

# Employees Retention in hotel Industry: Present Scenario of Hotel Industry of Rajasthan

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## Abstract:

**Purpose:** - An important asset of any organization is its employee. The performance of the organizations is very much depended on the effectiveness of its manpower. To survive in a long run an organization has to invest in its human resource also as they do investment in other resources of its core operations (Ton and Huckman, 2008). For maintaining a sufficient and effective manpower, the hotel organizations need to look into improving employee engagement, job satisfaction and working environment. These factors need to be strategies accordingly (Marshall, Mottier, & Lewis, 2015). India's hotel industry is a big market for all the international as well as domestic hotel groups. The glamorous industry always had the issue of manpower because if hotel industry has enough employees then to retention all those employees in the same hotel is a biggest challenge these days. With the time, the issue only became bigger. The present study focuses on identifying the reasons leading to retention of employees in Hotel Industry.

**Methodology:** - The research is exploratory and descriptive in nature. For this purpose, the researcher collects the data from 386 employees of Hotels of Rajasthan through structure questionnaire. The factor analysis was used to find out the factors, which help to retain the employees in hotel industry.

**Findings:** - The researchers review the various research papers of attrition and retentions of employee in organization. The data analysis of study exposes that retention strategies focused on HR policies & practices and Reward & Recognition can help more in retaining the employees and reducing the attrition. Lower attrition will lead to higher employee satisfaction, increased employee satisfaction and many more.

**Keywords:** Rajasthan hotel industry, Strategies for retention, HR Policies & Procedures, Rewards & Recognition, Hotel employees.

## Article History

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## INTRODUCTION:

In any organization employees are one of the key players in its success and growth. Hotel Industry is one of the booming industries from past two decades and is gaining more and more popularity. To run this attractive and glorious business, employees work very hard. And the same time of there is huge gap of manpower supply in hotel industry. People join and leave the hotels very frequently. The attrition in hotel industry is very high. Employee attrition not only expensive to the organization but also disturbs the day to day operations. On one end where Hotel

Industry is growing day by day on the other hand it is facing a high attrition of employees also. The identified the factors contributing to retention of employees in the Hotels of Rajasthan state. Indian hotel industry is considered one of the largest and fastest-growing industrial sectors in India. The industry employs approximately 8.5 per cent in India. Rajasthan is one such state which accommodates various types of guests from continents, having the leading group of hotels, like Taj Group of Hotels, Oberoi Group of Hotels, India Tourism Development Corporation, Rajasthan

Tourism Development Corporation and Bharat Hotels.

### Strategies for Retention

Retention is the continued use, existence or possession of something or someone. Retention is the art of making the talented employees staying back or continuing with organization for longer time period. Employee's stay for long if the work culture in the organization is flexible and friendly and if they are rewarded handsomely for their effort (Gupta & Sharma, 2017). Strategies for Retention in the current study are considered as the actions taken by the hotels to retain their employees in long term.

### REVIEW OF LITERATURE

Existence of hotel industry is very old; the initial concept of hotels exists from the days when human being started travelling from one destination to another. Both the sectors complement each other. The word hotel has its origin from French word *hotel*, meaning townhouse. A hotel or an inn is defined by the British law as a 'place where a Bonafide traveller can receive food and shelter, provided he is in a position to pay for it and is in a fit condition to be received'.

(Panwar, 2012) stated that employees leave their jobs under stressful conditions. Major reasons for staff attrition in hotel industry highlighting long working hours, lesser salaries, opportunity for betterment, and disturbance of family/social life. Better career opportunities better pay elsewhere and pursuing higher studies are the reasons of attrition in hospitality industry mentioned in the Compensation Trends Survey (2013-14) by Deloitte. Higher rate of employee separation affects the organizations by decreased productivity, effect in spread of organization's knowledge and service delivery. Employee attrition involves both indirect and direct costs. Direct effect on cost includes the leaving, additional, and transition costs whereas reduced performance levels unnecessary overtime, lower production and low morale effects indirectly in the cost incurred in turnover (Panwar, 2012).

