

Importance of Development Programs of Hotel Industries in India

¹Muhammed Anas.B & ²Dr.Arvind Kumar

¹Research Scholar OPJS University, Churu Rajasthan

²Associate Professor,OPJS University,Churu Rajasthan

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ABSTRACT

The Indian Hotel Industry is growing at a fast pace. This is due to the intervention by Government of India to facilitate the business through economic reforms, changes in different taxation policy, allowing foreign direct investment etc. This paper traces the development of the Indian Hotel Industry in India right from colonial times so that readers are familiarized with its different stages of development. This paper also highlights the role the Government of India has played in the development of this Industry at different stages of history and the forces that shaped those decisions. The role played by Indian hotel entrepreneurs in establishing the Hotels and taking those hotels to global markets has been discussed. The challenges posed by entry of foreign hotels in India and what it means for Indian Hotel Industry shall make readers acquainted the dynamics of Globalization. The means and methods they use to enter global methods and the reasons have been extensively discussed. The historical concept of Hotel classification in India and how it has taken the present form and what media has reported about it has been discussed. The paper discusses the literature review from the variety of sources to establish the essence of Hotel Industry in India and its dynamics in twenty first century.

1. Introduction

The professional hotel Industry in India was established by the British during colonial times in cities like Calcutta, Mumbai and Delhi. The hill resorts of Shimla & Mussourie also witness setting up of Hotels for tourists looking for cooler destinations in summers. The Hotels that were built in early eighteenth century include Chales Ville in 1861 and Savoy in 1895 in Mussourie. In Shimla Clarkes Hotel was established in 1898 and Savoy Hotel was established in 1902. Jamshedji Tata the founder of Tata Empire in Mumbai established the hotel on a grand scale in 1903 and this hotel is the first ever hotel to be built by Indian entrepreneur in India. In 1934, Rai Bahadur Man Singh, the founder of Oberoi Hotel Chain took over Clarkes Hot el (earlier known as Carlton Hotel) in Shimla and Delhi and in 1938; he took over Grand Hotel of Calcutta. Post-Independence, Jawaharlal Nehru, the First Prime Minister of India recognized the need to build hotel for the foreign dignitaries and this led to the building of the first Government invested Hotel Ashok in New Delhi. India witnessed a tremendous growth on economic front after independence. The Government of India established Indian Tourism Development Corporation (ITDC) in 1966 with the aim of establishing and operating hotels across India (theashokgroup, 2014). In 1982, India hosted Asian games and to accommodate the visitors many hotels were built. ITDC alone built seven hotels which include Kanishka, Ashok Yatri Niwas, Akbar Hotel, Lodhi Hotel, Hotel Ranjit and Qutab Hotel. The Government of India granted license to Taj Palace, Asian Hotels-Hyatt Regency, Le Meridien, and Surya Sofitel hotels which were built in New Delhi. Another giant leap which led towards the growth of Hotel Industry in India was the transformation that took place. India which was typically a socialist country started the economic reforms in 1990's to

become attractive destination for investment. This led to massive growth of the Hotel Industry.

2. Hotel Industry

The standards of facilities and services offered have evolved over the last decade towards the extensive use of technology, environment friendly services, pricing, marketsegmentation, regional preferences, etc. The Indian hotel industry has seen a significant growth in room inventory across categories from upscale luxury to limited services and, boutique and budget hotels. The occupancy and the room rates have seen continued gains both from the domestic and the international traveler in both the business and leisure segment. With the continued growth in India's GDP, improvement in the per capita income, and increased aspirational spending, the Indian hospitality sector is expected to grow faster than most countries around the world. The inherent strength of the Indian economy has led to increased international visits to India. For foreigners, the travel time has increased to three-five days for business travel and from five days to seven-10 days for leisure travel. The government has stepped up various reforms to accelerate the industry growth with liberalization in the regulatory framework, investment friendly schemes, extensive support for creating a world class infrastructure, initiating better air and land connectivity, incentivizing regional set-up in tier III and IV cities, exploring the untapped geographical resources. Federation of Hotel and Restaurant Associations of India states that India currently has over 200,000 hotel rooms spread across hotel categories and guest-houses and is still facing a shortfall of over 100,000 rooms. Leading hotel brands have pepped up their investments and are in various stages of commencement of new proprieties in India, both in metro and non- metro cities. Cities such as Hyderabad, Pune, Jaipur and

Chandigarh have emerged as growth markets. The emergence of these secondary and tertiary cities has led to an aggressive increase in hotel development activity, which was previously dependent in just five main cities. Technology is used almost in every department and function to increase efficiency and standardize operations. The hotels are becoming increasingly conscious for the security of its guest. Keys Hotels launched women only floors in India with video phones in each room to ensure that the women travelers feel secured and enjoy the hospitality and amenities without any apprehension. Many international chains have added various amenities such as special hair dryers and toiletries and operate women-only lounges on the dedicated floor.

