



“EMPLOYEE PRODUCTIVITY MANAGEMENT SYSTEM ADOPTED BY THE HOTEL INDUSTRY” – A COMPARATIVE STUDY BETWEEN PUNE & HYDERABAD CITIES”

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ABSTRACT

Hotel industry is a labour intensive industry and therefore it is obvious that challenges pertaining to manpower or labour management would be a key concern in this industry. However, it is observed that the major focus of hotels have been towards the operations and many a times this happens at the cost of labour management. ‘Employee Productivity’ is an area that is still in dark and attracts negligible attention of the management leaving a great scope for research in this area. It is a known fact that the growth of hotel industry is a consequence of the Industrial revolution in India. The evolution of ‘Information Technology’ is one of the biggest milestones in this Industrial revolution of India. The IT sector is concentrated in few major cities like Pune, Bangalore & Hyderabad and the growth of hotels in these cities is influenced by the same. In view of this fact, the researcher has aimed to focus on the problem pertaining to ‘Employee productivity’ in the hotel industry of Pune, & Hyderabad. The findings of his research states that although the industry is concerned with the issues related to employee productivity, the implementation of the productivity management system is not very effective. There are few factors where a significant difference is observed between the responses from both the cities.

Key Words: “Hotel Industry”, ‘Hotels’, Employee Productivity”, “Service Industry”, “Productivity Management System”

1. INTRODUCTION

1.1. Scope of study:

In the recent years, the word productivity has gained popularity in the business world. The problem of scarcity has a deep rooted impact on the economies of each and every business unit. Almost all organizations, either reactively or proactively, have become serious on their productivity. Moreover, in today’s world of cut-throat competition, every organization is striving hard to have an upper edge over their competitors. The organizations have realized that enhancing their employee productivity goes a long way in success of their business operations and thus productivity has become a matter of great concern amongst. Hospitality industry is no exception to this. Hotels, a major segment of the hospitality industry and a part of the Service industry are characterized with an “Intangible product”. In view of this fact, measuring employee productivity in hotels is a challenging task. Even though, hotels have accepted this challenge, productivity management systems are poorly developed and attract less attention of the management of hotels. Although it is a known fact that that employment practices followed by organizations have a great impact on the productivity of its employees, the relation between employee productivity and various employment practices adopted by hotels is not clearly established. Thus there is a need to check the impact of these employment practices on employee productivity in the hospitality industry which may be represented by hotels.



1.2. Productivity Management System:

“Productivity is an average measure of the efficiency of production. Productivity is a ratio of production output to what is required to produce it (inputs of capital, labor, land, energy, materials, etc.). The measure of productivity is defined as a total output per one unit of a total input.” (Source – Wikipedia)

Although it looks simple from the face of it, productivity management is a big challenge to organizations especially when the product is in the form of a service. The characteristics of service industry make productivity management in such industries more difficult and challenging. Hotel industry being a part of such a service industry faces a similar problem. However, the hotel industry cannot just sit over the problem and thus have to find a gateway to deal with the issues of productivity management in hotels.

Although there are various inputs that needs to be studied under productivity management, this study concentrates on labor as a parameter of measurement of productivity. Thus we are indeed talking of labor productivity or employee productivity or workforce productivity. Employee Productivity Management is series of interlinked activities or tasks right from formulating a productivity management model to suit the organization to taking measures in enhancing the employee productivity.

Although a lot has been spoken about productivity management system, this area is still a neglected on in the Hotel industry. Thus there is a need to explore the Productivity management system adopted by the hotel industry. Also it is important to understand whether the system changes from various categories of hotels across different cities in India. This study this aims at analyzing the Productivity Management Systems adopted by the Hotel industry of Pune and Hyderabad cities.

1.3. Comparison between Hotel Industry of Pune and Hyderabad cities.

These two cities have been chosen by the researcher for the study due the similarity of characteristics of the Hotel industry in these two cities. This similarity may be seen in the following parameters in which the industry can be characterized.

Parameters of comparison	Common features of Hotel industry of Pune & Hyderabad cities
Category of Hotels	Business Hotels
Clientele	<ul style="list-style-type: none"> • The major clientele of all business hotels is corporate and business travelers. • Apart from this, the hotels of these cities have a clientele from the Information Technology sector and it is a known fact that Pune & Hyderabad are the upcoming hubs in the sector of Information Technology. This fact is visible from the study of hotel clusters that have developed surrounding the Information technology industry at various locations in these cities.
Classification	<ul style="list-style-type: none"> • The hotel may be classified as “Star Hotels” & “Budget Hotels”. • Star hotels are further classified as Five star, Four star and Three star. The budget hotels cater to the clientele looking for economical options. • It may be observed that since the target clientele of hotels in Pune and Hyderabad cities is the same, the availability of hotels in various classifications is also more or less similar.



Thus a lot of similarity is observed between the hotel industries of Pune & Hyderabad cities thereby giving us a scope for comparison.

