The Review of Human Resource Strategies Applying in Hospitality Industry in South California

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Abstract
Globalization and interactions through boarders is the major contributor to widespread improvement in many sectors across the economy and has given rise to new innovations incorporated talent with clients. This has led to a significant improvement in the hospitality sector as one of these economic strongholds incorporated with talent management as the backbone given the number of qualified personnel in the sector. The hospitality sector is inclusive of a number of interrelated businesses components such as–airlines, cruise lines, lodging properties, restaurants, car rental firms, tour operators and travel agents, among others. It is in dynamic growth and keeps diversifying to curb the customer needs which are ever changing (Hanson, 2013). There is a projection that wage and salary jobs will increase by 17% over the coming year 2014, a projection by the U.S Bureau of Labor and statistics, this is evidence of the fast rate of growth in the sector.

Keywords: talent management, human resource, employee engagement, South California, hotel business management

1. Introduction

1.1 Introduce the Research Background

The hospitality industry is a service-oriented industry. Hospitality thrives on the services that it provides for consumers to fuel the continuity of business functions and operations (Kusluvan, 2003). Thus, hospitality organizations focus on developing and implementing strategies and practices that improve the quality and efficiency of existing services to better meet the needs of consumers (Jaszay & Dunk, 2003). Employee engagement is a Human Resources Management (HRM) strategy that focuses on increasing the motivation of employees in hospitality organizations to fulfill their roles and responsibilities efficiently. Employee engagement is synonymous to the employees' level of commitment to the organization and contributing to the achievement of organizational mission and goals (Cook, 2008). Consequently, highly drive or engaged employees create a work environment that fosters motivation and productivity.

1.2 Employee Engagement to the Issues

Employee engagement does not merely increase employee motivation and productivity. The outcomes of employee engagement manifests on the quality of services that hospitality organizations offer establishing the relationship between employee engagement and organizational performance. Macey et al. (2009) discussed how employee engagement develops a high performance work environment. Furthermore, Macey et al. (2009) highlighted that employee engagement is gaining the capacity to become engaged in the form of knowledge, skills, and competencies, and exhibiting motivation to become engaged in the workplace. Thus, employees who are engaged exhibit the knowledge, skills, and competencies to create, produce, and render work expectations. The capacity of employees to create and produce ensures that their roles and responsibilities including the goals and objectives of the organization are met (Linley, Harrington, & Garcea, 2009).

1.3 The Role of Employee Engagement Strategy

The important role that employee engagement plays in enhancing organizational performances raises the need to determine efficient strategies and practices in facilitating employee engagement. Fawkes (2009, p. 779) evaluated existing literature about employee engagement and its perceived outcomes to organizational performance and development. Based on literature between 2000 and 2005, Fawkes discussed the importance of
focusing future research studies on employee engagement. Although employee engagement was a concept in organizational and HR management decades ago, organizations were only able to adopt it as a practice and strategy recently. Future studies should also apply the empirical approach in order to systematically evaluate various variables that affect the outcomes of employee engagement (Fawkes, 2009; Linley, Harrington, & Garcea, 2009).

The increasing attention focused on employee engagement by organizations raises the need to study HRM practices and strategies that increase employee engagement. In the hospitality industry, hotels, motels, and inns are continually adopting employee engagement strategies and practices. Different hospitality organizations that have been applying employee engagement for some time attest to its benefits and contributions to organizational performance, while other organizations that are still planning to adopt employee engagement strategies and practices seek information on how to implement and integrate these strategies and practices to business functions and operations.

Outcomes of research on employee engagement will help various organizations in the hospital industry to develop and implement best practices in employee engagement that will yield desirable results to organizational performance. The objectives of the study are to identify best practices in employee engagement that are implemented selected hospitality organizations and identify the effect of these practices to organizational performance. The unit of analysis will be hotels, motels, and inns in Santa Barbara, California. Previous reports indicated that even during the global economic recession, majority of hotels, motels, and inns in the city have maintained a desirable occupancy rate. The capacity of hospitality organizations in Santa Barbara City to maintain organizational performance is a reflection of the success and efficiency of overall business management strategies and practices. Thus, studying hotels, motels, and inns in the city is expected to yield significant information for the objectives of the study.

