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CRITICAL ANALYSIS OF TECHNIQUES USED TO IDENTIFY AND RETAIN KEY EMPLOYEES BY THE STAR HOTELS IN CHANDIGARH.

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ABSTRACT

Hospitality industry has a very high attrition rate. There are some certain reasons for this high attrition, Like – Long and tedious hours of work, comparatively low remuneration. Highly stressful working atmosphere etc. In spite of this some organizations perform well, and they manage to retain people in key positions.

The main motive of this research is to examine the relationship among employer's and private hotel employees in Chandigarh and compare their attrition rate. Data has been collected by using a questionnaire. The questionnaire has been administered to the 3 star , 4 star and 5 star category employees of hotels in Chandigarh hotels. This research concludes that apart from retention of the employees in the hotels, by retaining the key employees quality services can be enhanced to guests visiting in 5 star 4 star and 3 star hotels in Chandigarh. It is further suggested that there may be scope for further improvement after retain key employees.

Key words: Hospitality, Retention, Employees , Hotel

1. INTRODUCTION

Hospitality industry in general has a very high attrition rate. Hospitality industry is labour intensive, we need people to provide various services to the guests in rooms, in restaurants, conference and seminar halls, to make room bookings, to cooking, in Laundary, to make   travel   arrangements , attending to luggage, business centers, health clubs, gymnasiums, shopping arcade and many such areas.

Human element in hospitality is very important, customer in hospitality is referred to as a "Guest". The guest is at the focal point of hotel business. When a guest visits a hotel he/she should be happy with all the services offered by the hotel. When this happens, Guest will repeat patronage. Hotels survive for years in business only with repeat patronage. This means guests comes again and again to the hotel in future, also suggests this hotel to his friends and acquaintances. Generally when Guests come back to the hotel, a major part of their experience is associated with staff, looking after them in their previous stay. This

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underlines the importance of staff working in hotel. These employees are generally loyal , have a long and steady tenure with the hotel. Satisfied, repeat Guest patronage is responsible for business growth, higher revenue, excellent goodwill, very high productivity and of course prosperous hotel business.

When there is high attrition rate guest's experience does not match his expectations. At times he gets a flawless service, in fact he does get perfect service in all the areas. This is due to standardization practices adopted by hotels. Like implementing Standard Operating Procedure, conducting regular training and providing visual reminders. (e.g. standard tray set up photo and charts etc.)

Hospitality industry has a very high attrition rate. There are some obvious reasons for this high attrition. Like -

Long and tedious hours of work Comparatively low remuneration.

Highly stressful working atmosphere, and similar such reasons.

In spite of this some organizations perform well, and they manage to retain people in key positions.

Hospitality Industry comprises of many types of catering establishments. We find hotels that are classified by India Tourism Department from one star to five star and five star deluxe categories. There are hotels near airport for short stay called transit hotels, hotels at beach, near river, at hill station , near a water reservoir or inside a forest are called resorts.

We come across hotels in commercial cities, like Mumbai, Delhi, Calcutta Madras, they are called as business hotels and some very huge complexes for extra- ordinarily large participation of sports and business meets, called convention centers. In all these establishments involvement of people for various aspects of guest service is very essential.

Hotels require large number of people. The skill levels are not uniform, volume of business is fluctuating and the most important thing, the product and service is perishable in nature. This means if the sale does not take place, the cost of food becomes a loss and the room not sold today will lose the revenue for today. Even if I sell the room tomorrow today's revenue is lost forever.

In all these hotels, staff requirement is in large number, they work at various levels. Some never see the guest and some have continuous guest interaction. All of them involved in guest service and all of them contribute to the Guest's experience or win him to become a hotel patron.

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Some of them contribute in making the guest stay happy and memorable and the guest remembers them. This is what a key person achieves. Who are these people? How to find them? How to take care of these employees? So that, they stay with the hotel for long and keep performing at their best.

