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Training And Capacity Building In the Hospitality Sector: An Empirical Study of Luxury Hotels in Indore

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Abstract

The hospitality industry thrives on service quality, and the role of employee training in building organizational capacity has become increasingly significant. This study investigates the impact of training on capacity building among employees of luxury hotels in Indore, India. Drawing on data from 300 respondents across ten luxury hotels, the research employs a descriptive and exploratory design supported by quantitative analysis. Reliability testing of the survey instrument (Cronbach's $\alpha = 0.796$) confirmed internal consistency. Hypothesis testing was conducted using ANOVA, t-tests, and Chi-square tests to examine relationships between training practices, employee development, and organizational outcomes. Results indicate that training significantly contributes to enhancing employee capacity, particularly in terms of work safety, motivation, career advancement, interpersonal relationships, and organizational performance. Statistical tests confirm a highly significant relationship ($p < 0.001$) between training interventions and employee effectiveness. The findings further reveal that systematic training practices, if aligned with departmental needs, strengthen both individual competencies and organizational capacity in the hotel sector. The study provides empirical evidence supporting training as a strategic investment, not merely an HR function, and highlights the necessity for structured training policies, multi-skill programs, and integration of training with performance appraisal systems. The paper concludes with theoretical, managerial, and policy implications, advocating for capacity-building frameworks tailored to the fast-growing Indian hospitality industry.

Keywords: Training effectiveness, Capacity building, Hospitality industry, Luxury hotels, Employee performance, Human resource development, Indore



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1. Introduction

Background of the Study

The hospitality industry is one of the fastest-growing service sectors globally, contributing significantly to GDP, employment, and international trade. According to the World Travel & Tourism Council (WTTC, 2023), hospitality and tourism contribute over 10% of global GDP, making it a critical driver of economic growth. In India, the hotel industry has witnessed exponential expansion due to increasing domestic tourism, international arrivals, and rising disposable incomes among the middle class. Indore, being a rapidly growing metropolitan hub of Madhya Pradesh, has emerged as a prominent center for luxury hotels that cater to both business travelers and leisure tourists.

The defining feature of the hotel industry is the quality of service delivered to guests, which is directly linked to employee competency. Hotels rely on their workforce for consistent service excellence, guest satisfaction, and brand reputation. Unlike manufacturing industries, where automation can replace human labor, the hotel industry thrives on human interactions, soft skills, and personalized service. Therefore, employee training and development form the backbone of organizational capacity building in the sector.

Importance of Training in Hospitality

Training refers to systematic efforts undertaken by organizations to impart knowledge, enhance skills, and develop attitudes necessary for employees to perform effectively in their roles. In the hospitality industry, where service encounters are frequent and customer expectations are high, training is critical not only for operational efficiency but also for creating memorable customer experiences. Training also plays a vital role in managing challenges such as high employee turnover, skill shortages, and changing customer preferences.

Capacity building, in this context, goes beyond individual skill enhancement and includes developing the organizational ability to adapt, innovate, and respond to dynamic market conditions. By equipping employees with technical, managerial, and interpersonal competencies, hotels strengthen their capacity to deliver superior service consistently. Moreover, with increasing globalization and competition among luxury hotel chains, capacity building through training has become a strategic differentiator.

The Indian and Local Context

The Indian hotel industry has expanded significantly over the past two decades, with luxury hotel chains such as Marriott, Radisson, and Taj establishing strong footprints in tier-1 and tier-2 cities. Indore, known for its cultural heritage and growing economic base, has attracted major luxury hotel brands catering to MICE (Meetings, Incentives, Conferences, and Exhibitions) tourism, corporate events, and leisure travel. However, this expansion has also exposed structural



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challenges: shortage of skilled manpower, inconsistent training practices, and high attrition rates among employees.

Studies have repeatedly emphasized that training can mitigate these challenges by preparing employees to meet operational requirements, adapt to technological changes, and uphold international service standards (Haigh et al., 2004; Anastasiou, 2011). Yet, training in Indian hospitality remains inconsistent, often reactive rather than strategic. Many hotels invest minimally in structured training, relying instead on on-the-job learning, which fails to systematically build employee capacity.

