Summary

The researcher in this study on “Study on HRD practices to minimise labour turnover in hotel industry: specific focus on Kerala”, intends to identify the various reasons for labour turnover in the hotel industry and how labour turnover can be minimised using human resource development practices. Labour turnover is a crucial factor that affects all industries where people plays major role in operations. But an industry like hotel industry which is a subset of hospitality industry, the after effects of labour turnover is very significant. Hotels depend on people to man all the operations; we cannot think of a hotel without people involved in operations, it is such a labour intensively involved business. The researcher’s experience in working and training people in the industry for 12 years has motivated the study. Hotels take lot of effort to recruit and train people and once the new recruits become productive after extensive training by spending resource like money, manpower, and time; but they tend to leave the organisation soon after they start yielding services. This affects the productivity and quality of operations of the hotels. The study was done at 30 hotels which are from three zones of Kerala viz. south, central, and north. The prime focus of the study was on five, four, and three star hotels based in Thiruvananthapuram, Kochi, and Kozhikode. 300 employees in various levels of designation, and groups based on age, number of years of experience, and numbers of years in the hotel are taken as samples of the study. In the study following 18 HRD practices were used to study how these practices can minimise the labour turnover:

- Recruitment practices
- Standard selection process and procedures
- Induction programme
Apart from this the study intends to find out the existing manpower scenario in the hotel industry with particular reference to Kerala. The study intends to identify the human resource practices that are practiced by the hotel industry and also to identify the reasons for manpower turnover in the hotel industry. The study puts an effort to identify the pattern in which HRD mechanisms can be applied to minimise labour turnover in the hotel industry, and the study also intends to provide suitable HRD mechanisms for reducing labour turnover in the hotel industry. The following of hypothesis of existence of demand and supply of manpower gap in the industry, the significance of HRD practices in inducing labour turnover, and the existence of HRD practices that are more suitable to the hotel industry are tested during the study.
Findings:

The first objective of the study was to find out the existing manpower scenario in the hotel industry with particular reference to Kerala. The following were the major findings:

- 30% of hotels employee more than 200 staff with them, 6.7% of the hotels under the study employees 150-200 people and 33% employees 100-150 staff with them
- 6.7% of hotels employee more than 200 male employees, 20% employee 150-200 males, 26.7% employee 101-150 male employees and 40% employee 51-100 male employees
- 93.3% of hotels employees below 50 female employees, 6.7% employees between 51-100 female employees.
- 53.3% hotels employee above 40 employees from corporation/ city areas. 16.7% employees 21-30 from corporation/city areas. 20% employee 11-20 and 10% employee less than 20 people from corporation/city areas.
- 30% hotels employee above 40 employees from municipal areas. 10% employees 31-40 from municipal areas. 16.7% have 21-30 employees, and 40% employee 11-20, people from municipal areas.
- 33% have above 40 people from village/panchayath areas. 10% have 31-40, 3.3% have 21-30, 40% have 11-20, and 13.4% have below 10 people from village/panchayath areas.
- 50% hotels employee below 10 people from other states of India. 40% employee 11-20, 6.7% employee 21-30 people from other states of India.
- None of the hotels under the study employee foreign nationals as their staff.
- 40% hotels recruit above 40 people annually. 33% recruit 31-40, 20% recruit 21-30, and 6.7% recruit 11-20 people annually.
- 40% hotels have above 40 people leaving annually. 33% have 31-40, 20% have 21-30, and 6.7% have 11-20 people leaving annually.
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➢ 13.3% of hotels have above 200 permanent labours. 6.7% have 151-200 people, 30% have 101-150, 33.3% have 51-100 and 16.7% have below 50 people as their permanent employees.

➢ All the hotels under the study works between 360-365 days a year.

➢ All the hotels work for 24 hours a day.

➢ 50% of hotels have absenteeism up to 50 days a year. 23.3% have 52-70 days, 16.7% have 71-90 days, 3.3% have 91-110 days and 6.7% have above 110 days of absenteeism per year.

The second objective of the study is to identify the human resource practices those in existence in the industry. The following are the findings:

➢ 98% of the respondents agreed that their hotels have standard recruitment practices.

➢ 93.7% of the respondents responded that their hotels have standard selection process and procedures.

➢ 93% of the respondents said that their hotels provide induction programme to new recruits.

