Chapter-8

Findings, Conclusions, Recommendations, Limitations & Directions for Future Research
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8.0. Introduction

Employee turnover has become a cause of concern to HR Managers of hotels for the
damaging effect frequent turnover could have on hotels. In order to reduce the rate of turnover
in hotels and to reduce the resultant cost of employee turnover, the present study sought to
identify the monetary benefits and non-monetary benefits preferred by employees and the
retention strategies preferred by employees. The study covered Five Star Hotels of Karnataka
which were operational before 2009 and completed two continuous years of operation.

Review of related literature discussed the concept and components of cost of employee
turnover, reasons of job satisfaction and dissatisfaction, monetary benefits and non-monetary
benefits and employee retention strategies. Previous research shows that most of the managers
apply wrong retention strategies while others use retention programmes that are not
comprehensive enough to motivate key employees to remain in their organizations.

The research problem revolves around the cost of employee turnover and employee retention
strategies. Frequent employee turnover is costly to any organisation and destructive to the
attainment of organizational goals. Many organizations are not been able to identify properly
the real reason(s) why key employees leave. Most managers believe that increasing monetary
benefits of employees would motivate them to remain while others provide attractive
environment as a retention strategy. The present study therefore sought to determine the cost
of employee turnover at various levels, the different reasons for employees to stay on the job
and reasons for employees to leave the job and the perceptual difference in these aspects by the heads of the departments and the monetary benefits and non-monetary benefits preferred by the employees and the retention strategies preferred by the employees.

This chapter discusses the findings generated from the analysis of the data and hypothesis reported in the previous chapter. The analysis of the findings of this study tries to fill in the several gaps in the existing literature related to cost of employee turnover in hotels in India. Many of the earlier studies on employee turnover have focused to find the cost based on the salary of the employee who left. The current study tries to find the cost of employee turnover using a more comprehensive approach taking into account the separation cost, acquisition cost, training cost, cost of lost productivity etc. This study tries to find the cost of employee turnover based on position level, performance level and critical level of employees. The study makes an effort to bring out the employee turnover rates in various core departments of the hotels. The present study looks at the gap between the reasons stated by employees to stay on the job and the reasons for employees to stay on the job perceived by the heads of the departments of Five Star Hotels in Karnataka. The study also tries to compare the gap between the reasons stated by employees to leave the job and the reasons for employees to leave the job perceived by the heads of the departments of Five Star Hotels in Karnataka. Also the study tries find out the employee preferred monetary benefits and non-monetary benefits. Towards the end, the study tries to find out the employee preferred retention strategies to be followed by the Five Star Hotels of Karnataka.

The findings of the present study add to the knowledge of the cost of employee turnover in the Indian Hotel Industry. In addition, this chapter will draw conclusions from the findings of the
hypothesis. It will link the findings to the cost of employee turnover at various position levels, performance levels, critical levels, reasons stated by employees to stay on the job and reasons for employees to stay on the job perceived by the heads of the departments, reasons stated by employees to leave the job and reasons for employees to leave the job perceived by the heads of the departments, the employee preferred monetary benefits and non-monetary benefits and the retention strategies preferred by the employees of Five Star Hotels of Karnataka. This chapter also brings out the suggestions for employee retention as contributions to the literature and directions for further research.

8.1.1. Findings on Revenue Mix of Hotels

The study reveals that among the components of the revenue mix of the Five Star Hotels in Karnataka during June 2010- May 2011 the average room revenue percentage is the highest (58%), followed by the average Food and Beverage Revenue percentage is 35% and the average revenue from other departments is the least (7%).

8.1.2. Findings on Annual Staff Turnover

The study reveals that of the nine hotels surveyed, one hotel recorded less than 10% staff turnover during June 2010- May 2011, 2 hotels had staff turnover >10%-%20%, 3 hotels recorded staff turnover >20%-%30%, one hotel had staff turnover >30%-%40%, 2 hotels recorded staff turnover >40%-%50%. Overall the study shows that the average annual staff turnover percentage of the nine Five Star Hotels of Karnataka during June 2010- May 2011 is 26.11%.
8.1.3. Findings on Position Level based Employee Turnover

Department-wise Managerial Level Employee Turnover

The study revealed that the Food and Beverage Production department and Food and Beverage Service Department have the highest managerial level employee turnover with 23%, followed by Front Office department with 14%. The housekeeping department has the least managerial level employee turnover with 7%.

Department-wise Supervisory Level Employee Turnover

The study depicts that the Food and Beverage Service department has the highest supervisory level employee turnover with 25.95%, followed by the Food and Beverage Production department with 24.81%. The Front Office department recorded 23.66% lower level employee turnover. The least supervisory level employee turnover percentage is in Housekeeping department with 9.54%.

Department-wise Lower Level Employee Turnover

The study revealed that the Food and Beverage Service department has the highest lower level employee turnover (29.75%), followed by the Food and Beverage Production department (19.83%). The Housekeeping department has 17.90% employee turnover in this category. The Front Office department showed the least turnover percentage (13.18%) in the lower level employee category.

