

# Managing High Employees' Turnover in Hospitality Industry: A Strategic Analysis

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**Abstract:** Employees' turnover is the biggest challenge for hospitality sector. This research paper provide an insight of different methods and strategies that can be adopted to reduce employees' turnover in hospitality sector. Hospitality industry is losing its good employees to other sectors due to various reasons. As hospitality is mostly rely on employees, the high rate of employees turnover has caused a serious threat to hospitality sector. The employees' turnover is not only limited to monetary loss, it also lead to customer dissatisfaction, reduced employees morale, decreased productivity, irregular service quality and overall adversely affect the performance of an organization. The present study focuses on the causes of turnover and various strategies that can be adopted to reduce it.

**Keywords:** Employees' Turnover, Employees' Retention, Hospitality sector, Strategies.

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## I. INTRODUCTION

The recent development in technology brings lot of modification in hospitality sector too. The advancement also bring lot of change in travelling habits of people. At present large number of tourists are joining the tourism. There have been numerous colleges and institutes too which trained the students' professional to deal with tourist. But still there is a large gap between the demand and supply of employees in tourism sector. Also it has been noticed by several researchers that people are switching their jobs from hospitality sector to other sectors such as software companies, marketing jobs, academics, banking and finance etc. In these sector jobs are secure and full time, work specific and timings are fixed whereas in hospitality sector every employees whether skilled or unskilled have to work 24X7. There are no fix timing and also incentives are too low to justify the work.

It was also noticed by Barron (2009) that entry level positions are filled with low skilled workforce and also informal staffs are permitted to enter and exit the organization liberally. It has also been noticed that low skilled jobs such as housekeeper, food attendants, cleaners in restaurants, coffee shops, bards, lounge etc. allows part time job. Especially in service sector, employees are hired specifically for banquet during wedding season. Hughes (2008) explained various shortcoming in hospitality sector related to workforce working in it. He identified some of reasons behind the high employees' turnover such as low income, high work pressure, low job security, irregular job, odd working hours and less incentives as compared to other sectors.

For the recent development of hospitality sector, employee retention and their commitment towards the organization is the biggest challenge. It also effects the moral of other employees, corporate restructuring efforts and tough competition is hard to survive if you don't have good workers. It has also been noticed that employees turnover directly affect the productivity of an organization. This direct relation between employees' turnover and productivity is especially critical in current economic scenario and following downsizing of corporates when there is high rate of employees' turnover (Caplan and Teese, 1997; Ambrose, 1996; Noer, 1993).

## **II. REVIEW OF LITERATURE**

The term employee retention means the ability of an organization to retain its employees. It includes various efforts such as increased salary, better incentives, change of department etc. Organizations have different policies too to retain their employees for longer period of time. According to Padron (2004), employees' retention has become challenging due to increased number retirements and growing imbalance in supply and demand of qualified and good workforce. When a new employee join an organization, organization spend time and money to trained and get him familiarize him with company. So retaining an old employee is more effective than hiring new one.

Davidson & Wang (2011) reported that high employee turnover has become a greatest challenge before hospitality industry. High employee turnover has adverse effect on hotel sector and many good employees are even leaving this sector as they are not finding right hotel and salary. This is not only attach to monetary loss but also affects service quality and customer loyalty which in result affects the competitive positioning of a hotel resulting (Mohsin, Lengler & Kumar, 2013; Pearlman & Schaffer, 2013; Kuria, Alice & Wanderi, 2012; Mohanty & Mohanty, 2014).

Pettman (1975) also noticed that reasons for high employee's turnover can be external factors too such as economical influence, political instability or terrorism etc. There can be several reasons for an employee to leave an organization such as demographic variable, job dissatisfaction, social life adjustment, high work pressure, long working hours, nepotism, promotion and working environment (Mobley 1982). Organizations must identifies the specific reason for an employee to leave an organization. The current research paper tries to identifies the reasons for high employees turnover and suggest various methods and strategies which can be adopted to reduce high employees turnover.

## **III. MANAGEMENT STRATEGIES IN HOTEL EMPLOYEE RETENTION**

The objective of this study is to investigate and find out the methods to reduce high employees' turnover in hospitality sector. This study was conducted with the help of secondary data available in the same context. Some of the methods are discussed below.

### **Recruit right person for right job**

According to Karen and Kumutinee (2017) the best possible way to retain employees for longer period is to recruit right people for right job. Find out the objectives and choose if they match with the organizations objective. The employee must be able to understand and match the criteria for the job. The job is not only to perform given task and duties but it goes beyond all this. Employees should be able to understand companies' policies, objectives and contribute towards its success.