Research Problem

While extensive research has been conducted on training and development in the global hospitality sector, limited empirical work exists in the Indian context, especially with reference to tier-2 cities like Indore. The majority of studies focus on metro cities such as Delhi, Mumbai, and Bangalore, leaving a gap in understanding how training impacts employees in growing regional hubs.

Furthermore, most research concentrates on service quality as an outcome of training but overlooks capacity building as a broader construct that encompasses motivation, career advancement, interpersonal relationships, and organizational performance. This creates a pressing need to empirically examine the linkage between training and capacity building in luxury hotels in Indore, where workforce challenges are acute, and customer expectations are rapidly evolving.

Objectives of the Study

The specific objectives guiding this research are as follows:

1. To investigate the training needs of hotel staff in luxury hotels of Indore.
2. To study the process of training followed in the hotel industry and its impact on capacity building.
3. To understand the prevailing training practices in the hotel industry and their impact on employee effectiveness.
4. To explore the adequacy of training provided in the hotel industry.
5. To identify best practices of the hotel industry with regards to employee training.

Hypotheses

Based on these objectives, the following hypotheses were formulated:

- **H01:** There is no significant impact of training on capacity building of employees in luxury hotels of Indore.
- **H11:** There is a significant impact of training on capacity building of employees in luxury hotels of Indore.



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- **H02:** There is no significant impact of training on employees' effectiveness in the hotel industry of Indore.
- **H12:** There is a significant impact of training on employees' effectiveness in the hotel industry of Indore.

Significance of the Study

This study holds significance for multiple stakeholders. For hotel management, the findings offer insights into how structured training enhances organizational capacity and employee effectiveness, thereby improving service quality and profitability. For policymakers and academic researchers, the study adds to the limited literature on hospitality training in tier-2 Indian cities, offering empirical evidence for designing HR development frameworks. Finally, for employees, effective training translates into improved career opportunities, skill development, and job satisfaction.

Contribution to Knowledge

This research contributes to the literature by bridging the gap between training effectiveness and capacity building in the hospitality context of Indore. By employing robust statistical tools such as ANOVA, Chi-square, and t-tests on data collected from 300 employees across ten luxury hotels, the study establishes empirical evidence of the relationship between training interventions and employee outcomes. It also provides practical recommendations for designing sustainable training policies that integrate with performance appraisals and career development systems.

2. Literature Review

Training has long been acknowledged as one of the most critical functions of human resource development (HRD), directly contributing to employee performance, organizational competitiveness, and service quality. In the hospitality sector, training assumes greater importance because service delivery is inseparable from human interaction, and customer satisfaction depends heavily on the skills and behavior of employees. The concept of capacity building, closely related to training, emphasizes enhancing the overall abilities of individuals and organizations to perform effectively in dynamic environments. In this section, a review of theoretical perspectives and empirical research is presented to contextualize the present study on luxury hotels in Indore.

The theoretical foundation of training is rooted in **Human Capital Theory**, which views investment in people as a source of long-term organizational benefits. Becker (1964) argued that training increases employees' productivity and generates higher returns for organizations, much like investments in physical capital. In the hospitality context, where labor is intensive and guest service depends on interpersonal competence, the return on human capital investment becomes particularly significant. The **Kirkpatrick Four-Level Model of Training Evaluation** (1998) further provides a framework for assessing training outcomes, ranging from reaction and



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learning to behavior change and organizational results. In recent years, scholars have also emphasized capacity building as a broader outcome of training, linking individual learning with organizational adaptability and resilience (Garavan, McCarthy, & Morley, 2016).

