

Pushkar Hotels and the Employment Flexibility Conundrum

Animesh Bahadur

T A Pai Management Institute (TAPMI) Manipal, Karnataka, India

Happy Paul

Indian Institute of Management Vishakhapatnam, Visakhapatnam, India

Amol S. Dhaigude

S P Jain Institute of Management and Research (SPJIMR), Mumbai, India

Abstract. The case highlights the dilemma Mr. Aravind, VP-HR at Pushkar Hotels, which runs a chain of hotels under the “Atithi” brand all across India. He had been asked to reduce the number of on-roll staff even in critical positions. Along with some of his managers, they were looking for increased flexibility in the wake of major losses that the hotel chain had faced post pandemic. While Arvind well understood and appreciated the “need for survival”, what worried him the most was what this would imply for the “brand” Pushkar, especially in terms of service quality and employee commitment. The case traces the challenges of implementing employment flexibility within the service sector, and in the process, highlights how the system of low cost and efficiency based on flexibility created new issues while balancing the interests of various stakeholders.

Keywords: employment flexibility, service quality, contract workers, COVID 19, travel and tourism, human resource planning.

1. Introduction

A breezy evening in early February 2020, Arvind Kumar was still to execute his CEO plan. As the vice president (Human Resources) of Pushkar Hotels Pvt. Ltd., his role of rationalizing manpower now extended to axing even higher-level executives. In fact, the instructions and the focus were to replace on-roll staff with executives from a third-party payroll in the front office, as well as the banquet operations, across many of its hotels operating under the “Atithi” brand. Arvind wondered how far the firm could go in its quest for employment flexibility. While manpower outsourcing was not new for the hotel industry at large, he wondered if they could offer the same level of service quality that Pushkar Hotels was known for without having any on-roll staff in key roles at the unit level.

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/JOBE/abstractjobe16pushkar.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2023.

It was already past 6.00 p.m., and Swamy, the ever-cheerful attendant on his floor, came to ask if he wanted anything. Arvind replied in the negative and asked him to leave for the day. Swamy wished him well in his characteristic cheerful way and left. It was not unusual to find such hard-working and positive-minded individuals among the staff, hired from an outsourced agency. However, there was a negative side that often crept up, specifically in terms of such staff experiencing discrimination in terms of benefits and recognition. Although this was how the industry at large functioned, it wasn't easy for Arvind, as he hated to be the man responsible for such discrimination and loss of jobs. In spite of his own views, Arvind was tasked to determine whether to continue with the rationalization of key roles or look elsewhere for solutions to sustain quality standards.

2. Hotel Industry in India

Pre-pandemic, the Travel and Tourism (T&T) sector was a major source of global GDP, employing millions of people (see Exhibit 1). Specifically in India, the hotel industry as a part of the T&T sector had proved to be one of the most promising industries, ever since the country's economic liberalization in the early 1990s. It was one of the first to show signs of employment generation with a relatively higher presence in the organized sector (32 per cent in 2019). In fact, between 2015 and 2019, the organized hotel industry had recorded a Compounded Annual Growth Rate (CAGR) of 4 percent. Besides this, there was a steady growth in the number of rooms available in branded hotels (CAGR of 7.4 per cent between 2014 and 2019)¹.

1. Mobility Foresights (2020), *Hotel Industry in India 2019-25*, extracted from <https://mobilityforesights.com/product/hotel-industry-in-india/>