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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESES

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

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SCOPE FOR FURTHER RESEARCH

ACKNOWLEDGMENTS

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APPENDIX/ANNEXURE

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# THE EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT PRACTICIES ON HOTEL PERFORMANCE

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## ABSTRACT

*Human resource management (HRM) practices are essential factors in hotel performance. If hotels are concerned to achieve a better performance levels, the management should preferably focus on the HRM practices indicated in the study. The purpose of this research is to examine the effectiveness of HRM practices on hotel performance in context of Vadodara. This research will help in finding the significant difference between HRM practices and hotel performance and to investigate whether HRM practices affect performance in the hotel industry, hotels from three-star category in Vadodara- Gujarat state were selected numbering 13 in 2011. The data were gathered by developed questionnaire. The questionnaire measured seven HRM practices and five hotel performance variables. The HRM practices selected for the research study was staffing, selection, training and development, performance appraisal, performance reward, internal communication system and employee relations. Correlation analysis was used to test the association between HRM practices and hotel performance. Regression analysis was employed to test the effect of HRM practices on hotel's performance. We can conclude that HRM practices affect hotel's performance, a positive impact was revealed from the analysis. Furthermore, the analysis showed also a positive effect of human resource management practices in term of selection, staffing, training and development, performance appraisal and performance reward, where the remaining two HRM practice namely employee relations and internal communication system indicated insignificant with no effect on hotel's performance .*

## KEYWORDS
Hotel's performance, Human resource management practices.

## INTRODUCTION

Human resources management contains practices that ensure organization's employees' knowledge, skills, and abilities to be contributing to business outcomes (Huselid et. al, 1997). The theoretical literature suggests that human resource management increases productivity by increasing employees 'skills and motivation (Huselid, 1995). Hotels are tremendously dependent on their employees. Employees' market value increasingly depends on their intangible assets(Lawler, 2005).Many areas are there in which human resource management is very important and one of the major area is the newly hired employees because employees makes a real difference by providing the good quality service. Human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, produce complex social relationships, are embedded in a firm's history and culture, and generate tacit organizational knowledge (Lado and Wilson, 1994).

One of the most important departments of any hotel staff is human resources management. Proper human resource management can be the difference between a really well run hotel and a poorly one. The human resources manager can control almost the whole feeling and presence of the entire hotel. This makes the importance of human resources management for hotels very evident. The employees that are hired in a hotel can really alter the quality of service and the whole atmosphere of the hotel. This means that it is very important to pick upbeat, dedicated workers for each position. It is the job of the human resources manager to make sure that qualified people are chosen to work in the hotel. In many cases many hotel workers are only participating in hotel work because they can find nothing else to do.

Retention of employees is another large problem in the hotel service business. Since so many of the employees do not have hotel work as their ending career goals, many of them only work in a hotel for a short amount of time. Other employees may have to be let go because of poor work ethics or other issues. However, there are ways that a hotel human resources manager can curb some of the desire and likelihood that employees will move to other jobs quickly. The importance of human resources management for hotels is very large in this area. Managers can provide good training and incentive programs that will cause employees to stay longer at the hotel. Having a clear progression plan to advance to higher levels of service will also cause employees to stick around much longer.

The issue of employee progression and promotion is also another large issue for the hotel industry. The importance of human resources management for hotels is proven in this area. Hotels which provide ways for employees to advance in position, or that provide training for employees so that they can gain skills necessary for an advanced position are very important to the retention rate of employees. It is easy to implement services of this nature and the expense is negligible compared to the expense and time necessary to constantly find new employees to replace the ones that always leave shortly after being hired.

The impact of human resource management practices on organizational performance has been an important area of research in the past two decades showing positive relationship between HR practices and organizational performance (Quresh, T.M et al., 2007). In many researches, we notice that human resource management practices were taken as dependent rather than independent variables. In the past, management practitioners and researchers were involved in

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exploring how HRM practices affected employee performance, and organizational performance. Now we are beginning to ask how these practices affect in particular on performance of hotels. This study focuses on the effect of HRM practices on the hotel performance. This sector performs momentous functions in the present-day world for overall economic development of Vadodara.

