
A study of Human Resource Practices Pertaining to Talent Management and its Impact on Employee Retention in hotels of Pune city

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Keyword

Hospitality Industry, Employee Retention, Talent Management

Abstract

The speedy rise in the growth of Pune city has generated challenges of retaining talent in the hotel industry; this has generated a great demand for skilled and talented employees. The main worry for the hotel industry is to attract and retain their talented bunch of employees. The HR department is making efforts towards preserving and channelizing these employees at a very early stage of their career with the organization. This is benefiting the organization in better customer satisfaction, good business and branding. Therefore, it is a need of an hour for every hotel to identify this talented bunch of employees and preserve them for the betterment of the organization. An early identification of the talented bunch of employees will enable an organization to preserve them for a longer time by implementing efficient talent retention practices. Thus the basic objective of this study is to analyze the HR practices pertaining to talent management adopted in the hotels and measuring its impact on employee retention. This study is in a category of descriptive research and has studied various existing HR practices pertaining to Talent management followed in the hotels of Pune city which includes surveys, fact finding enquiries of different kinds etc.

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INTRODUCTION

Globalization has changed the entire face of the world by getting the population more close to each other. Every country, state and city is developing and getting closer in the current situation, as there are a lot of people found from all parts of the world at a particular location. There is a rapid change observed in all the sectors like Tourism and Hospitality, Engineering, Information Technology etc. The hospitality industry has experienced a major change in the recent times where there are a lot of national and international players in the market. The Indian hotel industry has drastically grown in the recent times because of the international brands entering in the hospitality market.

The city of Pune greater known as 'an oxford of the east' has also experienced a significant change in the recent times, where the city has got a makeover from a local city to a cosmopolitan town. There has been a good amount of investment happened in many sectors like Manufacturing, Information Technology, Hospitality etc. in the past 10 – 15 years. There are a lot of travelers coming down to the city for a business purpose. Hotels in the city have also increased in numbers from minimum to maximum of all the categories. This rapid development has generated a great demand for the skilled hotel professionals not only in the hotel sectors but also in many other sectors like Banking, Retail etc. Every organization requires hotel management professionals because of their professional attributes inculcated in them at the time of their professional education.

This great demand has also resulted in a higher attrition rate, there has been a lot of job shifts observed from one hotel to another for career betterment and advancement. Most of the employees would want to work with the good brands for their continual up-gradation. This frequent job shifts have forcefully made the hotels to adopt practices for better staff retention like "Succession Planning", "Turnover Management" etc. This survey basically concentrates on the benefits "Talent Retention Management" followed in the hotels.

Need of the study

As there are a lot of good hotels in the market and the competition is cut throat, every hotel is competing with each other for a better business and branding. The human resource department of every hotel has to formulate effective strategies for better talent retention. If the hotel wants to sustain in the market it should have a talented workforce because these peoples are the drivers for a successful organization. To attain guest satisfaction and good business, a hotel organization should take efforts to utilize the talents of these potential employees. This will also help in portraying a brand image of the organization. The study aims at analyzing the HR practices pertaining to talent management system adopted in the hotels and measuring its impact on employee retention.

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Significance of the study

Every hotel would want to attract and retain their best talented employees; hence talent retention is one of the biggest concerns of the hotel industry in the current situation. There are a variety of challenges that contributes towards the dissatisfaction of an employee like inappropriate retention practices, improper pay package, insufficient workforce etc. Therefore attrition is a key challenge in front of the hotel industry and the hotels are practicing an active retention strategy to ensure that the key talents are retained with the organization. Especially, the candidates those are occupying critical roles remains with the organisation and are developed for their further growth. The hotel industry has to have a strategy where the best talented people are retained by ensuring a non-hierarchical, informal, transparent, friendly work environment etc. There should be a performance management programs which should be used in all the segments of the hotel industry. The system should include transparent appraisals, fair and just performance evaluation, fair distribution of monetary as well as non-monetary rewards etc.

An assessment of the values of this study is to help the hotel industry to identify talent at the right time and channelize it correctly. Managers and stakeholders may find this study helpful to understand effective talent retention strategies. An analysis of the contribution to business practices and implication could provide the hotel industry with a foundation for developing and implementing employee talent retention strategies.

Scope of the study

Every individual is gifted with some or the other talent which if recognized properly will result in a better output. Like in other sectors there are a lot of talented people found in hospitality sector as well because it is a skill based service industry. It is a need of an hour for the hospitality industry to implement effective talent retention practices which will enable the organization to early identification of the high performers and offer them the work in which they are good at to have a better output. There is a much wider scope in enabling an organization to appoint right person for the right job. An early identification of the talented bunch of employees will enable and organization to preserve them for a longer time by implementing efficient talent retention practice.

Statement of the Problem

In the current scenario, Talent Retention is the biggest challenge faced by the hotels. Although the HR department is adopting several practices pertaining to the problem, talent retention management system is the latest one. Hotels not following these practices in the hotel, has resulted in great losses and the company has lost their valuable employees (Freedman & Kosová, 2014). The general business problem could be inability of some hospitality managers to retain their employees at the workplace which had resulted in a loss of customer satisfaction and profitability. The specific business problem could be some hospitality managers' lack in strategies to improve employee retention. Thus the main purpose of this study is to analyze various benefits of talent retention management system and measuring its impact on retention of employees.

