

COORDINATING HUMAN RESOURCE MANAGEMENT PRACTICES FOR IMPROVED HOTEL PERFORMANCE

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ABSTRACT

Much has been written on the importance of human resource management (HRM) to corporate performance, and the hotel industry is not unaware of the benefits from effective HRM. Yet, there is no reported systematic analysis of HRM practices and their effects across a variety of hotels.

The current study contributes evidence to help fill in this gap. We gathered information from both general managers and department managers of a random sample of 46 hotels. We related the HRM practices (reported by the general manager) to job satisfaction, morale at work, and optimism about the hotel's future prospects (reported by the department managers), as these three factors have been found to directly affect employee work attitudes and efforts. We also correlated these factors with the manager's intention to remain with his or her current employer because employee turnover is a major cost to most hotels. The findings revealed that implementation of the HRM practices varies across hotels of different sizes. Further, across the different types of hotels in our sample, training and development, performance appraisal, employee voice, and job security positively affected job satisfaction, morale, or optimism. We also find that HRM practices also affect the manager's tendency to continue working for the current hotel. Perhaps the most surprising finding is the negative impact of pay-for-performance on morale and optimism.