



Competencies for a career in the hospitality industry: an Indian perspective

A career in the
hospitality
industry

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Abstract

Purpose – The purpose of this paper is to examine the link between industry competency requirements and the current provisions for hospitality management education in India.

Design/methodology/approach – Uses structured interviews with educationists and industrialists to identify the key issues.

Findings – Shows that a gap exists in terms of ensuring that the needs of industry are met by the ongoing skills development of the workforce.

Practical implications – Identifies the need for collaborative development between the educational providers and industry, especially in relation to the ongoing development of managers in the workplace.

Originality/value – Focuses on the development needs of the Indian hospitality industry.

Keywords Hospitality management, Competences, Hospitality education, India

Paper type Research paper

Background

The link between competency mapping for a particular industry and education system for that industry is relatively unexplored. Mapping of competencies for an industry has its roots in the mindsets of professionals working in industry. The relationship between competency mapping and work force attributes needs to be explored. The linkages with educational set up also need to be assessed. There is also a need to relate competencies with critical factors for success for a particular industry. This paper attempts to explore these relationships in the context of hospitality industry.

Competencies is a combination of observable and applied knowledge, skills and behaviours that create a competitive advantage for an organization. It focuses on how an employee creates value and what is actually accomplished (Nath and Raheja in Jauhari and Misra, 2004). Job competencies are those activities and skills judged essential to perform the duties of a specific position (Long, 1977). Tas (1988) defines competence as performance of duties based on one's ability to accomplish specific job related tasks and assume the role connected to the position. Chung-Herrera *et al.* (2003) postulates that a competency model is a descriptive tool that identifies knowledge skills, abilities and behaviour needed to perform effectively in an organization. It is designed to help an organization meet its strategic objective through building human resources capability, competency modelling focus on behaviour rather than personality traits. Human resources comprise a very important aspect of management of services. In the hospitality industry, the HR plays a very important role in the delivery of services. The size of global tourism is estimated at about 700 million travellers. The



International Journal of
Contemporary Hospitality
Management
Vol. 18 No. 2, 2006
pp. 123-134

© Emerald Group Publishing Limited
0959-6119
DOI 10.1108/09596110610646673

tourism is a strategic area of importance as it accounts for 8 per cent of the world exports. It also accounts for 30 per cent of international trade in services. In India, the tourism and hospitality industry employs 240 million people. According to Government of India estimates, an investment of Rs. 10 lakhs (1 lakh = 1,00,000 units) (10 lakh = USD 22,376 or €18,603) creates 44.6 jobs in agriculture, 12.6 jobs in manufacturing, 47.5 jobs in tourism and 89 jobs in tourism related sectors like hotels and restaurants. Hence the sector is of strategic importance in India and since it is people oriented industry, it is pertinent that the people component is developed so that the industry can be successful in the long run.

According to Capitaline's research report (2005) on Indian hotel industry, in India, hotel industry accounts for 50 per cent of the foreign exchange. The hotel industry gets about 75 per cent of its income through metros. In India, there are about 68,000 rooms out of which 30 per cent are in premium category and 32 per cent in mid market segment. The budget segment has 25 per cent market share but the revenue contribution is negligible. In an Indian perspective, issues which need to be addressed are declining net worth and profitability, growing foreign direct investment, lack of sufficient expertise in new product development, unprepared labour and management, lack of strategic perspective and necessity of creating global brands on account of increased opportunity globally.

The critical success factors which contribute to a hotel industry's growth are some of the following factors:

- customer orientation;
- outstanding service;
- flawless operations management;
- well thought through marketing strategy – positioning, markets and media management; and
- cost management – energy, marketing costs, attrition costs.

In order to achieve the above, some of the following interventions are desirable:

- Invest in people's knowledge and skills. It is also essential that investments are made in moulding people's attitude.
- Employee satisfaction would act as a pre-requisite for customer satisfaction.
- A stress free environment is created which precipitates in higher productivity.
- A good work environment is created which harnesses people's talents.
- There is a scope for growth and avenues for manifestation of individual talent are created.

The prerequisites for creating higher market share through concerns for employee welfare and development emanates from a very simple model (Jauhari, 2001) (see Figure 1).