Limitations of the Study

- The study was purely based on the information provided by the managers working in the star hotels of Pune city.
- The study was piloted in the current market scenario and the ideas, discernment and anticipations of the respondents may differ accordingly with time and geographical zone.

- The study also does not differentiate between the respondents on the basis of their location which may have an influence of their opinion, thereby identifying scope for further research.

Definitions

Human resource is a critical component of employee well-being in any business, no matter how small. HR responsibilities include payroll, benefits, hiring, firing, and keeping up to date with state and federal tax laws. www.entrepreneur.com

Human Resources Department is responsible for creating, implementing and/or overseeing policies governing employee behavior and the behavior of the company toward its employees. www.searchcio.techtarget.com

Employee retention is the ability of an organization to retain its employees (Cardy & Lengnick-Hall, 2011).

Talent retention: An organization's attempts to recruit, keep, and train the most gifted and highest quality staff members that they can find, afford and hire. www.businessdictionary.com

Talent management: A conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs. Talent management involves individual and organizational development in response to a changing and complex operating environment. It includes the creation and maintenance of supportive, people oriented organizational culture. <http://www.derekstockley.com.au/>

LITERATURE REVIEW

Effective Human Resource Practices pertaining to Talent retention management system has been a powerful tool for offering quality service, maximizing the customer satisfaction as well as employee satisfaction. There are a number of researches, seminars and articles on the subject are a testimony to the importance of employee talent retention management system.

Hospitality journals like Express Hospitality, Hotels and Express, Travel World etc. carry regular articles on the above subject. Apart from that below mentioned will also provide the valuable information.

- Books Research Methodology by C.R Kothari
- Journals / Magazines / Newsletters
- Internet / Websites – Citation

Becker Frederick & Tews Michael (2016): The study had examined the impact of fun activities among entry-level employees in the hospitality industry. Specifically the research had examined the impact of various fun activities on employee engagement, constituent attachment, and employee turnover. The outcome of the study had demonstrated that the fun activities overall were significantly related to both engagement and constituent attachment, but not with the turnover of employees. However, a closer investigation of the research had revealed that there are specific activities which had a direct impact on retention of employees. The key implication of the study revealed that not all fun activities are equal, and they may impact workplace outcomes differently.

Suleiman Al Battat Ahmad Rasmi & Mat Som Ahmad Puad (2013): the basic foundation of the study was about, how the turnover crises had great impact on the hospitality industry. The purpose

of this study was to give an overview of the causes of job dissatisfaction which force an employee to quit from their current job and consider other job opportunities. The study had highlighted that turnover crises is a global affair and impacts both nationally and internationally. The findings from the literature had indicated that a turnover crisis begins when an employee faces the case of dissatisfaction from a poor working environment and considers leaving his current job.

Natalie Govaerts, Eva Kyndt, Filip Dochy, Herman Baert, (2011): The study investigated about the factors which influence the employee retention. There are two parameters which were a part of study; the employees and the organization structure. The primary data was collected from various profit and social-profit professional organizations. The result of the study concluded that, in the process of retaining the employees, a lot of attention should be given to their learning. If an employee is deriving job satisfaction in his work and is eventually gaining a new experience through his learning, he certainly wish to continue with the organization. The result also focused on 'age' as a factor to decide about the employees' retention. The study showed a positive relationship between the age and the retention. However, a limitation of the study was that employee as organizational factors are measured through their perceptions about the organization.

Ibraiz Tarique, Randall S. Schuler, 2010: As per this study, in today's scenario, most of the organizations are facing several global challenges which includes: talent flow; managing of generation gap and a shortage of desirable competencies. As the competition is increasing globally, the companies should lean to systematically manage the human capital in case they wish to sustain in the competitive market. The multinational companies, in this direction have started working in the new area referred to as "global talent management". The framework of the research highlighted on challenges faced by the organizations in global talent management. The new HR policies are addressing this issue by way of employee centric practices followed in an organization.

Chang Lee & Kelly Way (2010): The investigation had been done for understanding variation of individual employment and their characteristics which may influence the employees' experience about their work environment. The study had intended to identify employment characteristics that influenced employee satisfaction with work environment related to employment retention. Significant factors had played different roles in measuring job satisfaction and employee retention according to individual employment characteristics, while factors related to the work environment (location, communication, accomplishment, and department) should be addressed regardless of employment characteristics. The study had recommended that hoteliers should provide a customized improvement agenda directed and focused on individual groups according to the characteristics.

John P. Hausknecht, Julianne Rodda and Michael J. Howard (2009): the main aim of the study was to find out, what makes employees stay with a particular employer and to find out the reasons for the same. The study had identified a basic framework and had revealed that, job satisfaction, extrinsic rewards, constituent attachments, organizational commitment, and organizational prestige were the most frequently mentioned reasons for an employee to stay back in the organization. The research revealed that High performers were more likely to cite advancement opportunities and organizational prestige as reasons for staying, whereas low performers were more likely to cite extrinsic rewards. The findings of the study had highlighted the importance of differentiating human resource management practices when the goal is to retain valued employees.

Sandra Watson (2008) the study had explored the range of research that has been published in the field of hospitality management and had also discussed the implications of findings for the field of talent management. The findings of the study had revealed that there are four key areas i.e. first, there is research which focuses on factors which influence management development; second, there is a focus on hospitality management skills and competencies; third, there is work on hospitality careers; and finally, there is work on hospitality management development practices. The paper had highlighted the relationship between characteristics and approaches traditionally associated with talent management. The research concludes with the presentation of a framework to articulate key characteristics and influences on management development and talent management in the hospitality industry.

