1. Introduction

The hotel industry is one of the fastest growing industries in the world. Being a service industry, quality of service is of utmost importance to get the competitive edge and to be a successful venture. Quality of service can be maintained in two ways: By training the employees and developing their skills and by retention of trained employees who have mastered the art of quality service.

This study attempts to derive a relationship between training and development of employees and the effect it has on retention. The study is not restricted to these two aspects but also attempts to link training and development with factors like employee efficiency, quality of service, employee satisfaction, and employee performance, motivational levels of employee and cost of attrition.

The city of Pune has been identified for the study because it is one of the prominent hospitality hubs in the country, which has seen unprecedented growth in the room’s inventory. This has resulted in the demand for skilled personnel in the hotel industry shooting up and lack of supply of human resources. Competition then is the next challenge. Service quality in this scenario is the competitive edge that the hotels aim for.

The awareness of the importance of training and development is growing with hotels making budgetary provisions for this activity. Multi national chains like the Starwood group with brands that include Le Meriden, Westin and Four Points by Sheraton are now investing up to 2% of their total revenue on training and development of the employees. A career advancement plan and a training plan is drawn up to ensure
readiness of the employees for career advancement. Most of the hotels have a similar thought process and now have a dedicated training cell.

1.1 Scope of Study

- Sampling was limited to 3 star hotels and above in the city of Pune
- 3 levels of employees were considered for sampling namely:
  - Top Management
  - Middle Management
  - Supervisory Level
- Strategies of training and development adopted by the hotels
- Identification of Training needs of the employees
- Establishing the importance of training and development in enhancing employee performance, customer satisfaction and employee motivation.
- Investment in training and development of employees
- Impact of training and development on employee satisfaction and retention.

2. Review of Literature

Primary Sources used were relevant books, research papers, thesis, research projects and articles (1980 to 2012). The most important study related topics reviewed from various sources were as follows:

1. Understanding the term Training and development of employees
   - The role of training and development in Hotel Industry success – The case of Croatia
   - HR concepts in Hotel Industry towards employee training and development
2. Importance of Training and Development in the hotel industry
   - The importance of staff training in the hotel industry: Renaissance Shanghai Yuyuan Hotel
   - An empirical test of training outcomes in the Australian Hotel Industry
   - Relationship of training with employee performance in hotel industry: Case of Peral Continental Hotels in Pakistan
   - Effect of turnover on performance and effectiveness of HR Practices & Policies in retention: A case study of hotel industry

3. Methods for effective training and development
   - Competence model in Education and Training Process in the hotel industry
   - Training and development in British Hospitality and tourism
   - Significance and impact of training through six sigma in hotels
   - HR: Marriott employee training and development program

4. Training Needs Identification
   - Analysis of Senior Management training needs in International Hotel Companies – A field study.
   - Training needs for the hospitality industry

5. Strategies of training and development in the Hotel Industry
   - Strategic employee training and development in Chinese Luxury Hotels

6. Measuring effectiveness of training through evaluation
   - Support of multi-level evaluation framework in Hospitality Training
   - Post training self-efficacy, job involvement and training effectiveness in the Hospitality Industry
• Methods of evaluation: Training techniques

• An evaluation tool for strategic training and development: Application in Chinese high star rated hotels

7. Return on Investment on training and development of employees

• ROI in Managerial training: The method matters.
• Cost effective training and development programs in the Hotel Industry during a recessionary period.
• Measuring results of training with ROI Method: An application in a 5 star hotel in Anatalya region in Turkey

8. Training and development for customer satisfaction

• Training and Service quality: A case study analysis of regional Australian Restaurants.
• Customer satisfaction and TQM: A comparative study of Western and Thai Hotels.

9. Training and development for employee satisfaction and their career advancement

• A case study of Restaurant Motivations and Outcomes

10. Training and Development for employee retention

• The impact of employee training on job satisfaction and intention to stay in the hotel industry
• A case study into the benefits of Management Training Programs: Impacts on Hotel Employee turnover and satisfaction level
• Effect of Management Development practices on hospitality Management graduates job satisfaction and intention to stay
• Impact of training and development on employee job satisfaction, loyalty and intention to stay in the lodging company
3. **Research Methodology**

3.1 **Objectives of the study**

- To identify various strategies adopted by hotel industry for training their employees.
- To study the level of awareness amongst employees about training and development strategies in the hotel industry in the city of Pune.
- To analyse the consistency of the training strategies by hotel industry for training their employees.
- To study the managerial practices followed by the hotels in the city in improving employee retention through training and development.
- To analyse the relationship between training & development and employee satisfaction.