The overall finding of the study shows that across the position (Managerial, Supervisory and Lower) level category of employees, the employee turnover is highest in the Food and Beverage service department (Mean = 26.24%), followed by Food and Beverage Production department (Mean= 22.55%). The Front Office department has the third
highest employee turnover based on position level (Mean=16.95%). The Housekeeping department has the least employee turnover (Mean = 11.57%) in this category.

8.1.4. Findings on Performance Level based Employee Turnover

Department-wise High Performing Employee Turnover

The study finds that among the high performing employees the turnover was highest in Food and Beverage Service department (28.87%). The second highest high performing employee turnover was recorded by Food and Beverage Production department (19.01%) followed by Front Office department (17.84%). The least high performing employee turnover is in housekeeping department (14.79%).

Department-wise Medium Performing Employee Turnover

The study shows that the highest turnover among the medium performing employees are in the Food and Beverage Service department (26.74%) and the least turnover in this category is in the housekeeping department (13.65%). The Front Office department has 19.50% and Food and Beverage Production department has 18.38% medium performing employee turnover.

Department-wise Low Performing Employee Turnover

The study shows that the Food and Beverage Service department has the highest low performing employee turnover (30.20%), followed by Food and Beverage Production department (25.99%). The housekeeping department recorded 16.83% turnover in this category. The least low performing employee turnover has been in the Front Office department (9.65%).

The overall finding of the study reveals that across the performance (High, Medium and Low) level category of employees, the employee turnover is highest in the Food and Beverage service department (Mean = 28.60%), followed by Food and Beverage
Production department (Mean= 21.13%). The Front Office department has the third highest employee turnover based on position level (Mean=15.66%). The Housekeeping department has the least employee turnover (Mean = 15.09%) in this category.

8.1.5. Findings on Critical Level based Employee Turnover

Department-wise Highly Critical Employee Turnover

The study revealed that the turnover among the highly critical category employees is highest in Food and Beverage Service department (28.28%), followed by Front office department (21.55%). The Food and Beverage Production department has 19.87% employee turnover in this category. The housekeeping department recorded the least employee turnover in this category (13.13%).

Department-wise Medium Critical Employee Turnover

The study finds that the Food and Beverage service department has the highest turnover (28.80%) of medium critical employees, followed by Food and Beverage Production department (21.84%). The Front Office department has 16.46% employee turnover in this category. The Housekeeping department has the least employee turnover (15.51%) in the medium critical employee category.

Department-wise Low Critical Employee Turnover

The study revealed that the Low critical employee turnover is the highest in the Food and Beverage Service department (28.82%) followed by Food and Beverage Production department (21.53%). The Housekeeping department has 15.97% employee turnover in this category. The Front Office has the least employee turnover (11.98%) in the low performing employee category.
The overall finding of the study reveals that across the critical (High, Medium and Low) level category of employees, the employee turnover is highest in the Food and Beverage service department (Mean = 28.63%), followed by Food and Beverage Production department (Mean= 21.08%). The Front Office department has the third highest employee turnover based on position level (Mean=16.66%). The Housekeeping department has the least employee turnover (Mean = 14.87%) in this category.

The study reveals that there is significant correlations exist between medium performing employee turnover and high performing employee turnover, lower level employee turnover and low critical employee turnover, high performing employee turnover and medium critical employee turnover and medium performing employee turnover and high critical employee turnover.

8.1.6. Findings on Cost of Employee Turnover

- The study reveals that the average cost of turnover of an employee in Five Star Hotels of Karnataka during June 2010- May 2011 is Rs. 36,045/-
- The study also finds that the average cost of replacement hiring cost is the highest (52.79%) component in the cost of an employee turnover followed by Training new hire cost (41.85%) in the Five Star Hotels of Karnataka during June 2010- May 2011. The separation processing cost is 4.63% while the lost productivity/lost business cost is only a negligible 0.73%. These results are not in tune with the results of study by Aksu, (2004); Hinkin and Tracey, (2008), which states that lost productivity is about 47.1% to 67.6% of the total turnover cost in the US, but was relatively low in Turkey
- The study reveals that that there is a very low positive correlation between the Rooms revenue and the turnover cost of an employee, there is a very low negative correlation
between the Food and Beverage Service (FBS) revenue and the turnover cost of an employee and there is a low correlation between the Other revenue and turnover cost of an employee of Five Star Hotels in Karnataka.

**Findings on Objective 1 - the Cost of employee turnover based on Position Level, Performance Level and Critical Level of Employees in Five Star Hotels in Karnataka during June 2010-May 2011.**

Statistical tools like mean and co-efficient of variation and co-efficient of correlation have been applied for assessing the above objective.

**A. Cost of Employee Turnover Based on Position Level of Employees**

The study reveals that the cost of a lower level employee turnover is Rs. 38,455.22/-; the cost of a supervisory level employee turnover is Rs. 82,642.40/- and the cost of a managerial level employee turnover cost is Rs.1, 30,730/-

The study also reveals that the average cost of employee turnover of the nine Five Star Hotels of Karnataka during June 2010- May 2011, at lower level is the highest (Rs. 35, 33,608/-), followed by supervisory level average cost of employee turnover (Rs. 24, 05,812/-) and the average cost of employee turnover at managerial level is the least (Rs. 14, 52,556/-). 

