

Original Research Article

Employee's Retention & Attrition in the Hospitality Industries of Gujarat

ABSTRACT: *This research aims to assess the impact of employee retention strategies within the hotel industry in Gujarat and uncover effective approaches to achieve positive outcomes. The study collected data using a structured questionnaire, utilizing Likert scales for measurement. The sample size consisted of 40 participants, selected through a probability-based sampling method. The findings indicate that several common factors significantly influence employees' decisions to join the hotel industry, including competitive salary packages, opportunities for career advancement, the allure of senior positions, and the complexity of job roles. Notably, technology was found to be effectively utilized, adequate resources were available, and the working environment was deemed safe, comfortable, and well-equipped. Furthermore, consistent policies and practices were followed by management. Five key parameters were identified as critical to personnel productivity: satisfaction with coworkers, belief that their job contributes to performance, perception of growth opportunities in the future, and the willingness of management to consider employee input. A noteworthy aspect of the study is the recognition of varying perspectives among hotel personnel in Gujarat regarding the factors influencing their career decisions. Many respondents express a willingness to leave their current positions in search of enhanced career advancement opportunities and more promising job prospects elsewhere. This research provides valuable insights into the factors affecting employee retention and productivity within the hotel industry in Gujarat, shedding light on areas where improvements can be made to foster a more engaged and satisfied workforce. These findings may serve as a foundation for the development of retention strategies that can benefit both hotel employees and the organizations they serve.*

KEYWORDS: Employees' Retention, Employee's Attrition, Hospitality Industries, Skyline Hotel.

INTRODUCTION:

Employee retention is a critical aspect of an organization's human resources strategy. It refers to an organization's ability to keep its employees on board rather than losing them to turnover, which can be a costly and disruptive problem. Successful employee retention involves distinguishing between low-performing and high-performing employees and focusing efforts on retaining valuable contributors to the organization's success. High turnover rates can be indicative of deeper problems within an organization that need to be addressed. These issues can range from a lack of clear career advancement opportunities to insufficient recognition of employees' contributions, poor relationships between employees and their managers, and various other challenges.

Employee turnover is a critical concern for organizations across various industries. It refers to the rate at which employees leave their jobs and need to be replaced. When employees depart, it has far-reaching implications that extend beyond the immediate costs of hiring and training new staff. This phenomenon encompasses not only the financial aspects but also the loss of valuable talent and institutional knowledge, both of which are integral to an organization's long-term success and competitiveness. While competitive compensation is

undoubtedly a pivotal factor in employee retention, it is essential to recognize that it is not the sole driver. Employees make the decision to leave their jobs for a multitude of reasons that go beyond monetary concerns. Job satisfaction plays a significant role in this equation. Employees who are dissatisfied with their work, tasks, or the overall work environment may opt to seek employment elsewhere, even if their pay is competitive. It's crucial to understand that job satisfaction encompasses various facets, such as job content, work-life balance, and the alignment of personal values with organizational values. Moreover, feelings of unhappiness or disloyalty can prompt employees to exit an organization. An unhappy work environment, characterized by stress, strained relationships, or a lack of recognition, can lead to job dissatisfaction and eventually turnover. Similarly, employees may feel disloyal to an organization that they perceive as not meeting their professional or personal needs.

To address these issues, employers can draw insights from concepts in organizational behaviour to improve retention rates and reduce the associated costs. It's crucial to recognize that not all turnover is detrimental. Some organizations intentionally engage in "positive turnover," where they aim to retain only their top-performing employees while allowing underperformers to leave. This selective approach can enhance overall workforce quality. Employee retention is a complicated challenge that goes beyond compensation. It involves creating a supportive work environment, recognizing and rewarding top performers, and addressing deeper organizational issues. Reducing employee turnover is essential for minimizing the time and productivity losses associated with hiring and training new personnel. Ultimately, fostering a loyal and satisfied workforce contributes to an organization's long-term success and stability.