3. Training Needs Assessment

Need Assessment also known as needs analysis; a method of analyzing how employee skill deficits can be addressed through current or future training and professional development programs, as well as determining the types of training/development programs required and how to prioritize training/development. Needs assessment is also the identification of the gap(s) between optimal performance and actual performance Training Needs Analysis (TNA) is the key to reshaping the future of Continuing Professional Development (CPD) Programmed in the all industries and educational institutes. It is the major component of training programmers. It is a crucial component of learning for ascertaining both the needs of the learners and the organization and as such it provides a fundamental link with relevant and effective teaching and learning process. It determines and identifies the existence of a gap between what is required of a person to perform their duties competently and what they actually know as a basis for initiating corrective measures and or remedial education. Training Needs Analysis can be an overwhelming process. It is a method that will bridge the gap between the required performance and the actual performance. It is also a method of determining whether a training need exists, and if it does, what training is required to fill the gap. The essence of TNA is to find out the general areas of work/ healthcare where an improvement is needed that would require CPD. It focuses on identifying needs of the target audience, developing a rationale for a training programme, identifying needed inputs, determining program content and setting program goals.

4. Training and Development Manager:

Human resource management entitles training and development as a function concerned with focused activities to enhance the job performance of individuals and groups in organizational settings. Training Managers transfer knowledge and skill back to the all old and new employees. It is difficult to define the training manager (Wiki). The training and development manager is a person responsible for improving the performance of the organization's employees. The Training manager assesses hotel-wide developmental needs to drive training initiatives and identifies and arranges suitable training solutions for employees and actively searches, prepare and implements effective methods to educate, exhilarate performance and recognize performance (SHRM). Training and development managers have the duty of managing the learning and professional development of an organization's workforce in

the hotel. They analyze the training needs of the employees, facilitate schemes and arrange training days. This position can be full time or part time employee in the organization. It can be outsource to service vendors outside.

5. Training And Development Manager In Hotel:

Hotel and hospitality sector heavily relay on professional training managers. In todays, scenario, there is huge demand for quality training managers in hotel sector. In Indian hotel industry, yet to accept and agreed on the importance of full time professional training managers in the hotel. There MNC and franchisee hotel group in the country who employee full time training manager with separate set up and budget for the same. Many of the middle and small hotels still have no scope for specialized training managers in the hotels. We have more than 400 star hotels (including all types) in Pune, but very few hotels have regular full time dedicated training department and training manager. Since this city is growing vertically and as a metro city, hospitality and service sector witnesses" tremendous potential in Pune. There is strong need of skilled manpower and constant efforts must be implemented by hotels to meet the demand providing training to the employee and new aspirants.

6. Activities of Training and Development Manager in Hotel

- To conduct various day to day trainings such as orientation sessions and arrange skill training for new hires.
- To conduct evaluation of the performance and the effectiveness of training programs, providing recommendations for improvement.
- To carry on surveys and identify training needs based on job processes, changes, and other factors.
- Develop training manuals, multimedia visual aids, and other educational materials.
- The T & D managers has important function such as planning, preparing and providing training programs, using knowledge of the effectiveness of methods such as classroom training, demonstrations, on-the-job training, meetings, conferences, and workshops.
- Analyze and fixed up training needs to develop innovative training programs or modify and improve existing programs.
- Review and evaluate training and apprenticeship programs for compliance with government standards.

7. Growth of Indian Hotel Industry:

The impressive overall growth resulted in massive investment in the Hotel sector and new Indian and foreign Hotel Chains made their presence on Indian landscape. The growth of Hotels in India is propelled by the increase in the tourism. The continued "Incredible India" campaign launched by Government of India has had a strong impact on the tourist arrivals in India. Crisil research Annual Review 2013 highlighted the following interesting facts about the Indian Hotel Industry. The size of the Hotel Industry is USD 3.8 Billion, and is growing at average rate of 12%. The current supply of hotel rooms is about 110,000 hotels rooms and current demand is about 150,000 hotels rooms. However, the major reason of the boom in the Hotel Industry is the growth in information