The study also finds that among the position level cost of employee turnover of the nine Five Star Hotels of Karnataka during June 2010- May 2011, the cost of supervisory level employee turnover has the least uniformity, followed by cost of lower level employee turnover cost and the highest uniformity is seen in the case of the cost of managerial employee turnover.
B. Cost of Employee Turnover Based on Performance Level of Employees

The study reveals that the cost of a low performing employee turnover is Rs.35, 535.19/-; the cost of a medium performing employee turnover is Rs. 82, 036.46/- and the turnover cost of a high performing employee is Rs. 1, 56, 507.43/-.

The study also finds that the average cost of high performing employee turnover is the highest (Rs. 74, 08, 018/-), followed by the medium performing employee turnover cost (Rs. 32, 72, 343/-) of the nine Five Star Hotels of Karnataka during June 2010- May 2011. The average cost of low performing employee turnover is the least (Rs. 15, 95,135/-).

The study also reveals that among the performance level based cost of employee turnover of the nine Five Star Hotels of Karnataka during June 2010- May 2011 the cost of high performing employee turnover has the least uniformity, followed by cost of low performing employee turnover. The cost of medium performing employee turnover has the highest uniformity.

C. Cost of Employee Turnover Based on Critical Level of Employees

The study reveals that the cost of a low critical employee turnover is Rs.35, 667.42/-; the cost of a medium critical employee turnover is Rs. 81, 981.11/- and the turnover cost of a highly critical employee is Rs. 1, 65, 753.89/-.

The study also finds that the average cost of highly critical employee turnover is the highest (Rs. 54, 69, 878/-), followed by the medium critical employee turnover cost (Rs. 28, 78, 239/-) of the nine Five Star Hotels of Karnataka during June 2010- May 2011. The average cost of low critical employee turnover is the least (Rs. 22, 82,715/-).

The study also reveals that among the critical level based cost of employee turnover of the nine Five Star Hotels of Karnataka during June 2010- May 2011, the cost of highly critical
employee turnover has the least uniformity, followed by cost of medium critical employee turnover. The cost of low critical performing employee turnover has highest uniformity.

The study reveals that the Supervisory Level Employee turnover cost is showing high correlation with Lower Level Employee turnover cost, High Performing Employee turnover cost, Medium Performing Employee turnover cost, Highly Critical Employee turnover cost, and Medium Critical Employee turnover cost. It also shows that Lower Level Employee turnover cost is highly correlated with High Performing Employee turnover cost, Medium Performing Employee turnover cost, Highly Critical Employee turnover cost and Medium Critical Employee turnover cost. The High Performing Employee turnover cost is highly correlated with Medium Performing Employee turnover cost, Highly Critical Employee turnover cost and Medium Critical Employee turnover cost. The Medium Performing Employee turnover cost is highly correlated with Highly Critical Employee turnover cost and Medium Critical Employee turnover cost. The Low Performing Employee turnover cost is showing high correlation with the Low Critical Employee turnover cost.

**Findings on Hypothesis**

In order to test the three hypotheses regarding the cost of employee turnover based on Position Level, Performance level and Critical Level one-way ANOVA test has been adopted. The Post-hoc test (Tukey’s HSD) for multiple comparisons is also used.

\[ H_1 = \text{There is no significant difference in the cost of employee turnover based on the Position Level of employees of Five Star Hotels in Karnataka.} \]
The F-value for df (2, 24) is 1.383, and the p-value (.270) > .05. Since the P (Sig.) value is more than .05 the hypothesis can be accepted. Hence, the study finds that there is no significant difference in the cost of employee turnover based on the Position Level of employees of Five Star Hotels in Karnataka.

The Post-hoc test (Tukey’s HSD) for multiple comparisons reveal that all the Sig. value is more than .05; hence the mean cost of employee turnover based on position level of all the nine hotels is significantly not different.

\( H_2 = \text{There is no significant difference in the cost of employee turnover based on the Performance Level of employees of Five Star Hotels in Karnataka.} \)

The F-value for df (2, 24) is 2.627, and the p-value (.093) > .05. Since the P (Sig.) value is more than .05 the hypothesis can be accepted. Hence, the study finds that there is no significant difference in the cost of employee turnover based on the Performance Level of employees of Five Star Hotels in Karnataka.

The Post-hoc test (Tukey’s HSD) for multiple comparisons reveal that all the Sig. value is more than .05; hence the mean cost of employee turnover based on performance level of all the nine hotels is significantly not different.

\( H_3 = \text{There is no significant difference in the cost of employee turnover based on the Critical Level of employees of Five Star Hotels in Karnataka.} \)

The F-value for df (2, 24) is 1.109, and the p-value (.346) > .05. Since the P (Sig.) value is more than .05 the hypothesis can be accepted. Hence, the study finds that there is no
significant difference in the cost of employee turnover based on the Critical Level of employees of Five Star Hotels in Karnataka.

The Post-hoc test (Tukey’s HSD) for multiple comparisons reveal that all the Sig. value is more than .05; hence the mean cost of employee turnover based on critical level of all the nine hotels is significantly not different.