Gillian A. Maxwell & Samantha MacLean (2008) the study had explored the operational implications and strategic actions that are involved in talent management. The study had found out that hotel industry which generally has a high labor turnover and a negative public image in attracting, developing and retaining people has significant potential to contribute to changing approaches in managing people and to improve career opinions in the sector. Practical implications of the study had suggested approaches that suits the business, employees and customers and industry bodies. The study had also suggested business strategies including Talent Management initiatives that are actively supported by senior and operational managers in the organizations.

Norma D'Annunzio Green (2008) the study had explored managers' views on various challenges and opportunities around talent management in hospitality and tourism organizations. The study had also focused on drawing out key issues and suggesting practical actions for the same. The findings of the study had indicated a clear commitment towards the value of Talent Management, but had also exposed that policies were found to be underdeveloped. The study had a number of practical implications specifically with regard to defining, attracting, retaining developing and transitioning talent.

Wildes, Vivienne (2007): The study had examined the abilities of internal service quality (ISQ) to moderate occupational stereotype for restaurant food servers. The investigation had found that ISQ overcomes occupational stereotype to attract and retain food servers in the hospitality industry. The investigation had contributed to the hospitality literature and to a better understanding of the world of waiters, especially in reference to employee turnover, employee retention, and motivation to work in the food service industry.

OBJECTIVES OF THE STUDY

1. To study various factors influencing Talent retention in the hotel industry.
2. To identify the human resource practices pertaining to talent management in the hotel industry.
3. To analyze the impact of human resource practices pertaining to talent management on retention of employees.

RESEARCH METHODOLOGY

Type of Research: A descriptive research was used to study the various existing practices of Talent Retention Management System followed by the hotels in Pune city and will include surveys and fact finding enquiries of different kinds.

Methods of Data Collection

Primary data - was collected from the Managers working in various categories' of star hotels of Pune city, the data was collected from the managers working at various hierarchical levels. Primary data was collected through survey in the following ways:

1. **Personal Interviews:** The responses were sought to a set of pre-conceived questions through personal interviews and the data was collected in a structured way.
2. **Questionnaires:** Considering the Reviews, and the additional inputs, one schedule was prepared by means of a questionnaire designed for the Management of the hotel to collect the official information regarding the hotel from its establishment.
3. **By observation:** The data collection was done by conducting visits to sample hotels. This was a primary technique for collection of data on non verbal behavior observation to understand dynamic behavioral process.

Secondary data - was collected from published / unpublished literature on employee talent retention management system in the hotel industry, advancements in the techniques of talent retention, latest references available from the journals, newspapers, research publications and magazines, past records and training reports of the hotel, and other relevant sources like websites.

Questionnaire - Design and implementation: The questionnaire design was done with the aid of experts in statistical techniques and taking into account the measurement needs, aims and objectives of the study. The questionnaire was administered to the sample population and sample size.

Sampling Techniques: For this study different employee from various star hotels of Pune city who are working at a different hierarchical level was taken into consideration. This involves a total of 100 samples from the manager level respondents from hotels of Pune city.

OBSERVATIONS AND DISCUSSIONS

The first and the foremost general observation was, most of the hotels in the city were making a sincere effort towards retaining their talented bunch of employees. The human resource department was putting their best foot forward in the implementation of various strategies pertaining to talent retention management. Most of the hotels had formulated their own techniques towards the effective implementation of talent retention system. Some observations are discussed below:

1. The hotels in the city are offering good monetary benefits by means of a better pay package, overtime compensation, festival bonus, rewards and insurance schemes which will hold them for a longer tenure with the organization.
2. The hotels are doing a career planning for the employees at the time of recruitment so as to enable an employee to forecast his / her career growth in the organization.
3. The hotels are also offering fringe benefits for the betterment of the staff by providing accommodation, meals and transport facility so as to make the employee tenure more comfortable with the organization.

