

# Conjectural Swot Up of Low Employee Retention Factors in Star Category Hotels

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**Abstract:** Employee retention is the key aspect that plays a major role in the success of the hotel industry. As the hotel industry solely depends on their employees, it has high turnover rates and so retaining them has become a major challenge. As there are many hotels in India, even the high performing employees are immediately moving to another job when they feel dissatisfied with the current position. Due to these reasons, this theoretical paper investigates the factors that result in low employee retention. This paper argues about the factors that are critical in influencing the employees to leave their jobs. They are employee misalignment, below average pay, career work-life imbalance, etc. Thus, hotel management should frame appropriate retention strategies to reduce turnover rates with utmost commitment as it will bring a long-term benefit to the organisation.

**Keywords:** employee retention, employee misalignment, below average pay, career work-life imbalance.

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## I. INTRODUCTION

The workforce Planning for Wisconsin State Government (2005) defines retention management as “a systematic effort by employers to create and foster an environment that encourages current employees to remain at the same employer having policies and practices in place that address their diverse needs”. Employee retention is a process in which the employees are motivated to stay with the organisation for a maximum period of time. It not only benefits the organisation but also the employees. Failing to retain an employee is a financial loss to the organisation because it invests lots of time and money in training the employee to suit for the organisation culture. Retaining the employees will enable customer satisfaction, increase in sales, satisfied co-worker relationship, effective succession planning and deeply imbedded organisational learning and knowledge. Some effective ways of retention includes employee engagement, recognition of the work performed and providing rewards and benefits,

Retention refers to the variety of policies and procedures followed by the organisation in order to make their employees to stay for a longer time. The main aim of employee retention is to motivate the employees to remain in the organisation for a longer period of time. According to (Lucille & Jean –Francois 2004), in order to approach the financial triumph of an organisation employee retention should be taken as a fundamental approach. For the success of the organisation employee retention is very much important. In the study of (Raudenbush & Bryk 2002) the most important variables for effective employee retention are identified as workplace setting and work environment, work-life balance, and career support by the management.

Employee retention plays a lead role in the functioning and competitiveness of an organisation. According to (Herman 1999), when an organisation has hired good people, trained them, built them into high-performing teams then the organisation will not have the mindset to lose them. As the hotel industry is a labour intensive industry employee retention plays a critical role and it is very essential. Hotel industry is a customer oriented industry. Thus the competitive advantage here lies in developing a loyal workforce who consistently excels by satisfying their customers.

Employee retention reduces the recruitment expenses and provides workers with a sense of security. Loyalty among the employees will persuade them to work for slightly lower wages than they might be able to earn at competing hotels. A workforce with unique skills is built in hotels that give importance to employee retention than the employees of other

hotels do not have. These skills are mandatory for producing exceptional products and services that cannot be easily duplicated by competitors.

Though employee retention may sound simple in understanding it is difficult to achieve. Employers should understand the needs of their employees and step forward in the right direction to achieve them. Employers have the major responsibility in retaining because when an employee is dissatisfied with the work he/she immediately quits. That too due to globalisation many hotels have grown providing variety of job opportunities. So, to prevent employees from leaving their jobs, the hotels should plan ahead and consider retention management as a long term process (Lee, 1994).