A vital component to major contribution in the sector is adherence to the Human Resource Management and its policies in operation. One long-standing practice is the adherence of organizations to Human Resources Management (HRM), an important approach that allows it to deal with its staff of employees in such a way that their commitment to the company furthers organizational performance. HRM is considered a strategy that ideally steers the organization’s human resources towards becoming valuable assets that contributes to organizational success (Noe, 2004). Noe (2004, p. 2) said that HRM constitutes “the policies, practices, and systems that influence employee’s behavior, attitudes, and performance”.

HRM was established as a rejoinder to the fact that organizations will cease to exist without human beings who comprise the organization’s human resources. What will become of organizations without the engagement of people who exhibit the necessary and adequate knowledge, skills, and competencies to meet or realize the goals and objectives of the organization? The perceptible value of human resources to the quality of performance and success of organizations has set forth HRM as a vital part of undertakings within the organization. As explicit discussed by Sims (2007, p. 4).

1.4 Tourism in Santa Barbara

Thousands of people visit California every year to visit and enjoy the many entertaining, pleasurable, and relaxing places and unique activities that the state offers to tourists. California is a great place to visit year-round... You can enjoy hiking, canoeing, rafting and other warm-weather outdoor activities in summer, spring and fall; skiing is good from about late November to early spring. Beaches are scenic all year, but swimming is only comfortable at the height of summer in Northern California and from around May to October in Southern California, though surfers and divers hit the waters year-round in wet suits. Winter is whale-watching season, when gray whales migrate down the coast from Alaska. (Schulte-Peevers, 2003, p. 44) Apart from the excitement and entertainment that California offers, visiting the state may also be a didactic experience especially when it comes to revisiting history. Kropp (2006) emphasized the influence of the Spanish era in California. As Kropp has discussed, “the ruins,” which are assiduously preserved in the state, “naturalized the end of the Spanish era in California, providing an organic explanation for the region’s chronology,” (p. 80) in other words, history.

Thus, what makes California a melting pot of many tourists from various places is the presence of diverse activities that people can enjoy any time of the year, as well as the scenic spots that change with the seasons from which people may obtain lessons or information about history. The state of California offers something that matches the varied choices and preferences of people. As a result, the service industry in California, including hospitality and lodging, are thriving continually.

For instance, Santa Barbara in Southern California is one of the many cities in the state that attracts thousands of
visitors every year. As reported by Preservation Nation, which is an organization that supports the preservation of historical places in the United States (Preservation Nation, 2009a), Santa Barbara is a “premier resort destination with its idyllic, year-round climate and breadth of attractions.” The city exhibits a “blend that reflects Spanish, Moorish, Portuguese and American Indian roots,” and “is a Mecca for outdoor pursuits,” offering “unforgettable dining, lodging and shopping.” (Preservation Nation, 2009b) Among famous tourist spots include the Santa Barbara Botanical Garden, the Rattlesnake Canyon, the Santa Barbara Museum of Art, the Stearns, Wharf, and many more (Garvin, 2002).

Due to the appealing tourism offerings of Santa Barbara, it is one of the leading cities that are frequented by tourists all year round. The lodging performance of various hotels in Santa Barbara reflects the booming hospitality industry in the city. In California alone, Smith Travel Research reported that the lodging performance (53.6 percent in 2008) in Santa Barbara is included in top cities identified with the highest rate of lodging occupancy along with Santa Ana/Costa Mesa (59.7 percent), Santa Monica/Marina Del Ray (58.2 percent), San Francisco/San Mateo (56.9 percent), Palm Springs (53.7 percent), and Anaheim (53.6 percent). (Smith Travel Research, 2008) In 2007, the room occupancy rate in Santa Barbara was 75.4 percent. For the subsequent quarters of 2008, the occupancy rate in Santa Barbara was 57.4 percent, 66.5 percent, 81.5 percent, and 67.8 percent respectively. During the first quarter of 2009, the rate of occupancy came down to 53.6 percent (Smith Travel Research, 2008).