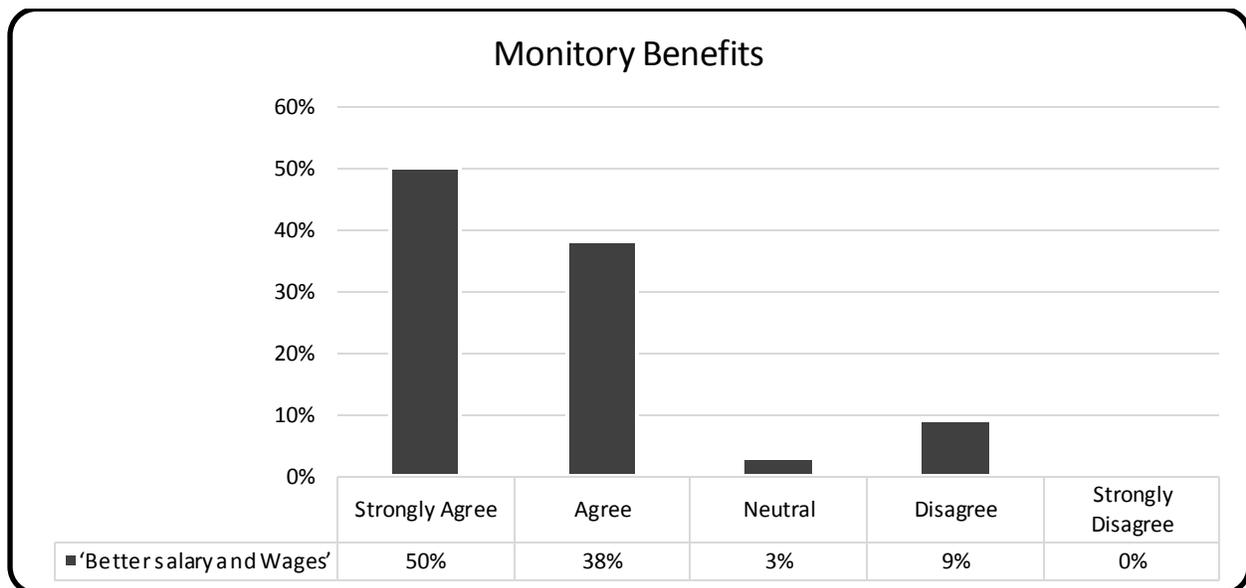
4. The hotels are creating a better work life balance between the family life and professional life by allowing their employees to work for fixed number of hours per day and also letting them avail additional leaves and day offs.
5. The hotels are providing ample opportunities to the staff members by providing training and development programs to enhance their operational skills as well as their soft skills. This will enhance the continual improvement of the employees and enable them to get familiar with the latest trends in the industry.
6. The hotels are carrying out lot of in house activities to generate fun at work and create an employee friendly work culture in the organization.
7. The hotels are practicing an effective grievance handling system which creates a feeling of safety and security amongst the staff members.
8. The hotels are allowing their employees to showcase their hidden talents which enables them to perform their skills in a better way.

DATA ANALYSIS & INTERPRETATION

The data collected was analyzed using basic and advanced analytical tools. This also includes the detailed analysis of the data which was conducted with the purpose of attaining the set objectives of the research. Mentioned below is the analysis which be presented graphically and in tabulated form for better interpretation. The Interpretation of the collected data was done by drawing inferences from the collected facts after the analysis of the study.

Monitory Benefits

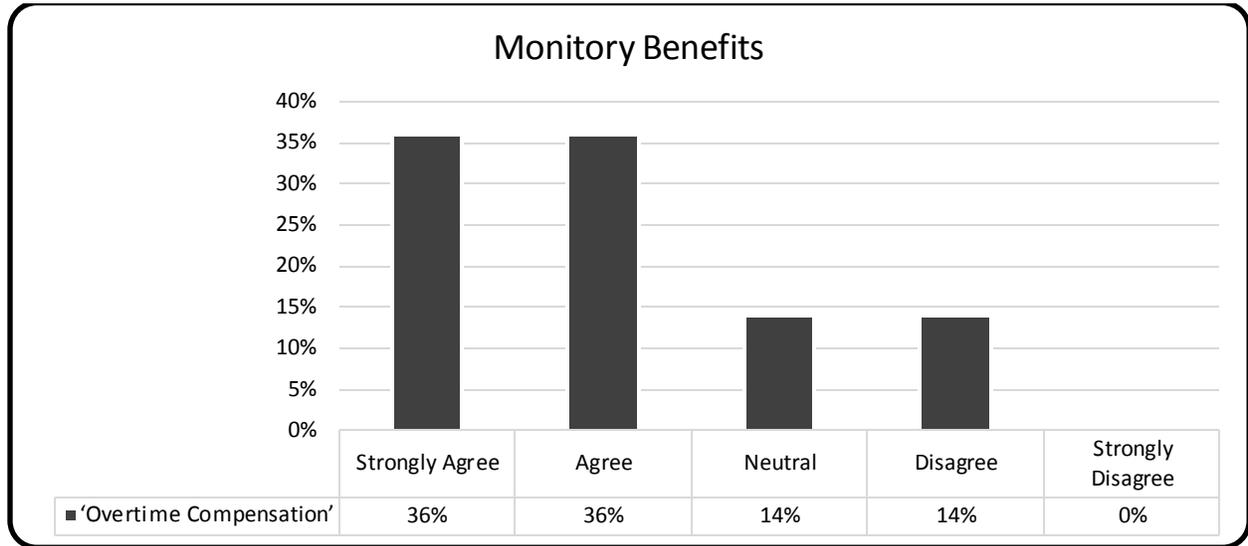
Figure - 1



Observation - 1

Most of the respondents are agreeing that, Monitory Benefits by providing “Better salaries and wages” has an impact on employee retention; the level of disagreement is comparatively very low.