8.1.7. Findings on the Demographic Information of the respondents

- The study shows that majority of the employees of the Five Star Hotels of Karnataka are males (77.36%)
- The study reveals that majority of the employees of Five Star Hotels of Karnataka are single (62.3%)
- The study finds that majority of the employees of Five Star Hotels of Karnataka are Non-Bangaloreans (68.2%)
- The study shows that 49.87% employees are between the ages of 15-25 years and 39.35% are between the ages 25-35 years. Hardly 10% employees belong to the age between 35-55 years
- The study shows that majority of the employees of the Five Star Hotels of Karnataka are Graduates in Hotel Management (37.20%) followed by Diploma in Hotel Management (21.29%).
- The study reveals that majority of the employees (54.45%) of Five Star Hotels in Karnataka has less than 5 years of total work experience. Only 19.41% employees have total work experience between 5-8 years.
The study shows that Majority of the employees (85.45%) of the Five Star Hotels of Karnataka have spent less than 5 years in the present job.

The study finds that majority of the employees (80.05%) of the Five Star Hotels of Karnataka work on an average more than 50 hours per week.

The study shows that 53.9% of the respondents are Lower Level Employees, 22.6% are Supervisory Level Employees and 23.5% are Managerial Level Employees. The study reveals that there is a weak negative correlation between the length of stay in the present job of employees and their gender, marital status, and nativity. At the same time the study shows that there is moderate positive correlation between the length of stay in the present job of employees and their age. The co-efficient of correlation is statistically significant.

8.1.8. Findings on Reasons to Stay on the Job

Findings on Objective -2- Comparison of the gap between the reasons stated by employees to stay on the job and the reasons for employees to stay on the job perceived by the Heads of the Departments of Five Star Hotels in Karnataka.

The data analysed using mean weights which are subsequently ranked of the dependant variables regarding the reasons to stay on the job.

The study finds that the most important reasons to stay on the job stated by employees of the Five Star Hotels of Karnataka are as follows:

- Good Supervisor/ Manager, Enjoyable Co-workers (Mean = 5.47)
- Sense of Mission/ Purpose (Mean= 5.30)
- Challenging job assignments (Mean = 5.29)
- Interesting work (Mean = 5.17)
The study finds the most important reasons for employees to stay on the job perceived by the Heads of the Departments of the Five Star Hotels of Karnataka are as follows:

- Interesting work (Mean=5.47)
- Appreciation of what they do (Mean=5.43)
- Sense of Mission / Purpose (Mean=5.41)
- Education and development (Mean=5.25)
- Enjoyable co-workers and Challenging job assignments (Mean=5.22)
- Good supervisor / manager and Career opportunities (Mean=5.20)

The study also finds that the least important reasons to stay on the job stated by employees of the Five Star Hotels of Karnataka are as follows:

- Salary (Mean=3.71)
- Benefits and Perks (Mean=4.01)
- Autonomy (Mean=4.18)
- No time to look for new job (Mean=4.32)
- Flexible work hours (Mean=4.61)
- Work assignments vary (Mean=4.79)

The study also reveals the least important reasons for employees to stay on the job perceived by the Heads of the Departments of the Five Star Hotels in Karnataka are as follows:

- No time to look for a new job (Mean=4.25)
- Flexibility in working hours (Mean=4.33)
Cost of Employee Turnover - A Study Based on Various Levels of Employees of Five Star Hotels in Karnataka

- Autonomy (Mean= 4.39)
- Benefits and perks (Mean=4.65)
- Salary (Mean=4.73)
- Work assignments vary (Mean= 4.82)

**Findings on Hypothesis**

**H4**= There is no significant difference between the reasons stated by an employee to stay on the job and the reasons for employees to stay on the job perceived by the Heads of the Departments of Five Star Hotels in Karnataka.

The hypothesis is tested using Levene’s Test for Equality of Variances and t-test for Equality of Means.

The study finds that for the following reasons to stay on the job by employees there is significant difference between the statement of employees and the perceptions of Head of the Departments of Five Star Hotels in Karnataka.

- Salary
- Benefits & Perks

The study finds that for the following reasons to stay on the job by employees there is no significant difference between the statement of employees and the perceptions of Head of the Departments of Five Star Hotels in Karnataka.

- Interesting Work
- Enjoy the Co-workers
- Sense of purpose / mission
- Convenient Location
- Challenging Job Assignments
- Flexibility in Work Hours
- Good Supervisor / Manager
- Varying Work Assignments
- Feel Appreciated for What I do
- Education and Development
- No time to look for new job
- Career Opportunities
- Autonomy
- Other Reasons

8.1.9. Findings on the Reasons to Leave the Job

Findings on Objective -3- Comparison of the gap between the reasons stated by employees to leave the job and the reasons for employees to leave the job perceived by the Heads of the Departments of Five Star Hotels in Karnataka.

The data analysed using mean weights which are subsequently ranked of the dependant variables regarding the reasons to leave the job.