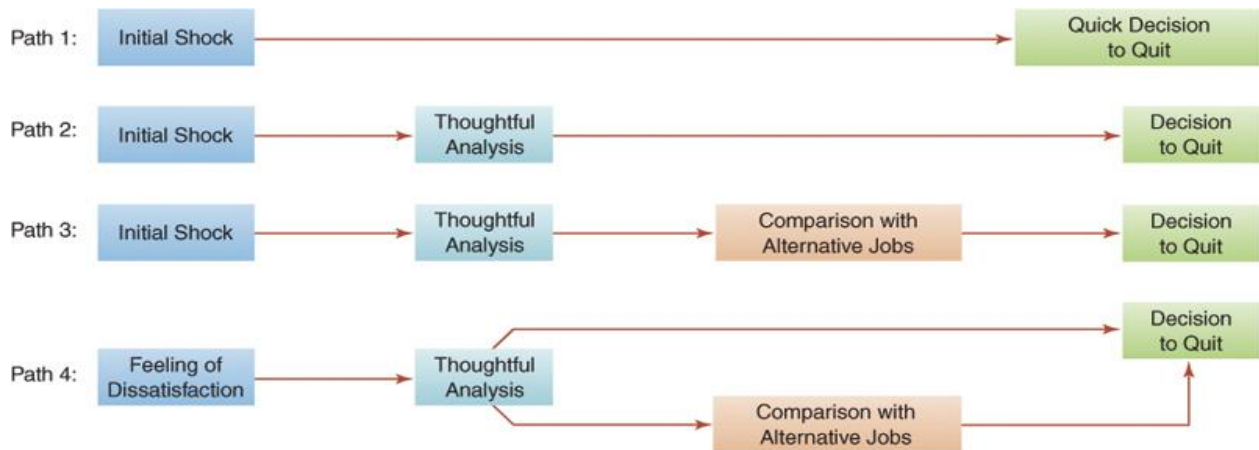


Fig.1 Quit decision

## II. FACTORS AFFECTING EMPLOYEE RETENTION

### Below average pay:

Pay acts as a basic motivator for majority of the employees. While searching for a job although employees give importance to other factors, pay will be in their top priority list. Compensation paid in the hotel industry is lower than the compensation provided by other industry. In fact employees in hotels work for longer hours compared to employees of the other industry. They feel dejected when they realise that they are not paid up to the mark. Eventually they quit their jobs and move to other job which offers them more pay.

### Lack of recognition:

When the employees get a feeling that they are not recognised for their performance or if the hotel is not utilising their employees full potential in performing jobs the employees will get a tendency to the hotel. They will move towards a job that recognises their efforts and utilise their full potential in achieving their goals. Appreciation and recognition acts as the most cost-effective tool for the employer to retain his employees.

### Lack of growth opportunities:

While recruiting the employees should be made aware about the vision, mission of the industry. The employees should know the growth opportunities they will have in each job. They should not be given any false hope regarding their opportunities in the job. If after recruiting the employee is not getting any growth opportunity then he/she will quit the job. Most hotels do not give emphasis on creating career paths that are well communicated and understood by the employees.

### No Fun:

Hotel job is the one in which an employees should work all time round the clock. Now-a-days the digital and mass media have seen a tremendous growth. As a result, putting in long hours of work at the same desk is very much unattractive to many employees. But this doesn't mean that the work force is lazier, it's because defining work in such a traditional manner doesn't make sense to employees in today's constantly interconnected and fast-paced world

**Stress:**

The management should take initiative to meet their employees frequently to determine their satisfaction with the job. A high performing worker, if given with a routine job without any challenges will eventually gets bored. This will ultimately result in stress leading to employees quitting the job.

**Poor Working Conditions:**

Employees must have the necessary tools to perform their duties. This includes the proper equipment, machinery and computer technology as well as adequate lighting, work space and ergonomically-correct seating. Poor working conditions due to physical elements lead to low productivity and overall job dissatisfaction. The latter, particularly when left unaddressed, leaves employees feeling unappreciated and they ultimately leave their jobs.

**Employee misalignment:**

While recruiting the hotel management should keep in mind that the skills and abilities of the employees should match with the job requirements. If the hotel recruits without proper analysis of the job requirements then it will result in recruiting a over skilled or under qualified employee. Hotels should never hire employees (internal or external) unless they are qualified for the job and in sync with the culture and goals of the hotels. Managers should not try to force a fit when there is none. This is like trying to force a size-nine foot into a size-eight shoe. Neither management nor employee will be happy, and it usually ends badly.

**Job dissatisfaction:**

Every employee knows that their job not always give never- ending satisfying. But if the skills, knowledge, talent of an employee are underutilized at the work, then it will lead to dissatisfaction, frustration or boredom resulting in employee turnover. If the hotels are not keeping a check and thinks that the employee is enjoying his work then it will result in a ultimate disaster leading to employees leaving their jobs.

**Coaching and feedback are lacking:**

When managers are ineffective they will not give feedback to employees even though they instinctively aware that giving and getting honest feedback is essential for growth and building successful teams and organizations.

**Expectation not met:**

In order to attract the employees towards the job the hotels promise certain description regarding the job at the time of interview. After getting the posting most of the promises will not match with the real situation. When this happens it can lead to mistrust. The employee starts to think negative about the hotel's policy and procedures. When trust is missing, there can be no real employee ownership.

**Work-life imbalance:**

Economic pressures have increased and so the hotels continue to use one person to do the work of two or more people. This is ultimately true when the hotel downsizes or restructures, resulting in longer hours and weekend work. Employees are forced to choose between a personal life and a work life. This does not sit well with the current, younger workforce. And at one point they get the intention to quit their job.

### III. CONCLUSION

As a customer oriented industry the main aim of the hotel industry is to attract, engage, and retain the right employees. Certain factors which the hotel management consider as a minor issue may play a crucial role in influencing the employees' decision to either leave or stay in the hotel. Management should carefully investigate while framing employee retention policy. This research aimed to identify factors that cause low employee retention in star category hotels. The hotel management should focus in overcoming the above mentioned barriers in order to retain their valuable employees.

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