Human resource management and development are essential for every sector but in the case of tourism, they have a special significance. This is because tourism is a service industry and here the customer is not only buying a service or a product but also, experiencing and consuming the quality of service which is reflected in the performance of the persons involved in the production and delivery of the service. There is a need to mobilize the human resource with the purpose to enable them to participate in the task of hotels development and nation building. Mobilization would include the need to develop the human resource, their knowledge, attitudes and skills so that they can achieve competently the pre-determined goals the hotels. Obviously the efficient and professional management is pre-requisite of successful tourism development. Having equal importance, however, is the quality of staff training, which is often relatively neglected during the early stages of tourism sector development.  As we mentioned earlier, Tourism is a service business; a developing destination must take the necessary steps to provide efficient trained people to fill various places, which will be created subsequently. Special attention should be given to the needs of manpower and personnel to be trained and rendered qualified for the various tourism professions. Special care should be taken to ensure that there is expansion of facilities and services.

In case of a developing country like India, it is appropriate to study at this stage the performance of existing manpower for activities complementary to Tourism industry in general and accommodation sector in particular. From this point of view we have selected Vadodara city in Gujarat and that is because it is very much focused on tourism growth for the last few years. As a result, different hotels are performing a momentous role in the economic development of the state. This research is an attempt to explore the relationship of HRM practices and hotel performance operating in Vadodara.

## LITERATURE REVIEW

A number of researches have reported a positive relationship between HRM practices and organizational performance (Haynes and Fryer, 2000). Schuler (1988) pointed out that when organizations determine which human resource practices to adopt, they generally choose from among menus that focus on six different aspects of human resource management: planning, staffing, appraising, compensating, training and development, and labor-management relations.

Worsfold (1999) suggested that there are two versions of HRM; one is hard version, and the other one is soft version. According to the author's definition, the hard version of HRM with an emphasis on managing human resources, may well employ more control systems which would more easily integrates with strategy compared to soft versions of HRM. A hard version of HRM focus on systems and procedures, training, and performance measures of employees. In other words, a hard interpretation of HRM places more emphasis on the integration of human resource policies and practices with business strategy.

Mudor, H and Tooksoon, P. (2011), attempted to propose a conceptual framework consisting of three HRM practice (supervision, job training, and pay practices), job satisfaction, and turnover, and to explain the relationships among these variables. Job satisfaction played an important role to employees' turnover because it would lead employee resigned when their job satisfaction is low. The results of their research indicate that HRM practice positively and significantly correlated with job satisfaction. On the other hand HRM practice and job satisfaction are negatively and significantly correlated with turnover. However, the results of HRM practice and job satisfaction are strong predictors of turnover.

Tsaur, S.H. and Lin, Y.C. (2004) argued that tourist hotels in Taiwan are focusing their attention on improving customer service quality. In general, a firm's human resource management (HRM) practices can create an environment that encourages positive employee behavior, thereby enhancing service quality. This conceptualization is grounded in an extensive review of the literature, pooling together previously disparate research strands. The purpose of their research is to empirically explore the relationship among human resource management practices, service behavior and service quality in the tourist hotels. It is being found that HRM practices had partially a direct effect on customer perceptions of service quality and an indirect effect through employees' service behavior. This means that service behavior only partially mediates the relationship between human resource management practices and service quality. The implications for HRM and future research implications of their finding were discussed.

Chand, M and Katou, A. (2007) investigated that whether some specific characteristics of hotels affect organizational performance in the hotel industry in India; and to investigate whether some HRM systems affect organizational performance in the hotel industry in India. A total of 439 hotels, ranging from three-star to five-star deluxe, responded to a self-administered questionnaire that measured 27 HRM practices, five organizational performance variables, and ten demographic variables. Factor analysis was performed to identify HRM systems, one-way ANOVA was employed to test the association of the demographic variables with organizational performance, and correlation analysis was used to test the relation between HRM systems and organizational performance. They have found that hotel performance is positively associated with hotel category and type of hotel (chain or individual). Furthermore, hotel performance is positively related to the HRM systems of recruitment and selection, manpower planning, job design, training and development, quality circle, and pay systems.