➢ 94.7% of the respondents agreed that their hotels conduct training and development programme for their employees.

➢ 92% of respondents said that their hotels have performance appraisal system.

➢ Only 10.3% of respondents agreed that their hotels have potential appraisal system.

➢ 60% of the respondents agreed that their hotels have career planning programmes.

➢ 39.3% of respondents feel that their organisation conduct OD programmes.

➢ 68% of the respondents under the study agreed that their organisation conduct motivation programmes for the employees.
35% of respondents agreed about conduction of performance coaching programmes in their hotels.

37.7% of respondents felt about mentoring programmes in their hotel.

29.7% employees agreed that their hotels conduct employee engagement programmes.

72.7% of respondents agreed that employee welfare programmes are conducted in their hotel.

53.3% agreed about transparent wage and salary system exist in their organisation.

Only 27% felt about job enrichment programmes in their organisation.

68% agreed that quality of work life programmes are conducted for the employees by their hotels.

55.7% of employees agreed that their hotels have HRIS.

The third objective of the study is to find out the reasons for manpower turnover in the hotel industry. The data obtained from the respondents are tested with Fisher's Statistic and the p-value 0.0005 to 0.000 is considered to seen as significant relation for turnover. The categorisation of the employees was done on the basis of age, designation, number of years of experience, and number of years in the hotel. The following reasons were found out as the reason for manpower turnover in the categorisation of employees:

- Category 1: Age of employees
  - Prospects for better education
  - Opportunity to stay with spouse or family
  - Chances of illness
  - Death of close family members
  - Opportunity for better promotion
  - Opportunity for better pay offer
• Job opportunities that more satisfies personal needs
• Opportunity for better recognition at work
• Opportunity for more independence at workplace
• Opportunity for better relationship with supervisor
• Opportunity for safe working conditions
• Opportunity for more shared responsibility
• Opportunity for more personal accountability
• Opportunity for creativity
• Opportunity for innovation
• Opportunity for more aggressive recruitment by other organisations
• Opportunity for more availability of employment opportunities
• Opportunity for better compensation
• Opportunity for more scope for development
• Opportunity for better career advancement
• Opportunity for more employment security
• Opportunity for more welfare measures
• Opportunity for more fairness at workplace
• Opportunity for more training
• Opportunity for better recruitment policy
• Opportunity for more incentives
• Opportunity for more career opportunities
• Opportunity for moving abroad
• Opportunity for more motivation
• Opportunity for more support from managers
• Opportunity for more support from management
• Opportunity for more financial aid/support

➢ Category 2: Designation of employees

• Prospects for better education
• Opportunity to stay with spouse or family
• Chances of illness
• Death of close family members
• Opportunity for better promotion
• Opportunity for better recognition at work
• Opportunity for more independence at workplace
• Opportunity for less job stress
• Opportunity for more shared responsibility
• Opportunity for more personal accountability
• Opportunity for more flexible working conditions
• Opportunity for more non financial rewards
• Opportunity for creativity
• Opportunity for innovation
• Opportunity for better career advancement
• Opportunity for more employment security
• Opportunity for more fairness at workplace
• Opportunity for more training
• Opportunity for more incentives
• Opportunity for more career opportunities
• Opportunity for moving abroad
• Opportunity for more support from managers
• Opportunity for more support from management
• Opportunity for better appropriate process
• Opportunity for better appropriate tools and equipments

Category 3: Experience in the industry
• Prospects for better education
• Opportunity to stay with spouse or family
• Chances of illness
• Death of close family members
• Opportunity for better promotion
• Opportunity for better pay offer
• Job opportunities that more satisfies personal needs
• Opportunity for better recognition at work
• Opportunity for more independence at workplace
• Opportunity for better working conditions
• Opportunity for better relationship with supervisor
• Opportunity for better relationship with co workers
• Opportunity for less job stress
• Opportunity for more personal accountability
• Opportunity for creativity
• Opportunity for more aggressive recruitment by other organisations
• Opportunity for more availability of employment opportunities
• Opportunity for more scope for development
• Opportunity for better career advancement
• Opportunity for more employment security
• Opportunity for more fairness at workplace
• Opportunity for more training
• Opportunity for better recruitment policy
• Opportunity for more incentives
• Opportunity for more career opportunities
• Opportunity for moving abroad
• Opportunity for more motivation
• Opportunity for more support from managers
• Opportunity for more support from management
• Opportunity for more financial aid/support
• Opportunity for better appropriate process

