

Employee Training Creating Growth of Hotel Industry in India: The Mediating Role of Employee Performance

Uma Sankar Mishra*

Siksha 'O' Anusandhan Deemed to be University

Smita Sucharita Mohapatra

Siksha 'O' Anusandhan Deemed to be University

Shibani Pattanayak

Siksha 'O' Anusandhan Deemed to be University

* Corresponding author: Professor, Institute of Business and Computer Studies (IBCS), Faculty of Management Sciences, Siksha 'O' Anusandhan Deemed to be University, Khandagiri, Bhubaneswar, Odisha, India, PIN-751030, Phone: +91 94371 34222, E-mail: connectuma123@gmail.com, umasankarmishra@soa.ac.in

Article Info

Volume 82

Page Number: 2358 - 2366

Publication Issue:

January-February 2020

Abstract

Training acts like a catalyst to satisfy, retain, and motivate employees with their different skill sets for a longer period to contribute the best for the business organisations like hotel industry. The significance of the mediating effect of hotel employees' individual performance in the relationship between outcomes of organizational growth and employee training programmes has been examined thoroughly in this research. Through one well developed and tested survey questionnaire, primary responses were collected and analyzed from 160 numbers of sample hotel employees working in highly ranked hotels in eastern part of India. Respondents were both from executive and non-executive categories. Structural Equation Modeling approach was then undertaken in Amos software package to investigate the complex relationships among study constructs. Research findings showed the existence of full mediation effect of employees' individual performance in the proposed causal relationship between training and organizational growth.

Article History

Article Received: 14 March 2019

Revised: 27 May 2019

Accepted: 16 October 2019

Publication: 18 January 2020

Keywords: Employee Training, Employee Performance, Organizational Growth, Hotel Industry, India

1. INTRODUCTION

At present, there is huge requirement of employee training all over the world. All the business organizations covering various sectors, locations

and sizes are fascinated towards the provision of latest modern training to meet the long run competitive advantage. The demand for training is continuously increasing day by day with higher momentum as everybody felt the relevance and

contribution of it towards the mutual devolvement of employees and the organisations where they work. The service sector like hotel industry also explored this need for the rapid growth of tourism in recent time. As the hotel industry is more people oriented, the central focus point is the employees of hotels.

The country like India has tremendous potential and opportunities in hotels and tourism. It could offer the guests or tourists a pleasant experience as well as mental satisfaction. With India being well positioned in global tourist map, increasing number of people come to this country for leisure, medical service, education, and business, therefore hotels are looking at expansion in a major way. In this context, it is crucial to analyze the nature and contents of training programmes framed and adopted by hotels in India, specifically for executive categories.

The contribution of human resource department aims to the improvement of the effectiveness of organization in enhancing knowledge of employee, attitudes and skills that will lead to the improvement of their ongoing or future job performance. According to Goldstein & Ford (2002), a systematic approach must have to be undertaken for learning and development to improve the effectiveness of individuals, team and organization as whole. In order to provide efficient services to their clients, social and technical skills of hotel employees are crucial (Tang & Tang, 2012). In the dynamic world

training is very much essential to improve and modify the present skill and obtain new skill among hotel employees (Mathieu et al., 1993; Schlesinger and Heskett, 1991).

In the present time as Indian hotel industry is becoming more dynamic and competitive in nature, the required training skill for the employees and its impact on long term growth, both for employees and hotels as whole must have to be properly investigated. Not much of research analysis seemed to have been conducted so far that laid the focus on impact of training in luxury hotels on certain parameters like, employees' psychology on their job and skill enhancement for operating their role. Moreover, to meet the global challenges, Indian hotel industry must treat training and development as one of the major intervening HR strategy. Very less research evidences were found treating employees training to achieve both individual effective performances and overall organizational growth simultaneously.

At this backdrop, the key research problem addressed in the present paper was to gather information from the employees of selected hotels for finding major effects of perceived employee training practices leading to self development, which ultimately gives the outcome of overall hotel's organizational growth, for the formulation of future HR strategy. Figure 1 highlights the flow of these studied concepts in a proposed model form.

