

# **THE IMPACT OF USING HUMAN RESOURCE SYSTEM APPLICATIONS ON PERFORMANCE**

**A CONCEPTUAL PAPER ON KYRENIA HOTELS**

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## **Abstract**

*Hotel industry considered one of the largest business investments all over the world; it's overly known that hotel sector is most competitive and widely focusing on hospitality, quality, customer satisfactions and services. The paper aim to review literature regarding the objective of the paper human resource activities such as: rewards, training, and employment on overall hotels performance. The importance of study that contribute to the existing knowledge in tourism sector in North Cyprus. Moreover, the paper provided conceptual framework which shall be tested in future.*

**Keyword:** HRIS, Hotels, North Cyprus, Performance, Human resource

## **INTRODUCTION**

With globalization in full speed and people continually travelling abroad to and from different countries, the hotel industry faces many challenges in accommodating these different cultural influences .Now a day's investment in hotels is one of the largest businesses in the world, hotels industry is the most competitive and widely as dependent on the quality of services provided at the appropriate time. There are several factors affecting performance of the hotel and delivery of services to customers with high quality and the most important of these factors are human resources in hotels. However, development of technology in the world, there has been

computerized systems contain many applications that can be used in the management and organization of human resources in all industries, including the hotel industry.

Hotels adopting these systems which contribute to a perfect choice for employees, training and motivating them to get to the best possible performance of the institution, which can achieve a competitive advantage for the organization also it works to create added value to the services provided at the hotel. Therefore, this study aimed to identify The Impact of Using Human Resource System Applications on Performance Case Study in five star Hotels in Kyrenia.

### **Objectives of the Study**

The objectives of the study were set as follows:

- 1- Identify the human resource system in five stars Hotels in Kyrenia.
- 2- Identify the human resource system applications in five stars Hotels in Kyrenia.
- 3- Measure the Impact of Using Human Resource System Applications on five stars Hotels Performance in Kyrenia.
- 4- Identify the advantages and benefits of using human resource system applications in five star Hotels in Kyrenia.

### **Importance of the Study**

The importance of the study through:

- 1- The importance of the study through the importance of using modern technology tools in management business and in particular hotels.
- 2- Also, comes through the importance of human resources in making a good image in the minds of customers through the quality of services provided to them.
- 3- Develop a model for the study, which contributes to the support of previous studies.

### **Problem statement**

The rapid development of information and communication technology has led to great development in the business environment, which led to increase competition between the organizations with globalization. Hotel sector of venture of the largest investments globally, which is the most competitive in the world industry. There are many factors that affect the performance inside the hotels that affect customer satisfaction and attract them to the hotel and the most important of these factors the human resources within the hotels. So generally, hotels organizations now working in particular on the application of computer systems that contribute to achieving the organization's goals, and these systems that have become hotels applied in

human resources management and selection, training and motivating to get the best possible performance. Therefore, this study seeks to identify the Human Resource System Applications in five star hotels in Kyrenia and their effect on overall performance.

