Talent Retention- A Step Towards Profitability for Hotel Industry

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Abstract:

Talent is the requirement of every organisation be it large or small. Without talent no organisation can grow or sustain. Talent is an inborn quality of an individual. It can be any trait an individual possess, which are horned to achieve the desired results. Being competent is not only enough to be a talent. The competent person should be committed to the causes and goals of the organization and should be able and willing to contribute to the success of the organization.

It is something that sets one apart. Talent is scarce therefore it need to be carefully utilized and handled.

Talent refers to the set of people who have potential and skills to perform ant task successfully and lead to desired transformation and change in the organization. Such individuals are usually sought after in the market and their contribution to business adds direct value to its strategic and competitive positioning. Each resource in the organization plays a vital role in its success. Amongst all the available resources in an organization, human resource is the most crucial one.

Tourism industry has shown a significant grown as an industry and has gained worldwide importance and significance almost in every economic activity. Many economies of the countries depend largely on this tourism industry. In general, a "hotel" can be termed as a public establishment offering visitors against payment two basic services i.e. accommodation and catering.

This paper focuses on why and how Talent is to be retained in Hotel Industry. It throws light on the causes of attrition, measures to be taken and post attrition strategy. Retaining talent increases the profitability and several other benefits.

Introduction:

Talent is the ability of individuals to perform better then others.
It can also be an inborn quality or the ability to perform well which is developed over a period of time.

The term Talent management was coined by **David Watkins** of Softcase published in an article of 1988.

Talent Management is a "continuous process that systematically identifies, assesses, develops and retains talent to meet current and future business requirements. Its strategic importance was realized when McKinsey consultants group claimed the human resource as "War for talent" in late 1990's this war for talent was promoted by the realization that talent shortages were increasingly becoming one of the biggest human resource concerns.

Talent Management is "a conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organisational needs."

Talent management "involves individual and organisational development in response to a changing and complex operating environment. It includes the creation and maintenance of a supportive, people oriented organisation culture."

Talent Management is a set of practices that reputed organizations are investing in their employees to keep the required talent framework in the optimum shape. It may include-

1. Mapping the current talent through Talent Grid (Highlighting the High Potential set of employees in the system)
2. As a part of the Key Result Areas (KRA) setting/ Key Performance Objectives (KPO) setting for Senior Leaders, ensuring the development of high potential employees along with the action plan & projected time frame.
3. Organizing leadership development program for executives and above to ensure constant learning and development for the employees.
4. Cross-exposure training.
5. Developing Personal Development Plans for employees with clear focus on development of team members as per their preferred plan of growing within the system.

Talent Retention is an important component of Talent Management. It is very important for the organizations to retain Talent to have a competitive edge.

In general, a "hotel" is defined as a public establishment offering visitors against payment two basic services i.e. accommodation and catering. However, during the last few years great changes have taken place in the scope of hotel industry.

Industrial revolution and trade expansion resulted into increase in the number of visitors crossing international border. In this era, room furnishing and catering received greater attention. Emphasis was made on accommodation with spacious assembly hall and dining hall for organising functions and parties etc.

Objective of the paper:

- Causes of attrition in Hotel Industry
- Measures to be taken to Retain Talent
- Post attrition strategy.

Research Methodology:

This paper is based on secondary data which includes journals, books, articles, newspaper etc.

CAUSES OF ATTRITION

1) Workload

Hospitality Industry is highly labour intensive and has increasingly harsh environmental demands imposed upon it. The nature of work within hotels involves hard work and deadlines, unexpected interactions with guests, night and evening work, repetitive work, high emotional demands, low influence (control), shift work, high work space and problems with coordination of work. Not everyone is able to adjust to such rigorous working lifestyle.

2) Long Working Hours

The working hours in Hotel industry is not fixed as it is 24x7 running industry. The hospitality industry is known for being fast-paced, and staff turnover in this industry is high. Involves long and unsociable hours in hospitality industry can make it difficult for employees to juggle work with other commitments, particularly family. Employee stress and burnout can lead to staff members leaving, or becoming demotivated.

3) Work Environment

Work Environment in Hotel Industry is little stressful because of many factors and unchanging pattern of work. There is constant pressure to meet the targets and make profits. Depending upon the occupancy and guest movement everything is framed. Due to constant work, employees may feel stressed and at times may enter into verbal spat and often there can be rivalry within the departments for work related reasons. However employees have to give in their best as they have to deal with guest.

