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NEW TRENDS IN HUMAN RESOURCE MANAGEMENT IN THE HOSPITALITY INDUSTRY

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Abstract: *In the new millennium, human resource management in the hospitality industry will focus on talent management, reassessment of what strategic human resource management means in terms of structure, and the human capital and knowledge management will become key themes for organizations. Therefore, vocational training issues, competence development and service quality will be in the future as important as they are at present; technology will continue to revolutionize the way in which the activities of human resource management are conducted; the differences between the generations forming the personnel structure in the hospitality industry will generate new approaches in the human resource management in this field; strategic human resource management and its practices will be flexible enough to add value to the company's future performance.*

Keywords: *human resource management, hospitality industry, strategic management, labour market, human capital, technology, quality*

1. INTRODUCTION

For a long time the economic organizations focused their attention only on the financial goal, that is on making profit, satisfying the solvent demand existing on the market by commercializing their products and services. Today, in the modern economy, the ratio of forces and conceptions evolved, generating an increase in the social goal importance and mutations in the human resource place and role within the organization. Personnel policies also underwent significant development due to the technical changes that generated modifications in labour organization and in people's attitude; due to the economic and social changes materialized not only in an increase in consumers' exigencies, in their cultural level, but also in a major change in their lifestyle, a strengthened role of trade unions and a more developed legal framework; and finally, due to sociological changes manifested as an enlarged knowledge area of the individual's workplace needs (to the knowledge of primary needs, the ones of

recognition of social belonging, as well as the consideration of personal, psychological and intellectual motivations have been added).

The increase in the role and importance of human resource management in the contemporary economic organizations is the result of the evolution in this field, of its content and study area enlargement, hence, the personnel function is linked to the company's future development thus becoming a strategic function; the issue of human resources is approached in a systemic, interdisciplinary manner; the personnel working in the field of human resources must satisfy new requirements (knowledge in the field of behavioural sciences, negotiation capacity, etc.); the human resource is approached as investment capital for the company's future development; international human resource management emerges and develops, etc. The aim of human resource management is to integrate the social objectives into the economic objectives, harmonizing the economic constraints with

the need for human and social development, as well as to coordinate and integrate the aspects related to managing human resource into a policy representing the social framework of the company's strategy.

As for the hospitality industry, all the organizations admitted the fact that the human resource represents their most valuable capital. Despite the fact that they built modern properties, they found that the difference between them and the competition is very little, the guest being pampered with the choice. Thus, they realized, that the competitive advantage is offered by their employees' knowledge, skills and aptitudes reflected in the quality of the services provided to the customers.

2. CHALLENGES OF HUMAN RESOURCE MANAGEMENT AND ITS NEW TRENDS IN THE HOSPITALITY INDUSTRY

The organizations in the hospitality industry continue to operate in an environment which is often unpredictable, characterized by a rapid change, context in which human resource management has to meet a series of challenges, of which the following are mentioned:

➤ The differences between the generations forming the personnel structure in the hospitality industry

The employees in the hospitality field are more and more numerous and have been classified by the human resource specialists into generation groups according to their attitude to work and their workplace expectations. Therefore, according to the Australian Bureau of Statistics, there is the following classification:

- Builders – represented by the employees born until 1946;
- Baby boomers – employees born between 1946 and 1964;
- Generation X – the ones born between 1965 and 1979;
- Generation Y – employees born between 1980 and 1994;
- Generation Z – employees born after 1994.

Each of these generations has a different attitude to work, which poses serious problems to the employers in the field because the hospitality industry relies to a great extent on team work with a view to maintaining the quality of the services provided to the customers. Chen and Choi researched the structure of the values related to work among managers in the hospitality industry and found the differences among the three generations. All the groups place in the top of work values the lifestyle, personal achievement and control relations, while altruism, intellectual stimulation, labour safety, independence and the economic aspect have been classified differently. Thus, baby boomers placed altruism and intellectual stimulation higher in the top than other groups, while generation Y considers independence and workplace safety to be more important, placing the economic aspect higher than other groups. Solnet and Hood also researched the impact of the generation Y employees in the field of hospitality and the management paradigm changes that will become necessary in order to ensure the success of the employee selection, recruiting, training and motivating activities. Despite being limited, the research into generation Y finds significant differences in comparison with other generations regarding the relation with the workplace, their expectations (intrinsic benefits, self-accomplishment, working climate), values, attitudes and workplace conduct, as well as the fact that they are innate users of social networks, which may be beneficial for the hospitality industry, and therefore organizations should take advantage of it. The companies in the field are now aware of the impact that the communication means have on their trademark reputation, as the customers access social networks in order to comment instantly on the theme of the quality and services provided. Generations X and Y use such means of communication to tell their friends and others their opinions. In this context, human resource managers have to shape their labour force taking into account all these aspects.