Globally, several studies confirm that training in hotels enhances both employee performance and organizational effectiveness. Haigh et al. (2004), in their study on training practices at Marriott International, demonstrated that structured training programs not only familiarize new entrants with technical skills but also prepare them for future managerial responsibilities. This suggests that training plays a dual role in immediate job performance and long-term career development. Similarly, Anstasiou (2011) evaluated training effectiveness in Larnaca's hotels and found that training improved service quality standards and promoted tacit knowledge sharing among employees. This aligns with the notion that training contributes to organizational learning and strengthens competitive advantage. Zhao, Zhan, and Namasivayam (2008), in their study of the Chinese hotel industry, identified both internal (design and implementation of programs) and external (training climate) factors that determine training success, highlighting that contextual elements significantly shape training outcomes.

In the Indian context, training in hospitality has been recognized as a major determinant of service quality. Partlow (1996) noted that service quality depends heavily on employee customer care effectiveness, which is shaped by training practices. Subsequent studies by Suri and Sarner (2003) emphasized that systematic training leads to higher organizational efficiency. Paul Noronha (2005) explored the measurement of training effectiveness and argued that trainee responses and knowledge acquisition are important indicators of program success. More recently, Singh and Tripathi (2008) assessed management training needs in the agricultural research sector and highlighted that training interventions must be tailored to organizational requirements to yield positive results. Although not specific to hotels, their findings underline the importance of contextualizing training.

Recent studies have extended the scope of training research by examining its relationship with employee motivation, job satisfaction, and career advancement. Gidwani (2002) investigated the role of cross-training as a motivational technique and found that employees exposed to diverse roles reported higher job satisfaction and reduced turnover. This resonates strongly with the hospitality industry, where job monotony and high attrition are persistent challenges. Kamaladevi (2010) highlighted that modern trainers must adopt flexible approaches to remain effective, stressing the importance of adaptability in training delivery. Mani (2010) empirically tested executive training programs using the four-level model and suggested integrating technology to sustain trainee interest, a recommendation that is increasingly relevant with the adoption of e-learning in hotels.



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The relationship between training and organizational outcomes has also been studied in terms of return on investment (ROI). Training managers often face pressure to justify training budgets, and research indicates that effective training translates into measurable organizational benefits. For example, Osjag et al. (2009) found that time management training reduced workload and improved efficiency, while McKinsey et al. (2005) emphasized training as an instrument for growth and quality improvement in public sector institutions. In hospitality, ROI is often measured through customer satisfaction, reduced complaints, and improved occupancy rates, all of which are influenced by employee competence.

Emerging research between 2020 and 2025 reflects new dynamics in training and capacity building in the hospitality sector. Albrecht and Mendy (2021) argued that digital transformation in hospitality requires employees to be trained in both technical and soft skills, making blended learning models essential. During the COVID-19 pandemic, hotels faced unprecedented challenges, and studies by Baum and Hai (2020) revealed that training in hygiene protocols, safety measures, and crisis management became central to capacity building. These findings suggest that capacity building is no longer confined to routine service delivery but extends to organizational resilience in times of crisis. Similarly, Akhter and Hossain (2022) studied hotels in Bangladesh and found that training in emotional intelligence significantly enhanced employees' ability to handle customer stress, thereby improving service outcomes.

Studies specific to India also highlight critical issues in hospitality training. Choudhury and Nayak (2021) examined the role of training in improving job satisfaction among hotel employees and reported a strong positive correlation. Their findings confirm that training not only builds capacity but also enhances retention by fostering employee engagement. A study by Jain and Sharma (2022) in Rajasthan hotels revealed that systematic training reduced employee turnover and improved career progression opportunities. These insights are particularly relevant to Indore, where luxury hotels face similar workforce challenges.

The literature further identifies training needs assessment as a key determinant of effectiveness. A lack of systematic assessment often leads to mismatched training programs that fail to address real skill gaps. Research by Irudaya Rajan (2006) and Gupta et al. (2008) emphasized the importance of aligning training with organizational vision and employee career goals. The present study also found that training needs in Indore hotels are often identified through customer complaints and performance appraisals, reflecting an ad-hoc rather than strategic approach. This inconsistency supports the need for structured training frameworks.

