RESEARCH TYPE

Empirical

FINDINGS

There exists difference in the perception and expectations of the employees as far as their dimensions of internal service quality are concerned. All the hotels have been found to be struggling on the empowerment dimension which indicates that hotels are not delegating authority to employees. However the selected hotels are comparatively doing better in providing training and promoting teamwork aspect of service quality.

PRACTICAL IMPLICATIONS

The administrative wing of the hotels should start viewing service quality from the employees' perspective and make necessary changes in their service quality endeavours.

KEYWORDS

Internal Service Quality, Training, Empowerment, Teamwork

INTRODUCTION

Hotels are important globally as providing the facilities for recreation and entertainment, meeting and conferences and business transmission. When foreign visitors avail the facilities of these hotels the foreign currency is earned through the visitors' payments. Hotel industry is a source of employment generation for both skilled and unskilled persons. There is perhaps no country in the world which is not relying on this industry to prosper its economy. The Indian hotel industry has touched \$1.8 billion in 2016 according to ICRA report. Its positive impact on balance of trade, employment generation and gross income etc is appreciated by one and all. The Indian hospitality sector is blossoming day by day due to factors such as a

stable government, declining inflation and increase in GDP growth rate. The government's strong focus on tourism initiatives are all expected to boost hotel performance going forth. The tourism initiatives by our **Prime Minister Sh. Narendra Modi** which include developing tourism infrastructure, pilgrimage circuits, focus on railways to increase domestic tourism, inland waterways for transport and tourism, and the '**Swachh Bharat Abhiyan**' campaign have fostered the growth of hotel industry as well. Moreover, the recently announced extension of **Tourist Visa on Arrival (TVoA) and Electronic Travel Authorisation (ETA)** to citizens of 43 countries is expected to drive tourism and, in turn, fuel the growth of demand for hotels in the country.

Ministry of Tourism has taken several steps to encourage this industry in India. The Hotel and Tourism industry has been declared as high priority industry and Foreign Direct Investment (FDI) of up to 100%, under the automatic route is permitted in 'Hotels & Tourism Sector', subject to applicable laws/regulations, security and other conditions. With ever-intensifying and cut-throat competition in the Indian hotel industry, the

success of the hotels especially luxury ones depends upon the satisfaction level of customers. Satisfaction of customers, to a great extent depends upon the service quality they are getting from the hotels. Such an external service quality is said to be dependent upon motivation level of employees which in turn depends upon internal service quality. Internal service quality thus is fast turning out to be the key for success of hotels. The present study has made an endeavour to assess the internal service quality in selected five star hotels of India.

A very important strategy of Internal service quality in hospitality industry is developing the people to make them more competitive and responsive, so present study includes an examination of developing strategies of selected five star hotels by analyzing the employee's expectations and perceptions of five star hotels of North India. This analysis of service quality would enable management to better direct financial resources to improve internal service quality orientation in those areas that have the most impact on employees' perceptions of service quality. This evaluation is essential in today's competitive, challenging and cost-conscious market.

REVIEW OF LITERATURE

Each and every research work, its planning and execution is highly dependent on the thorough review of literature on the subject. This helps the researcher to familiarize with work already been done and also helps to trace down the gaps, the unexplored area and those research problems that have not been covered or considered earlier, for future considerations and studies. The prominent studies pertaining to internal service quality in hospitality sector, irrespective of the measuring scale used have been discussed below.

Though internal service quality has received little attention in empirical literature, although certain aspects of it have been discussed theoretically in mid nineties (**Barnard, 1938**). Service profit chain was also based on the concept that profitability of a firm is derived from customer satisfaction which in turn is derived from employees' satisfaction (**Heskett et al, 1994; Walker et al, 2006**). So organization effectiveness can be improved by internal performance indicators of organization structures and processes i.e internal service quality (**Gilbert and Parhizgari, 2000**). The health of an organization depends upon degree to which employees share common values and

how well the employees are served in organization's activities (**Dotchin and Oakland, 1994**). **M. Isabel Sanchez-Hernandez, Francisco J. Miranda (2011)** presented the first empirically tested model showing that internal marketing (IM) is a factor of success in new services development.

Various researchers have focused on different factors of internal service quality from time to time. Several important managerial factors, such as training, information and communication technologies and information systems (ICT/IS), and environmental management are directly related to total quality management (TQM) in the hotel industry (**Enrique Claver-Cortes, Jorge Pereira-Moliner, Juan Jose Tari, Jose F. Molina-Azorín, 2008**).