➤ Employees' training, aptitudes and service quality in the hospitality industry

Worsfold suggested that human resource practices should be considered in connection with the service quality, because in the hospitality industry, the training formed the basis for the employee aptitudes development, involving considerable financial and human resource efforts, meant to ensure the employee performance in achieving the required standards.

Davidson noticed the fact that in the hospitality industry, due to the considerable personnel fluctuation, there is great pressure on the human resource training requirements so as to maintain the service level.

Frash argued that the training must be approached differently in order to maximize its effectiveness. In his opinion three aspects must be focused on, that is: trainees' reactions, principles – actions – techniques and putting the principles learned into practice.

Personnel training in this industry is very important and needs permanent revision so as to satisfy the training needs.

➤ **The fast technological development and the labour force in the hospitality industry**

The impact of technology development and its implementation in the hospitality industry has been studied by MacVicar and Rodger. Computerized technological systems usually increase the efficiency of human resource processes, reduce the administration costs and the running time of the transactions. Despite all these, the results of recent research show the fact that only 14% of the companies reported improvements in the decision making act related to human resources. The problems emerged as a result of the introduction of computerized technological systems in the human resource field include their designing, implementing the procedures, diminishing the employees' freedom of action and their responsibility, causing workplace stress, decreasing attention to customer (computerized technological systems do not allow the employees to negotiate), the personnel having less chances to understand the information provided in comparison with the case when this would have been explained face-to-face.

➤ **Strategic human resource management**

The importance of implementing the strategic human resource management within the organizations in the hospitality industry is emphasized by specific initiatives, such as:

- Increasing the social status provided by the jobs in the hospitality industry;

- Offering alternative apprenticeship models;

- Efficiently managing the differences among the generations forming the personnel structure by attracting young people and elderly staff;

- Increasing the share of the personnel employed for short-time or seasonal activities;

- Improving the correlation between the employee's aptitudes and the job requirements;

- Promoting cost efficiency measures related to the recruiting and selection processes;

- Emphasizing the role of the strategies that might cause the increase of the employee retention (maintenance) rate within the organization, for example:

- Promoting work – life balance;

- Workplace culture;

- Job role and design;

- Management and control;

- Flexible work practices and development activities.

The strategic human resource management must be an integrating part of a comprehensive business strategy and must be approached as a way of improving performance.

➤ **Using human resources outside the organization to conduct internal activities**

Using temporary labour force has become the predominant method of employment in the hospitality industry. The personnel employed for a limited period of time or paid by the hour have a weak legislative protection, benefits from low wages and has a low attachment to the organization. However, this procedure creates opportunities for students and young people to realize revenues or to supplement them, if their aim is not making a career in the hospitality industry. What is more, it allows managers to adjust quickly the

company's staffing requirements and fit into the salary budget at the same time.

The reasons that determine the use of labour force outside the company include: specialized subcontracting, costs reduction, market discipline, access to new technologies and skills, change processes and cultural change stimulation. The disadvantages of this method consist of high monitoring and management costs, transaction costs, loss of control, loss of the experienced and skilled personnel inside the company, structural change trauma. Renting labour force, which means in fact employing "work with no obligation", will cause a decrease in loyalty, trust, staff commitment to the company as well as low involvement on the part of the employer in drawing up a sophisticated development strategy of the human resource.