Chand, M. (2010) investigated the effects of HRM practices on service quality, customer satisfaction and performance in the hotel industry. A conceptual model is developed and four research hypotheses are empirically examined using structural equation modeling. The data were collected via a survey of Indian based hotels. 52 hotels in India responded to questionnaires pooling 52 HR managers 260 employees (5 from each hotel) and 260 customers (5 from each hotel). The results indicate that HRM practices have a positive influence on the improvement of service quality as well as on customer satisfaction and hotel performance. The study further testified the relationship among them, and provides useful information for future hotel management needs. The findings indicate that creation of customer satisfaction value in the hotel can be achieved via increasing responsiveness to customers' needs and that the creation of customer value which have a positive impact in the firm's profitability. The results suggest that HRM practices improve hotel service effectiveness and in consequence firm performance replicates and extends in a HRM context research. The study also suggests that management should emphasis on the development of intra-departmental learning and relational capabilities. The findings of this study are important for the hotel industry as the sector is faced with increasing competitive pressures in a highly fragmented, high growth market, and challenges that threaten its viability as evidenced by recent consolidations, merger & acquisition, franchising and foreign collaboration, etc. Further, in terms of theoretical contributions, the research suggested that HRM improvements are as much an outcome of technical and operational measures as they are of managerial, organizational and inter-organizational capabilities. Finally, the study paved the way for further research that would integrate HRM practices and operational factors in the context of analyzing improvements in service quality, retaining customers and hotel performance.

Alleynea, P. et al.(2006) measured the effect of human resource management (HRM) on performance in the hotel industry in Barbados. It used a quantitative survey covering 46 hotels out of a population of 75 hotels. The respondents were hotel's management, being either a general manager, human resource (HR) manager or line manager. Similar to Hoque's study of UK hotels, the impact of internal and external fit and the universal relevance of HRM were tested. The findings showed no major support for external fit, universal relevance and internal fit in the Barbados hotel industry. All the hotels perceived themselves as performing well, given the focus on quality and targeting high spending tourists. A quest for high service pushes the industry more towards best-practice 'HRM' rather than best fit.

Cho, S. et al. (2006) investigated the relationship between the use of 12 human resource management practices and organizational performance measured by turnover rates for managerial and non-managerial employees, labor productivity, and return on assets. The found results of regression analyses indicated that companies implementing HRM practices such as labor-management participation program, incentive plans, and pre-employment tests are more likely to experience lower turn over rates for non-managerial employee.

Hung Tsang Kai, (2006) examined the relationship between human resource management practices and service performance and the process through which these HRM practices affect service performance that is one of major organizational outcomes of hotels. The hypothesized model with organizational commitment has been considered as a mediator between employee perceptions of HRM practices and service performance. A sample of thirty hotels with four or five stars rank international hotels was used; the author examined the impact of HRM practices on service performance mediated by organizational commitment. He argued that the result of this study can provide human resource professionals with useful information to decide what human resource practices should be effectively implemented in their organizations. The study testified the relationship among them, and provides useful information for future

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hotel management needs. For the management level, it can formulate strategies and identify the factors to guide administrators in policymaking, and also provide employees a path that maximizes their service performance. Therefore, it is crucial to work out in more detail on the black box between the HRM practices of the hotel industry and their service performance.

Bartel, Ann P. (2004) Studied of the relationship between human resource management and establishment performance have heretofore focused on the manufacturing sector. Using a unique longitudinal dataset collected through site visits to branch operations of a large bank, the author extends that research to the service sector. Because branch managers had considerable discretion in managing their operations and employees, the HRM environment could vary greatly across branches and over time. Site visits provided specific examples of managerial practices that affected branch performance. An analysis of responses to the bank's employee attitude survey that controls for unobserved branch and manager characteristics shows a positive relationship between branch performance and employees' satisfaction with the quality of performance evaluation, feedback, and recognition at the branch—the "incentives" dimension of a high performance work system. In some fixed effects specifications, satisfaction with the quality of communications at the branch was also important.