Norzuwana Sumarjan, Susan W. Arendt, Mack Shelley (2013) compared perceptions of Malaysian hotel quality managers (HQMs) and employees on leadership and workforce practices. The service providers could provide good service through empowerment by giving front line staff the latitude to make important decisions on customers' needs and can enhance service quality (**Tschohl, 1998**). Training is also a very important tool to improve service quality

as inadequately trained front line staff would find it difficult to perform task effectively (**Gummersson, 1991**). So it can be said that the hotels must develop human resource management strategies to train and develop employees to become more skilled in their job, have excellent communication skills, being courteous, friendly and competent to meet customers' need (**Nadiri and Hussain, 2005**).

The quality of staff and its impact on the quality of customer service had proved to be vital to the organizations (**Papasolomou-Doukakis, 2002**). **Philmore Alleyne, Liz Doherty, Dion Greenidge (2006)** measured the extent of the adoption of human resource management (HRM), the existence of a formal HR strategy, and the development of the HR function in the hotel industry. Because employee morale affects customer satisfaction the managers of the international tourist hotels need to cultivate good relations with their internal staff (**Chien-Wen Tsai, 2008**).

All in all, many scholars believe that an organization must first improve the internal-service quality in order to render good-quality external services, and it is imperative that the organization which provides satisfying tools, policies and procedures, teamwork,

management, goal-oriented cooperation and training to its employees, further increases employees' job satisfaction (**Hallowell et al., 1996**).

RESEARCH OBJECTIVES

- To study the existing service quality orientation of selected five star hotels of India and to find the key factors that impede service quality delivery in these hotels.
- To study the relative importance of internal service quality with special focus on 'developing the people' strategy of internal service quality in these hotels.
- To examine the expectations of the employees of selected hotels on various developing strategies of internal service quality in selected hotels.
- To assess how the employees actually perceive service quality of their hotels on developing strategy.
- To assess the gap if any in expectations and actual perception of the employees.

- To give some practicable suggestions to the selected hotels so that their service quality is perceived well by their employees.

HYPOTHESES

Keeping in mind the objectives of the study, following hypotheses have been tested:

H01: There is no significant difference in expectation and perception of the employees concerning training strategy in selected hotels.

H02: There is no significant difference in expectation and perception of the employees concerning empowerment strategy in selected hotels.

H03: There is no significant difference in expectation and perception of the employees concerning teamwork strategy in selected hotels.

RESEARCH METHODOLOGY

This is an empirical study. The researcher has made use of both field as well as documentary data to attain the objectives of the study. The field data has been collected to garner the views of the managers of the five star hotels pertaining to problem in hand with the help of structured questionnaires. The questionnaire addressed to

the employees aims at getting insights on the developing strategies of internal service quality in selected hotels.

The researcher has made use of different sampling techniques during the various stages of the survey. Initially, it was to be decided as to which five star hotels would become part of study. Purposive and convenience sampling techniques have been used to arrive at the decision in this regard. The purpose of the research is to analyse internal service quality in five star hotels. Thus purposively 6 five star hotels have been selected for the study. For convenience the choice of hotels has been confined to North India only, as the region is more accessible to the researcher. Again in choosing employees to respond to the questionnaire on internal service quality has largely been done according to convenience of the researcher in this regard. Thus a blend of purposive and convenience sampling have been used to accomplish the objectives of the study. The total number of employees that have been included in the sample are 300 (50 from each hotel). The reliability of questionnaire was checked by cronbach's alpha whose value came out to be 7.3 which is quite satisfactory.

The researcher has also undertaken an intensive literature scanning pertaining to problem in hand. The obvious aim was to undertake her study in right earnest. Various books, journals, magazines and newspapers of repute have helped the researcher immensely in gathering secondary information. The data so collected have been analyzed with the help of SPSS software using various statistical techniques like mean, standard deviation, combined t-test, etc and presented with the help of appropriate statistical tables.