Ensuring staffing requirements and its training represent problems for human resource management in the future as well. In the hospitality industry the personnel structure is composed of the permanent staff, full-time staff, part-time staff, increasingly resorting, however, to the use of external human resources, to the occasional employment with a view to reducing personnel costs. The emergence of a dual labour market may be observed, where a fierce competition for the best people is likely to take place, and under these circumstances, in human resource management, a new trend is becoming visible, that is focusing the attention on the recruitment and talent management activity. The permanent personnel have chances to benefit from wage increases, more attractive benefits and improved working conditions. The recruitment activity of this personnel category, not only of experienced managers, will become much more sophisticated in using behavioural diagnosis and psychometric tests which will most likely be made by specialized companies outside the organization. It remains to be seen how the personnel fluctuation will be affected and whether there are prospects of considering this phenomenon from a dual perspective. Due to the disparate nature of important companies in the hospitality industry and their different operating modes, human resource management will have to

focus its attention on talent retention by providing new opportunities for career development. The way in which human resource management will be supported in the future may be viewed as a series of continuums which will set the level and nature of employee involvement, contact with customers and will characterize the manner in which individual enterprises in the hospitality industry will be perceived by both customers and employees. Probably, each company will choose where it wants to be present on each continuum, to combine certain elements, decision that will be influenced by the organization's philosophy, by costs, by the personnel skills and availability, as well as by economic, cultural, religious and environmental circumstances of the geographic area in which they are situated.

Differences among the generations forming the personnel structure will continue to have a major impact on the hospitality industry because labour force has a relatively young profile and the generations X and Y set in motion the social media phenomenon by using socialization sites where they discuss instantaneously all the aspects related to life, including the ones related to the working world.

Labour force training and skills development have been at the forefront of challenges in the hospitality industry for many years and have represented the method of inculcating the performance standards into the personnel and of increasing customer satisfaction. In the future, they will also be a critical area determined by the new employee generations that are to come and by the high personnel fluctuation in the hospitality industry.

Technology has greatly influenced the field of hospitality and especially the business operation mode, if we think, for example, of the online booking engines. It has supported human resource management in all its administrative systems, and in the future it will be able to completely take over some of its functions. Nevertheless, technology has also a negative impact reflected in the increase of employee stress level and in the personal contact reduction.

The strategic human resource management is a complex field in which a wide range of strategies are used in order to improve performance and where there is a heated debate about their correct dimensions and the types of strategies that are to be used.

Using human resources outside the company in order to conduct internal activities has become a method widely used worldwide in the hospitality industry, and it seems that, in the future, this issue will also dominate the theorists and practitioners' activity in the field of human resource management.

CONCLUSIONS

Changes in customer values and expectations will force the hospitality industry to set increasingly higher standards, aspect that will affect the practices of human resource management. Its new or improved techniques will help organizations in the field to administer more efficiently the fast changes occurring in the context of a global economy with diversified labour force.

The greatest challenge that the hospitality industry must face is that of finding and training competent personnel, on a rather limited labour market. In the actual environment, when technological progress revolutionized the concept of hospitality services, it is impossible to offer guests experiences at high performance standards without well-trained and well-informed labour force. This is a resource that cannot be easily copied in a short period of time and which provides to the organization the competitive advantage. The human capital (skills, knowledge and conduct) consolidates the importance of the relation between human resource and competences which aims at ensuring the company's success.

Through efficient human resource management, the employee performance will be channelled into achieving the company's goals and a series of common mistakes will be avoided, for example applying unfair policies related to labour force, filling vacancies with unsuitable people, exploiting employees in order to achieve high profits, employing inefficient labour force, implementing discriminatory practices that do not ensure

personnel confidence, reducing investment in employee training which results in a decreased efficiency of the departments where they work.

Human resource managers in the hospitality industry organizations will have to focus their activity on aspects meant to attract well-trained labour force by offering a quality work environment, attractive benefits and career advancement opportunities; to motivate labour force using various motivational tools in order to obtain high performance; to develop staff in order to improve the skills required by their jobs by assessing training needs and selecting the most efficient training means and methods, focusing on the employee continuous training; to keep talented people by means of retention policies and measures taken to prevent migration to competing organizations.

Future research will determine to a greater extent the imminent challenges which human resource management has to face and will penetrate deeper into the essence of its potential trends. Undoubtedly, the hospitality industry will develop and the human resource management in this field will have an innovative character.

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