technology and related services. The rise of stock indices and new business opportunities are also attracting foreign institutional investors, funds, equity and venture capitalists. The rising BPO industry is also contributing to growth of the Hospitality Industry Nasscom (2013). However, certain factors pose a severe threat to the Industry like terrorism, diseases like H1N1, travel advisories etc. As per Taj Hotels annual report 2009, the tourist inflow fell by 3.3% in year 2009-10. The successful marketing of Indian Hotels resulted in the growth of these hotels on the global scale. Many of these hotel chains are respected in International Markets. This positive image of Indian hotels helped the hotels chains in achieving the global recognition and many hotel chains like Taj, Oberoi, Ista Hotels etc have forayed in the International markets. Taj Hotel has presence in twelve countries (Taj Group 2014) which include UK, USA, Malaysia, Maldives, South Africa, Sri Lanka, UAE and Zambia. Similarly, Oberoi hotels have presence in Indonesia, Mauritius, Egypt and Saudi Arabia. These hotels are respected for world class hospitality service in the host countries. The Indian hotel business leaders like P.R.S. Oberoi received '2010 Corporate Hotelier of the World' award in New York in November 2010 by Hotels Magazine on the basis of voting by the readers of the magazine in more than 150 countries. The Hotel chain also received the award for being Worlds Highest Rated Luxury Hotel Brand for being the best in guest satisfaction in service, value and hotels location and cleanliness.

Indian hotels are innovating continuously to sustain the competition from domestic and International Chains. The Indian hotel chains have diversified from being exclusive super deluxe chains to serving the middle and lower budget markets as well. Thus, Indian Hotels have evolved to be competitive, innovative and extremely guest focused and has been successful in establishing their place in global markets. The Indian Hotel chains are using latest marketing tools like on line marketing, social media marketing, Emails, direct marketing, travel agencies etc to compete in market (Sufi 2012). Indian hotels have established world class brands by superior service and guest satisfaction. Over the years so many awards have been won by Indian hotels on international levels. Hotels like ITC hotels, Taj Hotels, Oberoi Hotels, Ananda In The Himalayas and other hotel chains have not only been awarded consistently by the International agencies for providing superior services and guest satisfaction. ITC Hotels was awarded as World's Premier Brand by the Galileo -Express Travel World Awards 2008 & 2006. ITC Welcome Heritage won the Best Heritage Hotel Brand award in 2006. ITC Sonar, Kolkata has been declared as one of the best hotels in the world by the Association of British Travel Agents (ABTA) in the April 2004 issue of its magazine 'Business & Travel'. ABTA also rated Dublin amongst the top 20 bars and Bukhara the best restaurant in Asia and the finest Indian restaurant in the world (Itcportal.com, 2014). Indian Hotel Industry has evolved tremendously over the centuries. The initiative taken by private entrepreneurs has resulted in the many Hotel chains achieving highest standards and global recognition worldwide. By expanding in global markets, these Hotel chains have proved that Indian Hotel chains have tremendous potential and have courage to establish themselves in global markets. However, in spite of aggressive growth of the Hotel Industry in India both by Indian and foreign hotels, the competitiveness in terms of being

rated among top rated Hotels on worldwide level doesn't look that impressive. There are few Hotels which have figured among world best Hotels but the number of these Hotels is relatively smaller. The success stories of this small group of hotels discussed above represent small number of Hotel chains. Hotels in India are being awarded as five star and five star deluxe brands by Government ratings agencies but these hotels lack the national and global recognition. This has in fact led to questions being raised on the approval process in general in India.

8. Key Skill Areas of Training Manager

Knowledge of training, learning, functioning of the training department, training options available, and differing learning and training styles.

- Approach to training, an understanding of design, tailored training and an appreciation of the challenges trainers face
- HR practices and the strategic developments in the HR/T&D world
- Understanding of key techniques – TNA, evaluation, learning practice in the workplace.
- Capacity to develop policy and strategy for training.
- Aware of sources of advice, materials, suppliers and contacts
- Best consultancy skills; able to use training to change and organize organizational development
- A trouble shooter, dealing with practical, people and „political“ problems
- An innovative mind, able to bring new concepts and to deliver creative solutions
- An understanding of technology and its role in T&D – from e-learning to training administration systems, being computer literate
- Understanding the financial acumen, discerning value and an ability to tackle ROI issues
- Management skills; to manage administrators and administrative processes, approachable; someone who others seek out for advice
- Excellent communicator, able to present with credibility and authority. Assertive; commanding respect.
- Well organized; and able to plan, and then be flexible within that plan. Competent negotiator, always able to see the win/win situation.