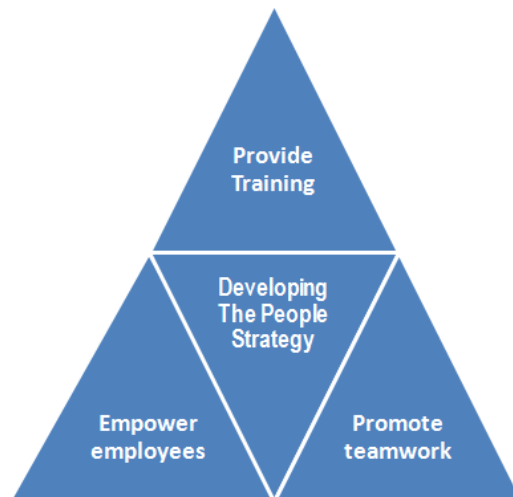
SCOPE OF THE STUDY

The present study has been confined to six prominent five star hotels of North India. All the hotels are amongst the leading five star hotels of India. Hotel Park and Hotel Hilton are situated in the capital of India, New Delhi. Country Inn and Suites of Ghaziabad and Hotel Leela Ambience of Gurgaon are located in the National Capital Region (NCR). Hotel Mountview is situated in the capital of Haryana and Punjab i.e. Chandigarh. Last hotel taken for study is Hotel Majestic Park Plaza of Ludhiana. So basically all the six hotels are from North India and all the hotels are amongst the reputed hotels of India.

RESEARCH THRUST

The thrust of this study is on the following dimensions of service quality as discussed with the help of figure 1

Figure 1: Developing the people strategy



Source: Service marketing by Valarie Zeithmal

ANALYSIS AND INTERPRETATION

The response of the respondents on the above said dimensions of service quality is as follows:

DEVELOP THE PEOPLE

To effectively deliver service quality, considerable attention should be focused on

developing the service personnel. Needless to say, it is good developing that culminates into enhanced productivity of employees and better internal service quality. For good developing, it is imperative for the organisation to provide training to people. Not only this, employees should be empowered and culture of working in teams should be promoted.

TRAIN FOR TECHNICAL AND INTERACTIVE SKILLS

To provide quality service, employees need ongoing training in the necessary technical skills

and knowledge and in process or interactive skills (**R. Norman, 1984**). Training in interactive skills make employees courteous, caring, responsive and empathetic. Both technical and interpersonal skills are necessary, but neither alone is sufficient for optimal job performance. In today's world there is a need to follow the principle of innovation-training-development-action-sustainable growth (**Jain and Aggarwal, 2005**). The position of the selected hotels on this front has been explained with the help of table 1.

TABLE 1: Employees Expectations and Perception on Training them for Technical and Interactive Skills

S.No.	Name of The Hotel	Mean (P-E)	SD	S.Mean Error	T	df	Sig
1	Hotel Leela Ambience, Gurgaon	-1.040	.5700	.0806	-12.90	49	.000
2	The Park, New Delhi	-1.320	.5127	.0725	-18.20	49	.000
3	The Hilton, Delhi	-.7200	.6401	.0905	-7.953	49	.000
4	Country Inn and	-2.080	.8040	.1137	-18.29	49	.000

	Suites,Ghaziabad						
5	Hotel Mountview,Chandigarh	-1.160	.4218	.0599	-19.44	49	.000
6	Hotel Majestic Park Plaza, Ludhiana	-1.420	.6727	.0915	-14.92	49	.000

Source: Employees’ survey

Table 1 indicates that except for Country Inn and Suites the other selected five star hotels have performed satisfactorily on providing their employees the training to fine-tune their technical and interactive skills. The Hilton is leading the lot with a negative mean difference between perceptions and expectations less than 1 while Country Inn and Suites is a bit vulnerable in this regard with a negative mean difference of more than 2. On pushing the employees of Country Inn and Suits further, it was revealed to the researcher that technical training is given to only those employees who have to make use of technology. Training for interactive skill is meanwhile given to none. It is an established fact that both technical as well as interactive skill training to the employees makes them serve their customers better. Whereas technical

training reduces the time that an employee takes in serving customers, interactive skills training brings in them all the desired characteristics that are liked by the customers. Country Inn and Suits must understand this and start bringing its employees under the purview of training.

EMPOWER EMPLOYEES

Empowerment means giving employees the desire skills, tools and authority to serve the customer. Many organisations have discovered that to be really responsive to customer needs, frontline providers need to be empowered to accommodate customer request and to recover on the spot when timings go wrong. This in turn reduces job stress and increases job satisfaction (**J C Chebat and P.Kollias, 2000**). Some organisations have really taken advantage of successful empowerment strategy. The extent

to which the selected hotels empower their employees has been explained with the help of table 2.