Capacity building through training also extends to developing soft skills, such as communication, etiquette, and stress management. Scholars such as Gawali (2009) and Harris (1995) have noted that soft skills training improves coordination, teamwork, and customer handling, which are critical in hospitality. More recently, Sharma and Taneja (2023) examined stress management



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training in Indian hotels and concluded that it significantly reduces burnout among frontline staff, thereby contributing to capacity building. Given that Indore hotels report high stress levels among front office staff, such training is essential for employee well-being and service consistency.

Another dimension of literature concerns the integration of training with performance appraisal and career development systems. Studies by Ibrahim (2004) and Vijaya (2010) suggest that training outcomes are maximized when linked with career paths, promotions, and succession planning. This integration ensures that employees view training not as an isolated event but as part of their professional growth. The present research also recommends such integration for Indore hotels, where employees often lack clarity about the career benefits of training.

Despite the wealth of research, significant gaps remain. First, while training has been extensively studied in hospitality, capacity building as a broader construct has not received adequate attention, especially in the Indian context. Most studies focus narrowly on service quality or customer satisfaction, overlooking other outcomes such as motivation, interpersonal relationships, and organizational development. Second, empirical research in tier-2 Indian cities like Indore is scarce. Most studies concentrate on metropolitan areas, leaving smaller yet rapidly growing markets underexplored. Third, there is limited use of advanced statistical methods in many Indian studies, which often rely on descriptive analysis without robust hypothesis testing. This creates an opportunity for research employing techniques such as ANOVA, t-tests, and Chi-square tests to provide stronger evidence of training outcomes.

The literature reviewed above clearly demonstrates that training is a strategic tool for capacity building in hospitality. Training enhances employee performance, improves organizational effectiveness, reduces turnover, and contributes to customer satisfaction. However, inconsistent practices, lack of systematic needs assessment, and insufficient integration with career development limit its impact. The present study addresses these gaps by empirically examining the relationship between training and capacity building in luxury hotels in Indore, employing robust statistical analysis on data collected from 300 employees across multiple departments. In doing so, it contributes to both theory and practice by providing evidence from a tier-2 city context, expanding the scope of hospitality training research in India, and offering actionable insights for hotel managers and policymakers.

3. RESEARCH METHODOLOGY

Research Design

The present study adopted a combination of exploratory and descriptive research designs to investigate the impact of training on capacity building and employee effectiveness in the hospitality sector. An exploratory approach was deemed necessary to identify and understand training practices, processes, and employee perceptions in luxury hotels in Indore. Descriptive



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design was employed to analyze quantitative data systematically and to test hypotheses regarding the relationship between training and employee capacity building. The integration of these two designs ensured both depth and breadth in understanding the phenomenon under investigation.

Universe and Population of the Study

The population of the present study consisted of employees working in selected luxury hotels of Indore. The universe was defined as the full-time staff working across multiple departments such as:

- Front Office
- Food & Beverages (F&B)
- Housekeeping
- Sales and Marketing

The focus on luxury hotels was chosen because these establishments emphasize service quality, maintain structured HR practices, and rely heavily on training programs to maintain competitive advantage.

Sample Size and Sampling Technique

The sample comprised 300 employees drawn from 10 luxury hotels in Indore, with approximately 30 respondents per hotel. A simple random sampling technique was used to ensure each employee had an equal chance of being included in the study, thus minimizing selection bias and enhancing representativeness.

This sampling framework captured the diversity of employees across departments and designations, ranging from entry-level staff to managerial cadres. The distribution ensured that perspectives from different service areas were included in the dataset, making the findings generalizable to the luxury hotel sector in Indore.

Instrumentation

Data was collected using two primary instruments:

1. Structured Questionnaire:

- **Section A** captured demographic details (age, gender, designation, department, and experience).
- **Section B** contained items measuring the impact of training on employees, aligned with the study's hypotheses.
- **Section C** evaluated training practices and their effectiveness from the perspective of capacity building.

A five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was used for most items.

2. In-depth Interviews:



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Semi-structured interviews were conducted with hotel HR managers and departmental heads to contextualize and validate quantitative findings. Their insights provided a managerial perspective on the role of training in enhancing capacity.