9. Importance of Staff Training

Current changes in the working environment made the Human Resource Development's -role doubly essential in helping businesses being competitive and prepared for any future obstacles that may emerge. According to Bellizzi and Pointkowski (1990) and Lee (1991) due to the technological development the workforce in every company needs training, and being more precise, it needs more improved skills in order to overcome any problems and barriers occurring. The demands of global competition also modifies the way organizations function and provide quality management and customer service training in an attempt to carry on with increasing customer prospects. Additionally, in order to keep ahead in an extremely competitive atmosphere, it has been recommended that the training role has to promote a

continuous learning culture. Additionally, companies offer training in order to guide employees on how to achieve their purpose. In addition they want to advance their employees' performance, by becoming more productive, and prepare them for upcoming changes in techniques or technology in their job. In order to identify what methods are used in the EAC and which one is more appropriate to be used, so as to improve the existing training system, an analysis of the training types had to take place. To increase the commitment level of employees and growth in quality movement (concepts of HRM), senior management team is now increasing the role of training. Such concepts of HRM require careful planning as well as greater emphasis on employee development and long term education. Training is now the important tool of Human Resource Management to control the attrition rate because it helps in motivating employees, achieving their professional and personal goals, increasing the level of job satisfaction, etc. As a result training is given on a variety of skill development and covers a multitude of courses. Training of work tasks is one of the main aspects of staff training, including principles at work, professional knowledge and skills, by offering employees these essentials, staff training helps personal abilities match with business requirements. Training could be enormously demanding and should be in-depth; lack of training or poor training brings out high employee turnover and the delivery of substandard products and services. Staff training is a significant part as well as the key function of Human Resource Management and Development; it is the crucial path of motivating employees and increasing productivity in the business. Staff training is the key task to help everyone in the company to be more united. An enterprise could hire experienced employees or train employees to be skilled. When the company trains their own staff, by providing and forming a harmonious atmosphere, accurate work specification and the passion of work, team spirit will be built between employees and management team within the process.

10. Benefits of Staff Training for Individual and Teams:

Training plays a very important role in human resource development. The major benefits of training for individual and team are as follows: Training helps to increase the knowledge and skills of an employee in the performance of a particular job which helps to increase the productivity. It improves both quality and quantity of output. A well trained employee is self - confidence in his work as he knows what to do & how to do the work. Under such situation there is less need of supervision. Trained employee will be able to make better and economic use of materials & equipment which avoid wastage. In addition the rate of accidents and damages to the machines and equipment will be minimum as they know how to use them. Thus it helps in economic operation. Training helps the employees in various ways. Employee can acquire knowledge and job skills which provide feeling of confidence. The profession of useful skills enhances their value to their employer, increase earning power. Training may also qualify them for promotion to be more responsible towards their job. Training increases the skill, knowledge and talent in the employees. They can make themselves capable of occupying

vacancies at the higher level. In this way the needs for manpower can be fulfilled from the organization.

Benefits for the management:

People who are responsible for training will find out those employees during training, who are quick learners, who have better knowledge and skills, so that different methods of training can be chosen, therefore, better results will be acquired so it helps to aid in evaluating employee performance. Within the training, employees will be introduced to the principles and standards of hotel together with the policies and procedures hence hotels can sustain its own system with the help of training. During the training, employees' abilities and personalities will be easily identified by experienced trainers, or some employees are more suitable for other positions, hotels can adjust and make best use of employees' knowledge and abilities. Armstrong, (1999) states that there are some principles of effective training which if applied can lead to several benefits within the organization. Namely, by minimizing training expenses, developing individual and team performance, in terms of productivity, quality and speed. Operational flexibility can also be improved by expanding the variety of skills possessed by employees and can therefore influence positively the effectiveness of training. Additionally, through the attraction of high quality workforce by offering them knowledge and growth prospects, raising their levels of capability and enhancing their skills can have as a consequence the development of the feeling of job satisfaction. Furthermore, it is essential to encourage employees to identify the real mission of the firm and help them to adjust to changes by providing them with the appropriate knowledge and skills. In general, the advantages of training employees have already been recorded in the literature. The key forces that make training so crucial in any company's operations are worldwide competition, rapid improvements in technology, future prospects increasing the need for rearranging the formation and function of firms and the need for better skilled labour force. Even further, due to the fact that there is a tendency to make training more realistic and relevant to employees' jobs, innovative training plans are developed.

11. Conclusion:

It is clear from the discussion that the Indian Hotel Industry is growing at fast rate. The competition between the Indian and foreign hotel chains has led to the falling room rates. While as some hotel chains have earned name and fame in Global markets many others are being accused of lacking the service quality which does not match their Hotel classification star category. The best role the Government can play in such a situation is play a role of facilitator of growth only by encouraging foreign investment, restructuring the tax schemes to make Hoteliers confident of investing, reduce the luxury and service taxes so that prices of services offered by the hotels are lowered . The Government should handover the Hotel classification process to private players like FHRAI so that more transparency is ensured and only deserving hotels get the higher star ratings.

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