Quresh, et al. (2010) argued that human resource management practices considered as major contributory factors in financial performance of organizations. Researchers effectively highlighted in their research the importance of HRM practices with impact on financial performance of banks operating in Pakistan and The major objective of the study was to find out the relationship between 'HRM Practices' and the 'Financial Performance of Banks'. As a sample, 46 scheduled banks were contacted, of which 38 responded. They had selected some few important HRM practices in the research study and those were selection, training, performance appraisal system, compensation system and employee participation. To analyse the data collected stepwise regression analysis and Pearson correlation were used in their research and to support theoretical models that link HRM practices with financial performance of banks descriptive statistics was used. The study found that all tested variables have a positive relation and impact on financial performance of banks but the major contributory practices are selection, training, compensation and employee participation.

Gelade, G.A and Ivery, M (2003) examined the relationships between human resource management (HRM), work climate and organizational performance in the branch network of a retail bank. It extends previous research on group-level climate-performance and HRM-performance relationships and examined how climate and HRM function as joint antecedents of business unit performance. Correlations were found significant between work climate, human resource practices, and business performance. The results showed that the correlations between climate and performance cannot be explained by their common dependence on HRM factors, and that the data are consistent with a mediation model in which the effects of HRM practices on business performance are partially mediated by work climate.

Caliskan, E.N (2010) discussed that in a rapidly changing competitive environment, human resources are one important source of competitive advantage. Human resource systems can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific. Strategic human resource management concerns with the creation of a linkage between the overall strategic aims of business and the human resource strategy and implementation. The research generally reported positive statistical relationships between the greater adoption of HR practices and business performance. The causal linkage between HR and organizational performance will enable the HR managers to design programmes that will bring forth better operational results to attain higher organizational performance. In his paper, after emphasizing that the human resources are an important source of competitive advantage, strategic human resource management was defined. Through specific examples from academic research regarding the impact of strategic human resource management practices on organizational performance, the conclusion was that the way an organization manages its human resources has a significant relationship with the organization's performance.

Chang, S. et al. (2011) investigated how hospitality companies can promote incremental and radical innovation through human resource management practices (i.e., selection and training). Data from 196 independent hotels and restaurants operating in the People's Republic of China show that hiring multi-skilled core customer-contact employees and training core customer-contact employees for multiple skills both have significant and positive effects on incremental and radical innovation among hotel and restaurant companies. The two human resource management practices are also found to have a negative joint impact on incremental but not radical innovation. The implications for promoting innovation in hospitality companies are discussed.

## RESEARCH METHODOLOGY

All three star hotels in Vadodara were selected for the study. A list of these operating hotels was taken from the official website of Cleartrip.com in the year 2011, other necessary information like addresses and phone numbers of different hotels were taken from the websites of respective hotels, after which questionnaires were taken to them personally. Following the tradition of social sciences, we used the questionnaire for primary data collection as there were no sufficient data available in Vadodara. This questionnaire was of a five point-Likert scale with options; 5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree. For data collection convenient sample was used, managers or assistant managers and reception heads of 13 hotels of Vadodara were given questionnaires by hand (2questionnaires to each hotel). Aggregately, we collected 22 questionnaires back. These respondents were appealed to answer all the questions to the best of their knowledge. After data collection, we used SPSS Statistical tool. Regression analysis and Pearson correlation were used to analyse the data.

## VARIABLES OF THE STUDY

Following variables were included in our study.
First: The independent variable, namely, - Human Resource Management practices (Selection, Staffing, Training and Development, Performance Appraisal, Performance Reward, Employee Relations and finally Internal Communication System).
Second: dependent Variables: Hotel performance resembled in Effectiveness, Efficiency, Quality, Satisfaction and Occupancy rate.