Furthermore, the Santa Barbara Conference and Visitors Bureau and the Film Commission reported that “The Santa Barbara countywide hotel market consists of 181 properties with 10,121 daily available rooms. Of this, 3,458 rooms are located in the city of Santa Barbara.” In comparison with other county areas, “Santa Barbara City had a far higher ration of hotel visitors, 74.0% versus 41.6%.” In addition, “More than 800,000 passengers travel through the Santa Barbara Airport annually… Of the total $1.5 billion visitors spent in Santa Barbara in 2008, excluding non-taxable admissions, transportation, and spa/beauty services, the County earned $49.9 million in local taxes… Of the total taxes, $40.85 million were transient occupancy tax, accounting for 81.9% of all visitor generated taxes, reflecting the fiscal importance of lodging.” (Santa Barbara Conference Visitors Bureau & Film Commission, 2008).

In addition, the local government in Santa Barbara allocates the highest resources for public services, especially for hospitality and lodging, from airport capital, roadways, and transportation, which makes up the lodging industry in the city, water supply for lodging and recreational institutions and facilities, and such, and in turn receives great revenue for it, which is the reason for the city’s booming economy (The City of Santa Barbara, 2005; 2008). The local government is dedicated to ensure that it attracts more tourists each year in order to increase and stabilize its economy (Santa Barbara Conference Visitors Bureau & Film Commission, 2008).

The dynamic hospitality and lodging industry in City of Santa Barbara, as compared to other cities in the country, rationalize the appropriateness of focusing the study of strategic human resources management in the city. With the dynamic and functional hospitality and lodging industry in Santa Barbara, there is much to be learned on how institutions ensure that services are kept on force, specifically through employee engagement in this industry through talent management.

Since hospitality and lodging is a service industry, the attributes, contributions, performances, and overall engagement of human resources is extremely important. The service industry, as discussed by Bohlander and Snell (2009), should ensure that managers develop and implement “strategic priorities into functional areas of the organization… in particular there needs to be a clear alignment between HR and the requirements of the organizational strategy.” (p. 75) Herein lays the significance of talent management in this particular study. Talent management, based on the discussions of Armstrong, “is the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. The aim is to secure the flow of talent, bearing in mind that talent is a major corporate resource.” (Armstrong, 2006, p. 390) Based on this definition of talent management, the performance of the hospitality and lodging industry in the City of Santa Barbara, California shall be analyzed and evaluated. Santa Barbara has been experiencing a significant improvement in the sector, indicated by a rise in tourism and its management.

1.5 Talent Management and Research Purpose

In order to uncover the efficiency of talent management in enhancing employee engagement in the hospitality and lodging industry in the City of Santa Barbara, California, it is highly relevant to determine how strategic HRM, specifically talent management, is employed in hotels, motels, and inns and the city and its effects on the quality of employee engagement. This research will obtain the responses to these questions from top-level officials within these establishments in Santa Barbara such as the leaders of the organization and the senior
managers of HR departments. This study will seek to understand the factors that allow these establishments to perform well, making the hospitality and lodging industry in Santa Barbara a successful. Consequently, being that the hospitality and lodging industry is a service industry, this study will also attempt to identify talent management strategies implemented in these establishments and associate it with employee engagement and organizational success. Expectantly, best practices in talent management will contribute to sound and efficient OD that values the talents and contributions of people to resolve the difficulties and challenges experienced by organizations nowadays.

The purpose of this research study is to determine the impacts and efficiency of talent management, as one HRM strategy, to increase and strengthen employee engagement in hospitality and lodging industry in Santa Barbara, California. Through this, the researcher will be able to compartmentalize best practices in talent management and strategic HRM that will be instrumental in framing OD.