4) Salary

As compared to other Industries Hotels are 24x7 running. They provide comfortable stay to guest and ensure the best is done to provide excellent services, still the salary and other benefits are limited and this is the biggest setback. Even after investing a lot and gaining experience for good number of years the hike is limited. The middle level staff is always at the suffering end as it gets difficult for them to meet the personal and family requirements. This results in dissatisfaction and change of career eventually

5) Career Growth

Option of Career Growth is not available for all only a few have the opportunity to rise.
MNC like Intercontinental Hotels Group (IHG), Hyatt, Accor, Hilton, Accor provides opportunity for Career Growth. With great brands chances of Growth is high as compared to others. Therefore the attrition rate is high due to lack of growth opportunity

MEASURES

1) Fixed Working Hours

The concept of fixed working hours which we find missing in Hotel Industry can be a great way for Talent Retention. Fixed Working Hours will help to have Balance in Personal and Professional Life. It will also reduce stress which one encounters due to long and tedious work regime. Long Working Hours for long time have adverse effect on mental and physical health too

2) Cordial Working Environment

Work Environment is an important tool for an employee to carry on in an organization. A positive work environment plays an important role in adjusting to the surrounding and delivering what is expected from any employee. Negative and stressful work environment affects an employee's performance, reduces the motivation and morale.

3) Recognition and Rewards

Employee Recognition Recognizing and rewarding an employee's performance reinforces positive behavior and encourages additional positive behavior. If a team member feels that he or she is appreciated they will be much more likely to repeat their behaviors in the future and even put out more effort than before. When a business leader understands the power of

recognizing his or her employees the culture of an organization reacts to this recognition and moves in a positive direction helping to retain more employees
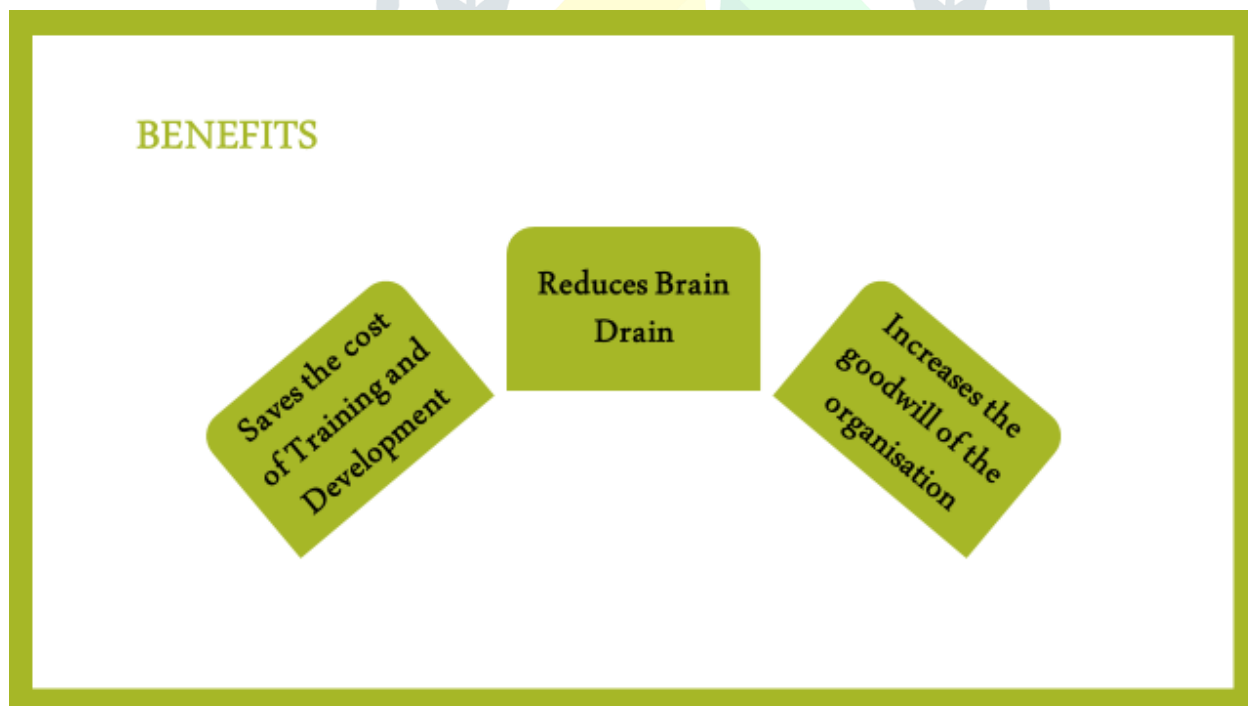
Employee Reward Program- Organization can make a provision of Monthly or Quarterly Award (depending upon the budget) for the best employee, and these rewards are based on performance of the employee. The award can be in terms of gifts or money. If it is money then it should be divided into two parts, first part to be given with the next month salary and the remaining after 6 months. In this way he/she can be retained for 6 more months. These rewards shall be considered at the time of appraisal.