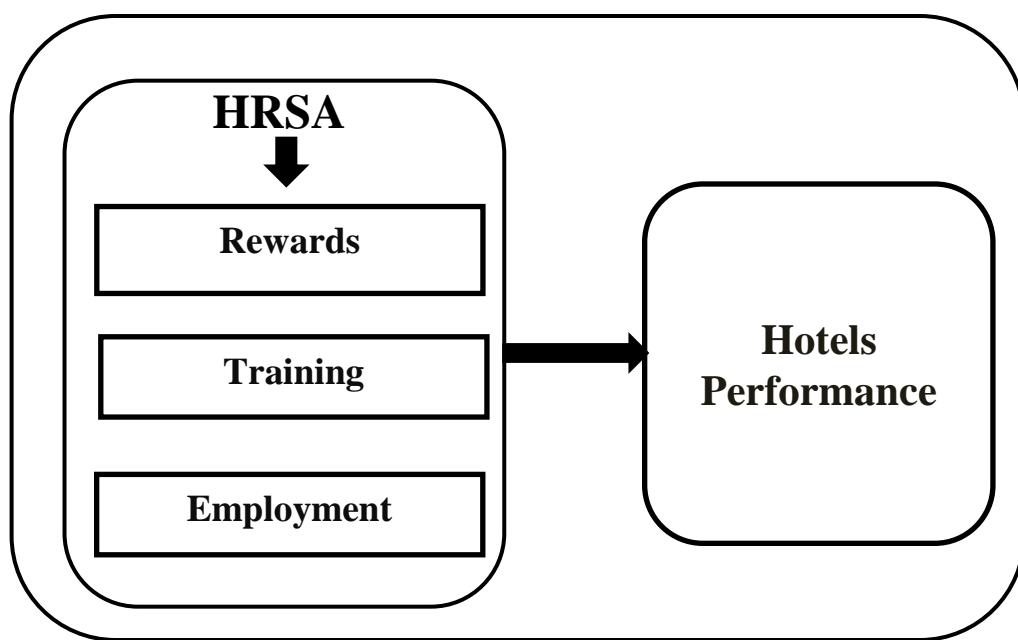
### **Research Question**

Therefore, the study seeks to answer the following question:

- What is The Impact of Using Human Resource System Applications on five stars hotels on overall Performance in Kyrenia?

### **STUDY CONCEPTUAL MODEL**

Figure 1. Conceptual Model



### **Human Resource Management (HRM)**

Every organization, whether small or large they need to be human capital to be able to conduct business and achieve their goals, so the human resources is very important element in the organization. By definition, human resources are people that are employed in an organisation to carry out their daily duties in exchange for wages, salaries or rewards (Denisi and Griffin, 2005). On the other hand, (Nickson 2007) defined human resource management as a set of professional practices which include a range of personal practices that can be integrated to ensure a professional approach in managing people in the organisation. Whereas (Randhawa,

2007) stated that human resource management is the planning, organising, directing, and controlling of the procurement, development, compensation, integration maintenance, and separation of human resources so that individual, organisational, social objectives are achieved. However, the human resources need an effective management; to be able to achieving the required duets of them at the right time. HRM department plays a major role in managing staff, it has become the department's responsibility to control employee turnover. Unfortunately, the high rate of employee turnover is a common problem in the hotel industry where it is estimated that the turnover rate ranges from 60% to 300% annually compared to 34.7% in the manufacturing industry (Walker and Miller, 2010).

### **Human resource practices**

Human resource practices such as the recruitment and selection, training and development, compensation and benefits, retention, evaluation and promotion of employees, and labour management relations are the practices that have always been carried out and have become key elements in an organisation. It is important for the organisation to recruit the right people to fill up available vacancies in order to attain the standard needed in delivering the required quality of services and products (Hayes & Niemeyer, 2009).

### **Recruitment and Selection**

Selection and recruitment considered as one of the hardest tasks in the management of human resources, which require great effort and experience. Hiring the right person is one of the most important HRM functions in the hospitality industry (Crowley, 1999; Johnson, 2000). The selection of appropriate person recruitment in the right place helps the organization to save a lot of time, effort and cost, it also working to reduce rate of job turnover rate in addition to increasing rate of job retention. Thus, the stuffing practices leads to financial success and therefore, results increases in organizational performance (Terpstra & Rozell, 1993).

### **Training**

After the selection and recruitment of staff, new hires must be trained by the organization to introduce them for the nature of business that would carry out to be able to completion their tasks at the right time and in the required quality. Training and development plays a significant role in implementing a successful sustainability program (Cohen et al., 2011; DuBois & DuBois, 2012).With any proposed changes in an organization, human resource managers can have an immediate impact through training activities (Jackson et al., 2011). Initial training may focus on regulatory requirements and technical standards, moving to improve employees' awareness of

the impact that environmental goals have both on their jobs and on the products offered by the company (Jackson et al., 2011).