The link between competencies and employee performance is very strong. The fundamental propositions that can be proposed are as follows:

- employee satisfaction would lead to a higher degree of customer satisfaction;
- higher employee satisfaction would lead to higher market shares;

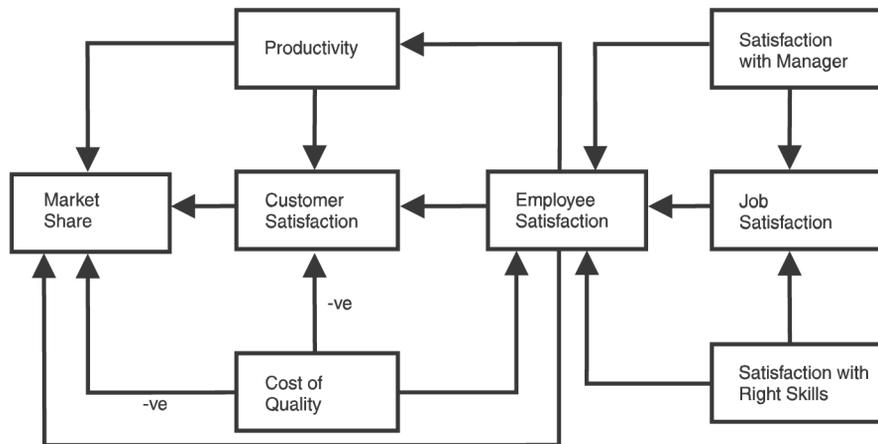


Figure 1.
Relationship between
market share, customer
satisfaction and employee
satisfaction

Source: Jauhari (2001)

- creating opportunities for growth for employees would lead to a higher performance by employees; and
- higher satisfaction levels in employees would lead to higher brand equity among stake-holders (customers, employees, financial firms, government organizations).

The quality of HR depends upon the supply of the manpower, level of education, nature of culture existing in the industry, nature of work, market in terms of demand and supply of people, wage rate regulations. Some of the key HR issues which merit attention are listed as follows:

- recruitment and selection practices;
- training;
- nature of internships in the industry;
- motivation;
- reward management;
- career planning;
- leadership;
- succession planning;
- compensation and benchmarking; and
- dealing with gender conflicts, grievances and absenteeism.

Lockwood and Jones (1989) have deliberated on key result areas in hospitality operations. They have postulated that within the three key stakeholders – customers, organizations and workforce – the following areas are important result areas for management at operating unit level: Employee performance, productivity, quality of service, asset protection, service and income generated, managing customer demand. In order to have a good output on these aspects the managers need to have the right knowledge and skill base. Jones and Pizam (1995) in their study replicating Woods

(1989) work indicates that on the work based on 66 participants that some of the factors which come out related with beliefs at workplace are:

- (1) It is a young person's business.
- (2) Most managers rise through ranks.
- (3) High turnover but lower as compared to a restaurant.
- (4) Most stories revolve around one of the following categories:
 - service (mostly problem guests); and
 - reaffirming high stress levels.
- (5) A belief that success depends on the organization's accomplishing the following three things:
 - differentiating itself from competition;
 - developments in the right markets; and
 - focus on quality service.

The implication of the above work is that the young professionals need to be moulded and the right kind of experiences need to be built in for them for them to do well in industry.

Tas (1988) carried out a study with 229 managers of hotels listed as having 400 or more rooms. The study indicates that essential competencies for management trainees in the hotel industry are – understanding guest problems, sensitivity to guest issues, maintaining professional and ethical standards, professional appearance, effective oral and written communication, developing positive customer relations, striving to achieve a positive working relationship.

Objective

The objective of this study is to assess the level of competencies and to suggest desired competencies which need to be imbibed in professionals graduating out of hospitality educational institutions so as to develop capacity to manage the investments made in hotel properties. The study is significant as there is a huge amount of wealth locked in hotel assets which needs to be tapped and higher returns ensured.

Methodology

This study was carried out through structured discussions with 15 industry professionals who have been working in the industry for over ten years and are holding top and senior management positions either as practicing managers, heading important offices in hospitality related associations and academics. The parameters of assessment include discussion on the following aspects:

- (1) Motivations of candidates entering into hospitality industry.
- (2) Nature and content of hospitality education:
 - infrastructure;
 - quality of hospitality curriculum and pedagogy; and
 - research orientation.
- (3) Opportunities and content of training as interns.

Findings

The quality of manpower available in a country depends on the nature of labour markets. Riley (1996) has delved upon the concept of internal labour market. The concept of internal labour market is a set of rules and conventions which act as allocative mechanisms governing the movement of people and the pricing of jobs. Such rules are about promotion criteria, training opportunities, pay differentials and evaluation of jobs. The characteristics delineated by Riley (1996) for weak labour markets are delineated as follows:

- unspecified hiring standards;
- multiple ports of entry;
- low skill specificity;
- no on the job training;
- no fixed criteria for promotion and transfer;
- weak workplace customs; and
- pay differentials vary over time

The hospitality industry is confronted by weak labour markets in India compared with strong labour markets internationally. This is characterized by excess labour, lack of minimum wage rates, a bureaucratic organization structure, long working hours among other aspects. There is also an issue of mismatch of supply and demand of certain skills in hospitality industry in India. As the supply of hospitality graduates is larger than the demand for management positions therefore these results in mismatch of career aspirations. So there are a number of hospitality graduates available at any given point of time, who are willing to work for low wages. A lack of management oriented training leads to a myopic vision of ones job in the industry. It results in viewing hospitality industry as just focusing on cooking and delivering food with little concern for building management competence, cost management, building brand equity, developing national or international brands. The academic input focuses only on operational related aspects which are not sufficient for creating and building brands.