Data Collection Procedure

Primary data collection was undertaken between luxury hotels during scheduled visits. The researcher personally distributed and collected questionnaires to ensure a high response rate. Employees were assured anonymity and confidentiality, which encouraged honest and unbiased responses. Participation was voluntary, and respondents were allowed to clarify doubts during questionnaire completion. In addition, interviews with HR managers and training heads were conducted to gain qualitative insights into training strategies. Secondary data was also reviewed through published sources such as textbooks, journals, management reports, and industry surveys. These sources supplemented primary data and enriched the interpretation of findings.

4 DATA ANALYSIS AND RESULTS

Introduction

This section presents the analysis of primary data collected from 300 employees working across ten luxury hotels in Indore. The analysis begins with the demographic profile of respondents, followed by the results of hypothesis testing through **ANOVA, t-tests, and Chi-square**. The objective is to empirically establish the relationship between training and capacity building, as well as its impact on employee effectiveness.

4.1 Reliability Analysis

The internal consistency of the survey instrument was assessed using **Cronbach's Alpha**.

Table 4.1: Reliability Statistics

Respondents	Cronbach's Alpha	No. of Items
Employees of Hotel Industry	0.796	28

With a Cronbach's Alpha value of **0.796**, the scale exceeds the recommended threshold of 0.70 (Nunnally, 1978), confirming that the instrument is reliable and suitable for hypothesis testing.

4.2 Demographic Profile of Respondents

Table 4.2: Age Distribution of Respondents

Age Group (Years)	Frequency	Percentage
20–30	152	50.7%
31–40	103	34.3%



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41–50	29	9.7%
51–60	15	5.0%
61 and above	1	0.3%
Total	300	100%

The majority of respondents (85%) belong to the 20–40 age bracket, reflecting the young workforce profile of the hospitality industry. This demographic composition underscores the importance of training as younger employees require structured development for career growth.

Table 4.3: Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	249	83.0%
Female	51	17.0%
Total	300	100%

The hospitality workforce in Indore’s luxury hotels is heavily male-dominated, with females constituting only 17% of the sample. This highlights the need for gender-sensitive training interventions to encourage greater participation of women in the sector.

Table 4.4: Work Experience of Respondents

Experience (Years)	Frequency	Percentage
1–5	169	56.3%
5–10	104	34.7%
10–15	12	4.0%
15+	15	5.0%
Total	300	100%



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More than half of respondents have less than five years of work experience, confirming that the industry recruits young employees who require intensive training. Only 9% have over 10 years of experience, reflecting high attrition trends in the sector.

4.3 Hypothesis Testing

Hypothesis 1: Training and Capacity Building

H01: There is no significant impact of training on capacity building of employees in luxury hotels of Indore.

H1a: There is a significant impact of training on capacity building of employees in luxury hotels of Indore.

Table 4.5: ANOVA Results for Training and Capacity Building

Source of Variation	df	SS	MS	F	p-value
Between Groups	4	320,172	80,043	57.07	0.0001
Within Groups	5	7,012	1,402.4		
Total	9	327,184	81,445.4		

The F-value of 57.07 with a p-value of 0.0001 is highly significant, leading to the rejection of H01. This confirms that training has a statistically significant impact on capacity building. Employees reported improvements in work safety, career opportunities, interpersonal relationships, and motivation following training interventions.

Hypothesis 2: Training and Employee Effectiveness

H02: There is no significant impact of training on employees' effectiveness in the hotel industry of Indore.

H1b: There is a significant impact of training on employees' effectiveness in the hotel industry of Indore.

Table 4.6: Chi-Square Test Results

Variable	Chi-Square Value	df	p-value
Employee effectiveness (overall)	635.56	20	<0.0001



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The Chi-Square value of **635.56** at 20 degrees of freedom with a p-value less than 0.0001 is extremely significant. This leads to the rejection of H02, confirming that training significantly enhances employee effectiveness. The findings suggest that trained employees demonstrate higher productivity, better customer service, and reduced wastage of resources.

