

“A study on factors affecting staff turnover in five star Hotels”

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Abstract

The biggest asset of the any service industry is their work force. J Willard Marriott said Take good care of your employees and they will take good care of your customers in today’s cut throat competition hotels must give more and more attention on the employees that they are working with, it has been observed that in hospitality industry where employees needs to work in shift because hotel runs 24x7, its task for employees to serve customer with happy smile, as in basic fundamentals of hospitality industry is to serve the customers in best possible way as its Home away from Home for them. But for employee’s it bit difficult because it’s a daily routine for them, and there is another side to it where in for customers it might be first experience to avail the service but for employees its monotonous, and here is the challenge to achieve or to minimize the gap between customer expectation and actual service that happens during the service encounter where most of the staff feel after few days its big challenge to walk on the same line of brand standards which are design by the company to serve the customer, but the flip side of the coin which is employers’ point of view when company hire staff they ensure employees must understand what are the working policies of organizations ,what are the benefits will be available when they come on board to join the company , the most of the hiring is done from hospitality educational institute where they get there technical and practical knowledge of the hotel industry.

So this paper is aim toward following objectives

- 1 To study the employees welfare policy adopted by hotel
- 2 To analyze the factor that leads to staff turnover and its impact on hotel daily routine.
3. To find out solution to overcome the challenge of the staff turn over

Introduction: significance of the study

Hotel industry is labor intensive industry where in hotel takes major efforts on training their employees, as well as taking care of them by laying welfare practices which help them to be motivated at work, Employee welfare practices are also known as labor welfare practices. It includes benefits for staff, facilities provided, services given, recreational activities, incentives, etc. It is undertaken in order to motivate employees and raise their productivity level. The welfare practice in most cases comes in monetary form, but it does not always that way. Due to welfare practices the organization makes life worth living for the employees. Welfare also includes the activities that are done for improvement and comfort of the employees. Other forms of employee welfare include housing facilities stipends, transportation, and food. An employer may also cater for employees' welfare b monitoring their working conditions, many a times it is provided over and more than the wages. Welfare practices also help in reducing the turnover of the staff, maintaining the morals of the organization, improving the loyalty of the employees towards the organization and motivate them to work with loyalty and punctuality for the organization.

Intramural welfare facilities are welfare facilities which are offered by the organization, according the FHRAI and government of India if hotel is under five star hotel they need to offer following welfare facilities to its employees such as safety, cleanliness, and safety measures, employee convenience, bathrooms, rest rooms dining facilities ,recreational facilities drinking water, health services first aid and treatment center, ambulance, the gradation is also depends up on the welfare facilities which are offered to its internal customers these are mandatory facilities .**Extramural welfare activities** :depends up on organization to organization most of them are sponsored by the government. Based on the Constitutional acts or the factories act of 1948 and contract labor act of 1970 are examples of governmental welfare activities. Some include comfortable residences, proper roads and infrastructure and sanitation while

- Following are the common welfare practices followed by most of the 5 star categories hotels

Meals on Duty: very important element which considered by the hotels as hotel run 24 by 7 its extremely important for the hotels to treat their working employees in well manner and providing them meals on duty is one of the important welfare as employees tend to do lot of physical work in all the department of the hotel employees needs to on their toes continuously because its people oriented industry where employees are in continuous contact with the guest. They work -- with human beings and serve human beings, having said this many of the departments in the hotel do work with computers and machine but percentage is low in comparing with other industry so employee must be feel enthusiastic and to be enthusiastic and energetic one must be full with his stomach. Many hotels make sure that employee gets meals on time as well as nutritious meal, considering long hours of standing, and shift timings.

Transport Facilities: this facility depends upon organization to organization, many hotel based in Mumbai, or Delhi do give transport facility but is partly transport as in if the location of the hotel is in really interior part of the city where its difficult to reach by public transport, then facility are available from near train station or metro station, but having said this most of the hotels give drop facilitates to women employees if they are working late in night

Accommodation Facilities: many five star hotel do offer this facility, it depends on the type of the organization and location of the organization foe example many five star resorts do offer this facility to its middle management employees like executive chef, if the candidates are from outstation, hotel do help in finding rental places also, or sometimes hotel do have its own residence for employees where they charge rent its totally to depending up on hotel policy.

Family Medical Benefits: it depends on the designation of the staff and organization but most of the hotels do offer the medical insurance to its all employees sometimes they do offer medical allowance up to certain limit for reimbursement of medical bill. medical leaves ,for the staff of major operations and all , regular health checkups for employees ,doctor on duty is also available for the staff Based on the organizational policy,

Family Pension Scheme: Based on the organizational policy, this benefit may be Employee Provident fund.

Employee Recognition: to motivate employee to work well and perform well Recognition of employees is most important factor all hotel name this welfare facility differently like employee of the month , star of the month, proud member of the family, may more like this .goes a long way in motivating them towards enhancing their performance. It shows that the management acknowledges the efforts taken by the employees they appreciate too by awarding the employee.