REVIEW OF LITERATURE:

The matter of staff promotion deserves heightened consideration from hotel managers and owners for several compelling reasons. First and foremost, it is imperative to provide employees with equitable opportunities for career advancement, fostering motivation and a sense of purpose among the workforce. This entails maintaining a fair and consistent rate of promotion, ensuring that hardworking and dedicated employees are not left feeling stagnant or undervalued. Furthermore, promotions should ideally be contingent upon an individual's performance and contributions to the organization. Recognizing and rewarding those who consistently excel in their roles can lead to increased job satisfaction and enhanced loyalty. Lastly, prioritizing employee support is essential. This involves not only offering training and skill development but also creating a nurturing work environment where employees feel valued, heard, and empowered. A supportive workplace culture can significantly boost employee morale, productivity, and retention, contributing to the overall success and reputation of the hotel (BELLob, 2021). Compensation is a fundamental component of human resource management, as it plays a pivotal role in attracting, motivating, and retaining talent within an organization. It not only acknowledges the value of employees' contributions but also ensures their financial well-being, which is essential for job satisfaction and overall morale. Without fair and competitive compensation, human resource management lacks a crucial tool for building a motivated and productive workforce. Therefore, compensation is indispensable in recognizing the significance of human resources and in achieving organizational goals effectively (Derek Torrington, 2008).

Hospitality is a global industry worth \$61 billion, and it's rapidly expanding in India. As this sector flourishes, it generates numerous employment opportunities. For instance, every hotel room constructed leads to the creation of jobs for 3-5 individuals. This growth not only contributes significantly to the economy but also provides livelihoods for a substantial

workforce. It underscores the importance of the hospitality industry as a powerful driver of job creation and economic development, both globally and within India (Dinakaran, 2013). The hospitality industry relies heavily on skilled, competent, and dedicated employees. However, it faces a significant scarcity of such personnel due to several factors. Notably, the industry grapples with a shortage of qualified workers and suffers from high turnover rates. These challenges stem from various reasons, including demanding work conditions, seasonal fluctuations, and a need for specialized skills. Consequently, the industry's persistent struggle to attract and retain a capable workforce underscores the immense demand for qualified and loyal employees to meet its operational needs effectively (Laghane & Deshmuch, 2012).

The staffing crisis in the hospitality industry can be attributed to various factors, and one significant reason is that a majority of hotel management graduates opt for careers in other related fields. This trend, where only around 30% of graduates choose to enter the hotel industry, is driven by factors like more attractive salary packages, favourable working hours, and better overall working conditions available in other sectors. Furthermore, employees often leave their positions in the hospitality industry in pursuit of better career growth opportunities elsewhere. Ambitious young professionals are drawn to international destinations such as Dubai, which offer lucrative positions and the promise of career advancement. This phenomenon underscores the importance of addressing issues within the hospitality industry, including offering competitive compensation packages, improving working conditions, and providing clear pathways for career development, to attract and holdtopmost talent in a extremely competitive job market.

Many individuals are increasingly looking to countries like Canada, the UK, Thailand, or Abu Dhabi as destinations to pursue a career in the hospitality sector. This trend is driven by the industry's rapid growth and the high demand for staff, making employee retention a significant challenge. Several factors contribute to the industry's high turnover rates, including below-average wages, inadequate training programs, a history of weak leadership, unrealistic job expectations, and a culture of high turnover itself. When new employees enter an organization, they quickly absorb the prevailing culture and adopt the associated expectations. This means that if the industry fails to address these issues, it will continue to face difficulties in retaining talent and creating a stable, motivated workforce. To mitigate these challenges, the hospitality sector should focus on improving wages, enhancing training and development programs, fostering strong leadership, and creating a positive work culture that encourages employee loyalty and job satisfaction, thus enhancing employee retention (Andrews, 2012).

Two-thirds of employees who left their jobs within the reporting period found new employment within 12 months. Employee turnover may or may not be linked to work-related factors, and employers can exert control over job-related turnover but not over non-work-related turnover. Non-work-related turnover is beyond an employer's control. Factors contributing to employee turnover include variables related to attitudes, such as job satisfaction or dissatisfaction, stressors associated with job roles (like role ambiguity and role overload), insufficient employee training or orientation, lack of career advancement, inadequate income, absence of respect, and insufficient opportunities for work-life balance. Many of these reasons for leaving a job are frequently mentioned during the process of integrating new employees into the organization (Hammerberg, 2002). JW Marriott Bangalore's data reveals that the highest rate of employee attrition occurs within the first year of their employment, particularly in the first 6 to 12 months. Specifically, about 3.5% of the total turnover consists of cases where employees leave the organization, and a significant portion, approximately 63%, of these cases involve employees who have been

with the company for just 0 to 3 months. New employees encounter certain difficulties and challenges as they adapt to their roles and daily responsibilities. These challenges can lead to frustration and ultimately increase the likelihood of them resigning from their positions (Farooque & Habibuddin, 2015).

