



# Recruitment Policy of the Hotel Industry in Kerala: An Empirical Analysis

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## *Abstract*

*Recruitment forms a prominent stage in the process which continues with selection and ceases with the placement of the candidates. Unlike other service organizations, it is observed that in Kerala there is a lack of scientifically planned recruitment procedure in the hotel industry. They usually follow traditional and abandoned techniques of recruitment and, therefore, fail to attract well trained hospitality experts to this sector. The present study intends to make an empirical investigation into the recruitment policy of employees' in hotel industry in Kerala, an imperative and venerable service sector. The empirical study is based on variables viz. awareness of the nature and responsibilities of the job, awareness of monetary packages, awareness of non-monetary incentives, awareness of promotion and career advancement opportunities and effectiveness of recruitment policy. The study concludes that more than one-half of the employees are satisfied with the recruitment policy of the hotel industry in Kerala.*

**Key words :** *Career advancement – Human resource – Monetary packages – Recruitment policy*

## **I. Introduction**

Human resources are the most important assets of an organization. The success or failure of an organization is largely dependent on the calibre of the people working therein. Without the positive and creative contributions from people, an organization cannot progress and prosper. In order to achieve the goals of an organization, it needs to recruit people with

requisite skills, qualifications and experience. Recruitment forms a prominent stage in the process which continues with selection and ceases with the placement of the candidates (Kempner, 1971). It is the next step in the procurement function, the first being the manpower planning (Mamoria, 1984). Recruiting refers to the process of attracting potential job applicants from the available labour force. Every organization must be able to attract



a sufficient number of job candidates who have the abilities and aptitudes needed to help the organization achieve its objectives. The recruitment process also interacts with other personnel functions, especially performance evaluation, compensation, training and development and employee relations. Thus, recruitment is typically a human resource function.

In the hotel industry most of the vacancies are filled from external sources. But it is observed that unlike other service organizations, there is a lack of scientifically planned recruitment and selection procedure in the hotel industry. They usually apply traditional and abandoned techniques of recruitment and selection and this fails to attract well trained hospitality experts to this sector. Hence it is worthwhile to examine the present recruitment policy in the industry in order to decide whether and how much change is required in its strategies on recruitment.

The study is confined to classified hotel industry in Kerala. It covers three, four and five star segments both in the private sector and KTDC hotels. The study purports to gather the opinions of employees and to arrive at a rational inference regarding the practices of employee recruitment in the classified hotels in Kerala. Awareness of the nature and responsibilities of the job, awareness of monetary packages, awareness of non-monetary incentives, awareness of promotion and career advancement opportunities and effectiveness of recruitment policy are the variables used for the study. The study has been made on the assumption that not more than one-half of the employees are satisfied with the recruitment policy of the hotel industry in Kerala.

## II. Methodology

The population for the study consists of employees of classified hotels in Kerala. In Kerala, there were 235 classified hotels as on March 31, 2009 (consisting of 15 five star hotels, 18 four star hotels and 202 three star hotels). For intensive study, 20 per cent from each category of hotels is selected at random. Thus, the total number of hotels selected as sample has come to 47 (three from five star, four from four star and 40 from three star). The respondents for the study consist of the employees of the sample hotels. There were 2151 employees in the 47 sample hotels as on 31-03-2009. From them, 20 per cent (consist of 62 from 3 five star hotels, 64 from 4 four star hotels and 304 from 40 three star hotels) were selected at random. Thus, the total sample employees selected for the intensive study has come to 430. While selecting the sample employees, care has been taken to select employees working in all the operating departments' viz., Food and Beverage, Housekeeping, Front office, Accounts, and Marketing. Systematic random sampling method was used for selecting the sample hotels and employees. The empirical study makes use of primary data only and was collected from the sample respondents by administering a structured interview schedule. For data analysis, statistical tools such as average, percentages, chi-square test, z-test and Mann-Whitney U test were used.

## III. Results and Discussion

### III. (A) Awareness of the Nature and Responsibilities of the Job

In the hotel industry, most of the vacancies are filled through advertisement in newspapers. A good advertisement of vacancy notification should include a brief description



of the job offered, viz. duties, responsibilities, required qualifications, and reporting relationships of a particular job. Objective information obtained through job analysis is the basis for job description. Poorly written employee job descriptions add to workplace confusion, hurt communication, and make people feel that they don't know what is expected of them.