Mathew (2012) stated that employers are responsible to hold back their good employees, also referred as star performers. By retaining the good employees, organizations could focus more on improvising the guest services and delivering high level of product & services (DiPietro, Thozhur, & Milman, 2007). Organization's culture strategies can help in improving retention. Strategies like showing attention, Platinum Rule of communication, create team players, measure retention not turnover and strong orientation program. Positive outcomes can be produced through effective human resource systems in hotels. Many organisations are adopting various strategies for employee retention strategies focusing on work force attitudes, motivation and perception (Bagri, Babu, & Kukreti, 2011). The development of Indian hospitality & tourism industry is very much threatened by unavailability of skilled manpower. Gupta (2013) suggested that by offering a career development program, competitive compensation package, employee recognition, loyalty bonus, employee recreation, quality of supervision and mentorship, gifts at some occasions and lifestyle choices could help the hotels in overcoming from high attrition and help in retaining their employees. Taj group of hotels & resorts, a leading hotel group of India has adopted a unique employee recognition system. This system not only recognize the best performance of the employees on daily basis but it also helps the organization in developing a belongingness towards them. The Special Thanks & Recognition System (STARS) awards the exceptional staff services and recognize them (Saji, 2014).

(Davis, 2018) explored the various strategies adopted by the hotels to minimize the employee turnover rate. Most of the strategies were employee centric to make them feel a part of the organization and compensated rightly for their job. These strategies included competitive compensation, recognition & rewards, better working conditions, growth opportunities within the group, effective leadership and many more. (Nicholas A. , Mensah, Owusu, & Nicodemus , 2016) explained the concept

of Job Embeddedness. It helps the organization in identifying & measuring the on-the-job motivational factors for employees which leads in binding the employee to his/her job. (Gupta & Sharma, 2017) Studied to examine the effects of retention strategies in context of Delhi – NCR region and stated that the employees stayed for long if the work culture in the organization is flexible and friendly, and if they were rewarded handsomely for their efforts.

## RESEARCH METHODOLOGY

The research is exploratory, descriptive in nature which uses quantitative research tools and techniques. It incorporates various empirical findings to show the level of significance of the relationship among the employees and also focuses on the qualitative information helps in exploring interpretation of the phenomena. The data was collected from the hotel employees of four star and above categorized hotels of Rajasthan. Sample was drawn using convenience sampling technique as it ensures prior fixation of criteria. A set of structured questionnaire were formulated for the collection of

data from hotel employees. The researcher has used factor analysis for identifying the various factors for contributing to retention of employees.

## Objective

The study aims to identify the factors contributing to retention of employees in the Hotel Industry.

## Data Analysis: -

A questionnaire was framed to gather the data. Total 386 responses were recorded for the present study. The sample represented the hotel employees of Rajasthan state.

## Factors contributing to retention of employees

Various approaches for retention are identified in holding the employees for longer time. To retain the good employees or the performing employees to longer duration, strategies should be adopted which can stop them from leaving the organization. Higher the retention lowers the attrition.

To find out the strategies for retention of hotel employees, the following variables were taken into consideration among hotel employees of Rajasthan state.

**Table 1:- Variable to find out retention of Hotel Employees**

S.no.	Variables
1	Orientation and Induction about the Organization at the time of joining
2	Clear Role & Responsibilities assigned
3	Awareness about the Internal Communication systems
4	Awareness about Organizational Benefits
5	Communication about Career Advancement in Organization
6	Working Environment is open & trustworthy
7	Morale in the company is high
8	Supervisors spend good time in listening to employees' ideas
9	Organization provides scope for better career development plans
10	Effective professional development plan at all levels
11	Safe working environment is provided
12	Salary Structure
13	Provision for Group insurance schemes
14	Overtime benefits
15	Incentives & Bonus

16	Performance based Incentives
17	Help in Career Development
18	Management Support for Higher Education
19	Training & Development Programs
20	Rewards & Recognition
21	Recognition for achievements
22	Job Rotation and New Assignments
23	Medical Benefits for self & dependents
24	Transfer Opportunities
25	Clear goals/ performance expectations

Through Factor Analysis below mentioned factors were identified which results into employee retention among hotel employees of Rajasthan.