New employees often face a challenging transition when they start a new job. This initial period can be difficult because they are confronted with a new set of circumstances, including new managers, a different work environment, unfamiliar work culture, new rules and regulations, and interactions with unfamiliar colleagues. All of these changes can create a sense of unease and anxiety. The turnover rate tends to be high among employees who have been with the organization for less than a year. This is because new employees often come in with high expectations, especially in terms of professional growth opportunities and the extent of autonomy or creativity they can exercise in their roles. They seek personalized training and guidance to adapt to their new responsibilities and require varying levels of supervision and mentorship. Moreover, they value respect in their interactions. The fulfillment of these expectations during the initial period leads to a sense of commitment to the organization, boosts self-confidence, enhances job satisfaction, and fuels motivation. However, if these expectations are not met, it can result in absenteeism and a willingness to leave the job or the industry altogether. Therefore, the first impressions and experiences of new employees play a crucial role in their decision to stay or leave. (Dagsland, Mykletun & Einarsen, 2011)

Balancing work and personal life are crucial for employee well-being. Encouraging group fitness and teamwork fosters collaboration and a supportive work environment. Recognizing and rewarding employees, both through awards and flexible benefits, motivates and retains talent. Involving employees in decision-making through participation enhances engagement. Offering career growth opportunities and clear paths to promotion incentivizes hard work. Profit-sharing and transparent communication about financial matters can instill a sense of ownership and trust. Prioritizing workplace safety and security is essential for employees' physical and mental health. Transparency in organizational processes and decisions builds trust and a positive culture. Altogether, these elements contribute to a harmonious and thriving workplace, ultimately benefiting both employees and the organization (Arora, 2016). Effective onboarding is a pivotal process that establishes a connection between an employee's personal life and the organization. It helps forge a strong bond between the individual and the company. Communication channels play a key role in conveying essential messages during this phase. Guidance from various sources, including HR personnel, managers, and supervisors, is vital in ensuring a smooth transition for the new employee into the organization (Mehta, 2014).

Building social connections with new employees is an effective strategy to reduce turnover. It establishes a crucial relationship between retention efforts and a selective orientation process that provides fresh employees with initial guidance and energy. The orientation program, geared towards retention, prioritizes three key aspects: (a) it serves as the starting point for employee retention efforts, (b) it effectively manages employee expectations, and (c) it promotes the integration of organizational culture. By addressing these elements, a retention-oriented orientation program contributes to long-term employee engagement and commitment, ultimately enhancing workforce stability and performance (McKeown, 2002).

Socialization, or the process of integrating new employees into an organization's culture, is a significant factor influencing job retention. Approximately 30% of employees across different organizations cite inadequate socialization as a key reason for quitting their jobs. Research highlights that organizations excelling in cultivating employee loyalty distinguish themselves from others with low retention rates and lacklustre sales performance. Effective socialization

involves not only providing a warm welcome but also ensuring that new employees feel a sense of belonging, understand their roles, and align with the organization's values and goals. When employees are well-socialized and integrated into the company culture, they are more likely to stay committed and contribute positively to the organization's success. Conversely, organizations that neglect this critical aspect risk losing talent and experiencing challenges in achieving their sales and performance targets (Vladimirus, 2011). Cultivating a strong, positive, and transparent workplace culture is a challenging yet essential endeavour for any organization. Such a culture acts as a magnet for top talent, drawing in individuals who align with its values and principles. This, in turn, plays a pivotal role in promoting employee retention. When employees feel a deep sense of belonging, shared purpose, and open communication within their workplace, they are more likely to stay committed to the organization. A thriving culture fosters job satisfaction, engagement, and loyalty, making it a critical driver of long-term employee retention and overall organizational success (Jeromey, 2009).

Socialization is a crucial process that facilitates the integration of new employees into an organization. It serves as a mechanism for imparting the norms and values associated with their role within the company. This process plays a vital role in establishing an emotional connection with new employees, making them feel like valued members of the organization. To ensure a successful recruitment and assimilation of new talent, organizations must actively teach and communicate their norms and values. This support is essential to help new employees navigate and adapt to the organizational culture. Socialization effectively transforms an outsider into an insider by aligning their beliefs, behaviours, and attitudes with those of the organization, contributing to a more cohesive and harmonious work environment (Joshi, 2015).