1.4. Challenges faced by the hotel industry in implementation of employee productivity management system:

Hotel industry is a part of service industry and is characterized by certain features that create challenges in designing and implementation of employee productivity management system. These features or characteristics needs to be studied in detail for the effective development of a productivity management system. These features are briefly discussed below:

i. **Intangible Product (Characteristics of Service Industry):**

The product of this industry is service and its measurement is hidden in the perception of its end users that is the customers which in the hotel language are termed as “Guests” Thus intangibility of the product of the hotel industry is the biggest hurdle in the productivity management process in this industry. Service as an output product cannot be quantified or mathematically measured and thus as per the above mentioned formula of productivity measurement, the ratio of input and output cannot be easily established. The only way to make measurement of productivity in the hotel industry possible is to make its output measurable and this is the major challenge in front of the industry.

ii. **Lack of Knowledge about Productivity Management:**

The management of hotel industry basically posses expertise in the technical area of hotel operations. They are the masters in the field of hotel. However, they lack the scientific and technical knowledge required for implementation of productivity management system in their hotel. Moreover, due the hectic and busy schedule of the managers, they are discouraged to acquire any professional training in the area of productivity management. Even if a person who posses the required knowledge is hired, due to his varied duties he is not able to devote sufficient attention towards the said issue.

iii. **Lack of common parameters of measuring productivity.**

As mentioned earlier, measurement of productivity in the hotel industry is a challenging task. However, experts have suggested a few parameters on which the employee productivity can be measured in hotels. These parameters differ from each other and different parameters have to be used for measurement of productivity in different operational areas of hotels depending upon its suitability. Thus to measure the productivity of the entire hotel a combination of all the parameters have to be used thereby making the process more complex. Thus lack of common parameters of measurement of productivity is a big challenge for the hotel managers.

iv. **Lack of scientific approach towards labour management.**

Hotel managers being originated from the operations, tend to be more inclined towards operational issues. Thus labor management is a lower priority to these operational driven managers. Moreover, their limited knowledge and scientific approach towards labor management becomes a biggest hurdle in productivity management.

v. **Lack of management initiative.**

Although productivity management is an important management task, hotel managers are not very keen on the same. As discussed earlier, due to the various challenges in implementing the same, managers tend to tackle the issue halfheartedly. Thus lack of management initiative is another challenge of the hotel industry with regards to productivity management.



vi. Difficulties in measuring customer satisfaction.

The most suitable parameter to measure employee productivity in the hotel industry revolves around the output of satisfied customers. Thus before calculating the productivity, one has to measure the satisfaction level of the hotel customers. This itself is a very complex task since every customer has a different perception of being satisfied and measuring the comparative satisfaction level of all the customers is a very difficult task thereby creating a challenge in productivity management.

vii. Diverse operations.

The operations of the hotel industry are diverse in nature. Thus every department is operationally different from each other. Since the nature of work, skill sets required, manpower requirement is different for every department, one cannot have uniform parameters of measuring employee productivity thereby making productivity management in hotels more difficult.

1.5. Methodology adopted to enhance employee productivity in Hotels.



2. LITERATURE REVIEW

Peter Jones, (2009) states that evidence from a number of studies suggests that productivity in hotels is largely driven by factors outside the control of the manager. His research questions this assumption by examining the level of productivity in the housekeeping departments in a chain of 45 hotels. The paper reviews the concept of productivity and the issues relating to its measurement, before reviewing previous studies of productivity in the hotel sector. A number of factors are identified that appear to affect productivity performance. These are then investigated through analysing one year's data from a web-based labour scheduling system that records every hour worked by every employee in a chain of hotels. This kind of data has not been used in any previous published study, which unlike studies based on Data Envelopment Analysis, enables specific performance indices or benchmarks to be identified. The paper concludes that there is no significant difference in productivity levels according to the size, location, demand variability or age of the hotel, thereby refuting evidence from some prior studies. It concludes that managers have much more control over productivity performance than previously thought.

Wan-Jing April Chang, (2010), examined the impact of human resource (HR) capabilities on internal customer satisfaction and organizational effectiveness. It drew on data from HR managers and line managers; a total of 238 valid matches were obtained. Structural equation modeling was employed to



examine the proposed model. The results showed that some HR capabilities appear to be linked to internal customer satisfaction and organizational effectiveness. The implications for practitioners were to modify and emphasize certain HR practices, and to emphasize the role of internal customers for organizational effectiveness enhancement. These findings revealed the importance of internal customers in enhancing employee morale, organizational commitment, employee productivity, turnover rate and the organization's ability to attract talent.

Christine A. Witt, (2010), quotes that Productivity growth in service industries has generally tended to be lower than in manufacturing industries, and the hotel sector is no exception. Problems of measuring productivity are discussed, together with specific reasons for low productivity in the hotel sector. It is suggested that increased usage of operations management techniques by hotel management is likely to result in improved productivity, and various examples are presented of situations in which these techniques can be successfully employed.

Holjevac, (2012), stated that Labour productivity is a fundamental indicator of business performance and an important indicator of the pace of growth and level of economic development. Hence, studying labour productivity, influential factors and measures for enhancing labour productivity is essential in theoretical, as well as applicative, terms. Accordingly, this paper analyses the influential factors of productivity -- internal factors, in particular - and, based on these factors, puts forward measures aimed at augmenting labour productivity in the Croatian hotel industry. To gain better insight into labour productivity in Croatia's hotel industry, which is the aim of this paper, a long-term analysis was conducted from both a non-pecuniary and a pecuniary perspective. Research confirms that quality management systems have a positive effect on labour productivity. The analysis was expanded to include a comparison of labour productivity in hotel enterprises that possess an ISO certificate and those that do not.