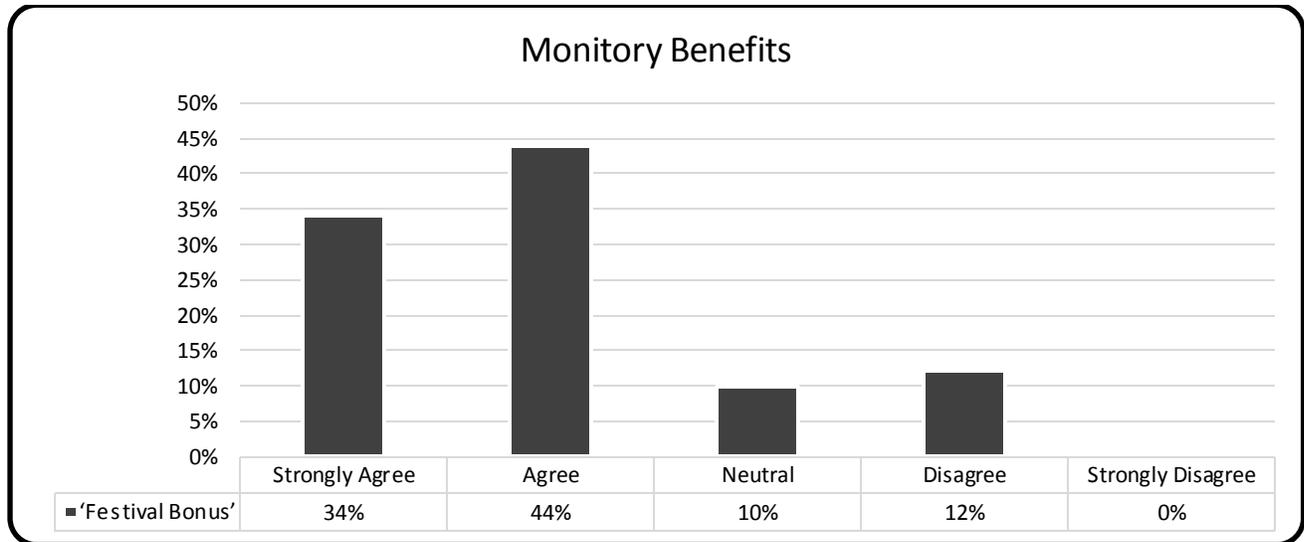
Figure – 2



Observation – 2

Most of the respondents are agreeing that, Monitory Benefits by providing “Overtime Compensation” has an impact on employee retention, the level of disagreement is comparatively very low.

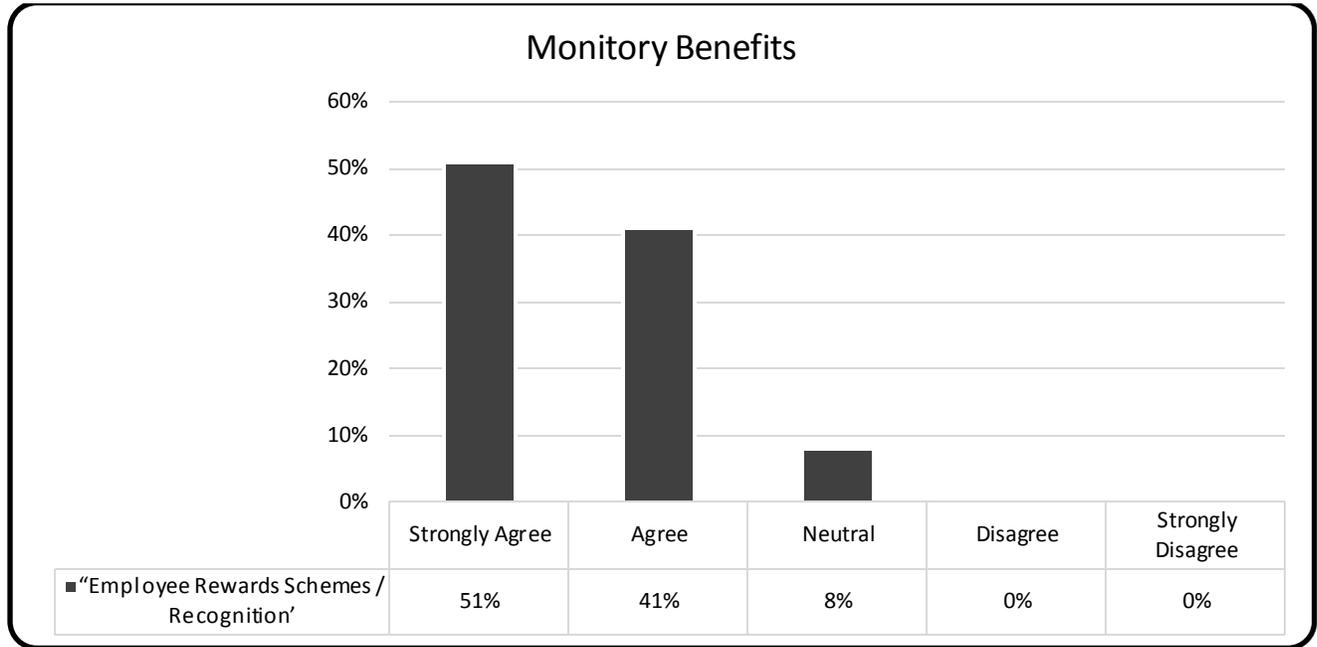
Figure – 3



Observation – 3

Most of the respondents are agreeing that, Monitory Benefits by providing “Festival Bonuses” has an impact on employee retention, the level of disagreement is comparatively very low.