### **Compensation System**

The feeling of employee job satisfaction makes it a functioning required of it perfectly, so organizations concerned with financial compensation and job motivation system. Pay practice is very important to the organisation as it might help to attract employees to apply for positions (Mudor & Tooksoon, 2011). Appropriate design of the pay system may help in motivating the employee's performance as well as attracting and also retaining employees (Wah, 2000). The compensation practices of employers are intended to provide "fair" compensation to the employees. The implementation of "fair" compensation practices attracts, retains, motivates, and develops a competent employee (Pohlen and La Londe, 1994). Mess (2004) pointed out that compensation was created for the employees with superior performance in the form of financial and non-financial means. Hotels should give attention to the compensation system and motivation to reduce the ratio of job turnover.

### **HUMAN RESOURCE INFORMATION SYSTEM (HRIS)**

Today, the hotel industry has a great development, which is increasing competition between hotels, so the hotels seeking to raise the performance level of services provided through the use of computer systems which contribute to increase the performance and quality of services, for instance, Human Resources Systems. HRIS is an effective tool that can be used for streamlining the administrative functions of the HR department. While many authors do not explicitly identify HRIS as a key attribute to a high quality HR system, other authors, such as Khatri, have identified the necessity of information technology in HR (Khatri, 2006). According to (West, 2006) propose that organizations that have more effective and efficient HRIS also have employees that are:

- a) Better able to understand their roles within the context of the organization,
- b) More knowledgeable and skilful.
- c) Better able to utilize skills and knowledge to benefit the customers.
- d) More capable of sharing information.
- e) Better able to make decisions despite ambiguous information.
- f) More empowered.
- g) Better able to coordinate with co-workers.
- h) More satisfied.
- i) less likely to leave the organization.

HRIS systems, when associated with the appropriate HR policies and aligned with organizational goals, should provide direction and support accountability for employee performance, thus resulting in greater quality of work (Beckers & Bsat, 2002). The rationale for the implementation of HRIS varies between organizations. Some use it to reduce costs, others to facilitate better communication, and some use it to re-orient HR operations to increase the department's strategic contribution (Parry & others 2007). HRIS can be implemented at three different levels, i.e. the publishing of information, the automation of transaction, and finally transforming the entire working of the HR department so it plays a more strategic role and adds more value to the organization (Sadiq, & others 2012).

### **Application of (HRIS) in five stars hotels in Kyrenia**

In Kyrenia, five star Hotels applied computing systems for human resources to get many benefits, such as reducing the cost, effort and saving time, in addition to providing the required information about human resources within the hotel at any time. However, five star hotels need to use Human Resource Information System (HRIS) which according to (Ngai et al, 2006) is used to gather and maintain the data that describe human resources, transforming data into information and then reporting the information to users. The Application of human resources system used in the five-star hotels in Kyrenia Helps hotels for the implementation of human resources plan effectively and efficiently.

As (Singh et al., 2011) indicates in his review HRIS accelerates the effective formulation and implementation of HRM activities. So, the areas that an integrated HRIS cover HRIS is in personnel administration, salary administration, leave/absence recording, skill inventory, medical history, performance appraisal, training and development, HR planning, recruitment, career planning, negotiations etc.

### **Application of HRIS and Hotels Performances**

Hotels focus on the performance of the services they provide to customers to achieve a competitive advantage and to get the high level of customer satisfaction, in addition to keep the market position of the hotel and market share, so hotels seeking to keep the hotel's reputation in the market, so Performance is related to increase in profitability and customer service delivery (meeting satisfactorily or exceeding customers' demand). According to (Evans & Lindsay 2011) indicates in his paper show that companies can boost their profit by almost 100% by retaining 5% more of their customers than their competitors as the cost of acquiring new customers is much higher than cost associated with retaining customers ,Companies with long-time customers can outperform competitors with higher customer turnover. However, the

accumulated end results of all the organizations work processes and activities in terms of behavioural and financial performance (Robbins, 1984).

