CHAPTER – VI

DISCUSSION, CONCLUSION

&

SUGGESTIONS
Discussion, Conclusion & Suggestion

Industrialization, globalization of business and modernization of the society have increased the importance of tourism more than the early society. Accommodation sector being an important dimension, owes utmost importance to strengthen tourism business not only in Odisha but also throughout the country. Again, the business performance of this sector is identified with performance of the employees. So, hotels and other accommodation units need to maintain its employee size to extend best business or service to the customers.

The growing demand of tourism over the period and priority of government for growth of tourism in the State, the hotel and other accommodation units are always in demand with skilled and talented employees. However, migration of such skilled and professionals to other states has become a matter of concern for the growth and sustainability of accommodation sector.

Hoteliers in Odisha are facing increased turnover and poor retention. Most of the students who pass out from various catering and hotel management institutes prefer to move out of Odisha for better exposure, career opportunity and healthy work environment. Due to shortage of professional employees, the service standards are undermined. Because of shortage, of skilled manpower, hotels are forced to recruit employees with lower educational attainments, and it becomes difficult to train them. Further most of the operational positions are filled as and when they need instead of a proper recruitment and selection process. As a result, they lack practical exposure and positive attitude. It is also apparent that the current young generation sees hotel as entryway to job than as a lifetime career opportunity. In this juncture, employee retention in accommodation sector is a significant issue to study and find out the strategies for the retention of the employees for the growth of tourism sector.

The present study is concerned with the retention issues of 18 hotels taken both public and private owned hotels together with three star and above facilities with minimum of five years of operations.

The main objective of the study is to make SWOT analysis in relation to employee retention and intends to examine the factors responsible for the employee turnover in the accommodation sector. In addition, attempts are made to highlight how retention of employees is related to organisation performance both directly and indirectly.
The results emanated from the analysis of the data collected from both primary and secondary sources were to study the growth of tourist arrival in the State, growth of accommodation sector, the rate of occupancy in the State as well as the sample units under the study and a comparative analysis against the national rate and some leading tourism states. The views of 350 respondents randomly selected from among the non-executive and 100 executives of eighteen accommodation units across the State are taken for analysis. The analyses are aimed at fulfilling the following objectives: (a) To study the status of tourism potential of Odisha State as major dimension for the growth of accommodation sector (b) To find out the factors affecting employee attrition in accommodation sector (c) To study the perception of executives and non-executives on HR practices for high retention in accommodation sector (d) To find out the means to retain the employees in sample hotels (e) To study the linkages between employee attrition and occupancy rate of hotels as dimension for growth of tourism in the State (f) To make comparative study on the tourist arrival and the occupancy rate of the hotels in Odisha against India and some of the best tourism potential States of the country.

In order to collect data from primary source, initially a pilot study was done for testing the validity of the questionnaire; thereafter the questionnaire was administered to the respondents. Statistical Package for Social Sciences (SPSS) was used to analyse the data as per the objectives of the study and the tools like factor analysis, one-way ANOVA, ‘t’- Test, were applied to ascertain the result and to verify the hypotheses.

Against the first objective regarding the status of the tourism potential of the State identified tourist destinations have increased from 321 to 348, both domestic and foreign tourist arrival have increased by 8.66 and 2.80 times during 2001 to 2016 respectively. The overall growth rate of total tourist arrival has increased 2.5 times. Similarly, the numbers of hotels have increased during this period by 4.39, 2.18, 1.47 and 1.86 times in case of High Spending Group, Middle Spending Group, Low Spending Group and total number of hotels respectively. Growth of rooms in the above mentioned categories of hotels have increased by 3.94, 1.75 and 1.77 times respectively and the corresponding figures in case of beds have become 4.00, 2.59 and 1.52 times respectively.

In relation to the second objective regarding the factors affecting employee attrition, fourteen factors emerged mostly influencing employee retention are: career growth, work life balance, salary & benefits, reward and recognition, suitability of work timing, occupational stress, social security & benefits, payment system, physical working condition, professional
relationship, performance appraisal system, training needs & appraisal, selection method and training techniques. Analysing attrition as an issue in accommodation sector it was found in case of 18 hotels under study, it has moved from 34.73 per cent in 2007 to 39.35 per cent in 2015.

So far the perception of executives and non-executives against HR practice the significant dimension of employee is concerned, out of 14 factors emerged, a significant difference in their perception was found in case of 13 factors.

Again, to find out the means to retain, the objective it was found from the descriptive statistics that the factors like recruitment policy and practice, selection procedure, training & development, clear line of communication, recognition, effective performance appraisal and interpersonal relation are motivating factors for them.

Similarly, studying the linkages between employee attrition and occupancy rate of hotels, it was found that, there is a positive linkage between employee attrition and occupancy rate. This is confirmed by the correlation value of .988, more and more occupancy in hotels increases demand for skilled employees, generate employment opportunities, leads to retention, which again depends on the more tourist arrival that is the fifth objective of the study.

Finally, making a comparative study on the tourist arrival and the occupancy rate of the hotels in Odisha against India and some of the best tourism potential States of the country, it was found that tourist arrival is on rise, whereas, there is no significant increase in the rate of occupancy in the accommodation units.