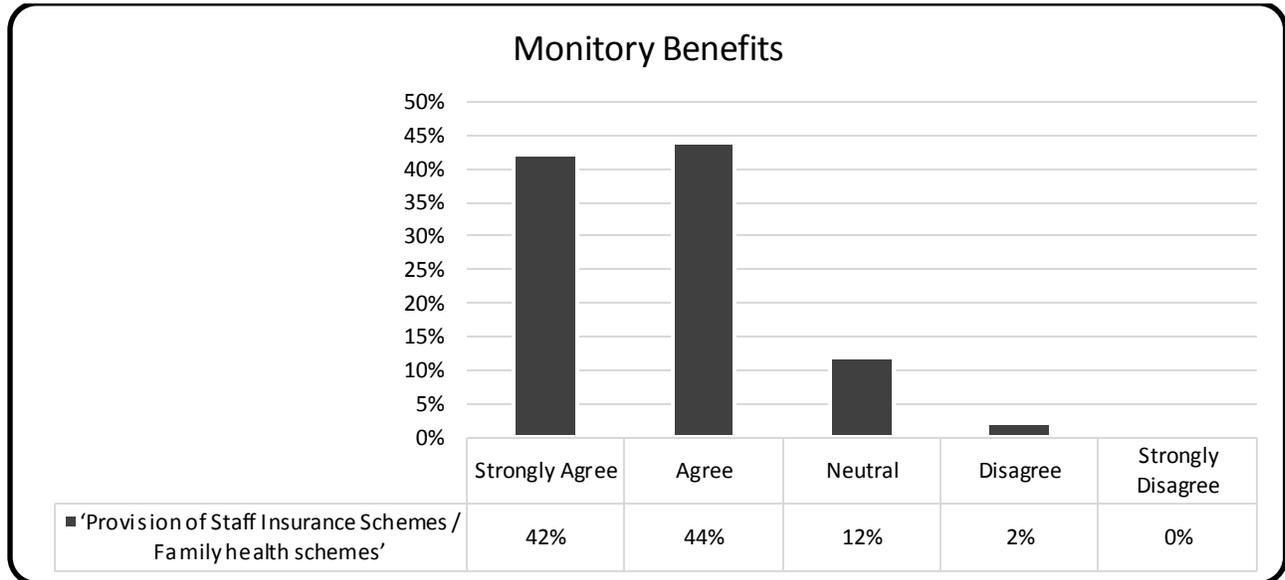
Figure - 4



Observation - 4

Most of the respondents are agreeing that, Monitory Benefits by practicing a system of "Employee reward and Recognition" has an impact on employee retention, the level of disagreement is nil.

Figure - 5

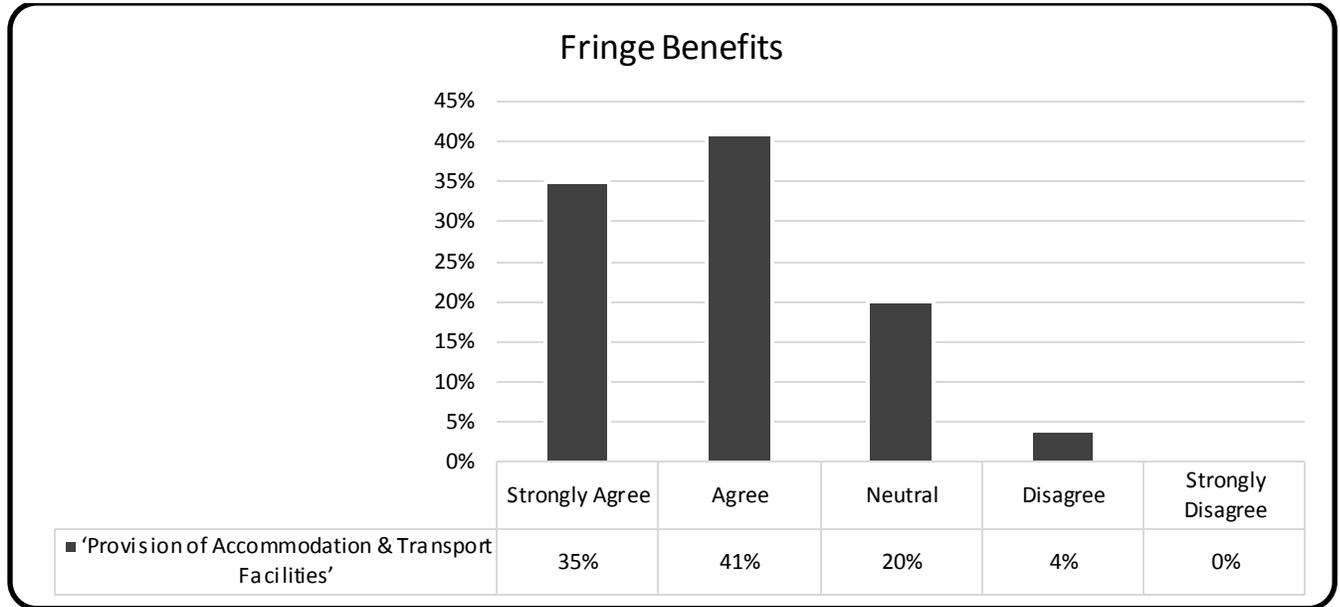


Observation - 5

Most of the respondents are agreeing that, Monitory Benefits by providing "Insurance schemes" has an impact on employee retention; the level of disagreement is comparatively very low.