Marchante, Andrés J., (2012), estimated a production function for a sample of seventy Spanish hotels. This function, which identifies the main labor productivity determinants, leads to the conclusion that the more productive hotels in Andalusia are those older than twelve years, have three or more stars, belong to a chain, and subcontract some of the services offered. A chief finding is that a mismatch between the employees' education levels and the education required for a job is relevant in explaining differences in the hotels' and workers' productivity. This result is especially clear when workers with less than five years of service were eliminated from the sample. Suitably educated employees are more efficient than those whose education is not matched to the job. In addition, undereducated employees (as compared to job requirements) are less efficient than overeducated ones. The study also found evidence that hotel employees with an average tenure of more than ten years have superior performance in terms of labor productivity.

Rajashree Gujarathi, (2013), discusses on the employee productivity management system adopted by the hospitality industry in India. Her research states that the characteristics of service industry make productivity management in such industries more difficult and challenging. Hospitality industry being a part of such a service industry faces a similar problem. The findings of his research states that although the industry is concerned with the issues related to employee productivity, the implementation of the productivity management system is not very effective.



3. OBJECTIVES OF THE STUDY

- 3.1. To explore the employee productivity management system followed by the hotel industry of Pune and Hyderabad cities.
- 3.2. To identify the challenges in measuring productivity in the Hotel Industry of Pune & Hyderabad.
- 3.3. To identify various methods adopted by the hotels of Pune & Hyderabad to measure the employee productivity and to check its suitability.
- 3.4. To compare between Pune & Hyderabad cities, the effectiveness of the Productivity Management System followed in hotels and the satisfaction level of the employees on the same.

4. LIMITATIONS OF THE STUDY

- 4.1. This study is purely based on the information given by the employees and management of sample hotels from Pune & Hyderabad cities.
- 4.2. The study is conducted in the current scenario and the opinions, perception and expectations of the respondents may differ with time.
- 4.3. The study does not differentiate respondents on basis of their demographic factors which may have an influence of their perception thereby identifying scope for further research.

5. RESEARCH METHODOLOGY

5.1. Collection of Data:

The data required for the research was collected using the following techniques:

Personal Interviews:

The researcher conducted personal interviews with employees and Human Resource managers and employees of reputed hotel brands to explore the productivity management system followed in their organizations.

Questionnaire:

A questionnaire bearing straight forward and relevant questions was drafted and handed over to the sample to obtain their responses.

5.2. Sampling Techniques:

The population being “employees of Hotels” is more or less homogeneous in nature since the characteristics and service conditions of the industry are almost similar in nature throughout the population. With due consideration to this fact, a total sample comprising of 243 hotel employees from Pune & Hyderabad cities was selected for the study. The sample that was selected on random basis represented the ‘Manager’ & “Associates” categories of 22 hotels ranging from five star to serviced apartments.



6. FINDINGS

6.1. General findings

Table No. 6.1: Agreement on whether the Indian Hotel Industry is concerned about issues related to employee productivity

	Frequency	Percent
Strongly Disagree	2	.8
Disagree	17	6.8
Can't Say	18	7.4
Agree	142	58.6
Strongly Agree	64	26.3
Total	243	100.0

Observation No.1.

Indian Hotel Industry is concerned about issues related to employee productivity.

Table No. 6.2: Need of measuring employee productivity in hotel industry?

	Frequency	Percent
Yes	232	95.6
No	11	4.4
Total	243	100.0

Observation No.2.

There is a need of measuring employee productivity in hotel industry

Table No. 6.3: Whether measuring employee productivity in Hotels is a difficult task?

	Frequency	Percent
Yes	144	59.5
No	99	40.5
Total	243	100.0

Observation No.3.

Measuring employee productivity in hotel industry is a difficult task

Table No. 6.4: Existence of Productivity Management System in Hotels

	Frequency	Percent
Yes	194	80.0
No	49	20.0
Total	243	100.0


Observation No.4.

There is an existence of Productivity Management System in Hotels

Table No. 6.5: Effectiveness of the Productivity Management System in Hotels

	Frequency	Percent
Highly Ineffective	8	3.3
Ineffective	31	12.6
Moderately Effective	129	53.2
Very Effective	75	31.0
Total	243	100.0

Observation No.5.

The Productivity Management system adopted by hotels in moderately effective.

Table No. 6.6: Level of transparency of the Productivity Management System in Hotels

	Frequency	Percent
Extremely Transparent	95	38.9
Moderately Transparent	106	43.6
Not Transparent at all	43	17.5
Total	243	100.0



Observation No.6.

The Productivity Management system adopted by hotels in moderately transparent.