RESEARCH METHODOLOGY:

This study utilizes a qualitative research methodology, employing a survey questionnaire as the primary data collection tool. The aim is to gather relevant information and insights to underpin the research.

PARTICIPANTS & SAMPLE SIZE:

The study was carried out at the Skyline Hotel in Ahmedabad, focusing on a population of 200 employees encompassing various departments, including associates and supervisors. The sample size for the study was 40 individuals, comprising managers, front desk staff, housekeeping staff, maintenance staff, and room service staff. This diverse sample was chosen to ensure a representative cross-section of the hotel's workforce, facilitating a comprehensive analysis of employee-related factors.

DATA COLLECTION:

In this study, data pertaining to employee performance was collected through a combination of primary and secondary sources. To gain a comprehensive understanding of employee retention processes, an industry-level benchmark analysis was conducted. To facilitate this, a structured questionnaire was developed, comprising four sets of questions, focusing on both entry and exit aspects of employees within the organization. This approach allowed for a holistic examination of factors influencing employee retention and attrition.

In terms of primary data, the questionnaire was administered to employees within the organization to directly gather their insights and experiences. This primary data collection process aimed to capture real-time information specific to the company's context. Additionally, secondary data sources, such as scholarly articles, books, and other relevant literature, were consulted. These secondary sources provided a broader perspective and context for the study by offering insights and best practices from the broader field of employee retention and performance. Combining both primary and secondary data sources enhanced the robustness and depth of the research findings.

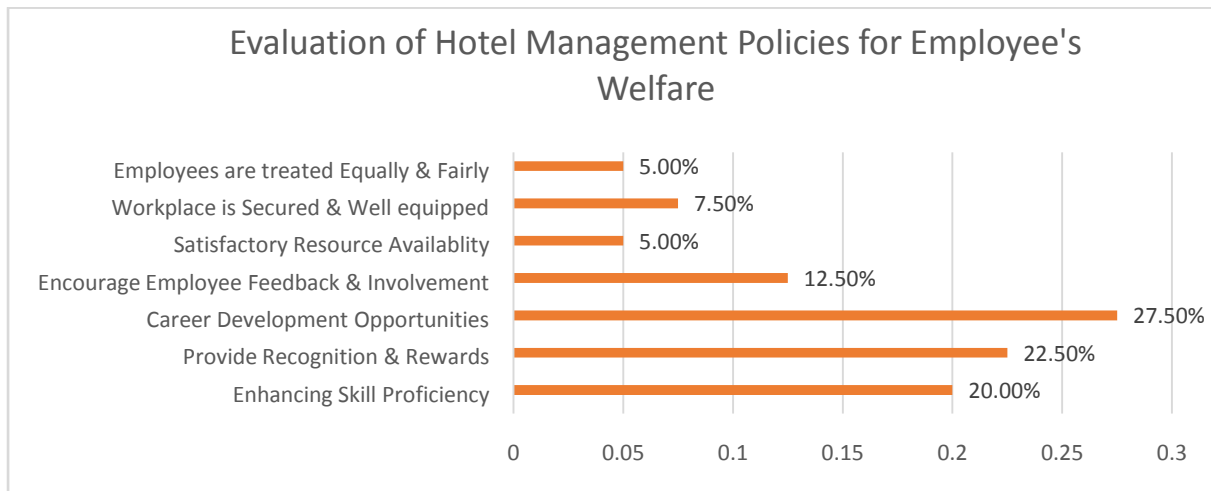
DATA ANALYSIS & INTERPRETATION:

Figure 1:



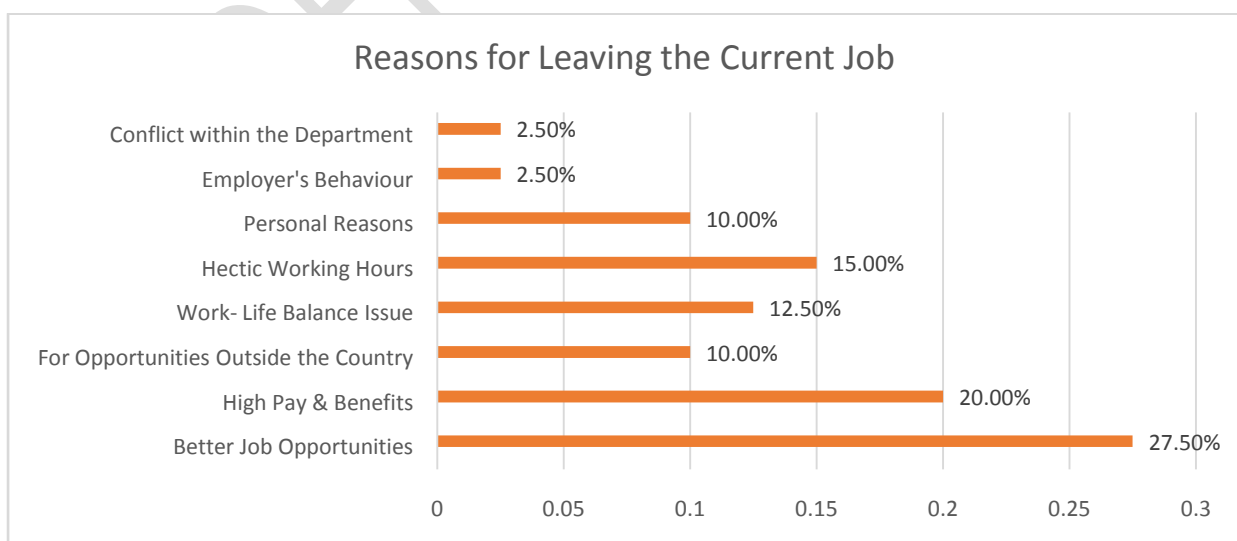
Upon analyzing the data, it was discovered that individuals had various reasons for joining the Skyline hotel. Specifically, 25% of them were enticed by the attractive salary, 17.5% were motivated by the potential for career advancement, 15% were attracted by the networking prospects, 12.5% were drawn in by the array of employee benefits, 10% were influenced by the prestigious work environment, 7.5% were impressed by the hotel's reputable company profile and were in need of a job, and finally, 5% joined because they were referred by friends already working at the hotel.

Figure 2:



From the above analysis we can find that 27.5% of employees feel that there are opportunities for career growth within the organization, 22.5% of employees derive motivation from the management's practice of offering rewards and recognition for their contributions, 20% of employees believe that their tenure at this hotel contributes to the enhancement of their skills. Furthermore, 12.5% of employees sense that the management actively fosters an environment conducive to employee feedback and involvement in decision-making processes. A segment of 7.5% of employees perceives the hotel as providing a safe and secure work environment. Lastly, 5% of employees appreciate the management for its equitable treatment of all employees and the satisfactory availability of resources. Insights reflect a spectrum of employee sentiments and experiences, ranging from career prospects and recognition to skill development, feedback culture, workplace safety, and resource management.

Figure 3:



Based on the above analysis, it becomes apparent that various factors have influenced employees to move on from their current positions. To be specific, 27.5% of employees have

chosen to depart in pursuit of more promising career prospects. Additionally, 20% of the workforce has opted for job changes driven by the allure of higher compensation and benefits. Furthermore, 15% of employees have left due to the demands of overly busy and hectic working hours. A portion of 12.5% has decided to seek alternative employment to attain a better work-life balance. Moreover, 10% have embarked on job transitions, seeking both international opportunities and solutions to personal issues. In contrast, a relatively minor 2.5% of employees have cited issues related to employer behaviour or departmental conflicts as the primary catalyst for their departures. In summary, these findings reveal a diverse range of reasons behind employee turnover, encompassing career aspirations, financial incentives, work-life equilibrium, and interpersonal dynamics.

CONCLUSION & SUGGESTION:

In conclusion, our analysis of the data has shed light on the diverse motivations that drive individuals to join the Skyline Hotel. It is evident that there is no one-size-fits-all answer to the question of why people choose to work at this establishment. Instead, a complex interplay of factors comes into play, each influencing a different segment of the workforce. The most prominent factor, enticing 25% of the employees, is the attractive salary offered by the Skyline Hotel. This highlights the crucial role of financial compensation in attracting talent to the organization. It underscores the importance of competitive salary packages in the hospitality industry, where skilled professionals are often in high demand. Career advancement opportunities, motivating 17.5% of employees, demonstrate the significance of personal growth and development within the organization. People are drawn to companies that invest in their employees' future and provide clear paths for progression. Networking prospects (15%) reveal that the hotel's reputation and industry connections serve as a magnet for those looking to expand their professional networks. This suggests that the hotel's status and connections in the industry are valuable assets for talent acquisition. Employee benefits (12.5%) showcase the importance of comprehensive benefits packages in attracting and retaining a satisfied workforce. Such benefits can include health insurance, retirement plans, and various perks that enhance the overall job satisfaction of employees. The allure of a prestigious work environment speaks to the importance of brand image and company culture. A reputation for excellence can attract individuals who aspire to be associated with such a prestigious organization. The Skyline Hotel's ability to attract a diverse workforce with a range of motivations is a testament to its multifaceted appeal as an employer. Understanding these motivations is essential for the hotel's continued success in recruiting and retaining top talent in the competitive hospitality industry. By addressing these varied motivations, the hotel can tailor its recruitment strategies and employee retention efforts to maintain a thriving and satisfied workforce.