Recreational facilities: hotel do offer recreational facilities to its employee like resting rooms with bunker beds for male and female staff, as its shift base system they have, many of the functions in hotels are runs for longer time duration and staff won't be able to go home at that particular hour but definitely need rest, therefore they have this facility where they can go rest get ready, they do have common recreational area apart from resting room ,where in employees have some indoor games to play where they can refresh, socialize them self , and team building also happens

Uniforms: as a code of conduct hotels offer uniform facility to the all its employee's from stitching to laundry.

Staff party/ celebration of big festival: very effective tool for building loyalty amongst staff, as organization respects their believes while celebrating festivals, such as Ganpati, festival, it depends on organization to organization and company policy, staff party is annual function where employees gather together show case their talent , meet other work colleagues

All the above the welfare practices are offered by the five star hotel still attrition rate is higher in the hotel industry following literature review will highlight the reason for the same or hw welfare practices are linked to employee performance and attrition rate .

Literature Review:

Wood, Maculary and others (1989), have stated that when motivation level of employees drop it correlates to the level of service that they offer to the guest and ultimately lead to dissatisfaction of guests. So according to this we can say that if a front office assistant decides not to be friendlier with the guest because he doesn't find it worth it, the guest might decide not to come back to such facility.

Washmuth and Device (1993) writes that increase in turnover is generally because of employee unhappiness from the current job and due to the heavy competitor in the market employees also have lots of choices to search for new job and to leads to attraction for different profile or industry, so therefore it can be one of the major reasons for the employee turnover.

Darmon (1990), states that as a result of higher attrition rate hampers the productivity of the services that are offered to guest and leads the organization to poor performance.

Meyer (1993), says that employee turnover is more on non spoken part of human resources department and it has a lot of harmful consequences such as unnecessary monetary cost, waste of management efforts and demotivated employees

Hom and Griffith (1995) have been also found mentioning alike findings in many of his researches on staff turnover in hospitality industry.

Him kin and Tracey (2000) states that cost of employee turnover turns most expensive to the to its organization as it cost collateral damaged o the guest service and employee, as employees are not happy they will not be able to serve the guest up to the brand standards and ultimately it will reflect on the influx of the guest

Mullins (2000), observed that employee turnover silently leads to loss of costs of advertising, interview time, administrative expensive, supervision and training. High employee turnover effects motivation level of the employees working, as a result the organization faces low satisfaction level of employees and low performance.

Walsh and Taylor (2007), in their study they have explored another angle of employee turnover. They locate that employee turnover is a very natural process of downsizing the workforce. But they also mentioned that the employee turnover is negatively impact on the production and the profit of the organization

Yang and Cherry (2008), wrote that when employee leave the organization it creates gap in service standards which are offered to the guest because till the time you get new employee rain him it consumes the time and money ,which hampers the productivity.

Wan-Jing April Chang, (2010), examined the impact of human resource (HR) practices on internal customer satisfaction which is its organization own employee and organizational

effectiveness. The findings discovered the importance of enhancing employee morale, commitment towards the organizational, employee productivity, turnover rate and the organization's ability to draw talent.

Chen Shyh-Jer, (2009), in hospitality industry there are two types of labor one are casual , and other are permanent the paper indicated that job satisfaction for casual employees in the hospitality industry may be increased when employers offer flexible rewards such as bonuses paid according to performance. In keeping with other research, the study also found that hospitality organizations be likely to have lower attrition rate if the organization gives first priority to its internal employees while giving promotion or filling up position at new opening hotel the study also establish a significant positive relationship between effective internal employment increase the productivity.

Mohinder Chand, (2007), explored that hotel performance is positively linked with hotel category and type of hotel (chain or individual). in addition hotel performance is positively related to the good HRM practices of recruitment and selection, manpower planning, job design, training and development, quality circle, and pay systems.

Seonghee Cho, (2006), investigated the relationship among the use of 12 human resource management (HRM) practices and organizational performance measured by attrition rates for managerial and non-managerial employees, labor productivity, and return on assets. The results of regression analyses indicated that companies implementing HRM practices such as labor-management participation program, incentive plans, and pre-employment tests are more likely to experience lower turnover rates for non-managerial employees.

Huselid M.A. (1995) Human resource practices play a crucial role in influencing employee attitude and behavior. High performance work practices (such as promotion, labor- management participation teams) that contribute to employee development should boost employee retention and these practices had a negative relationship with employee turnover.

Gerhart& Becker (1996) Human resource systems are passageway reliant which can bring unique source of competitive benefit and it is tricky to try to be like human resource management practices and policies.

Budhwar and Debrah (2009) noted that in the recent past there has been a notable development in human resource management research in developed countries but little has been written about developing nations. If organization give emphasis on High-performance human resource practices from starting point of which is laying down policies for selection of employee , training practices, integrated performance management system, competitive rewards and empowering employees in decision making, which would provide satisfactory support to employees so that they can do their best to satisfy customers and efficiently perform their jobs.

