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## A STUDY OF RETENTION MANAGEMENT IN INDIAN HOSPITALITY INDUSTRY: A PRACTICAL VIEWPOINT

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### INTRODUCTION

Hotels are amongst the most visible and important aspects of a country's infrastructure. Hotel industry is a closely linked one to the tourism industry. A number of factors like promotion of tourism and rapid industrial progress have given a boost to Hoteliering. The recent liberalization of trade and opening up of economy will further lead to revolutionary growth in this sector. With increasing globalization, career opportunities in this field are not only limited within the country but there are chains of hotels which operate internationally providing scope of a career abroad. It is a glamorous profession which has a bright future. With the growth of hotel industry propelled by foreign and domestic tourism and business travel, the demand for well trained quality personnel too has grown impressively. Hospitality sector is growing at a very fast rate in India. The sector is growing at a rate of approximately 8%. This sector can be classified into hotel industry, travel and tourism, restaurants, pubs, clubs and bars, contract catering, and aviation. Other than that, opportunities also exist in universities, sporting venues, exhibition centers and smaller events management companies.

The major challenge of this sector is shortage of skilled employees along with the challenge of attrition rate. Skilled chefs and managers are in great demand. Managers require huge range of competencies such as, people management, viable skills, business insights, analytic skills, succession planning, and resource development in order to get success in this sector. In addition to that, employees are not enough trained on Business Etiquettes, Courtesy, and Business Communication. Hospitality is all about handling people. So an employee must have right attitude, tolerance, and listening skills in order to move up the hierarchy. There is still a long way to go to inculcate good public relation, interpersonal skills.

### HOTEL GROUPS IN INDIA

The hotel industry in India has been rewriting the system, processes, approaches, functional orientation and methodologies the past few years to match the Indian campaign. A new need for proving global excellence has dominated the recent aligning behaviors. The role played by the India Tourism Development Corporation, a public sector undertaking, is significant 3. The Ashok Chain of hotels is the largest chain in hotel industry run by the ITDC. The Ashok Group of Hotels has been India's gracious and regal host to leading national and international visitors. The Group is known for its unique mix of traditional Indian hospitality and modern-day systems and facilities that are beyond compare.

***An individual hotel or chain of hotels can represent itself in one of 3 ways:***

As a Private label chain, with its own identity: To market a hotel as a Private Label brand is the most expensive and requires a hotel to develop, build, and market an individual identity.

- As part of a marketing brand: A marketing brand allows a hotel to maintain its own identity, but has to market itself as part of a brand, which may involve adopting the brand logo and collateral materials
- As an individual Hotel under a collective group of representation hotels: A representation can allow the hotel to maintain its own identity, but be represented as a large group of similar properties in the distribution channels.

### LEADING HOTEL CHAINS OF INDIA

Hospitality industry in India has now firmly established itself as the provider of world-class accommodation services. This has been made possible by the emergence of large Indian hotel chains and the entrance of global hospitality players.

- Ambassador Group of Hotels
- Best Western Group of Hotels
- Casino Hotels
- Clarks Group of Hotels
- Fortune Park Group of Hotels
- Holiday Inn Group of Hotels
- HRH Hotels
- ITC Welcome group Hotels
- ITDC Hotels
- Jaypee Group Hotels
- K Raheja Group of Hotels
- Man Singh Group of Hotels
- Oberoi Group of Hotels
- Peerless Group of Hotels
- Sarovar Park Plaza Hotels
- Sinclair Group of Hotels
- Taj Group of Hotels
- Tulip Star Group of Hotels
- Welcome Heritage Group of Hotels

### PROBLEMS OF MANPOWER IN HOTEL INDUSTRY

**1. Shortage of skilled employees:-** One of the greatest challenges plaguing the hospitality industry is the unavailability of quality workforce in different skill levels. The hospitality industry has failed to retain good professionals.

**2. Retaining quality workforce:** Retention of the workforce through training and development in the hotel industry is a problem and attrition levels are too high. One of the reasons for this is unattractive wage packages. Though there is boom in the service sector, most of the hotel management graduates are joining other sectors like retail and aviation.

**3. Shortage of rooms:** The hotel industry is facing heavy shortage of rooms. It is estimated that the current requirement is of 1, 50,000 rooms. Though the new investment plan would add 53,000 rooms by 2011, the shortage will still persist.

**4. Intense competition and image of India:** The industry is witnessing heightened competition with the arrival of new players, new products and new systems. The competition from neighboring countries and negative perceptions about Indian tourism product constrains the growth of tourism. The image of India as a country overrun by poverty, political instability, safety concerns and diseases also harms the tourism industry

**5. Customer expectations:** As India is emerging as a destination on the global travel map, expectations of customers are rising. The companies have to focus on customer loyalty and repeat purchases.

**6. Manual back-end:** Though most reputed chains have IT enabled systems for property management, reservations, etc., almost all the data which actually make the company work are filled in manual log books or are simply not tracked.

**7. Human resource development:** Some of the services required in the tourism and hotel industries are highly personalized, and no amount of automation can substitute for personal service providers. India is focusing more on white collar jobs than blue collar jobs. The shortage of blue collar employees will pose various threats to the industry.