The analysis of employee perceptions at this organization provides valuable insights into the factors that drive motivation and job satisfaction. The fact that 27.5% of employees see opportunities for career growth within the organization is a positive sign, indicating that the company's internal career development efforts are having a significant impact on a substantial portion of the workforce. Additionally, the management's practice of offering rewards and recognition is resonating with 22.5% of employees, suggesting that acknowledging and appreciating employees' contributions is an effective motivational strategy. Furthermore, the finding that 20% of employees believe their tenure at the hotel enhances their skills highlights the value of continuous learning and personal growth opportunities provided by the organization. It demonstrates a commitment to employee development that can lead to higher job satisfaction and retention. The management's active

effort to foster an environment conducive to employee feedback and involvement in decision-making processes is acknowledged by 12.5% of employees, indicating a positive organizational culture that values employee input. Lastly, the perception of a safe and secure work environment by 7.5% of employees is crucial for maintaining a productive and content workforce. Thus, this analysis underscores the importance of career development, rewards and recognition, skill enhancement, employee involvement, and workplace safety in influencing employee motivation and satisfaction. Recognizing and building upon these factors can contribute to a more engaged and committed workforce, ultimately benefiting the organization's overall success.

To address the attrition challenges highlighted in the analysis, organizations should consider retention strategies. They could invest in robust career development programs that provide clear growth paths for employees. Offering training, mentorship, and advancement opportunities within the organization can retain talent seeking promising career prospects. Regularly review and adjust salary packages and benefits to ensure they remain competitive in the job market. A comprehensive rewards system can help retain those motivated by higher compensation and benefits. Management can implement policies and practices that promote work-life balance. This may include flexible work hours, remote work options, and employee wellness programs to address the concerns of those seeking a better work-life balance. Address the issue of hectic working hours by assessing workload distribution and optimizing processes. Encourage breaks and vacations to prevent burnout. Start a culture of employee engagement and open communication. Actively seek and act upon employee feedback to enhance their involvement in decision-making processes, which can help with retention. Consider offering international assignments or opportunities for employees interested in exploring global roles. Create a supportive framework for international transitions. Conduct thorough exit interviews to understand the specific reasons behind attrition. Use this feedback to continually improve retention strategies. Regularly analyze employee data to identify attrition trends and proactively address areas of concern. Recognize and appreciate employees for their contributions. A culture of appreciation can go a long way in boosting morale and reducing turnover. By implementing these strategies, organizations can not only reduce attrition but also create a more positive and supportive work environment that attracts and retains top talent. It's essential to tailor these approaches to the specific needs and challenges of your workforce.

LIMITATION & FUTURE RESEARCH:

The current study on Retention & Attrition within the Hospitality industries has provided valuable insights, but it does have certain limitations. These limitations should be considered when interpreting the findings, and they also open avenues for future research to enhance the understanding of Retention & Attrition of Employees across various industries and organizations.

The study is confined to a single Reputed Hotel, which may not fully represent the broader diversity of practices and challenges faced by other types of hotels and hospitality industries. Future research should explore Retention & Attrition in various organizational settings, such as manufacturing, BPO, IT, education, and more, to gain a comprehensive understanding of its implications across different sectors. The current research focused on a single establishment, which might have specific characteristics or idiosyncrasies that are not representative of the entire Hospitality industry. Future studies could benefit from a comparative approach, involving multiple companies from the same industry or different sectors, to draw more robust conclusions.

The study utilized a relatively small sample size of 40 respondents, which might limit the generalizability of the findings. Conducting the research with bigger samples would offer better statistical power and reliability, providing more assured and precise results. The research data collection has been constrained to a specific region, potentially inducing the findings. Escalating the research to cover a broader geographic scope would help understand how regional or cultural factors may affect Retention practices and perceptions.

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