Purpose of the study

The purpose of this study is to find out from successful hotels how they find out key people and retain them. What are the characteristics of these people? Who are very essential for creating a repeat patronage. This study will be useful for other hotels in future and they can improve their business revenue. When the whole hospitality industry adopts and uses them the Tourism industry in general will be benefited. Going with the Tourism Department Tagline "Atithi devo bhavah"

Hospitality Industry as discussed before has a very large scope ranging from a budget and business hotel to Five Star Deluxe properties. For the purpose of this study I have selected an area as Chandigarh and category of Three Star, Four Star & Five Star Hotels only. These boundaries decided will make the study manageable from operational point of view, and the results obtained will be reliable to a great extent.

Literature Review

1. **Michael T. MacHatton et.al,(1997)** In this article authors have talked about in depth study and analysis of US Restaurant Business. The restaurant business has independent and chain restaurants. Both recruit people from different sources and spend lot on selection and retention annually. Though the chain Restaurant business spends more on recruitment training and other aspects, have more turnover and attrition compared to Independent restaurants. (14)

2. **Michael Hay,(2002)** In this article author has discussed the important issue how to retain talent . As per the recent survey almost $1/3^{rd}$ people in todays situation plan to change job in next two years, with economic slowdown, loss of talent in many organisations will create very difficult situation. The author talks about various techniques to overcome this. (11)

3. **J.D. Pratten,(2003)** The article has a case study done in UK, probing in to the restaurant business. Reputed restaurants, hospitality schools, successful people, fresh entrants in the business, and some guests were interacted to find out what is the

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reasons for high attrition and what could be the possible solutions to this problem. (18)

4. **Hesham Magd,(2003)** In this paper the author has done detail study on employability of older employees in Scottish Hospitality. Author covered properties managed by 21 directors of hospitality units in Scotland. It was found that employing older people was advantageous in spite of their drawbacks. (21)

5. **Mike Raybould,Hugh Wilkins,(2005)** The authors have written in this article about the expectations of practicing manages and the perceptions of aspiring graduates from hospitality management schools. Based on extensive survey they show that there is a definite mismatch between the two. (20)

6. **Clayton Glen,(2006)** The author focused in this paper on employee retention. Employing people with right skills, if there is a skill gap to provide avenues to fulfill. A holistic approach is taken to retain the employees. The paper also highlights, how this helps in economy, efficiency and business performance both financial and operational. (4)

7. **Y.V.L. Pandit,(2007)** In this article author has focused on Attracting and retaining talent. Indian HR managers today have a biggest challenge to face and that is loss of talent from the organization. While retaining all the people does not mean talent retention and losing all the people is also not advisable. The golden mean is to find out key people for the organisation and ensure you do not lose them for petty reasons. Ensure a mechanism to address the issues for key people and create a sense of belonging so that they stay and motivate people around them to perform consistently.(31)

8. **T. V. Rao,(2007)** The author has talked about decision to leave the Job and look for another job. This decision of an employee is viewed in different manner by all three - organizations call it attrition, where as competitors call this as talent acquisition and the employee refers to it as career move. In a way problem for one is the opportunity for the other. What are the reasons for attrition? What factors affect attrition to get aggravated and what controls attrition is the important consideration for any HR manager to understand. Some of these aspects are discussed in this article.(29)

9. **Sanjay Anandram,(2007)** In this article author has talked about some revolutionary concept of HR. By calling human beings as a resource implies it should be utilized

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with utmost utility available, like a piece of machinery or furniture. Thus discard when outlived its utility. The HR should change its outlook from exploiting the human resources to developing the human capabilities. This will automatically build loyalty and bring down the attrition. This is very effective way retaining the talent according the concept propounded by the author.(32)

10. **N.S.Rajan,(2007)** In this paper author has written about Talent Retention during Merger and Acquisition. Merger is a complex process and very sensitive from Human Resource Management point of view. In today's world this model of growth is most preferred by many. Merging both organizations with best talent from both is expected, but rarely happens. Due care needs to be taken in all three phases of merger to get most benefits from merger. Very often the New organization performs lot less than on projected on paper. Reason is the key talent of merged organization feels threatened and leaves, which affects the performance adversely. (33)

