Abstract

Introduction

Among service sector, Hospitality sector is the fastest growing Industries and the leading contributor to the economies around the world. It also generates revenues and foreign exchanges and employment for countries, especially the tourism oriented ones around the world.

Problem on Hand – High rate of Employee Attrition

When compared with other industry, this industry is having high rate of employee attrition all over the world. Global average employee attrition is 15% where this industry is having the attrition rate of 29%. But in case of Budget or Mid-segment (4-star or 3-start) Hotels, this rate has been registered at 30% to 35% in Mumbai region.

Significance of Budget Hotels in present scenario

With the ongoing recession, Budget or Mid-segment Hotels are the most sought-after category of hotels not only by the corporate but also by the leisure travelers. These hotels offer good value for the customers’ money. Moreover, F&B services and the tax structure is also competitive in these hotels compared to Five-star or Luxury Hotels.

Significance of the Study

There is a dearth of studies on high rate of employee attrition exclusively on Budget or Mid-segment Hotels, especially located in Mumbai Region.

Findings

While analysis the primary data, startling facts came to the light related to the high rate of employee attrition in hotel industry. At the time of exit interviews, the employees were not telling the real cause of their exit. The generalized reasons given by the employees were either “better future prospects” or “personal reasons” or “family problem".
Conclusion

There is no doubt about the significance of the Budget hotels or Mid-segment hotels in present scenario of economic recession all over the world. Not only the corporate travelers but also the leisure travelers expects the maximum value for their money. In such a situation, the answer is budget hotels which on the one hand provide amenities equivalent to five-star / luxury hotels but at a much lower or competitive rates. These hotels are also a great source of employment and augmenting the revenue and foreign exchange of the country.

Recommendations

The employee attrition can well be controlled if proper care is taken at the time of their initial recruitment. Here the HR Manager has a significant role to play. He is the one who recruits the employees and if the right mindset people are selected, this problem can very well be tackled in the beginning only. The employees are also to be equally blamed for the high attrition rate. They need to understand the ground realities rather than flying high evening before settling in their career. Once chosen a profession, they must have a long term planning and approach. Hopping jobs for getting a higher remuneration is not the right approach. In the beginning of the career one more think more of mastering the job and attain perfection rather than a hiked remuneration.

Customer satisfaction leads to job satisfaction and in turn retention among employees. Hence there has to be utmost emphasis on customer satisfaction. Hotels must follow the CSR (corporate social responsibility). If the provisions of CSR (ISO 26000) are properly implemented by the employer, they treat their employees with dignity and respect, hence, takes utmost care of their legitimate needs and demands. The effective strategies to check attrition, is train, retrain and retain. Trainings instill confidence and equip the employee with knowledge and skills to keep the customers satisfied and happy.
Reward and recognitions are the tools to keep an employee motivated. Stay Interviews apart from the Exit interviews necessary so as to anticipate the problem in advance. Even if an employee has quit the job, his exit should be warmer so as to avoid bad mouth publicity. There is an urgent need to lessen the communication gap between management and workers so as to preempt and solve their grievances. Trade Union must play a constructive and positive role to work as a bridge between the workers and the management and resolve the issued through dialogues. Delayed Salary & biased promotions must be avoided by the employers.

VAT and Taxes levied on the room bills as well as on F&B items are very high. The respective governments should come forward to reduce these taxes to give a boost to this industry. It should also bring down the number of licenses required in Hospitality sector.