Fringe Benefits

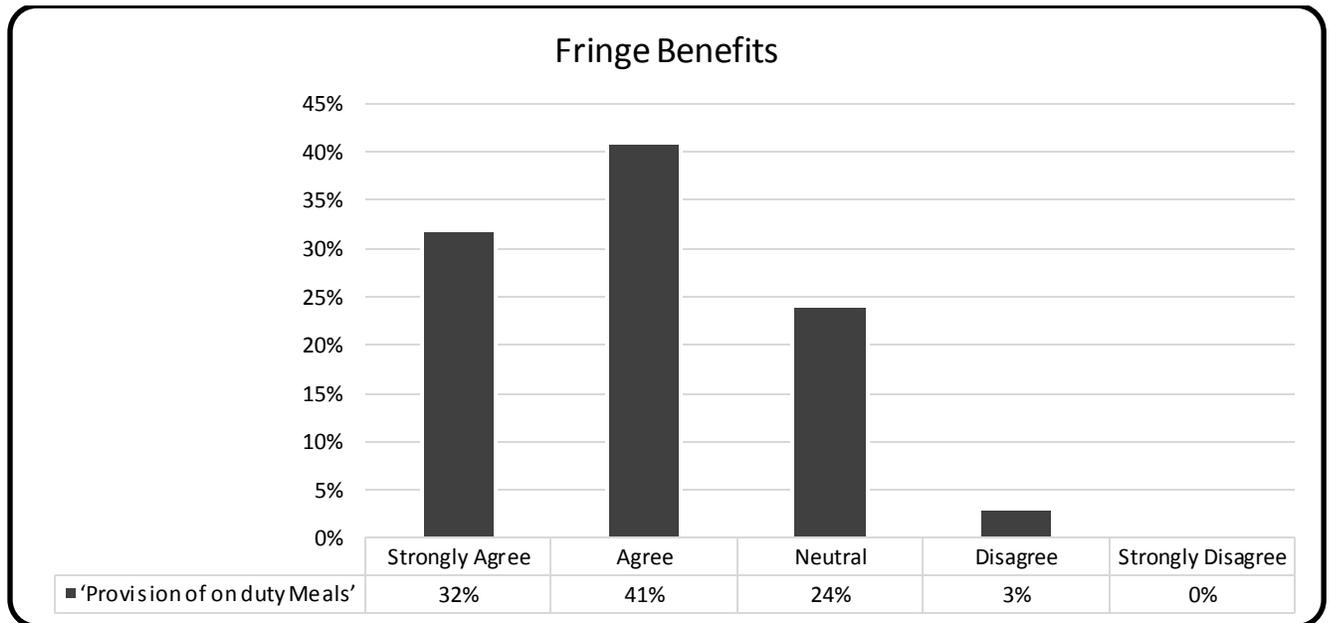
Figure – 6



Observation – 6

Most of the respondents are agreeing that, Fringe Benefits by providing “Accommodation & Transport Facility” has an impact on employee retention, the level of disagreement is comparatively very low.

Figure – 7

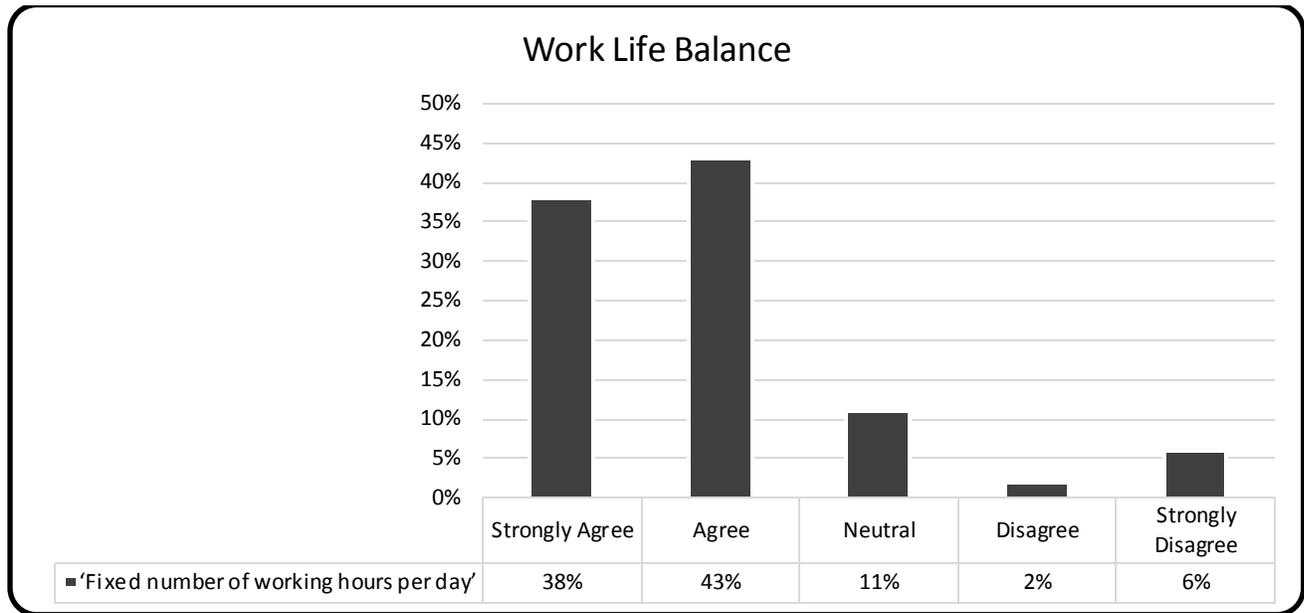


Observation – 7

Most of the respondents are agreeing that, Fringe Benefits by providing “Meals on duty” has an impact on employee retention, the level of disagreement is comparatively very low.