Zhang and Wu (2004) highlights similar issues of weak internal labour markets in China. Hotel and travel industry in China faces issues of lack of qualified staff at both operational and managerial level, high staff turnover rates, unwillingness of university graduates to enter industry, gap between what is taught in school and college and realities of the industry itself. To have a better understanding on the situation of weak labour markets, there is a need to look at education and training aspects in Indian context.

Motivations of candidates entering the hospitality industry

Candidates entering the hospitality industry do so in order to have a career at the end of their studies. Most students are struck by glamour aspect and the customer face of the organization. Many of them are not aware of long hours at work, high stress levels, low compensation and limited opportunities for management trainee positions (in India). They nurture dreams of working in branded properties. Most of these students studying in hospitality programmes are from middle class families who are career

oriented. Elite schools which offer management oriented hospitality education are able to attract students from higher socio-economic background. These students are either motivated for working abroad on account of better work conditions or are interested in managing or setting up their own firms. Students with management exposure are less willing to go through a typical growth path of an operation trainee.

Education and training

Education infrastructure

As far as management of educational institutions is concerned, there is a need for an understanding of supply side of education. In India, there are about 180 institutions granting certificate or diploma or degree courses in hotel management in specialized areas like F&B production, F&B service, Housekeeping. Of these, 36 are in the government sector – 21 Institutes of Hotel Management and catering Technology (IHMCT) and 15 Food Craft Institutes (FCI). The former gives a three year diploma in hotel management (now converted in a degree programme recently) while the latter have a one year certificate course in four areas of F&B production, F&B service, Housekeeping and Front Office. There are about 150 colleges in the private sector which are either colleges or Institutes. Most of them offer either a three year degree or a diploma. Many colleges grant a four year bachelor degree and some also award a three year degree. The bachelor's degree in India can only be given by a University. The colleges giving degree are either a part of a University or are affiliated to one.

There are about 10,000 students entering the job market every year with about 5,000 of them either graduating with a diploma or a degree from private institutions hoping to be supervisors or managers in various hotels and restaurants in India. The FHRAI think tank (2001) has reported that "There are about half the total of 180 institutions/colleges in India providing any worthwhile education which is of use to students and hiring hotels and restaurants. Though there is a large number of graduating degree or diploma holders, there is a shortage of good and qualified people."

The educational scenario is dominated by private sector organizations. The distribution of hospitality education institutions is as follows:

- private sector;
- public sector; and
- foreign degree programmes.

Most institutions in the private and public sector focus on operations oriented hospitality education. The management orientation is lacking which results in lack of competencies in managing and branding businesses. There is little exposure by way of assessing financial statements, exposure to concepts of marketing, organization behaviour, services management. The concepts of brand equity, strategies for building national or international brands are unknown. Most of the management related concepts are picked up while at work. However, foreign degree programmes are mainly being offered by the private sector. However, the outcome is very varied depending upon the systems and content of hospitality education offered by the collaborator. The programme is as good or bad as the quality values of collaborating partners. There is currently lot of confusion about the management of foreign degree programmes in India.

Quality of hospitality curriculum and pedagogy

Industry training helps to build up on the job competencies. Training/Internship in the industry can be used as an important tool in shaping competencies of the managers. In India, there is a lack of quality industrial training. The students are treated as inexpensive labour. Very few hotels provide structured training. On account of experience during internship, a large number of students get disenchanted with the hotel industry after completing the industrial training itself. The duration and content of training are both issues which need to be addressed. The whole process needs to be managed effectively. The internship experience should be outstanding as interns are brand ambassadors as well. Images carried by them will have a bearing on future intentions for association with the firm not only as employees but also as consumers as well. Word of mouth creates a big impact on future sales as well. A two month duration is short and if an overall exposure to different departments is not undertaken then it gives a very myopic view of the business scenario.