3.2 **Hypothesis:**

*Hypothesis No 1:*

- H1: There is a positive relation between employee’s retention and training and development given to them
- H0: There is no relation between employee’s retention and training & development given to them.

*Hypothesis No 2:*

- H1: There is a positive relation between employee’s satisfaction and training and development.
- H0: There is no relation between employee’s satisfaction and training & development.

*Hypothesis No 3:*

- H1: There is a positive relation between employee’s satisfaction and employee’s retention.
- H0: There is no relation between employee’s satisfaction and employee’s retention.
3.3 Type of Research:
Descriptive research has been used to study the various existing strategies for training and development and includes surveys and expert opinion. The research has been divided into 2 parts. Qualitative research in terms of expert interviews with the leading decision makers of the hospitality industry and quantitative research in terms of questionnaires filled by employees at 3 hierarchical levels namely top management, middle management and supervisory level employees has been used. The sample for quantitative research is based on the number of employees working in different categories of hotels. This involved samples from various categories of hotels, to be studied separately as per their category, ranging from five star hotels, to three star hotels. The findings of the quantitative and qualitative surveys have been compared. The objective of this was to validate or disprove the quantitative findings.

3.4 Pilot Study
For the pilot study, a questionnaire was prepared with about 40 questions based on the objectives of the research and hypothesis of the study. Areas of interest related to the various factors relevant to the topic were identified. Questionnaires were filled by 34 employees from 6 hotels. Attempt was made to divide the sample size based on the room inventories of individual hotels and the 3 levels of hierarchy to eliminate bias.

3.5 Qualitative Research (Expert Interviews)
Structured interviews were conducted by the researcher. Altogether 7 Human Resource directors / mangers, who are the leading decision makers in the hospitality industry, were carefully selected for the interviews. The researcher also ensured that Human Resource Directors interviewed were from all-star categories of hotels.
The questions were drafted keeping in mind the objectives of the study. The points that were covered in the interviews were:

- Reasons for a high attrition rate in the hotels
- Strategies to reduce the attrition rate
- Strategies for training and development of employees
- Investment on training and development of employees in terms of percentage revenue
- Linkages between training and development and motivational and satisfaction level of employees
- Effect of training and development on retention of employees.

### 3.6 Sample size

A Sample size of 333 respondents was considered for the study with 260 males and 73 females. Researcher has collected responses from all three categories of hotels i.e. five star, Four star and Three star hotels in Pune. All respondents were classified in different categories based on age of respondents, occupational level of respondents and gender.

<table>
<thead>
<tr>
<th>Hotel Category</th>
<th>No. of Hotels</th>
<th>Questionnaires Received</th>
<th>Top Management</th>
<th>Middle Management</th>
<th>Supervisory Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 star &amp; 5 star deluxe</td>
<td>16</td>
<td>161 (48.3%)</td>
<td>25</td>
<td>52</td>
<td>83</td>
</tr>
<tr>
<td>4 stars and business hotels</td>
<td>16</td>
<td>150 (45%)</td>
<td>25</td>
<td>46</td>
<td>80</td>
</tr>
<tr>
<td>3 star hotels</td>
<td>4</td>
<td>22 (6.6%)</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>36</strong></td>
<td><strong>333 (100%)</strong></td>
<td><strong>57 (17.1%)</strong></td>
<td><strong>105 (31.5%)</strong></td>
<td><strong>171 (51.4%)</strong></td>
</tr>
</tbody>
</table>
4. Data Analysis
Various strategies of training and development adopted by the hotel industry were analyzed.

Validity and Reliability: Cronbach Alpha was used to test the reliability of all the variables.

Data was then collated through excel and analyzed using Statistical Package for Social Sciences (SPSS).