Table No. 6.7: Productivity Management System in hotels

Productivity Management System in hotels	Whether used in your hotels (%)		Points awarded as per the level of satisfaction of employees (%) (Where 1 = Least satisfied & 7 = Highest satisfied)						
	Yes	No	1	2	3	4	5	6	7
1. Management Initiative:									
Keeness on measuring productivity of employees.	82	18	1.6	5.5	8.2	20.3	26.6	24.4	13.2
Just & Fair management of productivity system.	85	15	2.5	3	6.8	25.5	29	21.1	12.1
Keeness on improving productivity.	92	8	1.4	1.4	10.4	17.5	32.1	23.8	13.4
Keeness on provision of employee friendly practices.	87	13	0.3	7.4	6.3	12.1	28.8	29.9	15.3
2. Transparency:									
Awareness of employees about the productivity measurement system.	77	23	2.2	8.5	12.3	18.9	22.7	26.0	9.3
Discussions of productivity results with employees.	82	18	3.0	3.0	14.5	18.6	22.2	28.2	10.4
Involvement of employees in designing / modifying the system.	84	16	2.5	6.6	14.8	23.6	18.4	25.4	8.8
3. Effectiveness:									
Efficiency in measurement of employee productivity.	85	15	1.4	4.4	11.5	22.5	33.2	23.3	3.8
Efficiency in implementation of measures to improve productivity.	90	10	2.2	3.3	7.9	26.6	28.8	25.8	5.5
Continuous follow up on the levels of productivity.	91	9	3.0	1.9	6.3	31.0	27.1	24.4	6.3
4. Utility:									
Productivity measures are linked to salary.	66	34	4.4	11.2	20.0	19.2	16.4	17.3	11.5
Recognition of highly productive employees	87	13	2.7	3.0	5.5	16.4	32.1	26.3	14.0
Identifying measures to improve productivity.	97	3.3	3.6	0.3	6.6	12.3	41.9	24.7	10.7


Table No. 6.8: Possible reasons for making measurement of productivity difficult in hotels

Possible reasons for making measurement of productivity difficult in hotels	Points Awarded as per importance (%)						
	(Where 1 = Least important & 7 = Most important)						
	1	2	3	4	5	6	7
1. Intangible Product (Characteristics of Service Industry)	2.5	1.9	6.9	17.0	35.2	19.5	17.0
2. Lack of Knowledge about Productivity Management.	2.5	2.5	10.7	23.9	35.8	17.0	7.5
3. Lack of common parameters of measuring productivity.	3.8	4.4	8.2	16.4	30.8	29.6	6.9
4. Lack of scientific approach towards labour management.	5.0	4.4	11.9	17.0	34.0	22.6	5.0
5. Lack of management initiative.	4.4	8.8	7.5	21.4	30.8	21.4	5.7
6. Difficulties in measuring customer satisfaction.	8.2	7.5	7.5	19.5	21.4	29.6	6.3
7. Diverse operations.	5.0	5.0	5.7	19.5	30.2	28.3	6.3



Observation No.7.

On the basis of importance, the highest rated factor for making measurement of productivity difficult in hotels is “Intangible Product (Characteristics of Service Industry)”.

Table No. 6.9: Methodology adopted to measure employee productivity in Hotels

Methodology adopted to measure employee productivity in Hotels	Whether used in your hotels (%)		Points awarded as per the suitability (%) (Where 1 = Least suitable & 7 = Highest suitable)						
	Yes	No	1	2	3	4	5	6	7
1. Basis of Revenue generation:									
Total revenue generated per employee.	77	23	7.7	4.7	9.0	23.3	22.7	20.0	12.6
Total food revenue generated per Food production staff.	75	25	8.2	4.9	10.1	20.0	25.5	20.0	11.2
Total food & beverage revenue generated per Food & Beverage service staff.	85	15	6.0	4.9	9.3	18.6	27.1	21.9	12.1
Total room revenue generated per Front Office / Sales & Mktg. staff.	84	16	5.2	4.4	12.3	20.5	23.8	21.1	12.6
2. Basis of Time frame:									
Average number of covers served per worked hours. (Food Production & F & B Service staff)	80	20	4.9	6.6	9.6	14.5	24.9	28.8	10.7
Average number of check-ins / check-outs handled per worked hours (Front office staff)	84	16	4.1	5.8	6.3	12.9	26.0	20.4	14.5
Average number of rooms serviced per worked hours (Housekeeping staff)	82	18	4.4	6.3	7.7	17.8	23.8	26.8	13.2
3. Basis of guest satisfaction:									
Average number of guest satisfaction points generated per department.	89	11	0.8	1.1	2.2	17.3	19.5	37.5	21.6
Number of guest praises / positive feedbacks received per department / person.	93	7	0.0	1.1	2.7	9.9	20.8	43.6	21.9
Number of guest complaints / negative feedbacks received per department / person.	86	14	1.4	7.7	4.1	13.7	24.4	27.7	21.1
4. Basis of repeat business:									
Percentage of repeat guests generated.	81	19	0.8	1.1	1.1	10.7	29.6	33.4	23.3



Observation No.8.

“Average number of guest satisfaction points generated per department” and “Number of guest praises / positive feedbacks received per department / person” are the most widely used methods to measure employee productivity in hotels.

Observation No.9.

“Number of guest praises / positive feedbacks received per department / person” and “Percentage of repeat guests generated” are the most suitable methods to measure employee productivity in hotels.