➢ Category 4: Number of years in the hotel

• Prospects for better education
• Opportunity to stay with spouse or family
• Chances of illness
• Death of close family members
• Opportunity for better promotion
• Opportunity for better pay offer
• Job opportunities that more satisfies personal needs
• Opportunity for better recognition at work
• Opportunity to escape from current people
• Opportunity for better working conditions
• Opportunity for better relationship with supervisor
• Opportunity for better relationship with management
• Opportunity for better relationship with co-workers
• Opportunity for more flexible working hours
• Opportunity for more flexible working conditions
• Opportunity for creativity
• Opportunity for more non financial rewards
• Opportunity for innovation
• Opportunity for more communication
• Opportunity for better telecommunication facilities
• Opportunity for more aggressive recruitment by other organisations
• Opportunity for more availability of employment opportunities
• Opportunity for better compensation
• Opportunity for more scope for development
• Opportunity for better career advancement
• Opportunity for more employment security
• Opportunity for more welfare measures
• Opportunity for more fairness at workplace
• Opportunity for more training
• Opportunity for better recruitment policy
• Opportunity for more incentives
• Opportunity for more career opportunities
• Opportunity for moving abroad
• Opportunity for more motivation
• Opportunity for better appropriate process
• Opportunity for more support from managers

• Opportunity for more financial aid/support

• Opportunity for more holidays

The fourth objective of the study is to find out the pattern in which the HRD mechanisms can be applied to minimise labour turnover in the hotel industry. The following were found as the suitable HRD mechanisms for each category

➢ Age Category:

• 18-22 years: salary and wages, employee welfare, quality of work life, motivation and rewards, and performance appraisal.

• 23-28 years: salary and wages, employee welfare, quality of work life, performance appraisal, motivation and rewards.

• 29-33 years: salary and wages, quality of work life, training and development, employee welfare, recruitment practices.

• 34-38 years: quality of work life, salary and wages, recruitment practices, employee welfare standard selection process and procedure.

• Above 38 years: salary and wages, quality of work life, motivation and rewards, standard selection process and procedures, motivation and rewards.

➢ Designation Category:

• Top Level: quality of work life, salary and wages, motivation and rewards, recruitment practices, and employee welfare.

• Manager: training and development, recruitment practices, standard selection process and procedures, performance appraisal, and quality of work life.

• Assistant Manager: salary and wages, quality of work life, employee welfare, recruitment practices, standard selection process and procedures.
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• Supervisor: salary and wages, employee welfare, quality of work life, motivation and rewards, recruitment practices.

• Non Supervisor: salary and wages, employee welfare, training and development, motivation and rewards, performance appraisal.

➢ Experience in the Industry:

• 1-3 years: salary and wages, employee welfare, quality of work life, performance appraisal, training and development.

• 4-6 years: salary and wages, recruitment practices, employee welfare, standard selection process and procedures, training and development.

• 7-9 years: salary and wages, quality of work life, recruitment practices, training and development, employee welfare.

• 10-12 years: salary and wages, employee welfare, quality of work life, recruitment practices, performance appraisal.

• Above 12 years: salary and wages, quality of work life, recruitment practices, standard selection process and procedure, and motivation and rewards.

➢ Number of years in the hotel:

• 1-3 years: salary and wages, employee welfare, quality of work life, standard selection process and procedures, and training and development.

• 4-6 years: salary and wages, recruitment practices, employee welfare, quality of work life, training and development.

• 7-9 years: salary and wages, recruitment practices, quality of work life, training and development, standard selection process and procedures.

• 10-12 years: employee welfare, quality of work life, salary and wages, organisation development, motivation and rewards.

The fifth objective of the study is to identify suitable HRD mechanisms to reduce labour turnover in the industry and for this the HRD mechanisms are
ranked up to 10 ranks are considered as the suitable HRD mechanisms to reduce labour turnover in the industry. They are: salary and wages, employee welfare, quality of work life, training and development, recruitment practices, performance appraisal, standard selection process and procedures, career planning, motivation and rewards, and induction programme.