Fourteen indicators identified through factor analysis like career growth, work-life balance, salary & benefits, reward & recognition, suitability of work timing, occupational stress, social security & benefits, payment system, physical working conditions, professional relationship, performance appraisal system, training needs & appraisal, selection method and training techniques were found significantly contributing to employee turnover in accommodation sector in Odisha.

In attempting to understand the impact of fourteen indicators on employee retention in accommodation sector, this study proposed the following hypotheses with aims to examine how the fourteen indicators affect employee retention.

Findings from ANOVA revealed that there was a significant difference in view amongst employees on the factors like career growth, work life balance, suitability of work
timings, social security & benefits, payment system, physical working conditions and professional relationship taking gender as a dependent variable. This is also supported by the study of McCuddy et al., (2010) and Blomme, Van Rheede and Tromp (2010).

Taking marital status as a dependent variable, the opinion of employees varied significantly in case of factors like career growth, work life balance, salary and benefits, reward and recognition, suitability of work timing, occupational stress, social security & benefits, payment system and physical working conditions. The findings are supported by Yang Yun (2014) on employee retention, promotion and compensation of female employees in the hotel sector in China.

As far as the work experience is concerned, it was found that, factors like career growth, work life balance, salary and benefits, reward and recognition, suitability of work timing, occupational stress, social security & benefits, physical working condition and professional relationship varied significantly in the views of the employees. The findings are supported by the study of Yang Yun (2014) which revealed that the employee turnover is high among the employees in lower hierarchy in respect to departments such as food and beverage preparation and service, housekeeping and front office even if they are experienced.

Similarly in case of income group, there was a significant difference in the opinion of employees against on the factors like career growth, work life balance, salary and benefits, reward and recognition, suitability of work timing, occupational stress, social security & benefits and physical working conditions.

The difference in perception of executives and non-executives across the factors identified in relation to employee retention are career growth, work-life balance, salary & benefits, reward and recognition, suitability of work timing, social security & benefits, payment system, physical working condition, professional relationship, performance appraisal system, training need & appraisal, selection method and training technique.

While studying the linkages between rate of occupancy of the hotels and employee attrition, a strong positive relationship was found between them, which is established by the correlation value of .988.

Finally, the result of the study supported all hypotheses confirming the intertwined relationships between demographic profiles and fourteen indicators affecting the employee retention in accommodation sector in Odisha.
6.1 Conclusion

Considering the tourism potential of the State, there is a growing demand for accommodation sector. Therefore, it is imperative for the hotels to reduce employee turnover in order to improve organizational productivity by retaining the productive employees. In this context, Martin (2003) asserted that staff turnover might have devastating effects on service rendered by the organisation, and these may bring deficits in meeting customer demand.

Attrition scenario affects accommodation sector, which is an issue in hotels worldwide (Hinkin and Tracey, 2000; Cheng and Brown, 1998; Kusluvan, 2003). Attrition is high in case of departments like F&B Production, F&B Service, House Keeping and Front Office which the findings of our study supports this. The attrition rate in other departments is comparatively less. This is because these four major departments contribute towards the major share of employee population in any hotel across the country and globe.

Accommodation is an indispensable dimension for growth of tourism. It is a major tourism product for the travellers. The classification of accommodation into its types, characteristics and extent is a deciding factor in gauging the volume and value of tourism Henning and Willemse, (1999). Thus, this study carries high importance to find out the causes and means to give solutions to the problems.

It is concluded that, careful HR practice can enhance the employee retention in Hotel Industry for which the management must have genuine interest to do. Problem never continues as a problem it is intended to solve.

6.2 Suggestions & Recommendations

From the above discussion it is found that, employee attrition is a serious issue in Accommodation sector, which varied from 34 to 40 percent during the study period in the sample hotels. It involves high cost to the organisation in one hand and deteriorates service quality on the other. So, from the study the following suggestions can be recommended to improve the retention rate of the employees in hotels and other accommodation sectors.

- The hotels needs to adopt a sound HR policy, prescribing a competitive pay scale, clear cut incentive programme, good reward and recognition system.
- The hotels should provide opportunity for career growth with proper career and succession planning and development.
• A better work system should be at place to balance Work and Life particularly stretched working hours and shift work.

• Proper social security and benefits should be provided to the non-executives.

• The hotel should follow appropriate safety measures and training should be imparted to the employees on the use of emergency facilities.

• Measures to reduce work stress by providing recreational facilities for the employees to ensure comfort and stress free work culture.

• Motivational counseling can also be implemented in the hotels to help the employees achieve success

• The management of hotels should conduct exit interviews to find out the root cause for the employees to leave the organisation. This would not only enable them to retain productive employees in the future but also send a very sensitive message amongst the existing ones that the management is concerned about them and is consciously trying to reduce employee dissatisfaction.

• The website of Department of Tourism, Government of Odisha and Hotel & Restaurant Association of Odisha (HRAO) need to be updated frequently which can facilitate the secondary research.

6.3 Scope for Future Research

The present study is confined to eighteen hotels in the State of Odisha. Thus, the cross-sectional nature of the data limits the extent to which the logical explanations can be conclusively supported by the data. Therefore, relationships among variables can be better interpreted by using longitudinal data. The replication of the study in other contexts would enable better generalizability of the findings of the study. Future researchers can conduct cross-country study in similar settings to investigate the effect of context on the findings.