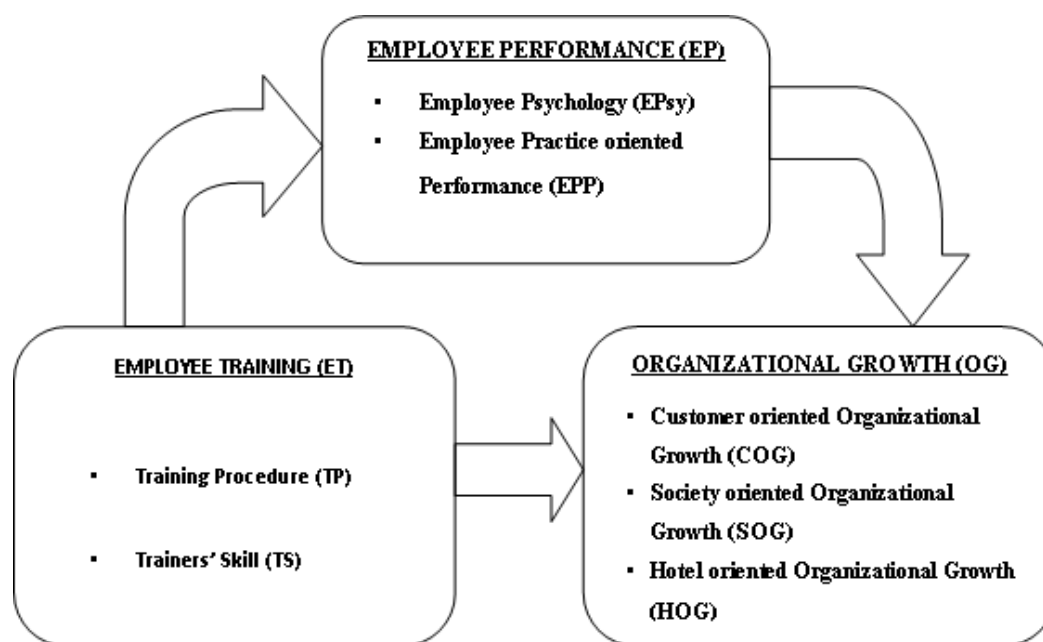


Figure 1: Conceptual Model

2. REVIEW OF LITERATURE

Conventional course readings on preparing and improvement were focussed to explain intermittent topics which could impact preparing programs in many associations, similar to inns. These included, the idea of T&D (Training and Development), its significance, the destinations and advantages of preparing, sorts of preparing, move of preparing, orderly preparing methodology, T&D in the lodging business comprehensively, and T&D in the inn segment in creating nations. It is for the most part accepted that the principal exercises of preparing, advancement, learning and instruction all are under the umbrella of Human Resource improvement (HRD) (Armstrong, 2001; Garavan, 1997). (b) decrease in damages and mishap. (c) make hike in employee pays and perks for motivation. (d) adopt cost cutting strategies for earning profits for the firm. (e) achieve the concentration of supervisors and methodical rectification of faults and issues. Reduce termination of employees due to scarcity skilled workforce. (f) improve the ambience of work place culture. (g) adapt new techniques to help

new employee for getting adjusted at the new work place. (h) adapt new methods and trends, meet the job requirement, help employee in adapting themselves at new workplace. (i) boost morale of new staffs eagerness, dependability and their enthusiasm for Hotel's success. An important or vital role of an H.R manager, before the commencement of any training programme is to access the correct personnel or an employee in the positions they should be as per their qualifications, for which job analysis has to be done in several ways.