2. Method

The researcher initially contacted the hotels, motels, and inns to ask permission to conduct the interviews with the general manager or assistant manager of the HR Departments, discuss the objectives of the study, and to explain the roles of the participants in the study by actual visits, telephone calls, and e-mails. The schedules were also arranged where the average number of interviews per day was 7. The interviews with the 71 participants were accomplished within 10 days. Before beginning the interview, the researcher asked consent from the participants to allow audio recording of the interviews. The researcher greeted the participant and introduced himself. After the greetings, the nature and objective of the research study was briefly discussed with the participant. The participant was given the opportunity to ask questions before beginning the interview.

During the interview, the researcher took notes to highlight the important topics discussed during the interview. The interview process was flexible but guided by key questions based on the literature review, theoretical framework of the study, and the research questions. Follow-up questions were asked for uncertain or ambiguous responses.

These generally revolve around interviews and statistics done on site with the hotel managers, human resource managers and statistics obtained from the U.S Labor and Statistics concerning hotels and their performance. The hotel and lodging industry in Santa Barbara, south California is big from small-sized (10 rooms on site) to large-sized (more than 100 on site) and around 71 units within the entire area, and the target population focuses on the management level, thus it took plenty efforts on scheduling interviews with management level and the receiving data for the purpose of this study.

3. Results

Miller (2013) attributes the results to efficient client interaction and offer of the best services available. Interaction as seen through social media and other platforms. The effective application of Human resource has widely contributed to this success because of effective managers who are able to stand their ground and make sound decisions for the best of the development. Below is a table showing the strategies that the Large organizations implement as compared to smaller ones as well as their corresponding references for further information.

<table>
<thead>
<tr>
<th>HRM Strategies that Large-Size Organizations More Likely Implement (as compared with small-sized organizations)</th>
<th>Author/Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adopt due process procedures</td>
<td>Dobbin et al., 1988</td>
</tr>
<tr>
<td>2. Adopt employee engagement practices</td>
<td>Lawler et al., 1992</td>
</tr>
<tr>
<td>3. Rely less on temporary staff</td>
<td>Davis-Blake &amp; Uzzi, 1993</td>
</tr>
<tr>
<td>4. Use more sophisticated staffing</td>
<td>Terpstra &amp; Rozell, 1993</td>
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<tr>
<td>5. Training and development</td>
<td>Saari et al., 1988</td>
</tr>
<tr>
<td>6. Implement highly developed internal labor markets</td>
<td>Baron et al., 1986a; Ferris et al., 1992</td>
</tr>
<tr>
<td>7. Pay their employees more</td>
<td>Mellow, 1982</td>
</tr>
<tr>
<td>9. Engage in drug testing</td>
<td>Guthrie &amp; Olian, 1991a</td>
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These results were obtained from the work operations performed by different managers in the sector in Santa
Barbara and are some that we sampled to show the various ways that are attributed to the success.

3.1 Open Coding
The results from the interviews (of the 71 participants), and statistics thus both qualitative and quantitative were read through and analyzed they were basically consistent throughout among the various hotels, car rental and inns that we analyzed. They showed that many of these entities have a common principle that is putting their clients first and offering the best of services they can possibly do. Proper management is also one such as Human Resource Managers have strongly maintained a position of hiring the best possible stuff members to perform various different functions. Definitely consider employee engagement in planning and developing HRM practices and strategies because employees are the basic workforce of any organization and are the ones in direct contact with the clients therefore interact with them on a personal basis. Due to this fact, they are the ones who know the needs of the clients and how they can be implemented for success. Therefore employees are to be engaged in the planning and development of HRM practices and strategies.

3.2 Constant Comparative Coding
The qualitative research that was conducted on Human Resource Management and the relative impact that it has on employee engagement showed that 73% of hotels in Santa Barbara employed this strategy and got effective response from their employees thus engaging them in the planning and strategic processes.

4. Discussion
Talent management, in this case Human Resource Management has effectively been managed to ensure maximum employee engagement for the benefit of the industry. Through the research carried out, among participants who are in management, government positions and also clients, it has been established that this is the setting and projections for improvement have also been realized. A 17% rise in the hotel and lodging business in Santa Barbara with the combination of these factors is to be achieved by 2014, and for the further research regarding to hospitality business in this specific area could provide solid human resource management for other similar areas worldwide.

References


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