On analyzing the opinions of employees in the hotel industry in Kerala regarding the awareness of the nature and responsibilities of the job it is observed that only 49.2 per cent are either fully or partially aware of the nature and responsibilities of the job they have to perform. But the sector-wise analysis reveals that unlike in the private sector (only 43.2%) more than two third (64.1 per cent) of the KTDC employees

were either fully or partially aware of the job requirements. While analysing this variable in the case of star hotels, more than one half of the employees in all the star groups in the private sector were unaware of the responsibilities attached to the job. But more than one half of the employees in all the star groups of KTDC were aware of the nature and responsibilities of the job (Table 1). The Chi square test also shows a significant difference of opinion among employees in the three star categories, but no significant difference among employees in the four and five star categories. The Mann Whitney U test is also applied to find the association of opinion of employees in the private sector and KTDC. It also finds a significant difference with regard to the awareness of the nature and responsibilities of the job at the time of submitting the job application.

**Table 1: Awareness of the Nature and Responsibilities of the Job**

Opinion	Private				KTDC				Total
	Three Star	Four Star	Five Star	Total	Three Star	Four Star	Five Star	Total	
Fully Agree	70 (30.60)	9 (25.0)	6 (12.8)	85 (27.2)	37 (49.3)	12 (42.9)	5 (33.3)	54 (45.7)	139 (32.3)
Partly Agree	36 (15.70)	7 (19.4)	7 (14.9)	50 (16.0)	7 (9.3)	9 (32.1)	7 (46.7)	23 (19.4)	73 (16.9)
Neither agree Nor Disagree	4 (1.70)	2 (5.6)	4 (8.50)	10 (3.2)	5 (6.7)	2 (7.1)	-	7 (5.9)	17 (3.9)
Disagree	7 (3.10)	3 (8.3)	3 (6.49)	13 (4.1)	7 (9.3)	2 (7.1)	1 (6.7)	10 (8.4)	23 (5.3)
Highly Disagree	112 (48.90)	15 (41.7)	27 (57.49)	154 (49.3)	19 (25.3)	3 (10.7)	2 (13.3)	24 (20.3)	178 (41.4)
Total	229 (100)	36 (100)	47 (100)	312 (100)	75 (100)	28 (100)	15 (100)	118 (8(100))	430 (100)

Source: Primary data. Figures in parentheses are percentages to respective total.

Three star: Chi-square= 24.021(df=4) and p value =.000\*; Four star: Chi-square=2.828 (df=4) and p value =.587\*\*;

Five star: Chi-square=4.249 (df=4) and p value =.373\*\*

Median- Private: 2.00; KTDC: 4.00 and p value=0.004\*

\* Significant at 5% level. \*\* Not significant at 5% level.



### III. (B) Awareness of Monetary Packages

A clear understanding and awareness of monetary packages attached to the position is a good stimulus to the aspiring candidates (Jacobs, 1989). But in the case of the hotel industry, such type of recruitment advertisement can seldom be seen. In the private sector, most of the advertisements do not furnish exact figures regarding the monetary packages attached to the post. It contains the terms 'pay package best in the industry' or 'pay commensurate with qualification and experience' and so on. But employees who are already in the field will have a clear idea about the pay packages offered by organizations of different star groups.

As regards the awareness of monetary packages at the time of recruitment, only less than a half (47.2 per cent) of the employees have agreed that they were aware of the monetary packages offered at the time of submission of applications. The sector-wise analysis shows that while more than one half (51.8 per cent) of the employees in the private sector were aware of the monetary package attached to the post, more than one half (54.3 per cent) in the KTDC

were unaware of the package. It may be due to the fact that most of the employees prefer KTDC as an entry level engagement. Once they get enough experience they will shift to private sector as it provides more monetary benefits for higher posts. Similarly the star-wise analysis also exhibits that only less than one half of the employees in all the star groups of KTDC and the employees in three star category of the private sector were aware of the monetary packages plugged with the job. But, more than one half (61.7 per cent) of the employees in the five star category in the private sector and one half of the employees in the four star category were aware of the package (Table 2). The Chi square also shows that the difference in the opinion of employees in the three star and four star category is significant ( $p < .05$ ); but no such difference can be traced in the opinion of the employees of the five star category ( $p > .05$ ). The Mann-Whitney U test reveals the employees of KTDC hotels are more aware of the monetary packages at the time of submission of application as its Median value is higher. The test also finds that there is a significant difference of opinion among employees in the KTDC and private hotels as to the awareness of packages ( $p < .05$ ).