There is a general understanding that the key point of directing preparing assessment process lies in recognizing the benefit of preparing through accomplished outcomes from any instructional class (for example Brinkerhoff, 1981; Carnevale and Schutz, 1990; Goldstein, 2001; Al-Athari and Zairi, 2002; Buckley and Caple, 2009). Sackett and Mullen (1993) recommended that preparation assessment is just about responding to two key inquiries: one alludes to what degree changes in a person's exhibition have happened as a result of the preparation, while the other inquiry reveals insight into the accomplishment of a predetermined degree of learner's presentation. As

far as what ought to be secured the Kirkpatrick model originally presented in 1959 is known as a serviceable and well known methodology in the assessment of preparing results. It comprises of four-levels: response, learning, conduct, and result (Alliger&Janak, 1989; Abernathy, 1999; Goldstein, 2001; Putra, 2003). Though they got a positive relation between training & development practices with overall brand image enhancement of the firm, the practice of adopting the best possible training methodology was absent amongst the hotels and also varying from hotels to hotels depending their age and scale of operations.

At the context of above literature reviews, the research hypothesis taken in the current study is as follows:

H₁: There exists a “full mediating effect” of individual employee performance in the relationship between training and hotels’ growth.

3. STUDY DESIGN AND METHODS

For the purpose of the study, eight best performing hotels in India, were selected and the respondents were selected on the basis of stratified random sampling. In the first stage of sampling, all the employees of hotels were stratified base on their current position and then within each stratum, sample employees were randomly selected referring random number table. A total of 160 sample respondents comprising of both executive and non-executive cadres were selected for this study.

In the present study size of sample got decided after applying the following formula:

$$\text{Necessary Sample Size} = [(Z\text{-score})^2 \times (\text{Std. Devn})^2] / (\text{Margin of error})^2$$

From the pilot study, it was found that the response scores related to employee training produced a mean of 6.32 with a standard deviation of 0.31. Keeping a confidence level of 95% (Z-score = 1.96) and margin error of 5%, the above

mentioned formula had produced the result as follows:

$$\text{Necessary Sample Size (n)} = [(1.96)^2 \times (0.31)^2] / (0.05)^2 = 148$$

Keeping the non-responding nature of hotel employees and invalid responses in the mind, in total data collection from 300 employees was planned. Then after, 160 sample data were finally considered after editing work of responses, which was just nearer to the desired sample size of 148 as estimated.

A structured survey instrument was used for collecting data from the sample respondents having measurement scale items derived from past literatures (Chiang, C.F., Back, K. & Canter, D, 2005; Ahammad Shamim, 2013; Jaworski Caitlin, 2012; Yang Xiao, 2010; Maria L S-V & Luis I. A-G, 2007). All of the measurement scale items under all dimensions of the study were first tested by checking their validity and reliability, and finally the modified survey instrument data were taken for final data analysis. All data were collected with respect to all scale items in a 7-point Likert scale, ranging from 1 indicating strongly unfavorable response category to 7 indicating strongly favorable response category.

The data that is collected through survey instrument was entered into an Excel spread sheet and then transferred to SPSS-20 data sheet for further processing. Cross tabulations were made to understand the underlying relationships among the variable under study keeping the broad objectives in mind. Structural Equation Modeling (SEM), through Amos-17 software package was used for final data analysis. Structural models were developed and tested on the basis of Confirmatory Factor Analysis (CFA) in measurement models.

4. RESULTS AND DISCUSSION

The descriptive data is analyzed by SPSS-20 on several latent variables of study. Table 1 contains

Table 1: Descriptive statistics of Major Research Constructs

Variables	N	Mean	Std. Deviation
Employee Training (ET)	160	6.42	0.42
Employee Performance (EP)	160	6.69	0.36
Organizational Growth (OG)	160	6.52	0.40

this information. When data were entered, the values of seven-point Likert scale were utilized in this analysis for each and every research item. Thus, when comparing mean scores of different constructs, higher values are more favourable. A mean value of 4.00 indicates that the overall score of the sample population is neutral, while any score below 4.00 would indicate a more unfavorable feeling and greater than 4.00 would indicate a more favorable feeling.

As per table 1, it was observed that all the mean responses related to ET, EP, and OG were above 4, which indicated favorable and positive attitude of hotel employees towards the question items.

In line with the research question addressed in the study, the main areas of questioning and analysis concerned cadres of employees and the major dimensions of survey: employee training, employee performance, and employees' opinion on organizational growth & development of hotels. As already mentioned, all these dimensions were measured on a seven point Likert scale. Mean scores of all responses of both executive employees and non-executive employees were calculated separately, followed by independent sample t-tests to determine the level of significance of the difference between these scores for both cadres of hotel employees. The results obtained from this computation are presented in Tables 2 (A) and 2 (B).