The study finds that the most important reasons to leave the job stated by employees of the Five Star Hotels of Karnataka are as follows:

- Career advancement (Mean=5.25)
- Salary, and Better prospects outside (both have same Mean= 5.14)
- Challenging and interesting work (Mean = 4.99)
- Work-life balance (Mean = 4.96)
The study also finds that the least important reasons to leave the job stated by employees of the Five Star Hotels of Karnataka are as follows:

- Poor Supervision (Mean=4.01)
- Promises made in the offer letter are not kept (Mean= 4.04)
- Unfair treatment (Mean=4.11)
- Location (Mean=4.17)

The study also reveals the most important reasons for employees to leave the job perceived by the Heads of the Departments of the Five Star Hotels in Karnataka are as follows:

- Career advancement (Mean=5.39)
- Better prospects outside (Mean= 5.31)
- Challenging and interesting work (Mean=5.06)
- Salary, and Better benefits and perks (both have same Mean= 4.88)

The study also reveals the least important reasons for employees to leave the job perceived by the Heads of the Departments of the Five Star Hotels in Karnataka are as follows:

- Unfair treatment (Mean=3.65)
- Promises made in the offer letter are not kept (Mean=3.73)
- Job security (Mean= 3.98)
- Family, health or Personal Reasons (Mean=4.00)

**Findings on Hypothesis**

\( H_5 = \text{There is no significant difference between the reasons stated by an employee to leave the job and the reasons for employees to leave the job perceived by the Heads of the Departments of Five Star Hotels in Karnataka.} \)
The hypothesis is tested using Levene’s Test for Equality of Variances and t-test for Equality of Means.

The study finds that for the following reasons to leave the job by employees there is no significant difference between the statement of employees and the perceptions of Head of the Departments of Five Star Hotels in Karnataka.

- Salary
- Better Benefits and Perks
- Career Advancements
- Challenging and Interesting Work
- Poor Supervision
- Work-Life Balance
- Better Prospects Outside
- Low Morale
- Location Inconvenient
- Education and Development Opportunities
- Unfair Treatment
- Job Security
- Family, Health or Personal Reasons
- Long Work Hours
- Promises made in Offer Letter Not Kept
- Other Reasons
8.1.10. Findings on Preference of Benefits

**Findings on Objective – 4- The Monetary Benefits and Non-Monetary Benefits preferred by the employees of Five Star Hotels in Karnataka**

The study reveals the following as the most employee preferred monetary benefits of Five Star Hotels of Karnataka

- **Provident fund** (Mean=5.20),
- **Bonus** (Mean=5.11),
- **Gratuity** (Mean=5.09),
- **Medical Allowance, Holiday Pay** (both have mean= 5.05),
- **Medical Leave & Reward based on feedback of guests** (both have Mean=5.04), and
- **Earned Leave** (Mean=5.03)

The study reveals the following as the most employee preferred non-monetary benefits of Five Star Hotels of Karnataka

- **Flexible work hours** (Mean = 5.02),
- **Representing the hotel in public forums** (Mean=4.92),
- **Full Freedom in Work** (Mean=4.90),
- **Solicitation of advice, suggestions, etc** (Mean=4.88),
- **Letters of Appreciation, Friendly greetings, smilies, e-mails, etc & Job rotation on basis of employee liking** (Mean= 4.82)
- **In-house training** (Mean=4.81)
- **Birthday treats** (Mean=4.78),
- **Free lunches/ Festival bashes** (Mean= 4.75)
Findings on Hypothesis

$H_0$: There is no significant difference in the monetary and non-monetary benefits preferred by the employees of Five Star Hotels in Karnataka.

The study reveals that there is significant difference in the monetary benefits and non-monetary benefits preferred by employees of Five Star Hotels in Karnataka.

The Chi-square value and the associated p-value at $\alpha = 0.05$ level of significance for each of the monetary benefits reveals that there is enough evidence to conclude that there is significant difference in the employee preferred monetary benefits of the Five Star Hotels in Karnataka.

The study reveals that there is significant difference in the non-monetary benefits preferred by employees of Five Star Hotels in Karnataka except in relation to items like movie ticket and vacation trip.

The Chi-square value and the associated p-value at $\alpha = 0.05$ level of significance for each of the non-monetary benefits except for movie tickets and vacation trips reveals that there is enough evidence to conclude that there is significant difference in the employee preferred monetary benefits of the Five Star Hotels in Karnataka. The non-monetary benefits such as movie ticket has a Chi-square value of $\chi^2 (6) = 8.830$ and an associated p-value of 0.183, and vacation trip has a Chi-square value of $\chi^2 (6) = 11.206$ and an associated p-value of 0.082.
8.1.11. Findings on Preference of Retention Strategies

Findings on Objective -5- Employee Preferred Retention Strategies of Five Star Hotels in Karnataka.

The study finds the following as the most employee preferred retentions of the Five Star Hotels of Karnataka

- Market Benchmarking for Competitive Pay rate (Mean = 5.50),
- Promoting Career Progression Opportunities (Mean= 5.31) and
- Review Choice of Benefits and Increase the Variety & Improve the Abilities of Managers and Supervisors in their People Handling Skills (Mean=5.14).

Findings on Hypothesis

H₇= There is no significant difference in the retention strategies preferred by the employees of Five Star Hotels in Karnataka.