Hypothesis 3: Managerial Perceptions of Training Effectiveness

Table 4.7: Managerial Opinion on Training Effectiveness

Variable	Chi-Square Value	df	p-value
Managerial perception of training impact	175.77	16	<0.0001

Hotel managers also strongly affirmed the role of training in improving efficiency. The Chi-Square results confirm significant differences in opinions, with managers consistently associating training with better employee performance and organizational outcomes.

4.4 Departmental Analysis of Training Effectiveness

Training was further analyzed across departments to identify specific outcomes.

- **Food & Beverages (F&B):** Training improved technical skills (e.g., accounting, inventory control, cash handling) and soft skills such as etiquette and communication.
- **Front Office:** Employees benefitted from stress management training and advanced computer skills (e.g., reservation systems, guest accounting modules).
- **Housekeeping:** Training in IT applications (RFID, GPS, handheld communication devices) enhanced efficiency and guest satisfaction.
- **Sales & Marketing:** Training improved negotiation skills, customer relationship management, and digital marketing adaptability.

These results highlight that while core technical training is necessary, soft skills and technology adoption play a critical role in capacity building across all departments.

4.5 Summary of Hypothesis Testing

Table 4.8: Summary of Results

Hypothesis	Test Used	Result
H01: Training → Capacity Building	ANOVA	Rejected (Significant Impact)



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H02: Training → Employee Effectiveness	Chi-Square	Rejected (Significant Impact)
Managerial Perception	Chi-Square	Significant Agreement

All hypotheses were rejected in favor of alternate hypotheses, empirically proving that training has a strong and statistically significant impact on both capacity building and employee effectiveness in luxury hotels of Indore.

4.6 Key Findings

1. Training enhances capacity building by improving employee motivation, career advancement opportunities, and interpersonal skills.
2. Employees perceive training as essential for work safety, productivity, and cost efficiency.
3. Managers strongly support training, recognizing its role in organizational growth and return on investment.
4. Department-specific results reveal the importance of blending technical and soft skills training.
5. Training needs are often identified through customer complaints and performance appraisals, though systematic needs assessment is lacking.
6. Over 50% of employees are young (20–30 years), underlining the need for continuous and career-focused training.
7. Gender imbalance suggests a need for inclusive training policies to encourage female participation.

5. DISCUSSION

Linking Training with Capacity Building

The findings of this study demonstrate that training significantly enhances capacity building in luxury hotels of Indore. This aligns with Human Capital Theory (Becker, 1964), which posits that investments in employee development yield returns in the form of productivity and organizational effectiveness. The ANOVA results ($F = 57.07$, $p < 0.001$) strongly support the argument that training builds capacity by equipping employees with relevant skills, improving work safety, and fostering interpersonal relationships. This is consistent with the conclusions of Haigh et al. (2004), who emphasized the dual role of training in immediate performance improvement and long-term career advancement.

The results also reinforce the Kirkpatrick Model of Training Evaluation (1998), particularly at the behavior and results levels. Employees not only acknowledged knowledge acquisition (learning) but also reported significant improvements in motivation, career opportunities, and job



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effectiveness (behavior and results). By empirically confirming these outcomes, the study demonstrates that training goes beyond basic skill-building to shape organizational capacity.

Employee Effectiveness as an Outcome of Training

The Chi-square results ($\chi^2 = 635.56$, $df = 20$, $p < 0.001$) provide clear evidence that training directly influences employee effectiveness in luxury hotels. Trained employees demonstrated improvements in productivity, customer handling, and efficiency in resource management. This finding corroborates the work of Anastasiou (2011), who found that systematic training programs in Cypriot hotels enhanced service standards and tacit knowledge transfer. Similarly, Choudhury and Nayak (2021) reported a strong correlation between training and job satisfaction in Indian hotels, a relationship mirrored in the present study's findings.

An interesting insight from this research is that managers and employees both strongly value training, though for different reasons. Employees perceive training as a pathway for personal development and career advancement, while managers view it as an investment yielding organizational benefits. This dual perspective resonates with Paul Noronha (2005), who suggested that training effectiveness must be assessed from both trainee and organizational viewpoints to capture its full impact.