TABLE 2: Employees Expectations and Perception on Empowerment

S.No.	Name of The Hotel	Mean (P-E)	SD	S.Mean Error	T	Df	Sig
1	Hotel LeelaAmbience,Gurgaon	-1.880	1.042	.1474	-12.74	49	.000
2	The Park,New Delhi	-2.520	.7068	.0999	-25.21	49	.000
3	The Hilton,Delhi	-2.940	.5499	.0777	-37.80	49	.000
4	Country Inn and Suites,Ghaziabad	-2.940	.8429	.1192	-24.66	49	.000
5	Hotel Mountview,Chandigarh	-3.560	.8609	.1217	-29.23	49	.000
6	Hotel Majestic Park Plaza,Ludhiana	-2.500	.8630	.1220	-20.48	49	.000

Source: Employees' survey

If table 2 is taken as an indicator, then one may say with authenticity that empowering employees is not finding much favour with Indian 5-Star hotel industry. None of the

selected hotels has got the negative mean difference of less than 1.5 while half of the selected hotels have got negative mean difference around 3 on this front. Whereas the

position of Hotel LeelaAmbience, Hotel Park and Majestic Park Plaza may be described as below par, the position of Hotel Hilton, Country Inn and Mountview is nothing short of pathetic on empowerment front.

The above findings are rather surprising. In a hotel industry wherein customer involvement in the services is very high and the fact that hotel's success hinges on customer service and satisfaction, not empowering employees is nothing short of a suicidal tendency. It is by empowerment that employees can quickly and amicably sort out any issue involving customers. The hotels, especially those which are more vulnerable must rethink of their existing stance towards the philosophy of empowerment.

PROMOTE TEAMWORK

The nature of many service jobs suggests that customer satisfaction will be enhanced when employees work as teams. Employees when work in teams always feel supported and always remain enthusiastic. Though some of the organisations have improved teams yet in many organisations not all people work equally well nor are they collaborative (**Jassawalla and Sashittal, 1999**). By promoting teamwork, an organisation can enhance the employees' abilities to deliver excellent service and enhance their service inclination and it ensures its success. The position of selected hotels on this crucial aspect has been explained with the help of tables 3.

TABLE 3: Employees Expectations and Perception on Promoting Teamwork

S.No	Name of The Hotel	Mean (P-E)	SD	S.Mean Error	T	df	Sig
1	Hotel LeelaAmbience,Gurgaon	-1.020	.9145	.1293	-7.887	49	.000
2	The Park,New Delhi	-1.560	1.052	.1489	-10.47	49	.000

3	The Hilton, Delhi	-1.380	.6353	.0898	-15.35	49	.000
4	Country Inn and Suites, Ghaziabad	-1.840	.6502	.0919	-20.00	49	.000
5	Hotel Mountview, Chandigarh	-1.660	.7982	.1128	-14.70	49	.000
6	Hotel Majestic Park Plaza, Ludhiana	-.8800	.7182	.1015	-8.663	49	.001

Source: Employees' survey

Table 3 indicates that Hotel Majestic Park Plaza with a mean difference of -0.88 is rated very high by its employees in promoting teamwork. Hotel Leela Ambience with a mean difference of -1.0 is not lagging too behind either. Other hotels too have got mean difference in proximity of -1.5. It may, thus be concluded that five-star hotels of India, if ignoring empowerment are definitely paying some attention to improve internal and hence external service quality by promoting teamwork.

CONCLUSION

At the outset, the hotels under study should make genuine efforts to know the expectations of employees. The study has revealed a

significant gap in the expectations and actual perceptions of both of them. It means the hotels are either not understanding the expectations of the employees or are not doing enough to meet those expectations. Whatever may be the reason, all this culminates into dissatisfied employees. The same in turn has a bearing on internal as well as external service quality. The hotels, especially less performing ones must try to bridge the gap between expectations and perceptions of the employees

All the selected hotels except Country Inn are providing continuous training to their employees and considering it as an important dimension. However it has also been made mandatory for hotels to participate in skill development

initiative and to provide training to employees to meet the manpower needs of hospitality industry by Ministry of tourism under PM's Skills Development Mission "Hunar SeRozgar Scheme".

Surprisingly none of the selected five star hotels has been found empowering its employees as all the hotels have got below average mean scores on this front. It means the management in their hotels is still autocratic and not participative which is very important in service sector.

However all the hotels are quite good in promoting teamwork by effective leadership as employees of all the hotels meanwhile have rated their hotels as making genuine efforts for promoting teamwork. This argues well for Indian 5-Star Hotel Industry.

It is high time that service quality must be reviewed from the employees' viewpoint and improved accordingly. This is how the five star hotels can hope to get international acclaim and generate positive word of mouth from employees as well as customers.

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