6.2. Findings on Comparative study between Pune and Hyderabad:

Table No. 6.10: Preliminary Information

Particulars	Difference in observations between the location of respondents
Need of measuring employee productivity in hotel industry	No significant difference
Agreement to the fact that “measuring employee productivity in Hotels is a difficult task	No significant difference
Existence of Productivity Management System in hotels	No significant difference

Particulars	Difference in observations between the location of respondents
Agreement to the fact that “the Indian Hotel Industry is concerned about issues related to employee productivity”	Significant difference
Effectiveness of productivity management systems in hotels	Significant difference
Transparency of the Productivity Management System in hotels	Significant difference

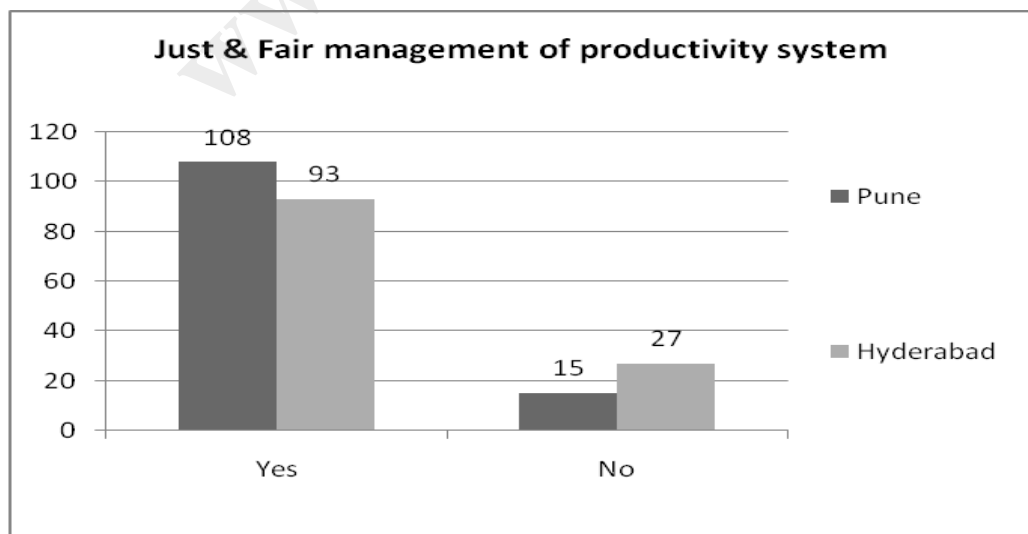
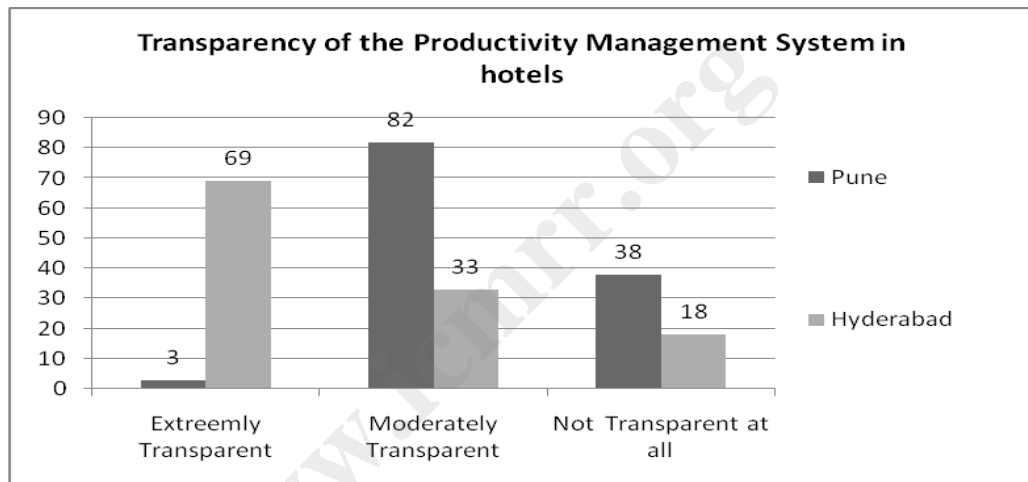
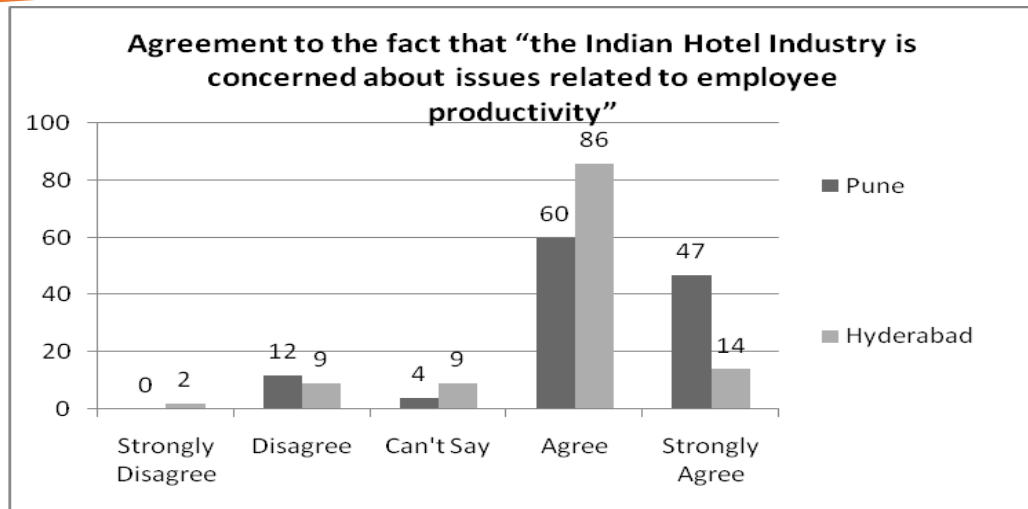
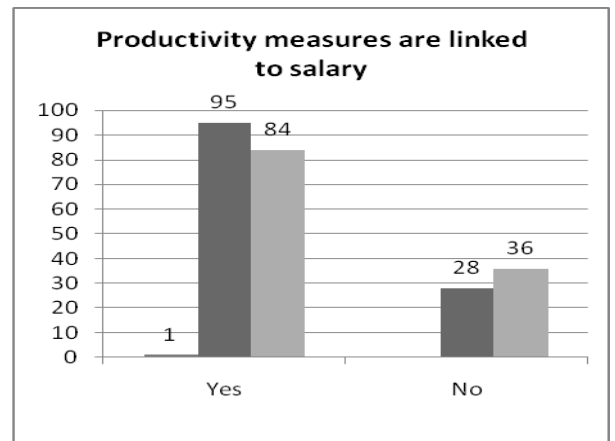
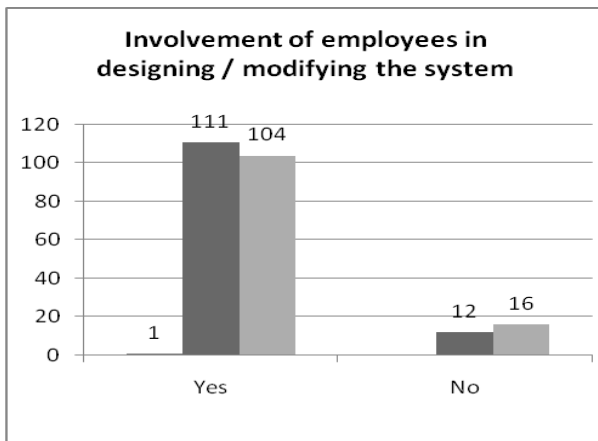
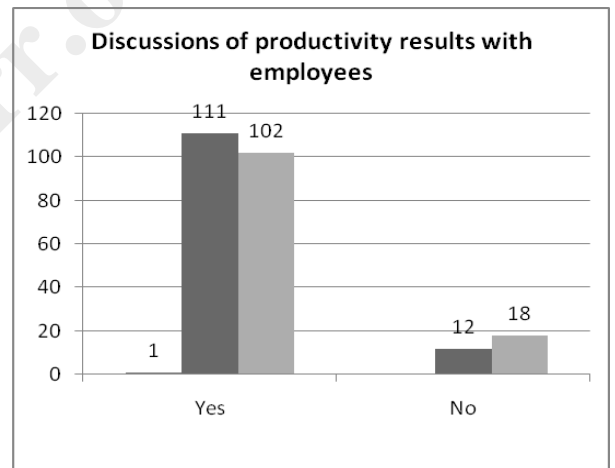
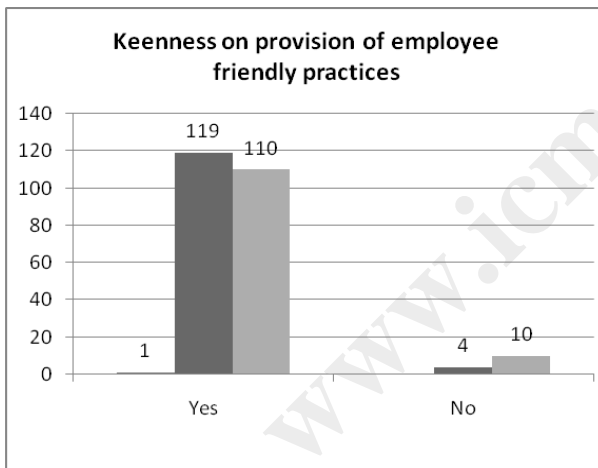
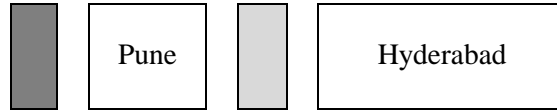