### **Listen**

Listening is the key ingredient to improve employee retention because it creates better understanding between employer and employee. It provide management with the insights to improve the working conditions at workplace. The first step should be able to understand the needs and interests of the employees. An environment should be made to create friendly liaison to let their employees understand and identify their opinions and thoughts. The friendly working environment helps them to share more information to create innovative solutions for engaging and encouraging. For becoming effective listener, a manger must be able to learn hear the intent, emotions and should be able to connect emotionally to try to communicate.

### **Engaging Environment**

Keeping the engagement with the employees motivate and is about having pride in the organization. It also proves that organization is willing to put extra effort to retain their employees. Better engagement, also provides feeling for the work product and inspire to do ones' best and raise above the personal benefits and nepotism. Management engagement inspire enthusiasm which provide input and helps in better decision making. The engaging environment offer opportunity to develop new skill, knowledge and decision making which also impact the work or service quality (Karen & Kumutinee, 2017).

### **Transparency in organization**

Keeping the standards fair and transparent create a positive environment inside the organization. Keeping away the favoritism and nepotism away, motivates the employees to work hard toward the common objective of the organization.

Transparency help an organization to run smooth and helps in reducing the discrepancy and promote honest and experienced persons. It also helps in providing to recruit right persons for the right job (Manpreet & Anil, 2019).

### **Provide Autonomy**

The work performance of an employee enhance when given autonomy in their work. They want them to trust by their manager to provide responsibilities and authorities to perform their duty. If manager want compliance then they should be able to identifies the employees and trust them and provide delegation of authority. Managers should be ok letting their employees to do their work. The key driver for employees' retention is to let the employee work in self direction which also improve their working performance.

### **Know Thyself**

Knowing thyself is based on the understanding which comes from examining broad range of success factors. These factors includes honest assessment of the organization, understanding organization culture, communications values of the organization to its employees. It must be kept in mind that idealistic objectives listed on companies posters and hoardings represents the behaviors of the managers and employees. It must be understood that it also required unique criteria and factors such as competencies, management style, organization culture, values, attributes, organizations objectives and its environment.

### **Improved Working Conditions:**

The working culture and working environment makes the working condition. Employees working in an organization are of different culture, race, and religion and also from different region. But inside the organization only organization culture should be followed and any kind of discrimination should be avoided based on cast, region and religion. The working conditions such as proper drinking water, food, cafeteria, stress management, training and counsellor section should be there to help the employees perform better (Manpreet & Anil, 2019). Providing rewards could help better in encouraging the employees and also help in employees' retention for longer period of time.

### **Personal and Professional Development**

Personal development such as gaining new skills and learning different methods helps in better engagement of an employee. Providing opportunities for career development and keeping them engages in their work help in employees' retention. One of the major cause of resignation is when an employee feel that he is not given the assignment for his capabilities and is also not getting proper reward for his work. Therefore, an organization should support and assist people in developing their personal skills, knowledge and advance in career. Such opportunities enhance the commitment of an employee towards an organization and reduce turnover intentions.

### **Trust and Reciprocity**

Employees trust and reciprocity should be given due consideration while taking any decision or drafting a policy for the organization. At least managers should show favorable intention toward the employee and try to reach at a conclusion where both employees and organization can be satisfied. The individual should be given proper consideration while they are in the group. A relational oriented team atmosphere should be created by the managers and organization should respond to their needs.

### **Additional Benefits**

Employees can be offered additional benefits too such as tickets for bowling, pizza, discounts in hotel for friends and family and monetary assistance to extraordinary performers. An organization can also offer other farcialities such as gym, spa, relaxation room, sports room and common room for special occasions. These additional benefits could be very beneficial to keep them engages and reduce their intention to leave that organization (Manpreet & Anil, 2019).

### **Communication**

Providing autonomy to employees also require to provide necessary information to handle different situation and empower them to make right decision. They should be free to communicate to their subordinates and seniors management in an open and honest way through two way communication. Opening doors for effective communication also encourages the employees to adjust their assumptions. So effective communication is also one of the most important way to retain their employees for longer period.

#### IV. CONCLUSION

The above described methods and strategies can be very helpful for management to retain their employees for longer period of time. Management should focus on creating an environment which is likely to share organization values and everyone understand their role. There should be fair usage of policies and transparency. Employees should be given better opportunities and more authorities and responsibilities who performed higher level of quality in serving hospitality industry. The hospitality employees' retention strategies works on satisfying the needs. Some of the effective and basic methods of employees retention involves listen, fair usage of policies, transparency, engaging environment, providing autonomy, trust and reciprocity and creating better understanding between employer and employee through effective communication. The hidden secret for successful organization is to clear objective, respect the opinion of their employees and customers and put time, money, energy into building an engaging environment.

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