Reasons for employee turnover are as follows

One of the purposes of this literature review is to find out the reason(s) why hotel employees choose to leave the Hotel Industry. Few researches indicated that the main reason(s) for leaving the hotel industry are - interests change, better opportunity in other service segments, low compensation, little opportunity for advancement in hotels, incompatible with family/social life, long hours and management issues and policies.

Following are reason or combinations of factors that caused hotel employees to leave the

O'Leary & Deegan found in their 2003 study that 60% of the employees left the hotel industry because of unsuitable/unsociable working hours coupled with poor remuneration.

Pavesic & Brymer (2015) also found that hospitality graduates still in the industry liked challenging jobs, direct involvement, working with others, a good work environment and career advancement opportunities. What graduates still in the industry did not like about their jobs were hours and schedules quality of life and low pay. Frustration about routine job activities, lack of advancement opportunities and little recognition were also mentioned. Management politics and labor concerns were also cited as causing feelings of being taken advantage of Stressed employees are not happy employees and they will eventually leave to find less stressful work.

Witham (2005). States that there are Different surveys done on employee's commitment to organizations and the industry have found compensation ranked immediately below chances to grow and to have a challenging job Employee who start at the bottom of hierarchy and work their way up gathering experience as they go. They are eager to take responsibility and learn. They want challenging jobs that allow them to make a contribution and that offer growth opportunities. Plus, just like their older colleagues, they want to be paid what they are worth

Walsh & Taylor (2007) Mentioned: Overall, the hospitality industry is at a faraway lower salary than comparable jobs, with typically longer hours. This industry is going to frequently lose good people because they are better remunerated in other industries. The results say that hospitality workers and managers are underpaid and this needs to be addressed.

Long working hours In India official weekly working hours are 48 hours per week but the legal limit for working hours is not followed by the hotel industry, as industry is working 24 by 7 and once you start the service for guest one cannot leave in between though official working hrs are over one ahs to complete the service. There is inconsistency across hotels about the employee working hours as in middle management employees and main core department employees has different shift timings and managers who work in the back department of the hotel or executive have different shift times for example IRD managers and food and beverage director will have different shift timings whereas HK floor supervisor and room attendant reported being particularly face challenge of long nonstandard hours, including weekends and holidays.

While managers in human resources, engineering, and accounting tended to have 8 a.m. or 9 a.m. to 5 p.m. or 6 p.m. schedules that are probably more compatible with life off the job.

Wash & Taylor (2007) found that employers promote its employee to motivate them but it adversely affect on them as it increase the responsibility as well as work pressures and employee tends to get dissatisfied. Instead of being happy as he get the authority to delegate and make decisions, thus it increases their hours and job demands.

Higley (2003): Notes that many of the organization lack right path for employee where they fail to show right direction to employee with his carrier progress with company or company goals and employee goals don't go hand in hand for betterment therefore organization should understand the importance of it and it needs to show people that they have the opportunity to grow into higher level positions, like other industries, hospitality needs to give its star employees a possible career path, get them to embrace it and monitor their progress.

Garavan et al (2006): state there is plentiful literature or research papers highlighting that hotel industry employees have disappointment with their career progression and intentions to leave or reasons to leave the industry, in addition to this hotels lack on strong HRM employee centric practices which will help them to retain employees, so managerial advancement in hotels is

frequently unplanned and unsystematic, there are fewer training and development opportunities, managers experience work overload, have low levels of remuneration and experience managerial stress.

Walsh & Taylor (2007): A study done by Walsh & Taylor concluded that while compensation and benefits are important, most respondents seemed to indicate that no amount of money or benefits would hold them in a dead-end job

Disturbance of family/social life: Long working hours in hotel industry effect on social life of employees as they don't have much time to spend with their family and friends. Hotel employees usually either go early on his duty or come at late. In both the conditions they are not able to give proper time to their family.

Conclusion :The findings of the study are based on the literature review its all secondary data which point out that there is strong call for hotel industry to give emphasis on human resource practices and highlight employee identification which is right person for right job which will help hotels to reduce turnover and employees will also improve their performance. This literature review contributes to understanding the role of employee welfare practices and their impact in the turnover process. Employers need to be aware that welfare practices may not directly affect employee's turnover intention. But they have indirectly related to staff turnover .The paper has thus highlighted the various reviews about welfare practices carried out by the five star hotels and significant relationship between employee turnover intentions; In India, hospitality industry is one of the rapidly growing industries among the other service industries. On the other hand the industry is reeling under shortage of skilled human resources and also there exist manpower demand-supply gap In order to attract and retain employees in hospitality industry employers should emphasize on the human resource practices and focus on improving the negative image of the industry. Therefore, this study provides key insights in to understanding the role of employee's satisfaction is much more important to reduce down the attrition rate.

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