Table 2 (A): Group Statistics of Rating Scores classified by Employee Cadres

Research Constructs	Employee Cadre	N	Mean	Std. Deviation	Std. Error Mean
Employee Training(ET)	Executive	82	6.3211	0.46960	0.05186
	Non-executive	78	6.5310	0.33953	0.03844
Employee Performance (EP)	Executive	82	6.5497	0.39584	0.04371
	Non-executive	78	6.8353	0.23509	0.02662
Organizational Growth (OG)	Executive	82	6.4263	0.40821	0.04508
	Non-executive	78	6.6262	0.36430	0.04125

Table 2 (A) highlights the mean scores of both cadres of hotel employees with respect to all study dimensions separately. It was observed that the

mean score of non executive employees related to employee performance was the highest with least variance.

Table 2 (B): Independent Samples t-Test Results classified by Employee Cadres

Research Constructs		Levene's Test for Equality of Variances		t-test for Equality of Means						
				t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		F	Sig.						Lower	Upper
Employee Training (ET)	Equal variances assumed	5.981	.016	-3.225**	158	.002	-.20984	.06507	-.33836	-.08133
	Equal variances not assumed			-3.251**	147.598	.001	-.20984	.06455	-.33742	-.08227
Employee Performance (EP)	Equal variances assumed	46.020	.000	-5.513**	158	.000	-.28556	.05180	-.38787	-.18325
	Equal variances not assumed			-5.580**	132.974	.000	-.28556	.05118	-.38679	-.18433
Organizational Growth (OG)	Equal variances assumed	.025	.874	-3.263**	158	.001	-.19992	.06128	-.32095	-.07889
	Equal variances not assumed			-3.272**	157.370	.001	-.19992	.06110	-.32061	-.07924

** significant at 1 % level

Table 2 (B) reflects the results of independent sample t – test applied for all the three study dimensions. From this table it was observed that the mean differences of response scores related to all dimensions of study were significant between executive and non-executive cadres of hotel employees.

After identifying all the observed and unobserved latent variables from literature review, path diagrams were drawn and then analysis for all data collected from hotel employees by the help of Amos software package. Figure 2, is the final structural equation model of hotel employee attitudes and there were three master latent variables, ET, EP, and OG. Here it is seen from

fig 2 and model results that, for each factor or construct, one factor loading is fixed to 1. This provides an interpretable scale to give latent factor (Hox J J and Bechger T M, 1998).