Table No. 6.11:Productivity Management System in Hotels

Productivity Management System in hotels	Difference in observations between the location of respondents
Keeness on measuring productivity of employees.	No significant difference
Awareness of employees about the productivity measurement system.	No significant difference
Efficiency in measurement of employee productivity.	No significant difference
Efficiency in implementation of measures to improve productivity.	No significant difference
Continuous follow up on the levels of productivity.	No significant difference

Productivity Management System in hotels	Difference in observations between the location of respondents
Just & Fair management of productivity system.	Significant difference
Keeness on improving productivity.	Significant difference
Keeness on provision of employee friendly practices.	Significant difference
Discussions of productivity results with employees.	Significant difference
Involvement of employees in designing / modifying the system.	Significant difference
Productivity measures are linked to salary.	Significant difference
Recognition of highly productive employees	Significant difference
Identifying measures to improve productivity.	Significant difference



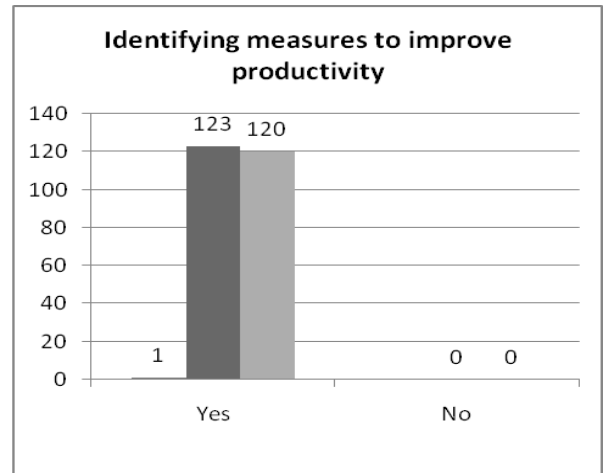
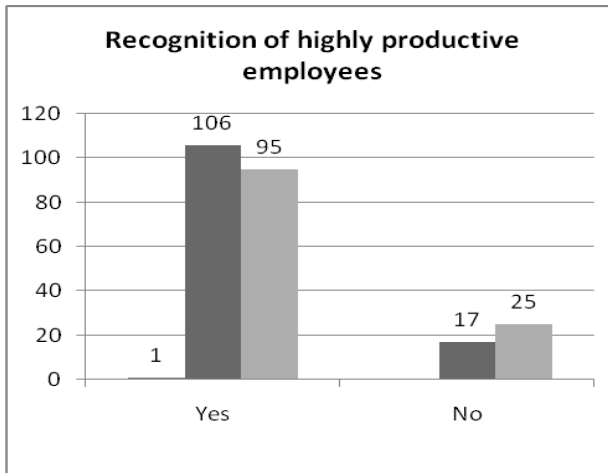


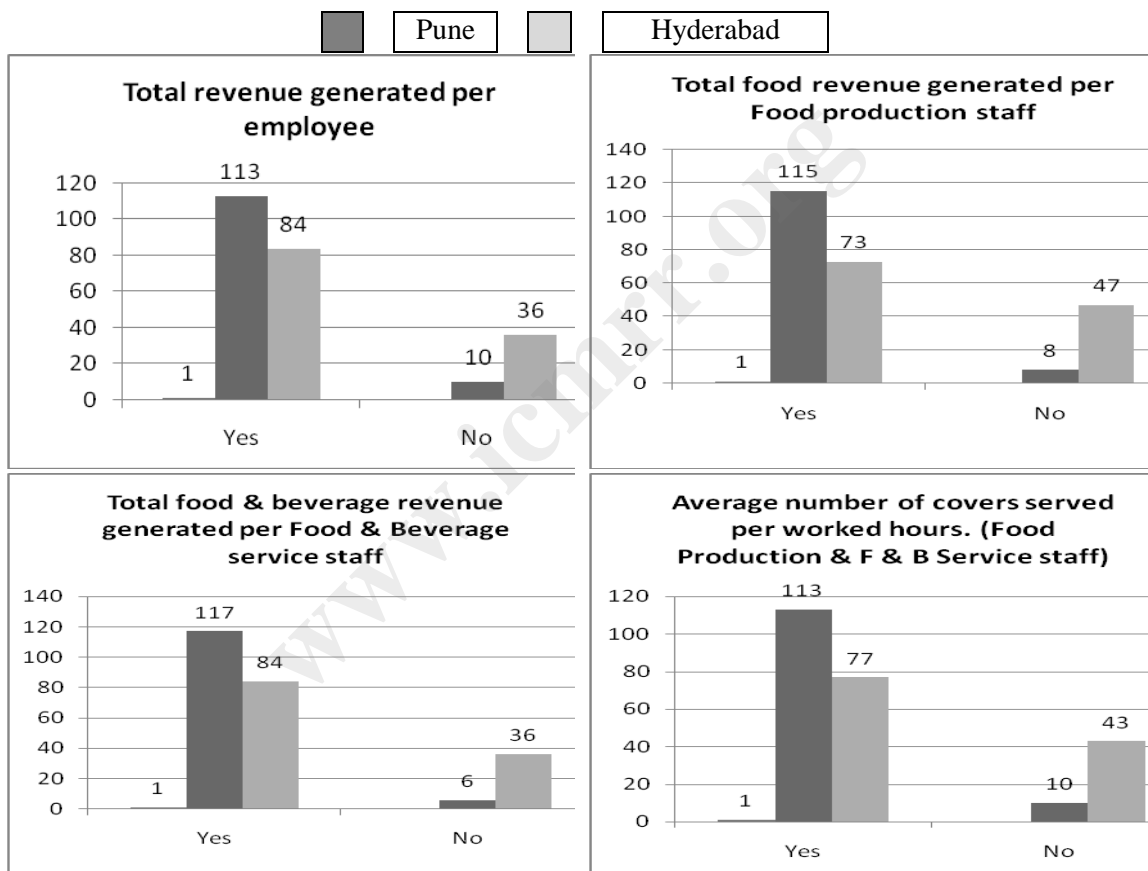
Table No. 6.12: Methodology adopted to measure employee productivity in Hotels

