

Strategic Human Resource Management in Hotel Industries

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Abstract--- *Three methods have governed the area of "Strategic Human Resource Management" (SHRM), namely the Standard or Good Practice, Contingency or the best-fit and "Resource Based View" (RBV). This study demonstrates evidence for case study enterprises in worldwide hotel industry to simultaneously or collaboratively adopt such approaches. Results suggest that there has been significant evidence of the cumulative use of the first two methods but that all companies had difficulty achieving the SHRM RBV strategy. Ultimately it was observed that achieving distinction across SHRM activities was difficult due to specific market influences. The aim of this study is to examine proof of the mixed version of the SHRM methods by case studies of foreign hotel companies. This sector introduces a particularly appropriate sector background, where there is a brief and continuous history of rapid development, and the propaganda suggests that 'a hotel is only as great as its manager.' Subsidiary or unit managers have typically been seen as 'strategic human resources' responsible for the creation of profitable units via their generic-business management skills, hospitality-specific, leadership and expertise.*

Keywords--- *Competitive Advantage, Differentiation, HRM practices, Strategic Human Resource Management, International Human Resource Management.*

I. INTRODUCTION

Over the past couple of years, SHRM has begun to emerge as a prominent name for people management. The area has been driven by standardized or standard practice, better-fit or necessity, and resource-based solutions (RBV), with their own discernible viewpoints. Although empirical research has continued to analyze SHRM from one of these particular perspectives, more recent theoretical arguments have proposed that companies are unlikely to stick exclusively to a unique approach because of the nature of variables and pressures working on businesses, rather than concurrently following such strategies. Little scientific research has been undertaken to investigate the parallel implementation by businesses of these SHRM strategies in order to achieve competitive advantage by human resources. Where study has been conducted, results have highlighted the importance of examining the size of enterprise and called for further empirical work to investigate how international firms handle their human resources competitively across sectors. This research reacts to this application, and analyzes companies in one sector implementing hybrid SHRM approaches [1].

While the SHRM literature acknowledges the role of endogenous and exogenous influences in influencing the people management activities and strategies of the organization, the literature on foreign human resource management (IHRM) emphasizes the aspects of cultural and institutional context that affect, encourage, and hinder HRM across borders. Nevertheless, limited research has focused on understanding how international companies in specific industries

follow SHRM strategies and HRM activities to achieve sustainable performance by combining both exogenous and endogenous variables [2].

Since the focus of this study is the "strategic and international human resource management" (SIHRM) of international managers, impetrates and expatriates leading international subsidiary companies, diplomatic approaches are placed at the center of the literature exploration. The objective of this study is to examine proof of the mixed version of the SHRM methods by case studies of foreign hotel companies. This sector introduces a particularly appropriate sector background, where there is a brief and continuous history of rapid development, and the propaganda suggests that 'a hotel is only as great as its manager.' Subsidiary or unit managers have typically been seen as 'strategic human resources' responsible for the creation of profitable units via their generic-business management skills, hospitality-specific, leadership and expertise [3].

It is also a sector dominated by corporations with large holdings of hotels worldwide using low-risk and control entry models, usually management contracts and franchises, which have expanded the skills and expertise required from such managers. As such, the value of mutually beneficial partnerships between hotel operators, their associates and property owners, and (master) franchisees further underlines the significance of maintaining and cultivating experienced and skilled hotel managers effectively. This study explores the development and deployment of strategic human resources by analyzing a hybrid version of SIHRM methods by conducting an empirical strategy and maintaining unprecedented management level access to eight of the world's largest "international hotel companies" (IHCs). In doing so, it reflects on the ties in the literature amongst dominant fields: policy, SHRM, IHRM and market entry frameworks, which recently received little organized attention [4].

The report initially discusses the solutions to SHRM and the scientific and theoretical data on IHRM that demonstrates support for a hybrid SIHRM method. There will then be a description of the research design and the reasoning for the methods implemented. The results from the SIHRM solutions of the organizations are identified and analyzed in comparison to the alternative SIHRM strategies being suggested. As strategic human resources, the opportunities and limitations for building and sustaining competitive advantage are assessed through international unit managers. Ultimately, a summary of the major contributions and shortcomings of this report, as well as the consequences of administrative, analytical, and science has been demonstrated [5].

I.I. Methods of Strategic Human Resource Management:

Discussing the three major approaches to SHRM typically starts by discussing the universalist or standard practice approach to SHRM where organizations are motivated to achieve competitive advantage by implementing advanced or 'high performance' HRM strategies with their human resources. Nevertheless, differences between scholars about what is implied by 'sophisticated' HRM, the precise methods needed and the shortcomings of the empirical evidence have resulted in substantial criticism. Claims that the 'superior' HRM practices associated with the SHRM approach of best practice can be adopted across different industrial and national boundaries irrespective of various cultural conventions and values [6].