**Hypothesis 1: There exists a demand and supply manpower gap in the Kerala hotel industry**

To test the hypothesis the demand of employees from 30 hotels under the survey are identified. For this the exact number of people recruited in a year by each hotel under the survey is identified. To discover the supply the number of students passing out from 30 colleges, 10 from each three zones of Kerala state are identified. The data is tested using independent sample test. T test is used to test the hypothesis. The standard deviation of the demand is 32.418 and the supply is 69.321. Since the p-value of the T-test is 0.024 shows that there is a significant gap in the demand and supply of manpower in the hotel industry. The hypothesis there exist a demand and supply manpower gap in the Indian hotel industry is accepted or proved using the above test.

**Hypothesis 2: The HR practices that are followed currently only inducing labour turnover**

The hypothesis is tested using T-test. For this test the data used are the number of people leaving the hotel which uses a particular HRD mechanism is tested with the number of people leaving the hotel which does not use the particular HRD mechanism. The comparison of the people leaving the hotel which uses a particular HRD mechanism and the hotel which does not use the particular HRD mechanism are tested using T-test. By the T-test it shows that there is no significance in reducing the labour turnover even though the HRD practices are used. The p-value of the test shows that there is no significant relation between the number of people leaving in a hotel that uses HRD practices and the number of people leaving a hotel that does not used HRD practices. Hence the hypothesis the HR practices that are followed currently only inducing labour turnover is accepted by the T-test.
Hypothesis 3: There existing HRD practices that are more suitable to the Hotel industry

To prove the hypothesis 3 single proportionate test is done. The HRD mechanisms with proportion value less are least suitable for reducing labour turnover in the hotel industry. In this those with high p-value are more suitable HRD mechanisms for hotel industry. The test shows that there exist HRD practices that are suitable to the hotel industry. Hence the hypothesis there existing HRD practices that are more suitable to the Hotel industry is accepted.

Conclusion:

Labour turnover can be minimised using HRD practices. But even though HRD practices exist, the labour turnover also prevails. Attempt is made in the study to identify the reasons for labour turnover and the contribution of the push, pull, and unavoidable factors that induces labour turnover are modeled in the study. The man power scenario of the hotel industry is identified in the study. Even though there is enough supply of manpower in the hotel industry, but the supply does not reach the source of demand. The supply is diverted to other industries and professions and the people coming out of the hotel management and catering institutions are opting for other professions and other industries. In the hotel industry there exist HRD mechanisms that are particular to the industry and the study from the thirty hotels reveals that there are HRD mechanisms that are suitable to the hotel industry.

The major conclusions of the study were the following:

- There are typical reasons; the push, pull, and unavoidable factors exist in the hotel industry that brings out manpower turnover.
- There are specific HR practices that are practiced by the hotel industry.
- There is pattern in which HRD mechanisms can be applied to the different levels of designation, age, experience, and years working the hotel of the employees.
- There is demand and supply manpower gap in the hotel industry, while the supply is more.
Even though HR practices are adopted by hotels, but induces labour turnover.

There are specific HRD practices that are suitable to the hotel industry.

**Recommendations:**

The research study “A study on HRD practices to minimise labour turnover in hotel industry – Specific focus on Kerala” is intended to identify the manpower scenario, the reasons for labour turnover, the human resource practices existing in the industry, the pattern in which HRD mechanisms can be applied to minimise labour turnover, suitable HRD mechanisms to minimise labour turnover. The study was done at five, four, and three star hotels of Kerala, and 30 hotels from which 300 employees were chosen as the sample for the study. As part of data and information collection the researcher interviewed the top level managers, HR managers and the staff at different designations. From the analysis of the data from the study and from the thoughts shared by the employers and employees of the hotels, and heads of various hotel management and catering technology institutes made the researcher to frame up the following recommendations.