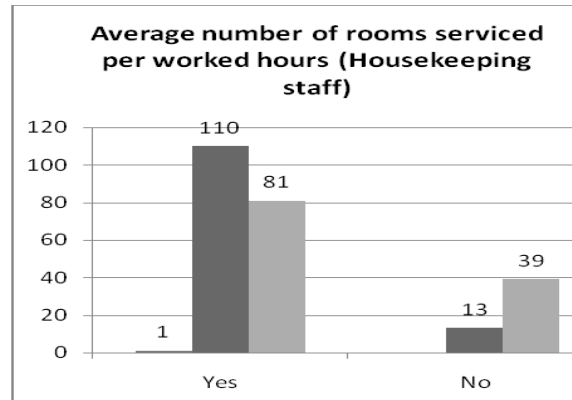
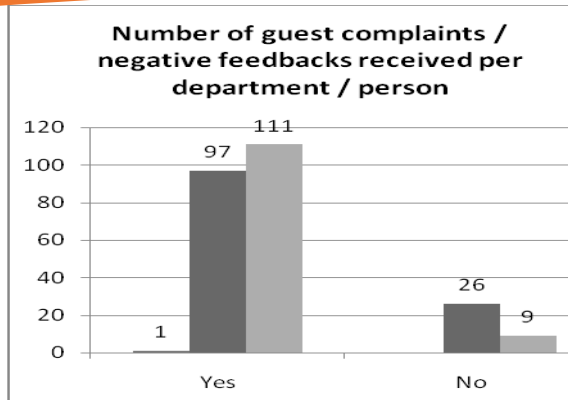
Methods of measuring employee productivity in hotels	Difference in observations between the location of respondents
1. Basis of Revenue generation:	
Total room revenue generated per Front Office / Sales & Mktg. staff.	No significant difference
2. Basis of Time frame:	
Average number of check-ins / check-outs handled per worked hours (Front office staff)	No Significant difference
3. Basis of Guest Satisfaction:	
Average number of guest satisfaction points generated per department.	No significant difference
Number of guest praises / positive feedbacks received per department / person.	No significant difference
4. Basis of Repeat Business:	
Percentage of repeat guests generated.	No Significant difference

Methods of measuring employee productivity in hotels	Difference in observations between the location of respondents
1. Basis of Revenue generation:	
Total revenue generated per employee.	Significant difference
Total food revenue generated per Food production staff.	Significant difference



Total food & beverage revenue generated per Food & Beverage service staff.	Significant difference
2. Basis of Time frame:	
Average number of covers served per worked hours. (Food Production & F & B Service staff)	Significant difference
Average number of rooms serviced per worked hours (Housekeeping staff)	Significant difference
3. Basis of Guest Satisfaction:	
Number of guest complaints / negative feedbacks received per department / person.	Significant difference





7. SUGGESTIONS & RECOMMENDATIONS

- 7.1. The hospitality industry is characterized by long and stressful work atmosphere and revolves around the costumers or the guests. In such a challenging situation, the management's approach is more concentrated towards operational areas and thus focus more on the end result i.e. guest satisfaction. However, it is recommended that the management should equally concentrate on its employees who are an integral part of the service delivery process and tackle issues related to their productivity.
- 7.2. Although the hotels have a system to measure the performance of various operational departments at a large, it is purely based on the Guest Satisfaction Tracking Survey (GSTS) and it does on comment on individual productivity of the employees. It is thus strongly recommended that a system should be designed to track the individual productivity of its employees.
- 7.3. It has been observed that productivity management is a challenging task for the hospitality industry and major reason behind the same is the intangible nature of the product and lack or management expertise. It is thus recommended that the management should introspect on this issue and devise a foolproof mechanism to measure productivity of its employees on an ongoing basis. This will not only keep the performing employees motivated, but will also help in correctly identifying the areas that requires attention and also the correct root cause of low productive employees so as to take timely remedial action.
- 7.4. The findings of this study suggest that the employment practices adopted by hotels have a great impact on the productivity of its employees. In spite of having an agreement with this fact by the management of hotels, the employment practices remain poor as compared to other industries. It is therefore recommended that hotels should design employee friendly practices aiming at the general welfare of its employees which would eventually result into enhanced employee productivity.
- 7.5. The biggest challenges of working in the hospitality industry are 'Poor pay packages' and 'Poor Work-life Balance' and they also happen to be the areas of greatest concern for its employees. The management should focus on provision of employment practices pertaining to the areas of 'Monetary Benefit' and 'Work-Life Balance' that have a higher impact on enhancing productivity of its employees.



8. CONCLUSIONS

The main empirical findings on each of the above are listed in the chapter “Findings”. However, these findings are summarized and conclude and this section as below:

- 8.1. The hospitality industry is concerned about the issue related to employee productivity and most of the hotels have the Productivity Management System in place, however, its implementation is not very effective.
- 8.2. The major reason behind the system not being very effective is the lack of management will and approach towards implementation of the system.
- 8.3. Measurement of productivity in Hotels is a challenging task and the major reason being that the industry is characterized by an “Intangible Product” i.e. “Service” and moreover the management of hotels lacks knowledge about Productivity Management.
- 8.4. There are several identified methods of measuring employee productivity based on “Revenue generation”, “Time frame” & “Guest Satisfaction”. However, the most suitable one is on the basis of “Guest satisfaction” and the same is used by most of the hotels.
- 8.5. The Productivity Management System does not link productivity to the remuneration of the employees and its utility is limited to identification of measures to enhance productivity and the same.
- 8.6. Employee productivity is measured on a collective basis and methods of measuring individual employee productivity are not in place.
- 8.7. The industry lacks common parameters of productivity measurement thus the every hotel has its own model for the same therefore comparison between two hotels becomes difficult.

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