Departmental Perspectives on Training

Departmental analysis revealed nuanced insights into how training affects different operational areas:

- **F&B Departments:** Training enhanced both technical skills (e.g., inventory control, cash handling, and basic accounting) and soft skills (etiquette, body language, communication). This supports Gidwani (2002), who argued that cross-training fosters motivation and reduces monotony, particularly in roles with repetitive tasks.
- **Front Office:** Employees benefitted from stress management and advanced IT-based training (reservation systems, guest accounting modules). This resonates with Sharma and Taneja (2023), who emphasized stress management as a crucial capacity-building intervention in high-contact service roles.
- **Housekeeping:** Exposure to emerging technologies (RFID, GPS, WLAN) improved efficiency and responsiveness, consistent with Albrecht and Mendy (2021), who highlighted the importance of digital skills in the post-pandemic hospitality sector.
- **Sales and Marketing:** Training fostered negotiation, digital marketing adaptability, and customer relationship management, which align with Jain and Sharma (2022), who found that systematic training reduced turnover and improved career progression in sales-intensive hotel roles.

These departmental differences highlight the need for customized training strategies rather than uniform programs across all hotel divisions.



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Training Needs Identification and Gaps

While the results affirm the overall significance of training, qualitative insights revealed challenges in systematic training needs assessment. Many hotels rely on reactive measures such as customer complaints or performance appraisals to identify gaps. Employees reported limited involvement in the needs assessment process, which occasionally led to mismatches between training content and job requirements. This limitation echoes the observations of Irudaya Rajan (2006) and Gupta et al. (2008), who highlighted that organizational factors and supervisor biases often constrain accurate needs assessments.

The findings suggest that employee participation in needs assessment is crucial for aligning training with actual skill gaps. The absence of such participation risks reducing the relevance and perceived usefulness of training programs.

Integration of Training with Career Development

Another critical theme emerging from this research is the limited integration of training with performance appraisal and career development systems. Although employees acknowledged skill enhancement through training, they expressed concerns about unclear career advancement pathways. This undermines the motivational potential of training and may contribute to attrition, especially among younger employees.

Studies by Ibrahim (2004) and Vijaya (2010) stressed that training effectiveness is maximized when directly linked to promotions, career paths, and succession planning. The findings of the present study confirm this theoretical proposition and suggest that Indore's luxury hotels must institutionalize career-linked training frameworks to retain talent.

Gender and Inclusivity in Training

The demographic analysis showed a significant gender imbalance, with women comprising only 17% of the workforce. This disparity suggests that women remain underrepresented in luxury hotel employment in Indore. Although not the primary focus of this study, the findings highlight the need for gender-sensitive training interventions to encourage female participation and advancement. Research by Baum and Hai (2020) during the COVID-19 pandemic emphasized the importance of inclusive training in fostering resilience across diverse employee groups. Applying such insights to the Indore context, training programs could be designed to support women's professional development and address barriers such as work-life balance and safety concerns.

THEORETICAL IMPLICATIONS

From a theoretical standpoint, the study contributes to the extension of Human Capital Theory in the Indian hospitality context by empirically demonstrating the training-capacity building link. While prior studies often focused narrowly on training outcomes such as customer satisfaction, this research broadens the construct to include motivation, interpersonal skills, and



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organizational performance. Moreover, the use of robust statistical methods (ANOVA, Chi-square, t-tests) enhances the validity of findings compared to earlier descriptive studies in Indian hospitality.

Practical Implications for Hotel Managers

For practitioners, the results highlight that training is not merely a compliance activity but a strategic investment in capacity building. Managers should:

- Formalize training needs assessments using systematic tools and employee participation.
- Customize training to address department-specific challenges (e.g., stress management for front office, digital marketing for sales).
- Integrate training outcomes with performance appraisals and career advancement pathways to enhance motivation.
- Promote multi-skilling and cross-training to address high turnover and operational flexibility.
- Ensure gender-inclusive training policies to create a balanced workforce.