**Table 2: Awareness of Monetary Packages**

Responses	Private				KTDC				Total
	Three Star	Four Star	Five Star	Total	Three Star	Four Star	Five Star	Total	
Fully Agree	93 (40.6)	15 (41.7)	26 (55.3)	134 (42.9)	15 (20.0)	5 (17.9)	6 (40.0)	26 (22.0)	160 (37.2)
Partly Agree	22 (9.6)	3 (8.3)	3 (6.49)	3 (8.9)	13 (17.3)	1 (3.6)	1 (6.7)	15 (12.7)	43 (10.0)
Neither agree Nor Disagree	1 (0.49)	1 (2.8)	3 (6.4)	5 (1.6)	5 (6.7)	8 (28.6)	-	13 (11.0)	18 (4.2)
Disagree	46 (20.1)	9 (25.0)	1166 (23.4)	66 (21.2)	11 (14.7)	11 (39.3)	5 (33.3)	27 (22.9)	93 (21.6)
Highly Disagree	67 (29.3)	8 (22.9)	4 (8.5)	79 (25.4)	31 (43.7)	3 (10.7)	3 (20.0)	37 (31.4)	116 (26.9)
Total	229 (100)	36 (100)	47 (100)	312 (100)	75 (100)	28 (100)	15 (100)	118 (100)	430 (100)

Source: Primary data. Figures in parentheses are percentages to respective totals

Three star: Chi-square=24.236 (df=4) and p value =.000\*; Four star: Chi-square= 13.122 (df=4) and p value =.011\*; Five star: Chi-square=3.240 (df=4) and p value =.519\*\*.

Median- Private: 2.00; KTDC: 4.00 and p value=0.004\*

\* Significant at 5% level. \*\* Not significant at 5% level.

### III. (C) Awareness of Non-Monetary Incentives

In addition to the monetary offerings, the employees will expect some non cash benefits from the employer. Non-monetary benefits refer to indirect compensation offered and provided to employees in lieu of the services provided by them to the organization. They include Leave Policy, Overtime Policy, Car policy, Insurance, Leave Travel Assistance, Holiday Homes, etc. Employee benefits are an important part of any company's offering to their prospective or existing staff. There can be numerous advantages in establishing an employee benefits

scheme, not only to the employee, who can receive useful non-cash benefits in addition to, or in place of part of their salary, but also to employers, who can bulk out their salary offering with additional benefits to their staff (Kamoche, 1996). In fact non monetary benefits are one of the most common attractions which force the employees to leave one organization and join another. Hence a clear awareness of such indirect compensation will enable to pull in employees to the organization.

As regards monetary packages offered in the industry, more than one half (52.6 per cent) of the employees argued that they were fully or



partly aware of the non monetary packages provided by the organization. Only less than one forth (24.4 per cent) of the employees argued that they are fully unaware of the type of non monetary incentives attached to the post. More than one half (51.8 per cent) of the employees in private hotels and more than one half (52.6 per cent) of the employees in KTDC hotels also were of the opinion that they had enough pre knowledge regarding the kind of non-monetary offers attached to the job. On analyzing the data star wise it is inferred that more than one half of the employees in all the star types of both KTDC and the private sector stated that there was pre-

awareness among the staff regarding the non-monetary incentives offered. But it is worth mentioning that 49.4 per cent of the employees in three star private hotels had no pre awareness regarding the non monetary incentive attached with the post. The Chi square analysis also shows that the difference in opinion of employees in three star and four star categories is statistically significant; however no such significance can be traced in the opinion of the employees in five star hotels (Table 3). The difference in the opinion of the employees according to Mann-Whitney U test in the matter of awareness of non monetary packages is also significant at 5 per cent level ( $p < .05$ ).

**Table 3: Awareness of Non Monetary Incentives**

Responses	Private				KTDC				Total
	Three Star	Four Star	Five Star	Total	Three Star	Four Star	Five Star	Total	
Fully Agree	93 (40.6)	15 (41.7)	26 (55.3)	134 (42.9)	31 (41.3)	3 (10.7)	3 (20.0)	37 (31.4)	171 (39.8)
Partly Agree	22 (9.6)	3 (8.3)	3 (6.4)	28 (8.9)	11 (14.7)	11 (39.9)	5 (33.3)	27 (22.9)	55 (12.8)
Neither agree Nor Disagree	1 (0.4)	1 (2.8)	3 (6.4)	5 (1.6)	5 (6.7)	8 (28.6)	-	13 (11.0)	18 (4.2)
Disagree	46 (20.1)	9 (25.0)	11 (23.4)	66 (21.2)	13 (17.3)	1 (3.6)	1 (6.7)	15 (12.7)	81 (18.8)
Highly Disagree	67 (29.3)	8 (22.2)	4 (8.5)	79 (25.4)	15 (20.0)	5 (17.9)	6 (40.0)	26 (22.0)	105 (24.4)
Total	229 (100)	36 (100)	47 (100)	312 (100)	75 (100)	28 (100)	15 (100)	118 (100)	430 (100)

Source: Primary data. Figures in parentheses are percentages to respective totals.