Labour turnover is one of the major problems for the hotels. Even though the hotels practice all human resource practices to minimise labour turnover the rolling of staff cannot be minimised. To minimise labour turnover the following are the suggestions:

- **Code of best practices for recruitment**

The HR managers who participated in the survey suggested that there should be code of best practices need to be adopted by the hotels while recruiting people. The poaching of staff is the biggest problem every hotel faces. When a new property arrives in the market the surrounding properties face the situation of employee poaching by the competitor. There should be a mutual understanding, reference look over when hotels recruit people. This is one way that helps the hotels to manage staff turnover which are evolved due to less substantial reasons for leaving the hotel by the employees.
Passionate people to join the industry

It has been noticed in the past years that the people who join the industry are not passionate for the profession. Most of the staff feels the opportunity as a stop gap arrangement, or an experience gaining occasion to work in a hotel. Employees are more concerned about abroad opportunities and the people with real aspiration ad passion to join the industry are becoming less. Hotels have to think and evaluate strongly on these aspects while recruiting people to their organisation. The filtering at the recruitment stage is the only way to resolve this problem.

Facelift of the industry’s profile

Now a day the job seekers does not feel that hotel industry is such a charming to place to work. If take the situations ten years back the situations was different. The evolvement of other professions like BPOs, IT and engineering industry, and other industries has put down the charm of the hotel industry. The industry has to come up with new strategies for face lifting the profession to arise job seekers to join the profession.

Employee friendly learning working environment

Employee friendly working environment promotes employees to stay in the organisation. The industrial practices in hotels are tough and the mode working and learning the job is hard. Most of the operations and activities cannot be learned from book but require practice. Learning the job is hard and this makes the people not to stick to the place. Most of the people leave the time as they learn the work. Hence hotels need to frame more practical oriented training which is customized to their suitability while training the employees.

Substantial leadership qualities

Today’s young generation is more sensitive and hard and stressed situations do not match them to adhere to place. The managers and supervisors need to be patient enough in moulding young blood to the industry. For this substantial leadership qualities are required to be shown by the managers and the
supervisors. Participative leadership styles are highly recommended to keep the employees in pace and to make them to adhere to the organisation.

- **Competitive salary packages**

  Salary is a core factor that attracts employees to the hotel and to the industry. The initial pay packages and the beginning experienced packages are less compared to other industries. This makes less people to join the industry even though they are trained in the same. Since people join the industry they tend compare the salary and leave for other profession or job where they can get better pay perks and leaves the hotel. This makes hotels more vulnerable to labour turnover. Hotels should be careful while formulating the salary packages so that it can be sufficient enough to hold the people with them.

- **Add on welfare measures**

  Hotels only provide statutory welfare measure in order to maintain the governmental and jurisdictional amendments. Employees expect more because other industries provide more or either better. This also leads to outcome of more turnover statistics in hotels. Hence hotels should frame welfare measures competitive enough to arise satisfactory feeling among the employees.

- **Envisaged role of hospitality training institutions**

  Hospitality training institutions are the cradle where a prospective employee to the hotel industry is moulded. Most of the students join the course without knowing the real hardship behind the profession. The training and teaching institutions of the trade must take an active role in identifying passionate people to the industry for learning the trade and must be cautiously moulded to face the challenges in the industry.

- **Active participation of top level management**

  Participation of the top level management leads a core factor in practicing the HR systems in the hotel. HR systems should seen as a revenue generating department by its position of delivering right people at right place at right time to deliver quality service to the guest. But most of the top level feels it as a expense oriented department. This feeling has to be suppressed and HR department and
efforts should be reckoned as worth full department in the hotel. Significance and dominance need to be given to the operations of this department.

- **Societal life for employees**

  The employees in the hotel industry cannot enjoy the societal life as they cannot avail the holidays, festive seasons, and other merry making occasions. When merry making occasions arises they need to work to make others to make merry. This is a major reason that keeps people away from the industry and availing leave in busy schedules are also difficult. In order to overcome this planned vocation and leave schedule should made annually as the year begins in the hotel. This helps employees to plan their holidays and helps to spend time with their families.

**Scope for further Research:**

Qualitative research methodology can be adopted to find out the association between the different variables under the study can be done using further research studies. The study was done only to five, four, and three star hotels and can be extended to the all other type categorised hotels. The study can be extensively done on the other states of India and comparative study can be done to see whether the same prevailing conditions exist in the other states of India also. Apart from this the study can be done in other hospitality and tourism related activities like hospitals, airlines, cruise lines, theme parks, clubs and other hospitality generating business centers. Since labour turnover is a crucial factor that affects the business operations as extension of the study methods to measure the turnover intentions of employees can be also done as part of further research in order to identify the turnover intentions of the employees and proper methods can be intervened to resolve or minimise the turnover problem.