Specific critiques of the 'best practice' approach to SHRM, though, have grown to understand that there may be other HRM activities inside sectors that are crucial and recognized as 'table stakes.' Both companies follow these common activities to show their rightful participation in a sector and are accepted as an extension of the SHRM 'best

practice' strategy. The second' best-fit' SHRM strategy suggests that the business conditions and approaches of businesses decide their policies and practices around HRM. A range of theories have been developed on the' best fit' SHRM approach including those that link specific strategic decisions and choices to policies and HRM practices [7].

The drawbacks of the' best fit' SHRM strategy revolve around its reliance on global market competition and the complexities of gaining competitive advantage where similar strategies and market positions are sought by other companies within the same industry. Finally, it suggests the RBV SHRM approach as an alternative to best practice and best-fit SHRM approaches. This varies from previous strategies because it suggests that the production of competitive advantage be accomplished by exploiting important, unique, inimitable, non-substitutable and (human) resources attainable rent [8].

Many reports offer empirical evidence that workers will fulfill these requirements by creating a human capital advantage in order to gain competitive advantage by human resources. "Strategic human resources" or "rainmakers" are the most valuable human resources where clearly fulfill the RBV requirements and provide significant added value to the industries of their employers. Commentators have determined that HRM practices can become strategic assets / resources just like the human resources they set out to manage but only where firms develop idiosyncratic and interdependent HRM practices that capitalize on their own knowledge and effectively transfer it across the workforce [9].

The RBV strategy's insistence on leveraging internal resources to achieve competitive advantage is then a divergence from the best-fit SHRM method as it seeks to resolve the best-fit approach's external and prescriptive beliefs. Despite critiques of these three solutions to SHRM, each has certain merit and integrity; nevertheless, they are optimal styles that are unable to provide organizations with a level-headed strategy to achieve competitive advantage in their human resources or HRM activities. Alternatively, it seems that businesses can use a' hybrid, blended and overlapping variant of the three SHRM methods to consider and manage the external pressure.

These findings were further reinforced by the researchers' work where the reasons for the diverse capacities and solutions to micro-foundations were clarified. This mixed version of the three SHRM approaches is a deviation from the independent way in which these methods are typically considered, and also emphasizes the importance of industry structure and isomorphism in developing bundles of HRM practices used only to satisfy good practice SHRM approach "table stakes".

I.II. International approaches of SHRM:

Specific shortcomings of the three major SHRM strategies have been exacerbated in the multinational SHRM context by external demands to adapt and standardize procedures based on cultural and structural considerations of the local and parent organization. Of starters, the widespread implementation of' sophisticated' HRM methods, in accordance with the SHRM approach to best practice, has been roundly criticized because of the deep-rooted regional structural and cultural traditions of managing people through nations. This does not therefore imply that all businesses have the same HRM activities within a country. However, the IHRM literature can be suspected of concentrating primarily on the discrepancies between host country and parent cultures and organizations without appreciating the complexity inside nations throughout industry sectors. Studies explain various' table of interest' HRM activities within the hospital, local government and hotel sector within the same country (Netherlands) and show the importance of a

holistic approach to understanding SIHRM where the nature of business and regional cultural and structural influences affect all human management practices.

Much of the research conducted within the IHRM area was based on the best-fit or contingent SHRM approach, although again such research has focused on the influence of national differences as well as strategic models. The main focus of IHRM's strategic aspect has been on how HRM activities are tailored (to local operations) or generalized (to company-wide) as organizations are working globally. For example: Global orientation models; product life-cycle phases; and global sensitivity versus incorporation are focused on strategic decision claims drawn from the field of strategic management [10].

Attempts have been made to create more detailed definitions of SIHRM through a study of the possibility of specific factors. version which are termed to be international of the best-fit SHRM approach suggest that HRM practices are more likely to be widely adopted where: they are directed at managers; there is a high level of parent and subsidiary interdependence; market entry modes require full or partial ownership; companies originating in the United States or Japan (as opposed to Europe); the company's host country is less 'cultural' away from the company. More recently, a concept of four factors identifying; country of origin, parent domination, foreign migration and the impact of host countries arose from the economic, structural and market-based stresses experienced by firms. Nonetheless, once again critics find similar limitations correlated with the outward perspective of this best-fit form of SIHRM, and recognition of the internally focused approach to RBV within the IHRM region is beneficial. In their IHRM studies, multiple scholars have followed the RBV methodology emphasizing its value as the opportunity to shed light on the partnership between strategic advantage and emigrants, considering the importance of foreign assignments in the deployment phase.

