# Chapter 7 The Role of Human Resources in Hotels in China

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# **ABSTRACT**

There was a famous saying from the celebrated hotelier, "king of hoteliers and hotelier to kings," Mr. Cesar Ritz, that a good person is priceless (Leng, 2013). Human resources has always played a very important role in hotels. This is because the hotel industry is a labor-intensive industry that requires great contribution and support from human resources to identify and recruit the required staff, train and manage the manpower to fill the various jobs, and retain and develop the talented employees for greater responsibilities or higher positions. This chapter displays the changes of the role of human resources in hotels in China and its significant impact of the changes to the industry. In addition, this chapter also provides its unique points of view in the part of Solutions and Recommendations and in the part of Future Research Directions.

### INTRODUCTION

With the amazingly rapid growth and changes in the hotel industry in China, the role of human resources is facing unprecedentedly huge challenges, which push it towards innovation to a new stage of advancement.

Nowadays, it is far from sufficient for human resources to just recruit, train, manage and develop people. Human resources has to do more in order for the employer to remain in the competition, that is, it must be resourceful, creative, and proactive enough as a business partner.

In the three decades since reform and opening-up in China, the role of human resources has experienced a significant development proceeding through three stages: administrator, manager, and leader (as shown in Figure 1).

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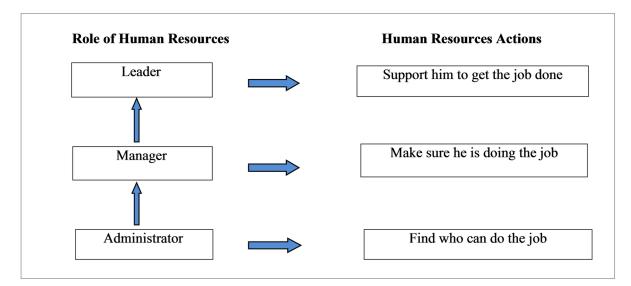


Figure 1. The development of the role of human resources in hotels in China

# **BACKGROUND**

The hotel business in China has significantly developed since the reform and opening-up policies established in 1978. In addition to state-owned guest houses, various investors and developers started their businesses in the hotel industry, with state-owned enterprises, private companies, and joint venture companies. There are also various types of management for hotels in China depending on the nature and style of the management companies. Usually hotels are classified as either "local hotels" or "international hotels".

A local hotel is a hotel that uses a Chinese national hotel management company to manage and the brand of the hotel is also a Chinese local brand. In the past, usually this kind of hotel was mainly invested in by the state-owned companies or private companies.

An international hotel is a hotel that uses an international management company to manage and use the brand that the hotel management company owns. In the past, usually this kind of hotel was mainly invested in by joint venture companies or private Chinese companies. In recent years, some state-owned companies, for instance, China Oil & Foodstuffs Corporation (COFCO Group-2014.), China Sinochem Group (Sinochem Group-2014), and Luneng Group (Luneng Group Co., Ltd.-2012), also employed international hotel chains to manage the properties they developed and in consequence, these hotels use the international hotel brands, too.

It is widely accepted that the management concept and style between the local hotels and the international hotels are quite different and the same differences apply in human resources functions as well.

One main reason for this is because the local hotels adopted the organization structure and management style of the state-owned enterprises which followed the government office management system and administration style while the international hotels adopted the international organization structure and management style. However, with the growth and changes in the hotel industry in China, more and more local hotels have started learning from the international hotels as they apparently have proven to be more effective in management and operation (Ivancevich, Zhao & Cheng, 2011).

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