11. **J. Joerres,(2007)** In this paper the author has talked about shortage of the skilled labour and responsibility of the human resource department. Talent retention is not when the staff is leaving but an integrated effort from the time recruitment is done and creating a work atmosphere of trust and commitment. (8)

12. **Tom Baum,(2008)** The author has elaborated on development and talent management strategies with specific focus on hospitality and tourism labour markets. The author focusing on weak labour market of Tourism and Hospitality in developing countries. (7)

13. **Sonia Bharwani, Neetu Butt,(2012)** In this research author has discussed about developments and critical challenges faced by the hospitality industry in today's Global Scenario and its impact on the HRD and HRM. (22)

14. Paul Barron,(2008) The author has focused on the critical issue of shortage of talented people in hospitality in education and industry as well. The author makes comments on recruiting, training, retraining & motivating people in hospitality as a part of talent management practices. (9)

Objectives of the Research

1. To investigate parameters for Identifying the key employees
2. To analyse existing methods used for retaining the key employees.

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3. To assess the relation between key employees and Guest satisfaction on selected five factors (Rooms & Accommodation, Food & Beverages Services, Front office & Reception, Health club & Gymnasium, Conference & Meeting facilities.)

4. Analyse Tourism Department Guidelines for Luxury Hotel Classification

Research Problem and Hypotheses

Some hotels do good business, improve their standards and amenities offered to the guest and some don't. The problem seems to be the Guest's expectations do not match the performance. No of people employed, their skills, qualifications and abilities are the same but still the Guest decides to change his mind and go to some other property. Very often his interactions with the person attending to him in his previous stay have something to do with his expectations

The analysis will help identify what successful hotels do differently in terms of their key people, and how do the hotels ensure these key people continue to work with and perform their best

H_0 Human Resource policies of Luxury Hotels do not have any relation with Identifying Key employees and Retaining Key Employees

H_1 Human Resource policies of Luxury Hotels have a positive relation with Identifying Key employees and Retaining Key Employees

Methodology

The data is collected from primary as well as secondary sources. Some data is collected through personal interviews and some data through questionnaires.

Work plan

*   I have been selected 15 hotels in Chandigarh for survey.

*   From each hotel HR officials , Department operational managers and some guests (customers) have approached.

*   There were minimum 5 interviews from each hotel and rest questionnaires through mail and personal interaction.

*   Questionnaire have some close and multiple choice questions

*   Total sample size were 370.

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- Analysis is done with ANOVA, Likert scale and such appropriate statistical tools.

- **Sample Size** –From 15 hotel questionnaire were collected from 3 star, 4 star & 5 star hotel from HR Manager and Department operational managers and some guests (customers) have approached in Chandigarh. The distribution of sample is as below:

Hotel	Junior Staff	Senior staff	Total
3 star	70	30	100
4 star	100	50	150
5 star	60	70	120
Total	230	140	370

Data Analysis / Report writing- The data collected has been analyzed in terms of statistical testing to find out its validity.

Findings and suggestions

1)**Findings**- Majority of the employees feel that the company is not utilizing their skills and ability which they have. More than 65% of respondents were strongly agree that they have lot of work. 10% to 15% were disagree they don't have lot of work load.80% of respondents reply that there is no respect of them from seniors which is part of leaving the hotels. Different departments have different types of problems that get from them.

2) **Suggestion:** Present study is regarding the issue Techniques Used to Identify and Retain Key Employees by The Star Hotels. Quality services may be provided to guest visiting in 3 star 4 star and 5 star hotels in Chandigarh by retain the acquaintance employee.

Conclusion:

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Scope and Limitations.

• Selected area, Chandigarh, though important is very small to generalize.

• The Hospitality industry is having a wide scope, only three star four star & five star Segment is considered for this study.

• Scope of this study is limited to analyzing techniques for identifying and retaining key employees. Measuring their influence on revenue, productivity and growth is not considered.

• The sample size of 370 though adequate and representative to a great extent, may be a limitation to generalize.

• Since the focus is Limited to Hotels in Chandigarh, furthers research could be carried on in the non star hotel and cities other than Chandigarh

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