By adopting these practices, hotel managers in Indore and beyond can maximize the returns on training investments and strengthen organizational capacity.

Comparison with Existing Literature

The study's findings converge with global research (Haigh et al., 2004; Anastasiou, 2011; Zhao et al., 2008) that underscores the positive relationship between training and organizational performance. However, it diverges in highlighting Indore-specific challenges such as reactive needs assessment and gender disparity, which have not been extensively documented in metropolitan-focused studies.

Compared to Indian studies (Choudhury & Nayak, 2021; Jain & Sharma, 2022), the present research adds empirical rigor by employing advanced statistical methods, thereby filling a methodological gap. Furthermore, by situating the analysis in a tier-2 city, the study expands the geographical scope of hospitality training research in India, providing fresh insights into regional workforce dynamics.

From a theoretical perspective, this study contributes to the extension of Human Capital Theory in the Indian hospitality sector. It empirically validates the proposition that investment in training yields measurable outcomes in terms of employee motivation, interpersonal relationships, and organizational performance. The research also reinforces the Kirkpatrick Model by confirming results-level outcomes such as efficiency, career advancement, and service quality. By broadening the focus from service quality to capacity building, the study enriches existing hospitality literature and establishes new directions for future research.

Managerial and Practical Implications



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For hotel managers and practitioners, the study underscores the need to treat training as a strategic investment rather than a routine HR activity. The following managerial implications emerge:

1. **Systematic Training Needs Assessment** – Training must be preceded by structured needs assessments that involve both supervisors and employees, minimizing subjective biases and ensuring relevance.
2. **Department-Specific Customization** – Training interventions should be tailored to department-level challenges (e.g., IT skills for front office, stress management for guest-facing staff, and digital marketing for sales).
3. **Integration with Appraisal Systems** – Linking training outcomes with performance appraisal and promotion frameworks will enhance employee motivation and retention.
4. **Adoption of Multi-Skilling Programs** – Encouraging cross-training can address high attrition rates and operational flexibility needs.
5. **Inclusivity in Training** – Gender-sensitive and inclusive training frameworks are essential for encouraging female participation and advancement in the workforce.
6. **Investment in Digital and Soft Skills** – With the rise of digitalization in hospitality, employees must be trained in new technologies while reinforcing soft skills that remain central to customer experience.

Policy Implications

At a broader policy level, hospitality associations and training institutes can collaborate with luxury hotels to standardize training curricula. Partnerships between hotels and academic institutions can bridge skill gaps and ensure a pipeline of trained manpower. Furthermore, government skill development schemes can be aligned with the needs of the hospitality sector to strengthen employability in tier-2 cities like Indore.

6. CONCLUSION

This study set out to empirically examine the impact of training on capacity building and employee effectiveness in luxury hotels of Indore. Drawing upon data from 300 employees across ten hotels, the research demonstrated through ANOVA, Chi-square, and reliability testing that training significantly enhances both individual and organizational outcomes. Employees reported improvements in work safety, motivation, interpersonal relationships, and career advancement opportunities as a result of structured training programs. Managers also confirmed the role of training in driving efficiency, customer satisfaction, and long-term organizational growth.

The study contributes to literature by shifting the focus from service quality alone to the broader construct of capacity building, thereby extending the application of Human Capital Theory and the Kirkpatrick model in the Indian hospitality context. Practical implications include the need



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for systematic training needs assessments, customization of programs at the departmental level, and integration of training outcomes with career development frameworks.

Despite its limitations, the research highlights the transformative role of training in building organizational capacity in the hospitality sector. In a city like Indore, where the hotel industry is growing rapidly, structured and strategic training practices are not just desirable but essential. As the industry adapts to global standards and evolving customer expectations, training will remain the cornerstone of sustainable competitiveness. This study affirms that training is not merely an HR function but a strategic imperative that empowers employees, strengthens organizational resilience, and enhances the overall service quality of the hospitality sector. By institutionalizing structured, inclusive, and forward-looking training programs, luxury hotels in Indore can position themselves as leaders in service excellence and human resource development.

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