Fig 2: Structural Equation Model showing the linkages among ET, EP and OG

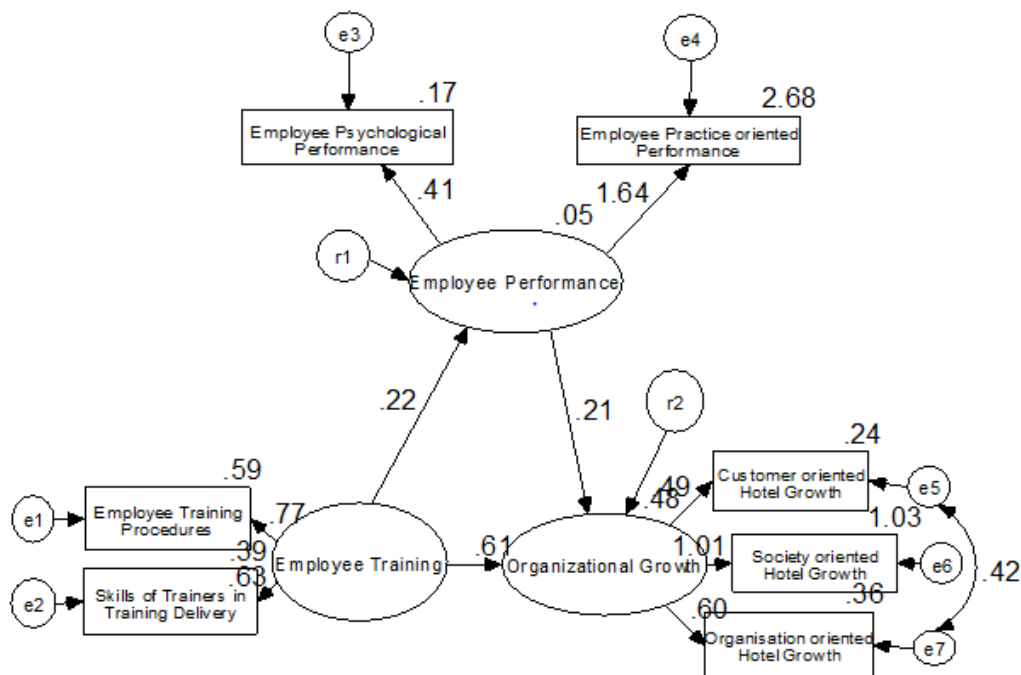


Table 3 indicates that the test indices on a goodness of fit is satisfactory. As the cutoff values for fit indices are magic 0.90 (Hair et al., 2009), all of the fit indices found for the data collected fulfilled this criteria. Again the “root mean square error of approximation” (RMSEA) had a value of 0.0723, which is comparatively low and therefore is quite good. The cutoff value for this statistical measure is maximum 0.08.

Table 3: Goodness of Fit Indices related to SEM of ET-EP-OG

Indices	Values
Goodness of Fit Index (GFI)	0.929
Normed Fit Index (NFI)	0.906
Incremental Fit Index (IFI)	0.925
Comparative Fit Index (CFI)	0.924
Root Mean Square Error of Approximation (RMSEA)	0.0723

Table 4 represents the unstandardized regression weight scores generated after running two types of models, one is without the mediator, and other one is with the mediator.

Table 4: Regression weights related to different paths of SEM linking ET, EP, and OG

Paths of linkages	Estimate	S.E.	C.R.	P
ET → OG	0.115	0.069	1.661	0.097
ET → EP → OG	0.470	0.117	4.028	0.000

As seen from table 4, the impact of ET on OG without EP was not significant, whereas this impact became significant when EP got introduced inbetween ET and OG. Hence, individual employee performance has full mediation effect in the relationship between employee training and organizational growth of Indian hotels.

5. MANAGERIAL IMPLICATIONS

In light of the current research study, it was concluded that Indian hotel employees have to be more skilfully trained to achieve both individual and organizational goals. Hotel employees feel that they are the brand ambassadors of their organization mostly because of suitable training practices adopted and their improved skill set. High level of citizenship behavior might be the major factor for delivering quality service. Training practices should not be oriented to the job performance of employees only; rather these should be restructured for employee welfare, satisfaction, commitment and their retention in long run. Hence, Arrangement of employee training programmes should be done in hotels for the development of organizations, not for the requirements of employee performance appraisal only. Moreover, the study implicates that employee training programme can be treated as the intervening strategy of organizational development in hotel industry by comparing the performance before and after training.