This study focuses on the "rainmaker" status of impetrates and expatriates, and their strategic planning in international organizations where transfer of information is crucial to the success of their organizations. To sum up, the hybrid version of SIHRM strategies provides a helpful way to understand how organizations cope with the need to adapt concurrently (to national and industrial human resources management conventions) and distinguish (through unique, streamlined and value-added HRM practices) in achieving competitive advantage through diverse national and industrial environments.

This holistic approach may also make for a more complex understanding of SIHRM, as it makes for a more balanced view of the dynamics of internal and external forces influencing the efforts of organizations to control their human resources effectively, despite the often overwhelming impact of particular regional cultural and structural disparities. The scope of this research is now illustrated, having identified the limitations in the literature and made the case for pursuing the hybrid version of SIHRM strategies within the foreign hotel market.

II. RESEARCH METHODOLOGY

In order to achieve cross case analysis of the SIHRM approaches employed in the international hotel industry, a multi-case study strategy was adopted. Using as a purposeful sample technique an industry definition of global operations based on hotel companies on at least four of the six economically viable continents, nine companies were

invited to participate in the research. They were contacted via existing professional networks of the research teams. The resulting acquisition operation indicated that eight firms accepted the invitation, relying on anonymization of their involvement.

Business, consultant and consulting reviews were used to define company size and scale. The final set of eight firms illustrates the industry-wide range of businesses varying in size (from 1000 plus hotel units to under 50), internationalization (between 30 and 60 plus countries), business existence (only luxury brands and brands at all market levels) and international methods. Senior managers of these eight IHCs were listed as the main respondents to the study in line with the researchers' claim that the strategic human resources strategy is a key role for corporate HR.

The case studies for the company were designed from four data collection strands. Secondly, organizational and commercial records and documents were used to evaluate IHC portfolios. Furthermore, a short, multiple-choice set of questions was developed after discussions with a Director of Human Resources to facilitate access via gatekeepers, engage applicable executive respondents in the study and notify the subsequent interview discussions. The two-page questionnaire was supposed to cover areas suggested by the literature in terms of the administrators of international management resources and criteria and the frequency for the deployment of those practices (Appendix 1). The answers acquired from the questionnaires results in development of questions in interview. The questions are listed in the Table 1.

Table 1: List of Questions

1. How does an individual become an international hotel general manager in your company?

Aimed to elicit data about how general managers were viewed and valued within their companies, their characteristics, qualities, and competences to be displayed and their contributions to the achievement of international goals.

2. How does your company manage the careers of its hotel managers?

Aimed to establish the organizational and specifically people management practices used to manage hotel managers including recruitment, selection, succession planning, training and development, performance appraisals, contractual aspects and talent management.

3. How does your company ensure you will have the right caliber and number of hotel general managers to realize your corporate strategy?

Aimed to ascertain the organizational arguments for the practices and policies adopted in managing international hotel general managers in relation to the companies' international strategies. It also hoped to elicit the organizational competencies and knowledge developed and used in realizing competitive advantage through key human resources.

The results demonstrated strong evidence of consistent similarities in the firms' deployed HRM practices. The results of the initial questionnaire indicated that specific interventions were being deployed across the sample to manage the quantity and quality of the managerial resources of the subsidiaries. Based on the interviews and records in the business situations, these parallels were carried out and were especially evident in how their corporate bosses "seen" executives. There were also some obvious differentiating HRM strategies which were implemented by only a few

organizations (or one company) and which were considered by their corporate supporters to provide specific operational benefits.

III. CONCLUSION

The purpose of this study was to investigate evidence for a hybrid version of SIHRM strategies in a highly competitive and operationally challenging foreign industry. The results offer additional evidence for such a hybrid version of SIHRM strategies and the significance of industry variables in shaping prospects and challenges via human resources for strategic advantage. Industries in this field do not tend to stick to just one of the three major SHRM methods (best practice, 'right match' and RBV) in seeking to gain competitive advantage in their human resources. According to theoretical arguments made recently, owing to the dynamic and competitive environments in which these firms work, the eight IHCs tend to embrace very similar HRM strategies in their governance of the subsidiary managers who constitute their strategic human resources. Nevertheless, this study also shows that few businesses have effectively implemented a combination of all three SHRM methods—in fact, only three organizations showed behaviors that were typical of the RBV method. Generally, it was observed that there was more common practice than segregated HRM procedure, and the degree of the commonality was extracted from the consistency of the structural powers practiced on both the market and the nearest rival rates. When predicted in the RBV SHRM strategy, this made it difficult for businesses to distinguish in inimitable ways across their administrative human resources and their HRM activities. The US corporate hotel industry dominance, the predominant use of minimal-risk market access modes and the organizational labor pool diversity were key to these specific industry forces.

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