Some of the major findings were as follows:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>92% agree / strongly agree</td>
<td>Training is an important aspect for hospitality business.</td>
</tr>
<tr>
<td>88% agree / strongly agree</td>
<td>Training is an important factor for high retention of employees in hotel industry</td>
</tr>
<tr>
<td>80% agree / strongly agree</td>
<td>Deputation for training is largely based on training need identification</td>
</tr>
<tr>
<td>86% agree / strongly agree</td>
<td>Attending frequent training programs has helped in career growth in the present organization.</td>
</tr>
<tr>
<td>81% agree / strongly agree</td>
<td>Training and development has helped in continuance in the present organization.</td>
</tr>
<tr>
<td>88% agree / strongly agree</td>
<td>Participation in the training program boosts morale and employees feel enthusiastic about their work</td>
</tr>
<tr>
<td>84% agree / strongly agree</td>
<td>Performance rating gets better after every training session.</td>
</tr>
<tr>
<td>90% agree / strongly agree</td>
<td>Customer satisfaction gives tremendous job satisfaction</td>
</tr>
<tr>
<td>86% agree / strongly agree</td>
<td>Training helps you to learn and grow in the organization</td>
</tr>
<tr>
<td>80% agree / strongly agree</td>
<td>It is easy to achieve the targets set by the management because of training.</td>
</tr>
<tr>
<td>79% agree / strongly agree</td>
<td>High percentage of retention has resulted in more productivity output amongst employees.</td>
</tr>
<tr>
<td>84% agree / strongly agree</td>
<td>Training and development activity in organization helps employees in career advancement</td>
</tr>
<tr>
<td>Percentage</td>
<td>Response</td>
</tr>
<tr>
<td>------------</td>
<td>----------</td>
</tr>
<tr>
<td>76 % agree / strongly agree</td>
<td>There is a sense of satisfaction with the organization because of training and development factor</td>
</tr>
<tr>
<td>77 % agree / strongly agree</td>
<td>There is a desire to be associated for a long period with the organization because of training and development opportunities.</td>
</tr>
<tr>
<td>80 % agree / strongly agree</td>
<td>There is a desire to be associated with the organization because of high level of satisfaction</td>
</tr>
<tr>
<td>89 % agree / strongly agree</td>
<td>Training helps to perform better in the job</td>
</tr>
<tr>
<td>88 % agree / strongly agree</td>
<td>Training has added to the market value thereby giving more job opportunities in the market.</td>
</tr>
</tbody>
</table>

**Hypothesis Testing:** Hypothesis was tested through one sample T Test.

**Hypothesis No.1:**

Null hypothesis was rejected and it was concluded that there is a positive relation between employee’s retention and training and development given to them.

**Hypothesis No.2:**

Null hypothesis was rejected and it was concluded that there is a positive relation between training and development and employees satisfaction.

**Hypothesis No.3:**

Null hypothesis was rejected and it was concluded that there is a positive relation between employee satisfaction and employee retention.

5. **Discussion and Conclusion:**

- The employees to a large extent are aware of the importance of training and development.
- The hotels are also realizing the importance and making provisions in their budgets for training and development of the employees.
- Hotel Industry is expanding rapidly and the local industry suddenly has to compete with the global players. Also the clientele that has to be served is well travelled...
and aware of the desired quality of service. It therefore becomes imperative that the same quality be maintained for competitive edge and customer satisfaction. Training will ensure service quality.

- Employee efficiency will increase through training, which will lower the cost incurred on the service.
- Employee efficiency leads to customer satisfaction.
- Employee satisfaction is achieved through a job well done and appreciation by the customers. It is one of the most important factors of motivation.
- Motivated employees are loyal employees. Training and development therefore has a positive impact on the retention of employees.
- It is necessary for the hotels to have a structured training and development plan which includes training need identification, appropriate budgets, and methods of training and evaluation of performance post training.
- A well-defined career path for the employees with structured training and development activities is crucial in making the employees feel that the employers care enough about them to make an investment in their development.
- Training ultimately can be a means for positive change in any organization.

6. Utility of Research

- The outcome of the study will be helpful to understand the benefits of training and development for the organization as well as for the employees.
- The study gives insights on the perception of the employees about training and development activities in the hotels.
- The study also suggests that a career path be defined for the new recruits, with structured career advancement programmes, that are understood by the employees.
• The research aimed to develop and customize specific training module which can be incorporated as a part of academic study through an education – industry initiative

**Model T^2 C: Model for talent identification, training and career advancement**

The proposed Model is developed with the objective of having a structured plan for career advancement of the employees, based on their performance and capabilities. There are 3 clear cut avenues for the employee advancement and each track has individual training modules that the employees have to successfully complete before they avail of the promotion.