## HYPOTHESES

1. There is no significant difference between effective HRM practices and hotel performance.
2. There is no significant difference between selection practice and hotel performance.
3. There is no significant difference between staffing practice and hotel performance.
4. There is no significant difference between training and development practice and hotel performance.
5. There is no significant difference between performance appraisal practice and hotel performance.
6. There is no significant difference between performance reward practice and hotel performance.
7. There is no significant difference between employee relations practice and hotel performance.
8. There is no significant difference between internal communication system practice and hotel performance.

## RESEARCH FINDINGS

**RESULTS RELATED TO THE EXAMINING OF THE MAIN HYPOTHESIS WHICH WAS**
There is no significant difference between selection and hotel performance.
To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to all HRM practices. The results are summarized in the following table.
Through the results of simple regression shown on table (1) we find the following results

**TABLE 1: SIMPLE REGRESSION OF HRM PRACTICES ALL TOGETHER**

| Independent Variable | R | R² | F | Sig |
|---|---|---|---|---|
| HRM practices | 0.685 | 0.470 | 19.491 | 0.000 |

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From table no (1) F-value is (19.491) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable all HRM practices explains 47% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between HRM practices and hotel performance was with positive influence and that leads us to reject the main null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

**TABLE NO 2: CORRELATION**

| Independent Variables (Human Resource Management ) | Dependent variable | correlation Level |
|---|---|---|
| Selection | *0.658 | Medium |
| Staffing | *0.512 | Medium |
| Training & development | *0.590 | Medium |
| Performance appraisal | *0.493 | Medium |
| Performance reward | *0.589 | Medium |
| Employee relations | 0.194 | Low |
| Internal communication | 0.242 | Low |

*Significant at (a ≥ 0.05).    (R ≥ 0.3 low, 0.3 ≥ R > 0.7 Medium, R< 0.7 High)

It is noticed from the table (2) that there is a medium relation between the dependent variable and the independent variables where the level of correlation between selection and hotel performance is 65.8%, staffing and hotel performance is 51.2 %, training & development and hotel performance is 59%, performance appraisal and hotel performance is 49.3%, and performance reward and hotel performance is 58.9 %. Where, correlation was low between employee relations and hotel performance with 19.4% and internal communication system and hotel performance with 24.2%.

**RESULTS RELATED TO THE EXAMINING OF THE FIRST HYPOTHESIS WHICH WAS**

There is no significant difference between selection and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according selection practice. The results are summarized in the following table.

Through the results of simple regression shown on table (3) we find the following results

**TABLE NO 3: SIMPLE REGRESSION OF SELECTION**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| Selection | 0.658 | 0.433 | 16.813 | 0.000 |

From table no (3) F-value is (16.813) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable selection (HRM practice) explains 43.3% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between selection and hotel performance was with positive influence and that leads us to reject the first null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

**RESULTS RELATED TO THE EXAMINING OF THE SECOND HYPOTHESIS WHICH WAS**

There is no significant difference between staffing and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to selection practice. The results are summarized in the following table.

Through the results of simple regression shown on table (4) we find the following results

**TABLE NO 4: SIMPLE REGRESSION OF STAFFING**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| Staffing | 0.512 | 0.262 | 7.801 | 0.011 |

From table no (4) F-value is (7.801) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable staffing (HRM practice) e-xplains 26.2% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between selection and hotel performance was with positive influence and that leads us to reject the second null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

**RESULTS RELATED TO THE EXAMINING OF THE THIRD HYPOTHESIS WHICH WAS**

There is no significant difference between training and development practice and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to training and development practice. The results are summarized in the following table.

Through the results of simple regression shown on table (5) we find the following results

**TABLE NO 5: SIMPLE REGRESSION OF TRAINING AND DEVELOPMENT**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| Training & development | 0.590 | 0.348 | 11.742 | 0.018 |

From table no (5) F-value is (11.742) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable training and development (HRM practice) explains 34.8% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between training and development and hotel performance was with positive influence and that leads us to reject the third null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

**RESULTS RELATED TO THE EXAMINING OF THE FOURTH HYPOTHESIS WHICH WAS**

There is no significant difference between performance appraisal practice and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to performance appraisal practice. The results are summarized in the following table.