**Table 2:- Factor Analysis**

Total Variance Explained										
Component		Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
		Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
	1	5.400	21.598	21.598	5.400	21.598	21.598	5.232	20.928	20.928
	2	3.840	15.361	36.959	3.840	15.361	36.959	2.672	10.690	31.618
	3	1.934	7.738	44.697	1.934	7.738	44.697	2.072	8.288	39.906
	4	1.492	5.969	50.666	1.492	5.969	50.666	1.808	7.234	47.139
	5	1.338	5.353	56.018	1.338	5.353	56.018	1.528	6.113	53.252
	6	1.266	5.065	61.084	1.266	5.065	61.084	1.474	5.897	59.149
	7	1.179	4.715	65.798	1.179	4.715	65.798	1.388	5.553	64.703
	8	1.089	4.356	70.155	1.089	4.356	70.155	1.218	4.873	69.576
	9	1.029	4.115	74.270	1.029	4.115	74.270	1.173	4.694	74.270
	10	.984	3.934	78.204						
	11	.756	3.024	81.228						
	12	.666	2.664	83.892						
	13	.604	2.418	86.310						
	14	.576	2.304	88.614						
	15	.480	1.922	90.535						
	16	.422	1.687	92.223						

17	.375	1.498	93.721						
18	.360	1.439	95.160						
19	.289	1.156	96.316						
20	.253	1.013	97.329						
21	.210	.842	98.171						
22	.188	.754	98.924						
23	.165	.660	99.584						
24	.102	.406	99.990						
25	.002	.010	100.000						

The above table depicts the TEV among the variables and the value is 74.270 percent. It shows the total variance explained by the factors extracted from variables of strategies for retention. The table also shows that out of 25 variables only 9 variables were identify as factors for retention of employees in hotel industry.

**Table: 3 Rotated Component Matrix – Strategies for Retention**

Rotated Component Matrix - Retention									
	Component								
	1	2	3	4	5	6	7	8	9
Orientation & Induction at the time of joining					.833				
Clear Role & Responsibilities assigned					.737				
Awareness about Internal Communication System			.934						
Awareness about Organizational Benefits			.935						
Communication about Career Advancement in Organization		.760							
Open & Trustworthy Working Environment				.923					
High Employee Morale		.698							
Supervisors listen to Employees ideas				.924					
Scope for Career Development Plans									.601
Professional Development Plans at all levels		.805							
Safe Working Environment							-.660		
Salary Structure						.851			
Provision for Group Insurance Schemes						.728			
Overtime salary									.832
Incentives & Bonus							.839		

Performance based Incentives									
Help in Career Development	.836								
Management Support for Higher Education	.873								
Training & Development Programs	.899								
Reward and Recognition		.730							
Recognition for Achievements	.833								
Job Rotation and New Assignments	.839								
Medical Benefits for Self and Dependents	.855								
Transfer opportunities								.507	
Organization Sets Clear Goals	.797								
KMO - 0.714 > 0.7 excellent									

The objective of this study was to find out the Strategies for Retention of employees in the Hotel Industry of Rajasthan region. For that, Factor analysis was used to achieve the objective. The KMO test value among the factors was 0.714 and the total variance among the variables was 74.27. These two values shows that following strategies for retention has major contribution in retaining the employees. The rotated component matrix identifies the nine major reasons of attrition among the hotel employees. These nine reasons were then named and categorized by the researcher for identifying most suitable reasons. These are as mentioned below:

- HR Policies & Practices,
- Reward & Recognition,
- Internal Communication,
- Working Environment,
- Orientation & Induction,
- Compensation & Pay,
- Incentives,
- Overtime Benefits
- Transfers

## CONCLUSION

The respondents submitted their agreement and disagreement over twenty-five items. The study

suggests that retention strategies focused on HR policies & practices and Reward & Recognition can help more in retaining the employees and reducing the attrition. The present study also recommends the retention strategies according to the level of management. These strategies will help in reducing the attrition. The recommended strategies will help the hotels in restricting the employee attrition. Lower attrition will lead to higher employee satisfaction, increased employee satisfaction and many more.

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