The study reveals that there is statistically significant difference in the mean retention strategies preferred by employees of Five Star Hotels in Karnataka.

The Chi-square value and the associated p-value at α = 0.05 level of significance for each of the retention strategies reveals that there is enough evidence to conclude that there is significant difference in the employee preferred retention strategies of the Five Star Hotels in Karnataka.
8.2. Conclusions

The findings of the study indicated the following:

1. Irrespective of the position level, performance level and critical level of employees the employee turnover in the food and beverage service department is the highest among the core departments of the Five Star Hotels of Karnataka.

2. The cost of managerial level employee turnover is more consistent and stable as compared to the cost of employee turnover of supervisory level and lower level employees among the three position level cost of employee turnover of the Five Star Hotels of Karnataka. Also from the study we can conclude that there is no significant difference in the cost of employee turnover based on position level of employees of Five Star Hotels of Karnataka.

3. In the case of cost of employee turnover based on performance level, the cost of medium performing employee turnover is more consistent and stable than the cost of low performing and high performing employee turnover of Five Star Hotels of Karnataka. The finding also indicates that there is no significant difference in the cost of employee turnover based on the performance level of employees of Five Star Hotels of Karnataka.

4. The cost of low critical employee turnover is more consistent and stable as compared to cost of employee turnover of medium critical and highly critical employees of Five Star Hotels of Karnataka. The study concludes that there is no significant difference in
the cost of employee turnover based on critical level of employee of Five Star Hotels of Karnataka.

5. The performance level of employees and the critical level of employees show significant correlation as far as the employee turnover percentage are concerned in the Five Star Hotels of Karnataka.

6. The Replacement hiring cost and the Training new hire cost constitute the major share of the cost of employee turnover in the Five Star Hotels of Karnataka.

7. The length of stay in the present job of employees and their gender, marital status, and nativity are negatively correlated. Similarly, the length of stay in the present job of employees and their age are positively correlated. From this we can conclude that employees in the higher age group have a tendency to stay on the job for longer period.

8. As far as Salary and Benefits & Perks as a reason to stay on the job, there is significant difference between the statement of employees and the perceptions of Heads of the Departments of the Five Star Hotels in Karnataka.

9. There is no significant difference between the reasons to leave the job stated by employees and the reasons for employees to leave the job perceived by the heads of the Departments of Five Star Hotels in Karnataka.

10. Provident fund, Bonus, Gratuity, Medical Allowances, Holiday Pay, Medical Leave, Reward Based on feedback of guests, and Earned Leave are the top eight employee
preferred monetary benefits. Even then, there is significant difference in the monetary benefits preferred by employees of the Five Star Hotels of Karnataka.

11. Even though flexible work hours, representing the hotel in public forums, full freedom in work, solicitation of advice, suggestions, letters of appreciation, friendly greetings, smilies, e-mails, job rotation on the basis of employee liking, in-house training, birthday treats, free lunches / festival bashes, recognition at hotel get-togethers are the most preferred non-monetary benefits by the employees, there is significant difference in the non-monetary benefits preferred by employees of the Five Star Hotels of Karnataka.

12. Market Benchmarking for Competitive Pay Rate, Review the Recruitment Process and Improve job design, job description and job evaluation process- make sure the job holder is fully aware of all expectations required are the most employee preferred retention strategies. Even then there is significant difference in the employee preferred retention strategies of Five Star Hotels in Karnataka.
8.3. Recommendations

It is very significant for the hotel management to understand that there is a paradigm shift from traditional worker to emergent worker is happening across the industry. If the hotel management doesn’t become an emergent-minded employer, they are going to continue to lose workers. In the current scenario every hospitality organization would be taking all possible measures to be cost effective. Every organization worldwide relies on their employees in order to compete favourably and gain competitive advantage. In this context a high employee turnover would be disastrous. Hence it is highly imperative for the managers of Five Star Hotels of Karnataka to be proactive and adopt practical means of retaining its key employees whose expertise is critical to the hotel. The following recommendations are suggested in view of the findings of the present study:

1. Since there is erratic employee turnover at the lower level and supervisory level the hotel management should make all efforts to provide attractive Career Advancement Programmes for employees at the lower level and supervisory level. Employees are always concerned about their future career. A manager should focus on showing employees his career ladder. If an employee sees that his current job offers a path towards their future career aspirations, then they are likely to stay longer in the hotel. Therefore, managers should play the role of career counselors as well. Every hotel management must design its own career development planning strategies for individual employees that align with each employee's needs and desire for future growth. Maximise opportunities for individual employees to develop their skills and move on in their careers. Where promotions are not feasible, look for sideways moves
that vary experience and make the work more interesting. Let employees know that the management is interested in investing time and money in them provided they stick to their job.