The quality of manpower also depends on the supply side conditions existing in a country. The role of academic institutions is inevitable in shaping competencies of future managers. The curriculum of the programmes determine the nature of competence in an industry. In India, the content of the hospitality education is skewed towards operations in the industry. There are very little management related inputs which implies that the graduates have little perspective on managing the hotel/restaurant as a business. The curriculum is not benchmarked internationally and the content is often outdated. The use of diverse text is limited and is often inward looking. Goodman and Sprague (1991) have in their research pointed that hospitality education programmes must refocus and reorient their curricula or face the fate if specialized programmes as in insurance, banking and transportation which have been absorbed in general business curricula.

The methodology is also often outdated and therefore conventional lecture methods along with the lab work is the normal route adopted. The quality of faculty leaves a lot to be desired. The basic qualification of the faculty is essentially being a hotel school graduate which results in propagation of a similar curriculum and mode of teaching. The availability of the doctoral and MBA programme in hotel industry as a specialty is missing from Indian context. This results in a lack of think tank and a systemization and advancement of knowledge. Trained faculty plays a vital role in shaping and nurturing talent. It is here that a corrective action needs to be taken. There is a need for building a think tank for hospitality industry. The competence level of faculty needs to be raised. An exposure to management content is desirable. In the current scenario, the faculty who teach at the most hotel schools are themselves a product of these schools. Their orientation is in operations and there is a huge resistance to the change process as well. An intervention is desirable at a national level to bring about a change. The faculty is well trained in delivering operations related inputs. However, the limitation comes in on account of lack of exposure to management education. The need is therefore for, imbibing management skills and managing hospitality units like businesses and building aspirations of developing brands equity rather than just being happy with delivering good service. The issue is that of making them have a vision and ability and confidence to achieve that vision.

Lack of specialization in business schools

Hotel Management in India has been seen more as a trade rather than as a business organization. This myopic view manifests itself in the form of curriculum with a bias towards operations. Modules such as Marketing Management, Operational Excellence, Financial Management, Strategic Management, Business Law, Entrepreneurship with a focus on Hospitality sector do not find their way in most Indian run courses. Some of foreign degree programmes therefore bring in lot of management perspective into the curriculum. However, faculty is drawn from other disciplines as none of the MBA programmes offered in the country really offer MBA in Hospitality. So pain staking efforts are required to build an academic think tank which could propagate and make efforts to modify the programme which is more suited to industry's needs.

A limited availability of Master's, M. Phil and doctoral programmes in various universities with specialization in hospitality leads to limited research in this area and at the same time inhibits the development of academic resources who could teach these programmes in university departments. This further acerbates the position of having limited faculty base exposed to research methodology and teaching. Faculty with average undergraduate qualifications with specialization in this trade end up in teaching positions propagating mediocrity in academics. The compensation is also very average making it more lucrative to work in the industry.

On account of growing role of services businesses in the world economy, hotel management trainees are expected to understand spreadsheets, psychographics and strategic planning. Goodman and Sprague (1991) point out that several four year hospitality programmes have begun responding to this demand for increased professional skills by seeking faculty with general business training and by encouraging them to focus on particular issues facing the hospitality industry. They suggest that hospitality schools could expand the scope of their curricula to include financial services (banking), operations, retail operations and long term care and retire community management as well as services industries as contract cleaning and day care.

An accreditation agency for educations brings with it certain standards. These standards ensure standardization and a predictable outcome. Lack of quality parameters and *ad hoc* approach in granting accreditation brings in lot of chaos in the market. In India, these standards need to be upgraded and emphasis on quality of manpower hired in educational institutions, infrastructure, training methodology needs to be looked at again.

Desired competencies

Chung-Herrera *et al.* (2003) have identified link between leadership competencies and future hospitality leaders. A list of 99 competencies or skills have been suggested which contribute to leadership success. The competency labelled, "self management," was the top dimension – composed of ethics and integrity, time management, flexibility and adaptability and self development. Second in importance was competency in strategic positioning, comprising awareness of customer needs, commitment to quality, managing stakeholders and concern for community. Industry knowledge, leadership and interpersonal skills were factors that while important were ranked lower by respondents.

Kay and Russette (2000) in their study on hospitality management competencies found that competencies in leadership domain represented the majority of skills

designated as “Essential Competencies.” They found that a number of essential competencies fall under all five of Sandwith’s Competency Domains (i.e. leadership, interpersonal, conceptual – creative, administrative and technical). Leadership and interpersonal skills are essential competencies essential to more than one functional area and management level. These are consistent with prior research that those two competencies represent critical managerial success competencies. Technical skills administrative skills such as knowledge of operational budgets and financial reports, knowledge of forecasting, yield management and property specific reports were desirable.