### **OUTCOME OF ATTRITION ON ORGANIZATION**

**1. The Cost of Turnover:** The cost of employee turnover adds hundreds of thousands of money to a company's expenses. While it is difficult to fully calculate the cost of turnover (including hiring costs, training costs and productivity loss), industry experts often quote 25% of the average employee salary as a conservative estimate.

**2. Loss of Company Knowledge:** When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history (sometimes to competitors). Often much time and money has been spent on the employee in expectation of a future return. When the employee leaves, the investment is not realized.

**3. Interruption of Customer Service:** Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business. When an employee leaves, the relationships that employee built for the company are severed, which could lead to potential customer loss.

**4. Turnover leads to more turnovers:** When an employee terminates, the effect is felt throughout the organization. Co-workers are often required to pick up the slack. The unspoken negativity often intensifies for the remaining staff.

**5. Goodwill of the company:** The goodwill of a company is maintained when the attrition rates are low. Higher retention rates motivate potential employees to join the organization.

**6. Regaining efficiency:** If an employee resigns, then good amount of time is lost in hiring a new employee and then training him/her and this goes to the loss of the company directly which many a times goes unnoticed. And even after this you cannot assure us of the same efficiency from the new employee.

### **TECHNIQUES FOR EMPLOYEE ENGAGEMENT IN HOTEL INDUSTRY**

**Provide variety:** Tedious, repetitive tasks can cause burn out and boredom over time. If the job requires repetitive tasks, look for ways to introduce variety by rotating duties, areas of responsibility, delivery of service etc.

**Conduct periodic meetings** with employees to communicate good news, challenges and easy-to-understand company financial information. Managers and supervisors should be comfortable communicating with their staff, and able to give and receive constructive feedback.

**Employee Scheduling-** Poor scheduling of work may result in employees who either are overloaded with work or don't have any work at all. For the purpose of engaging employees effectively, managers follow the workforce scheduling process

Employee scheduling refers to the assignment of tasks between the employees. It is a difficult and a time consuming process. It involves producing detailed daily (or monthly) schedules for individual employees while taking the organization's goal into consideration.

**Employee Empowerment** - Employees' previous assignments so as to ensure that maximum work duration does not exceed in the current month or quarter., Skill and proficiency level required for each activity type, Company skills to develop, employees designated for training in these skills, Companies have now realized the importance of retaining their quality workforce. Retaining quality performers contributes to productivity of the organization and increases morale among employees.

**Providing Retention Bonus** - Higher attrition rates within a particular industry have forced companies to use some innovative strategies to retain employees. Retention Bonus is one of the important tools that are being used to retain employees. Retention bonus is an incentive paid to an employee to retain them through a critical business cycle.

Retention bonuses are becoming more common in the corporate world because companies are going through more transitions like mergers and acquisitions. They need to give key people an attractive incentive to stay on through these transitions to ensure productivity Retention bonuses have proven to be a useful tool in persuading employees However, some companies pay in installments as on when the business cycle completes.

### **ROLE OF HR MANAGER IN RETENTION**

When asked about why employees leave, low salary comes out to be a common excuse. However, research has shown that people join companies, but leave because of what their managers' do or don't do. It is seen that managers who respect and value employees' competency, pay attention to their aspirations, assure challenging work, value the quality of work life and provided chances for learning have loyal and engaged employees. Therefore, managers and team leaders play an active and vital role in employee retention.

*This can be done in a following way:*

\* **Creating a Motivating Environment:** Team leaders who create motivating environments are likely to keep their team members together for a longer period of time. Motivation does not necessarily have to come through fun events such as parties, celebrations, team outings etc. They can also come through serious events e.g. arranging a talk by the VP of Quality on career opportunities in the field of quality. Employees who look forward to these events and are likely to remain more engaged.

\* **Standing up for the Team:** Team leaders are closest to their team members. While they need to ensure smooth functioning of their teams by implementing management decisions, they also need to educate their managers about the realities on the ground. When agents see the team leader standing up for them, they will have one more reason to stay in the team.

\* **Providing coaching:** Everyone wants to be successful in his or her current job. However, not everyone knows how. Therefore, one of the key responsibilities will be providing coaching that is intended to improve the performance of employees. Managers

often tend to escape this role by just coaching their employees. However, coaching is followed by monitoring performance and providing feedback on the same.

\* **Delegation:** Many team leaders and managers feel that they are the only people who can do a particular task or job. Therefore, they do not delegate their jobs as much as they should. Delegation is a great way to develop competencies.

\* **Extra Responsibility:** Giving extra responsibility to employees is another way to get them engaged with the company. However, just giving the extra responsibility does not help. The manager must spend good time teaching the employees of how to manage responsibilities given to them so that they don't feel over burdened.

\* **Focus on future career:** Employees are always concerned about their future career. A manager should focus on showing employees his career ladder. If an employee sees that his current job offers a path towards their future career aspirations, then they are likely to stay longer in the company. Therefore, managers should play the role of career counselors as well.

## CONCLUSION

Talent management integrates traditional talent-related functions that were considered as "administrative" functions into routine business processes. By "embedding" people management processes into standard business processes one can force line managers to think of recruiting, retention, development, etc. as essential activities that make a significant contribution to any manager's business results and success.

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