4) Enhanced Opportunity for Career Growth-

Every person starts a career with a clear thought to learn and grow fast. Nobody would like to be stagnant in his or her career. Everyone wants to climb the ladder as fast as possible. Therefore if Hotels need to focus on the career planning and growth of the employee and motivate them to do so.

MNCs like IHG and Marriott Have clear defined Career Growth Plan. They focus on Personal Development Plan and Key Performance Objectives. They have Management Trainee Programme/ Future Leader Programme.

BENEFITS

BENEFITS

Saves the cost of Training and Development

Reduces Brain Drain

Increases the goodwill of the organisation

1) Saves the cost of Training and Development

Organisations invest a lot on the employees from hiring, onboarding and settling down phase. Learning and development is an important constituent of an employee's career cycle and every organization focus on training and developing the employee. If any employees leaves after being fully trained it leads to monetary loss to the company as training an employee is a time consuming and cost involving affair and when that employee's leaves the process has to be reinitiated.

2) Reduces Brain Drain

When an employee leaves the organization he/she takes away the valuable company knowledge and information about the company, customers, current projects and past history often much time and money has been spent on the employee inexpectation of a future return. When the employee leaves, the investment is not realized.

3) Increases the Goodwill of the Organisation

The goodwill of a company is goes high when the attrition rates are low and there is good word of mouth publicity. Higher retention rates motivate potential employees to join the organization. Boost the morale of the current employees and prospective employees

POST ATTRITION STRATEGY

Now a days just to ensure the talent doesn't go far off and may return in the future organizations are ensuring good exit experience for the employees so that they take away good memories and understand the fact that they are important to the organization.

MNC's have adopted a good way of Keeping track of the ex-talent by the way of sending emails just to make them know that they are still remembered for their performance and great work by the organization. So that the employee feel valued, connected and the prospects of return may be expected

Post Attrition

Ensuring Good Exit Experience

Keeping in touch with the ex-employee to ensure the chances of Future Return
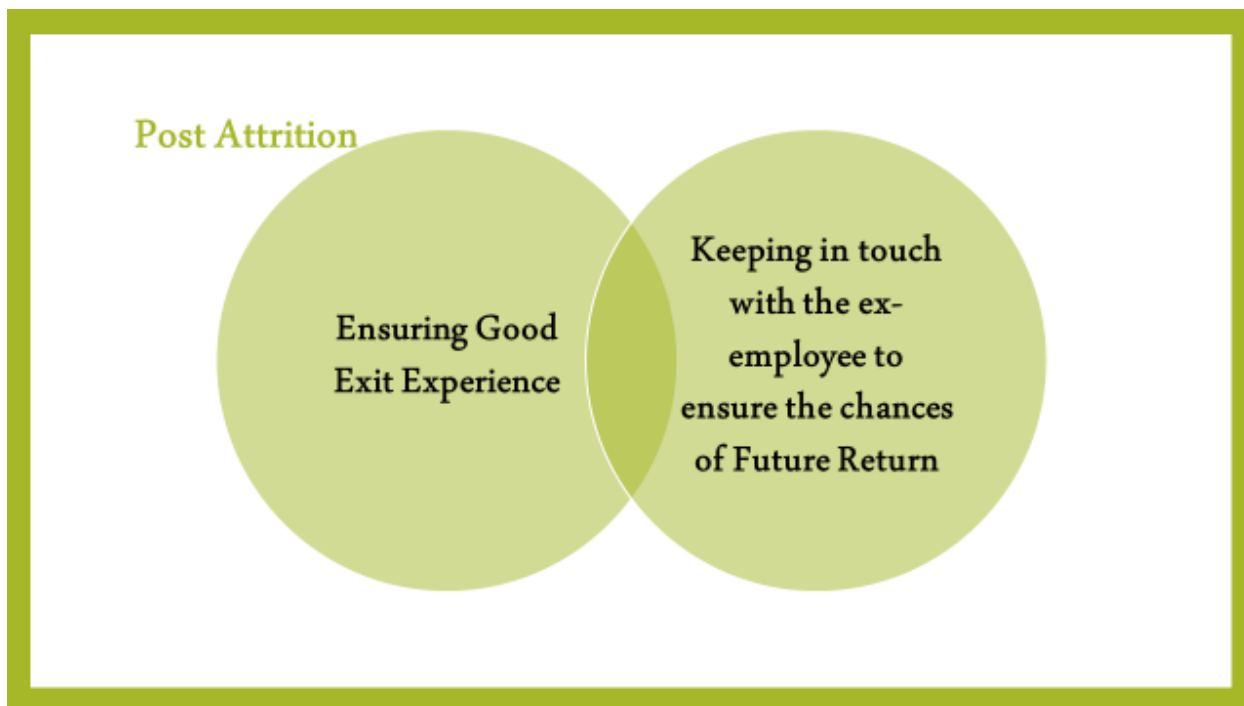
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