Through the results of simple regression shown on table (6) we find the following results

**TABLE NO 6: SIMPLE REGRESSION OF PERFORMANCE APPRAISAL**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| PA practice | 0.493 | 0.243 | 7.050 | 0.014 |

From table no (6) F-value is (7.550) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable performance appraisal (HRM practice) explains 24.3% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between performance appraisal practice and hotel performance was with positive influence and that leads us to reject the fourth null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

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**RESULTS RELATED TO THE EXAMINING OF THE FIFTH HYPOTHESIS WHICH WAS**

There is no significant difference between performance reward practice and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to performance reward practice. The results are summarized in the following table.

Through the results of simple regression shown on table (7) we find the following results

**TABLE NO 7: SIMPLE REGRESSION OF PERFORMANCE REWARD**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| PR practice | 0.589 | 0.347 | 11.703 | 0.002 |

From table no (7) F-value is (11.703) which indicate a significant value at 0.05 levels. The $R^2$ indicates that the independent variable performance reward (HRM practice) explains 34.7% variation on hotel performance.

This result states clearly that, there was a statistical difference at 0.05 level between performance reward practice and hotel performance was with positive influence and that leads us to reject the fifth null hypothesis Ho which indicated that there was no significant difference at 0.05 level and accept the alternative one.

**RESULTS RELATED TO THE EXAMINING OF THE SIXTH HYPOTHESIS WHICH WAS**

There is no significant difference between employee relations practice and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to employee relations practice. The results are summarized in the following table.

Through the results of simple regression shown on table (8) we find the following results

**TABLE NO 8: SIMPLE REGRESSION OF EMPLOYEE RELATIONS**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| ER practice | 0.194 | 0.038 | 0.861 | 0.364 |

From table no (8) F-value is (0.861) which indicate insignificant value at 0.05 levels. The $R^2$ indicates that the independent variable employee relations (HRM practice) explain 3.8% variation on hotel performance.

This result states clearly that, there was no statistical difference at 0.05 level between employee relations practice and hotel performance and that leads us to accept the sixth null hypothesis Ho which indicated that there was no significant difference at 0.05 level.

**RESULTS RELATED TO THE EXAMINING OF THE SIXTH HYPOTHESIS WHICH WAS**

There is no significant difference between internal communication system practice and hotel performance.

To test if there was significant difference at alpha=0.05 in this hypothesis, we had to use (simple regression analysis) to check the hotel performance significant average difference according to internal communication system practice. The results are summarized in the following table.

Through the results of simple regression shown on table (9) we find the following results

**TABLE NO 9: SIMPLE REGRESSION OF INTERNAL COMMUNICATION SYSTEM**

| Independent Variable | R | $R^2$ | F | Sig |
|---|---|---|---|---|
| ICS practice | 0.242 | 0.058 | 1.365 | 0.255 |

From table no (8) F-value is (1.365) which indicates insignificant value at 0.05 levels. The $R^2$ indicates that the independent variable internal communication system (HRM practice) explain 5.8% variation on hotel performance.

This result states clearly that, there was no statistical difference at 0.05 level between internal communication system practice and hotel performance and that leads us to accept the seventh null hypothesis Ho which indicated that there was no significant difference at 0.05 level.

## CONCLUSION

From the findings we can conclude that when we took all the independent variables in one domain and tested their effect on hotel's performance, a positive impact was revealed from the analysis. Furthermore, the analysis showed also a positive effect of human resource management practices in term of selection, staffing, training and development, performance appraisal and performance reward, where the remaining two HRM practice namely employee relations and internal communication system indicated insignificant with no effect on hotel's performance . Thus, hotels should concentrate on selection, staffing, training and development, performance appraisal and performance reward which effect the performance of hotels. Our study highlights the positive HRM practices that have an impact on hotel's performance in Baroda; therefore successful implementation of HRM practices can enhance the performance of the hotels.

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