REFERENCES

- [1]. Abernathy, D. (1999). Thinking outside the evaluation box. *Training and Development*, 53(2), 18-24.
- [2]. Ahammad Shamim (2013), Importance of Training in Hotel industry - A case study of Hilton Hotel , Cyprus, *Master's Thesis, Södertörns University, School of Business Studies*
- [3]. Al-Athari, A., Zairi, M. (2002), "Training evaluation: an empirical study in Kuwait", *Journal of European Industrial Training*, Vol.26 No. 5, 241-51.
- [4]. Alliger, G. M., & Janak, E. A. (1989). Kirkpatrick's levels of training criteria: Thirty years later. *Personnel Psychology*, 42, 331-342.
- [5]. Armstrong, M. (2001). A handbook of human resource management practice, 8th ed. Kogan Page: London
- [6]. Boella, M. J., (1992). Human Resource Management in the Hospitality Industry. 5th ed. Cheltenham: Stanley Thornes, Ltd.
- [7]. Brinkerhoff, R. (1981). Making Evaluation More Useful. *Training & Development Journal*, 35, 12, 66-70.
- [8]. Buckley, R. & Caple, J. (2009). The Theory & Practice of Training, 6th ed. Kogan Page: London.
- [9]. Carnevale, A. P. & Schutz, E. R. (1990). *Evaluation practices. Training and Development Journal*, 44(7), 23-29.
- [10]. Chand, M. and Ambardar, A. (2010); Training and Development Practices in Indian Hotel Industry: an empirical investigation, *International Journal of Development Studies*, 2010, Vol-II, Issue-IV, pp.118- 128
- [11]. Chiang Chun-Fang, Back Ki-Joon, & Canter Deborah D. (2005), The Impact of Employee Training on Job Satisfaction and Intention to Stay in the Hotel Industry, *Journal of Human Resources in Hospitality & Tourism*, Vol. 4(2), pp: 99-118
- [12]. Cousins, J. and Lillicrap, D., (2010). *Food and Beverage Service*. 8th ed ed. London: Hodder Education. Forbes, 2015. Travel and Hospitality Trends for (2015).
- [13]. Garavan T. N, Costine P, Heraty N (1997), Training and Development in Ireland, Oak tree press, *Irish institute of training and development*
- [14]. Goldstein I. L. & Ford K. (2002) Training in Organizations: Needs assessment, Development and Evaluation (4thEdn.). Belmont: Wadsworth.
- [15]. Goldstein, I., L. (2001). Training in organisations: needs assessment, development, and evaluation. 4th ed. Belmont, CA: Wadsworth.
- [16]. Hair J. F., Black W. C., Babin J. and Anderson E. (2009). Multivariate Data Analysis. Englewood Cliff, New Jersey: Prentice Hall.
- [17]. Hox J J and Bechger T M (1998), An Introduction to Structural Equation

- Modeling, *Family Science Review*; Vol. 11; pp: 354-373
- [18]. Jaworski Caitlin D. (2012), The Effect of Training, Employee Benefits, and Incentives on Job Satisfaction and Commitment in Part-Time Hotel Employees, *Thesis submitted to the Kent State University College and Graduate School of Education, Health and Human Services*
- [19]. Jayawardena, C. (2001) "Creating hospitality management educational programmes in developing countries." *International Journal of Contemporary Hospitality Management* 13, (5) 259-266
- [20]. Kirkpatrick, D. L. (1959a). Techniques for evaluation training programs. *Journal of the American Society for Training and Development*, 13(11), 3-9.
- [21]. Maria L S-V & Luis I. A-G (2007). TQM and firms performance: An EFQM excellence model research based survey; *Int. Journal of Business Science and Applied Management*; 2(2), pp: 21-41.
- [22]. Mathieu, J.E. and Martineau, J.W. (1993), "Individual and situational influences on the development of self-efficacy: implications for training effectiveness", *Personal Psychology*, Vol. 46 No. 1, pp. 125-147.
- [23]. Putra, A. (2003). Evaluating training programmes for front line associates in the hotel sector in Sydney: *Demonstrating Kirkpatrick's model, PhD thesis, University of Western Sydney. Australia.*
- [24]. Sackett, P. R., & Mullen, E. J. (1993). Beyond formal experimental design: Towards an expanded view of the training evaluation process. *Personnel psychology*, 46(3), 613-627.
- [25]. Schlesinger, L. A., & Heskett, J. L. (1991). Breaking the Cycle of Failure in Services. *Sloan Management Review*, 32(3), 17-28.
- [26]. Tang, T. W., & Tang, Y. Y. (2012). Promoting service-oriented organizational citizenship behaviors in hotels: The role of high-performance human resource practices and organizational social climates. *International Journal of Hospitality Management*, 31(3), 885–895
- [27]. Tanke, L, M. (2001). Human resource management for the hospitality industry, 2nd ed. Delmar, Thomson Learning
- [28]. YANG Xiao (2010), *The Importance of Staff Training in the Hotel Industry--Case study: Renaissance Shanghai Yuyuan Hotel, Thesis submitted to Vaasan University of Applied Sciences*