Three star: Chi-square=24.236 (df=4) and p value =.000\*; Four star: Chi square=14.122 (df=4) and p value =.001\*; Five star: Chi-square=3.240 (df=4) and p value =.519\*\*.

Median- Private: 4.00; KTDC: 4.00 and p value=0.001\*

\* Significant at 5% level. \*\* Not significant at 5% level.





### III. (D) Awareness of Promotion and Career Advancement Opportunities

Recruiting can become highly competitive in markets where job openings outnumber qualified job applicants. Three and four star hotel employers face distinct challenges in the attempt to lure job applicants away from five star and deluxe class employers with well established reputation. In fact labour market in the hotel industry is facing severe problems-on the one side young students are not opting hotel industry as a profession and on the other side existing professional are trying to leave the industry charmed by the social status provided by the emerging industries like IT and ITES. But by revamping the existing recruitment strategies, the present labour shortage can be overcome. One of the best ways is to provide ample opportunities for career advancement. While considering a choice between two or more job offers, applicants would be more attracted to the prospect of getting on board with a growing company likely to throw open new management positions in the near future. Recruiters can use stories of their own rapid advancement within a small business to add credibility to their claims and pique applicants' curiosity. Larger companies can leverage this appeal by laying out clearly defined advancement paths within their organizations, showing potential employees how length of service or meeting performance goals can advance their careers quickly (Kamoche, 1996). When employees are aware of the chances of advancement at the time of

entry, more and more talented and committed professionals will come to the industry. Hence it is a good recruitment practice to include the career advancement opportunities in the initial job vacancy advertisement itself.

On examining the employees views regarding the pre knowledge of career advancement opportunities, more than one half (54.9 per cent) of the employees declared that they were unaware of the promotion and career advancement opportunities while submitting the application. The sector-wise analysis also does not find any considerable variation. 14.4 per cent of KTDC and 31.7 per cent of the private sector employees argued that these policies were published with vacancy notification. Star-wise analysis shows that more than one half (61.7 per cent) of the employees in private five star hotels argued that these policies were made known along with the job notification. Except this category, more than one half of the employees in all the star categories of both the sectors viewed that they were unaware of the career advancement and promotional opportunities while submitting application (Table 4). The Chi square test shows that the difference in the opinion of the employees in three star hotels is significant, but no difference of any significance is rooted in the four and five star category. But the Mann-Whitney test shows that the difference in the opinion of employees in KTDC and the private sector is not much significant ( $p > .05$ ).



**Table 4: Awareness of Promotion and Career Advancement Opportunities**

Responses	Private				KTDC				Total
	Three Star	Four Star	Five Star	Total	Three Star	Four Star	Five Star	Total	
Fully Agree	71 (31.0)	7 (19.4)	21 (44.7)	99 (31.7)	8 (10.7)	3 (10.7)	6 (40.0)	17 (14.4)	116 (26.9)
Partly Agree	22 (9.6)	3 (8.3)	8 (17.0)	33 (10.6)	11 (14.7)	2 (7.9)	1 (6.7)	14 (12.0)	47 (10.9)
Neither agree Nor Disagree	10 (4.4)	1 (2.8)	3 (6.5)	14 (4.5)	11 (14.7)	6 (21.4)	-	17 (14.4)	31 (7.2)
Disagree	46 (20.1)	15 (41.7)	8 (17.0)	69 (22.1)	16 (21.3)	14 (50.0)	5 (33.3)	35 (29.6)	104 (24.2)
Highly Disagree	80 (34.9)	10 (27.8)	7 (14.9)	97 (31.1)	29 (38.7)	3 (10.7)	3 (20.0)	35 (29.6)	132 (30.7)
Total	229 (100)	36 (100)	47 (100)	312 (100)	75 (100)	28 (100)	15 (100)	118 (100)	430 (100)

Source: Primary data. Figures in parentheses are percentages to respective totals.