2. Adequate and attractive compensation in the form of salary and benefits & perks are still can be administered. The hotels must provide the employees with an attractive benefits package to ensure their long-term commitment to the hotel

3. Thanking an employee for a job well done costs the hotel nothing, and is usually highly valued by the individual employee. Public recognition for the contributions made by an employee to the hotel’s achievement in front of their colleagues can create a real sense of pride and ‘being valued’ for the employee. Symbolic rewards like a certificate or trophy honouring an achievement are also a good option. Relatively inexpensive awards by way of thanks like a bottle of wine, box of chocolates, a book or CD vouchers can be a cost-effective but meaningful way of demonstrating thanks and generating that feel-good factor. Instead of offering only additional compensation, hotels should consider offering other benefits, like developmental experiences that they cannot find elsewhere, rotational programmes, leadership roles, etc. If employees do the work in their own style (freedom in work) then it can result more beneficial in comparison to the work set on conditions so it’s very necessary that they should be independent as it makes the working environment healthy and light. They should be free to give their suggestions related to any issue related to the work.

4. Since majority of the employees are either a Graduate or Diploma Holder in Hotel Management they would be looking for pay parity with that of Engineering Graduates
etc. Hence, a **proper market benchmarking** has to be done to derive a **competitive pay rate**.

5. Every employee who joins a hotel looks for a **proper career progression and an attractive job title**. Hence it is important for hotels to work out a proper Career Progression Plan.

6. It is also recommended to review the choice of benefits preferred by employees and to increase the variety of these benefits. As per the present study the most employee preferred monetary benefits are **provident fund, bonus, gratuity, medical allowance, holiday pay, medical leave, reward based on feedback of guests, earned leave**, etc. The most employee preferred non-monetary benefits are **flexible work hours, representing the hotel in public forums, full freedom in work, solicitation of advice, suggestions, letters of appreciation, friendly greetings, smiles, e-mails, job rotation on the basis of employee liking, in-house training, birthday treats, free lunches / festival bashes, recognition at hotel get-togethers** etc. Care should be taken while choosing the recognition program for the employees and make sure that it is well aligned with the Corporate Social Responsibility of the Organisation. The benefits or rewards should be delivered at the right time. The benefits should be provided based on the individual employee’s personality. The incentives and gifts choices made for the employees should be creative, innovative and personal in nature. The benefits should be provided to the deserving employees. Try and add variety to the rewards provided to the employees. It is suggested to conduct a hotel-wise employee preferred monetary benefits and non-
monetary benefits survey so as to encourage the employee to be more committed and motivated to stay on the job. Hence, reduce the cost of employee turnover.

7. It is suggested to send the ‘Thank You’ notes or ‘Letter of Appreciation’ to the employee’s home, so their families can see how much they are appreciated.

8. It is suggested that hotels have to adopt a customized retention approach focused on development of critical employees occupying important roles rather than a one size fit all retention approach.

9. Hotels need to introduce a reward system which looks beyond the wealth sharing schemes like Employee Stock Option Programs (ESOPs), such as short-term and long-term incentives, succession planning focusing leadership enhancement at the middle level and lower levels of employment.

10. Since salary has been rated as the least important reason for an employee to stay on their job it is suggested that hotels may keep the salary at basic level, and provide better training to the employees to deliver service above and beyond the guest expectations.

11. It has been noted that today’s employees generally prefer more non-monetary benefits than monetary benefits to stay productive at work. But a caution has to be exercised while implementing the non-monetary benefits schemes. It is recommended that hotels to follow suitable benefit schemes based on the level at which an employee is placed. A lower level employee may be expecting more monetary benefits and a supportive work environment, the supervisory level employee may expect a more
competitive salary and a timely appreciation from the management for a good work done, and the managerial level employee will be looking for better empowerment of responsibility with authority, freedom to choose working hours, more freedom in decision making, etc.

12. It is suggested to provide ‘Spot Awards’ by catching employees doing right. It is the best and cheapest way to maintain continuous employee engagement. Instances of an employee who helped a colleague with a tie when called for an urgent meeting, helped a lady recover when she slipped, someone offering to help a colleague carrying a laptop and files to a meeting or even a canteen boy making sure that the tables in the cafeteria are always kept neat and clean; numerous instances which if noticed and appreciated, could actually boost the ego of the employee performing them and bring a new perspective to timely and meaningful recognition. Rather than the yearly appraisal, periodic reviews and even substantial increments (whose value gets discounted in two months), The Top management can ask the department heads to keep tracking employees doing something positive, something appreciable even though trivial, and then makes it a point to call, thank and reward around 10 such employees every day. It is not only cost effective but can generate high levels of enthusiasm, with considerable positive impact on the entire organisation.

13. Since almost 50% of the hotel employees fall below the age of 25 years and looking to settle in life, it is suggested that these young generation employees may be provided with monetary benefits coupled with simple letter of appreciation, special assignments, which is beneficial for career advancement.
14. Since majority of the employees belongs to the age group below 25 years, unmarried and Non-Bangaloreans, it is suggested to provide bachelor accommodation to them to reduce the employee turnover.

15. In order to retain the best talent, it is recommended that a hotel may adopt non-monetary benefits schemes when the employee is well paid and the hotel is comfortably positioned on the market benchmarking on salary and when there is a financial crunch where the hotel need to be creative and when the employee is in mood to appreciate non-monetary rewards. It is very important to acknowledge the accomplishments of the employees at the right time and at the right place.

16. Training and Development Programmes can be tailored towards employees’ career progression in the organization. The training programmes can be designed for self-realisation in order to appeal the managers who are no longer motivated by money but by their status in society. Employee training is also an indication of management commitment to build a life-long relationship with the employees thereby influencing their turnover decisions.