For hospitality managers to perform well on the job, the following competencies are desirable:

- *Global exposure.* In a world, where borders are being opened up for cross border investments, cross cultural exposure shapes up understanding of emerging markets and consumers. As consumers experiment with new accommodation and food options, an awareness of the same is a prerequisite for moulding organization’s product offering. At the same time, sensitivity to consumer mannerisms and cultural uniqueness builds up stronger bonds.
- *Customer service orientation.* Mapping consumer expectations and delivering by augmenting the basic expectation results in consumer delight. Employees need to be exposed to courses and issues in services management, marketing management and consumer behaviour. They need to be trained in delivering outstanding services and how this is linked with their growth in an organizational context.
- *Appreciation of cost management.* With escalating real estate and fuel costs, the management of costs for all possible areas contribute to increased profitability. There is a need for an understanding of fundamental financial principles. Other than exposure to financial management practices, exploring relationships between escalating costs and unhappy customer on account of rude behaviour; food order messed up; delay in seating; shabby service; unpleasant ambience needs to be understood.
- *Understanding on profitability and return on investment* holistic approach such as Balanced Scorecard Approach (Kaplan and Norton, 1992) or Corporate Entrepreneurship approach (Verma, 1997) is essential for long-term existence of an organization. A disjointed approach towards profitability does not work in the long run. Unless all stakeholders’ benefit from a venture a firm has a short term existence.
- *Ability to understand market trends.*
- *Ability to innovate.*
- *Commitment to work.* These are all aspects which may contribute to an organization’s success.

On account of lack of competencies in these areas, manifestations in Indian hospitality industry have taken the following forms (Jauhari, 2005):

- lack of expansion strategy;
- lack of marketing strategy for various segments of consumers;

- lack of product development strategy;
- limited presence internationally and in India;
- declining net worth;
- deteriorating working capital; and
- low dependence on debt.

Recommendations

The hotel firms need to be managed like other business firms. To accomplish this, the managers must have an orientation in different aspects of managing the businesses. This cannot be left to “on the job experience”. Inputs need to be given in formal structured manner. Also there is a need to re-look at the kind of roles that people perform in different departments in a hotel. Overstaffing leads to chaos and confusion. Multi-skilling and ability to manage large number of tasks simultaneously is essential. This then must be inbuilt into curriculum. This recommendation has another implication. The qualifications and training of faculty is also essential. There are hardly any commendable Master’s and PhD programmes in hospitality in India. It is dominated by a undergraduate degree. It is extremely hard to find PhDs and MBAs to teach in the hospitality programme. In fact when the foreign degree programmes in India were set up such as Oxford Brookes programme, major reliance was on the Business School faculty who developed research capabilities in hospitality area. The policy implication for the government and industry is that an academic think tank needs to be developed in India which could trigger off the right kind of training in hospitality schools in India.

A right kind of culture and mindset also needs to be inculcated both in private and public sector institutions specially in hospitality sector. Using state of art methodology, developing Indian and global cases, arranging industry visits, encouragement for doing research are all aspects which need attention.

To have outstanding employees in a hospitality firm, the following recommendations are suggested:

- There is a need to create a think tank of academics. There should be a research pool and there is a need to train academics for hospitality industry.
- There is a need to start higher degree courses. The students emanating from good institutes are the future managers. Incomplete education and basic standards results in limited competencies. Parallels can be drawn here from engineering graduates. Indian Institutes of Technology on account of their education context, methodology and quality of faculty have produced world class engineers accepted globally. A similar initiative is essential for hospitality sector as well. For this action needs to be initiated at the government level. There is a need for building world class hospitality management schools just as we have been able to do for engineering disciplines.
- There is a need for revising hospitality curriculum at both undergraduate and post graduate levels. Management and operations orientation needs to be segregated. Hospitality managers without management education exposure would have a limited vision and most of the learning would happen on the job or through trial and error. This increases the learning cycle and has negative repercussions for managing assets worth millions of dollars. It is in fact

encouraging negative entrepreneurship wherein investments are made in hands of incompetent entrepreneurs.

- Exposure to market reality by way of managing better training opportunities needs to be encouraged. Shoddy training result in distorted perceptions for employees, leading to an unfavourable attitude towards hospitality industry. The government needs to regulate training in hospitality institutions.
- Related with training, interns need to look at future employees. Images carried by interns would influence their opinion about the firm as future employees and consumers. Word of mouth builds up an organization's image in a market. The work conditions as interns/employees need to be more in line with international practices. Respect for hours, minimum wages, adequate jobs, imbibing the right values should be mandatory.

For this overall culture to bring about change, the existing workforce in organizations needs to be educated and made aware of contemporary management thought and practices.

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