Three star: Chi-square=19.264 (df=4) and p value =.001\*; Four star: Chi-square=8.305 (df=4) and p value =.081\*\*;

Five star: Chi-square= 3.240 (df=4) and p value =.481\*\*.

Median- Private: 4.00; KTDC: 4.00 and p value=0.079\*\*

\* Significant at 5% level. \*\* Not significant at 5% level.

**III. (E) Effectiveness of Recruitment Policy**

The effective recruitment and selection of employees is a fundamental HRM activity, one that if managed well can have a significant impact on organizational performance as well as lead to a more positive organizational image. An employee considers a recruitment process an effective one if it comes through a good recruitment channel. Recruitment channels usually used to attract applicants include: advertisements in local newspapers; recruitment agencies/search firms; corporate websites;

specialist journals; encouraging speculative applications; employee referral schemes, and national newspaper advertisements. They will consider a recruitment practice effective if it is fair and transparent. A manger will consider it effective if it is cost effective, reduces turnover ratio and finds apt persons for employment.

On analyzing the opinion of employees regarding the effectiveness of recruitment policy, more than one half (61.1 per cent) of the employees stated that the recruitment policy followed in the organization was an effective





one. Only 31.1 per cent stated that there were deficiencies in the policy. Sector-wise analyze also shows that more than one half of the employees in both KTDC and private sector viewed the recruitment policy as an effective one. Most of the employees (63.6%) in KTDC and the private sector (60.9%) argued that the organization followed an effective recruitment policy. When we analyze the data star-wise, it is understood that more than one half of the employees in all the star groups pointed out that the policy was effective and there were no

deficiencies. But in five star hotels, more than three fourths in both the sectors opined that there were no drawbacks in the recruitment policy (Table 5). The analysis of the data through the Chi-square reveals that the difference in the opinion of employees of the different star categories is not statistically significant ( $p > .05$ ). The Mann-Whitney U test also shows that the difference in the opinion of employees in KTDC hotels and private hotels is not significant at 5 per cent level.

**Table 5: Effectiveness of Recruitment Policy**

Responses	Private				KTDC				Total
	Three Star	Four Star	Five Star	Total	Three Star	Four Star	Five Star	Total	
Fully Agree	90 (39.3)	15 (41.7)	30 (63.8)	135 (43.2)	23 (30.7)	15 (53.6)	10 (66.7)	48 (40.7)	183 (42.5)
Partly Agree	35 (15.3)	9 (25.0)	9 (19.1)	53 (17.0)	19 (25.3)	6 (21.4)	2 (13.3)	27 (22.9)	80 (18.6)
Neither agree Nor Disagree	24 (10.5)	1 (2.8)	1 (2.1)	26 (8.1)	5 (6.7)	1 (3.6)	-	6 (5.0)	32 (7.4)
Disagree	13 (5.7)	3 (8.3)	2 (4.3)	18 (5.8)	1 (1.3)	1 (3.6)	1 (6.7)	3 (2.5)	21 (4.9)
Highly Disagree	67 (29.3)	8 (22.2)	5 (10.6)	80 (25.6)	27 (36.0)	5 (17.9)	2 (13.3)	34 (28.9)	114 (26.5)
Total	229 (100)	36 (100)	47 (100)	312 (100)	75 (100)	28 (100)	15 (100)	118 (100)	430 (100)

Source: Primary data. Figures in parentheses are percentages to respective totals

Three star: Chi-square=8.352 (df=4) and p value =.080\*\*; Four star: Chi-square=1.313 (df=4) and p value =.859\*\*; Five star: Chi-square=.760 (df=4) and p value =.944\*\*.

Median- Private: 2.00; KTDC: 2.00 and p value=0.693\*\*

\* Significant at 5% level. \*\* Not significant at 5% level.



#### IV. Conclusion

The foregoing analysis of the opinion of the 430 employees in both the KTDC and private hotels in Kerala clearly establishes the fact that 61.1 per cent of the employees have come out with the view that the recruitment policy followed in the industry is effective. Also, the chi-square test conducted for finding out the association of their opinion in the three different star categories and the Mann-Whitney U test conducted to find out their difference of opinion in KTDC and private hotels are also found no variation at 5 per cent level of significance. Further, the one sided z test conducted to test the hypothesis also found that the recruitment policy of the hotel industry in Kerala is effective ( $p < .05$ ). Hence, the null hypothesis stating that not more than one half of the employees is

satisfied with the recruitment policy of the hotel industry in Kerala stands rejected. Alternatively, more than one-half of the employees are satisfied with the recruitment policy of the hotel industry in Kerala.

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