Today's workers are required to possess adequate workplace skills and competencies to function in today's high performing organizations and contribute to the financial success of organizations (Ferguson, 2006). Basic requirements and tasks that impact organizational performance such as personal development, occupational skills, and information technology (Addis, 2003).

More recently, Ferguson (2006) examined the workforce performance in global companies; Survey results revealed that only 27 percent of senior executives reported that at least 75 percent of their employees have the skills necessary to execute their jobs at an industry leading level. Once the organizations hired the best people for the job, they reported actively engaging in employee development programs like orientation, ongoing training, and career development. According to Ferguson (2006) defined performance based pay as, "compensating employees based on the individual, team, or organization's performance which based on pay should motivate employees to work hard and links the employee's effort to payment. One aspect of the human resource management system that has not gained the attention of researchers is job performance. Job performance is a common area of interest for researchers and employers and may very well be the most important construct in human resource management (Tubre&others). Moreover, Ferguson (2006) distinguished the differences between two types of Job performance: (1) task performance and (2) contextual performance.

## **TURNOVER IMPLEMENTATION IN KYRENA FIVE STARS HOTELS**

Many scholars explored the factors affecting employee turnover, job satisfaction, and the impact of satisfaction on the employee turnover at Amari Hotels in Thailand (Ronra & Chaisawat, 2010). They highlighted the relationship between employee satisfaction with hotel service, working environment, Growth and possibility of growth, work itself, and with the overall satisfaction, then suggest a guideline to improve the employees' job satisfaction and reduce the turnover rate. A clear roadmap was reviewed by WeiBo et al. (2010) who evaluated the work of previous scholars and chart the roadmap through research in core employee retention.

In regards to turnover in Kyrenia hotels, researcher used to communicate with some employees who's working in Kyrenia hotels to get their feedback about the working environment in hotel sector and its impact on the turnover rate, researcher reached to identify some factors which effected the high turnover rate in Kyrenia due to the following; it was shown that most of the labours in hotel sectors have miss communication with HR department and other managers due to the weakness of hotel management since they lack of experience and leadership attitude

and behaviours, some hotels have weak training and development programs which effect employees performance and that attributed to have low promotion towards their employees. Moreover, as noticed in these hotels employees are working as individually and teamwork is not applied sufficiently and that effect employees performance as well. Referrals system is highly applied in Kyrenia hotels, one of the most negative points were noticed that employees are recommended from other employees and they are hired accordingly without checking their abilities and skills in this specific job, after a while employees are comparing their income salary with others and that lead to leave the current job to another one without any restrictions due to HR weak system in Kyrenia.

In addition to the impact of salaries on the turnover rate in Kyrenia, seasonality affects employees' salaries and that lead to terminate many employees in the low seasons and hire more employees in high seasons. From the above, it can be concluded that turnover rate is fluctuating due to mentioned reasons and that surely affect customers satisfaction in the first place, and high turnover rate is effecting negatively on the hotel operation daily work, reputation and image.

## **CONCLUSION AND RECOMMENDATIONS**

Hotel industry considered one of the largest business investments all over the world; it's overly known that hotel sector is most competitive and widely focusing on hospitality, quality, customer satisfactions and services. The aim of this Study is to test the Human resource activities in Kyrenia in five stars hotels which considered the most attracting sector in North Cyprus, also this report showing the Human resource applications in these hotels since five stars hotels in Kyrenia which have unique recruiting system and that's include measuring hotel overall performance with HR activities and applications. Moreover, this study gives a good idea about the advantages and disadvantages for Human resource in other hotels in other geographic areas.

As all studies, this report has some limitations as well. First one, since the research is located in North Cyprus and the main language is Turkish, researcher found some difficulties to communicate hotels HR managers in English and they prefer to do questionnaires rather than any type of interviews. Second one, due to time limitation, research used to distribute for limited number of hotels. Third one, the research is focused on one geographic area. For farther future studies, they should expand the study to be in other geographic areas and to do qualitative and quantitative to get more reliable information, and that should be through distributing more questionnaires with interviews as well.

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