17. Hotels should make all efforts to identify the low performers, medium performers and high performers. Based on the data hotels need to find the employee turnover in each category and take necessary steps to retain the high performers and medium performers. The average cost of high performing employee turnover is the highest (Rs. 74, 08, 018/-), followed by the medium performing employee turnover cost (Rs. 32, 72, 343/-) of the nine Five Star Hotels in Karnataka. The average cost of low performing employee turnover is the least (Rs. 15, 95,135/-).
18. Similarly, hotels must categorize the employees as to highly critical, medium critical and low critical. Hotels must ensure that the highly critical and medium critical employees are retained. The average cost of highly critical employee turnover is the highest (Rs. 54,69,878/-), followed by the medium critical employee turnover cost (Rs. 28,78,239/-) of the nine Five Star Hotels in Karnataka. The average cost of low critical employee turnover is the least (Rs. 22,82,715/-).

19. It is suggested that the hotels should monitor the medium performing employees, medium critical employees, high performing employees and highly critical employees as these are significantly correlated in the turnover.

20. It is suggested that the hotels can do a 360 degree performance appraisal of its employees and categorise them into high performing, medium performing and low performing employees. This will help the hotels to adopt differentiated retention strategy based on the level of performance of the employees.

21. It is also suggested that the hotels to adopt customer-oriented approach in identifying the critical employees in the hotels. Good employees are key to the customer-oriented marketing approach that is so critical to success in today’s overly competitive marketplace, where customers have many choices and options. The hotel management has to use proper customer feedback on employee’s performances in the delivery of services.

22. It is recommended that the hotel managers need to identify the sources of employee turnover that is internal sources or external sources and adopt an approach that will
fill the gap of the source and thereby retain the best employee in this globalised world.

The hotel management must take suitable advantage of the informal channel of communication within the hotel for this purpose.

23. In order to reduce the turnover, the hotels should **review the recruitment and selection process**. This can be done by checking the motivational fit of prospective employees during the hiring process over the phone or e-mail. Prior to a personal interview an on-line personality test could be organised. A structured behavioural interview can be conducted by a trained interviewer from the shortlisted candidates. This will considerably save money and time spent on interviewing candidates not fit and training candidates who are not likely to stay on the job. It would be better if the hotels look at the cultural fit of the prospective employee during the selection process.

24. It is suggested to use internal referrals for the recruitment of the employees. Here, the hotels can provide some **incentives to the internal employee who refers a suitable candidate for employment** at the time of recruitment and may be after the first appraisal of the new employee.

25. As the saying goes ‘no one works for the company, but he/she works for their boss (Supervisor/ Manager)’. Hotels need to **assess the department-wise employee turnover**. Make the departmental supervisors or team leaders or managers accountable for the employee turnover in their department/group/teams. Reward supervisors/team leaders with a good record for keeping employees by including the subject in appraisals. Train the departmental supervisors or team leaders or managers in people management and development skills before appointing or promoting them. Offer re-training opportunities to existing departmental supervisors or team leaders or
managers who have a high level of turnover in their department/group / teams. Hence, it is suggested to improve the ability of managers and supervisors in their people handling skills.

26. Most of the hotels stated that they do not incur much cost in separation of an employee. Also it is revealed that there is no loss of productivity or lost business in case of an employee turnover. This need to be given a serious thought by the management. If an employee with long service leaves the hotel, the organization has to pay certain contractual payments. Also all the expenses incurred for the training of the employee and the knowledge imparted to him on the job is definitely make a dent in the bottom-line of the hotel. Hence management should make all effort to account such losses and adopt suitable retention strategies.

27. Most of the hotels rely on the contract employees to fill in the gap due to turnover of employees for a temporary period. These contract employees do not show any commitment or are not loyal to the hotels as they come to work for a temporary period. This in turn will lead to loss of productivity / loss of business. Hence, it is suggested to reduce the intake of contract employees and adopt more scientific method of recruitment and selection of regular employees. The recruitment system has to be a mix of processes of skill evaluation, psychometric evaluation and background/reference checks.
8.4. Limitations & Directions for Future Research

As majority of the Five Star Hotels of Karnataka are located in Bangalore the present study was limited to Bangalore city only. The study has taken into account only Five Star Hotels which were in operation before 2009 and have completed at-least two consecutive years of operation. The sample of the study includes employees belonging to Food and Beverage Production, Food and Beverage Service, Housekeeping, Front Office and Other Departments (HR and Sales & Marketing Department). The study can be done on department-wise to assess the cost of employee turnover. The study can be extended to other departments and other star category hotels also. The study can be done in hotels in others Indian cities. This study has taken into account the reasons to stay on the job by employees, reasons to leave the job by employees in general. The study can be done to find the reasons to stay on the job by employees, reasons to leave the job by employees based on the various demographic aspects of the Five Star Hotels in Karnataka and elsewhere. The present study looks into the cost of employee turnover based on position level, performance level and critical level of employees of Five Star Hotels in Karnataka. The study can be done to find the impact of these costs on the financial performance of the hotels.