Work Life Balance

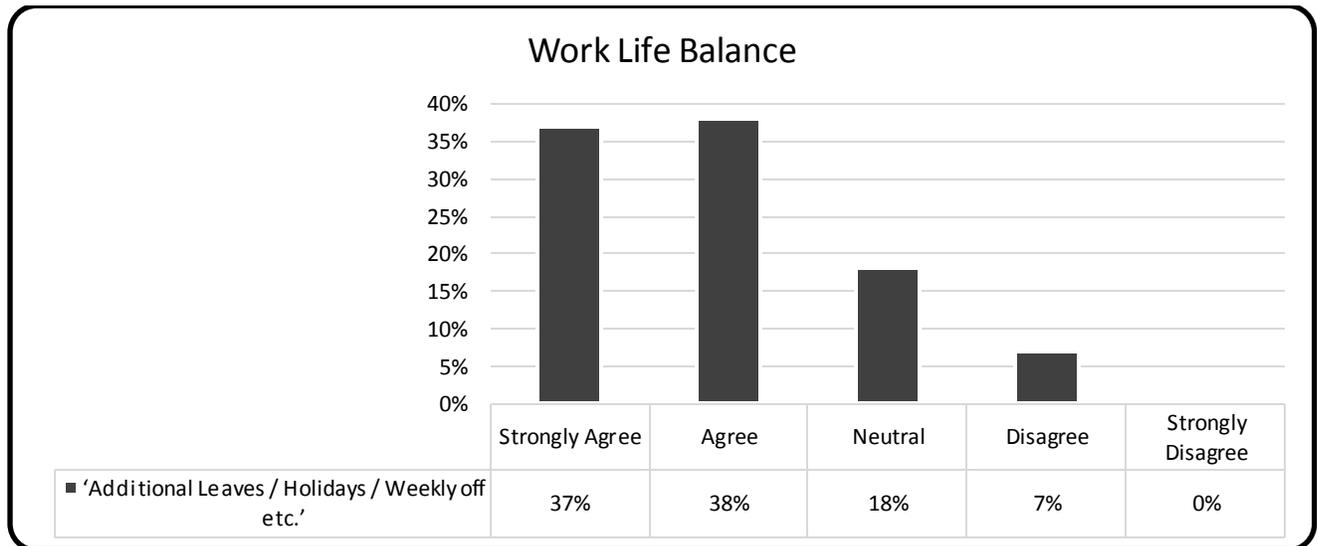
Figure – 8



Observation – 8

Most of the respondents are agreeing that, Work Life Balance by allowing the employees to work for “Fixed number of working hours per day” has an impact on employee retention, the level of disagreement is comparatively very low.

Figure – 9

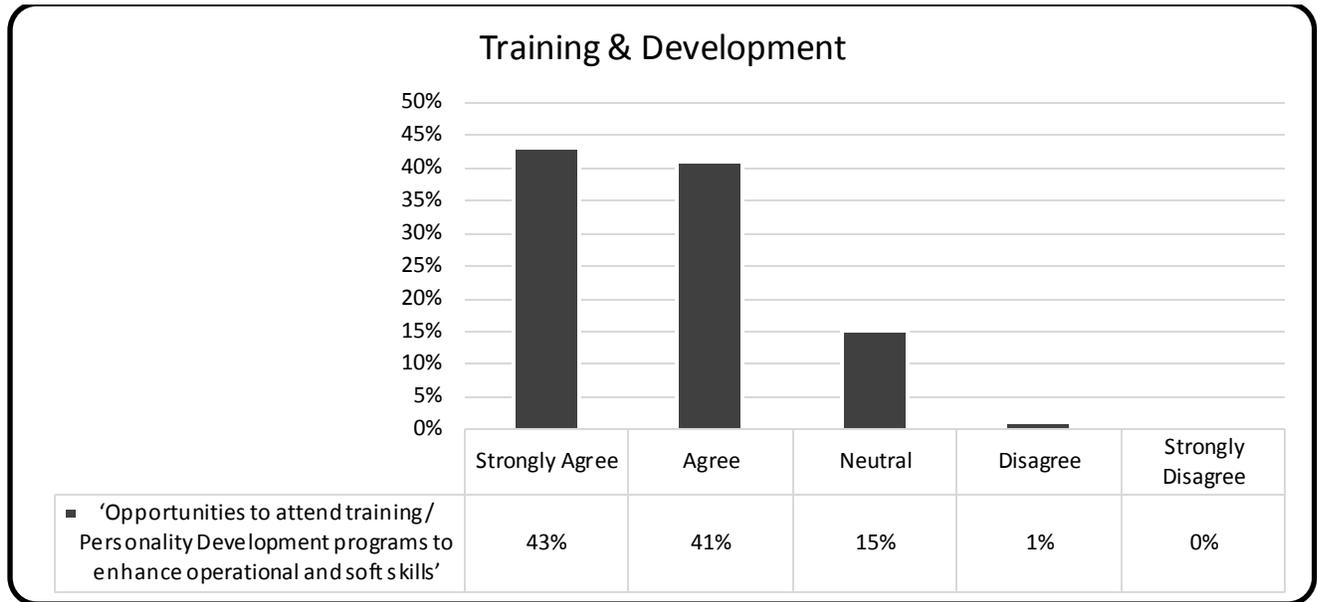


Observation – 9

Most of the respondents are agreeing that, Work Life Balance by allowing the employees to “Additional leaves / Holidays / Weekly offs etc.” has an impact on employee retention, the level of disagreement is comparatively very low.

Training and Development

Figure – 10

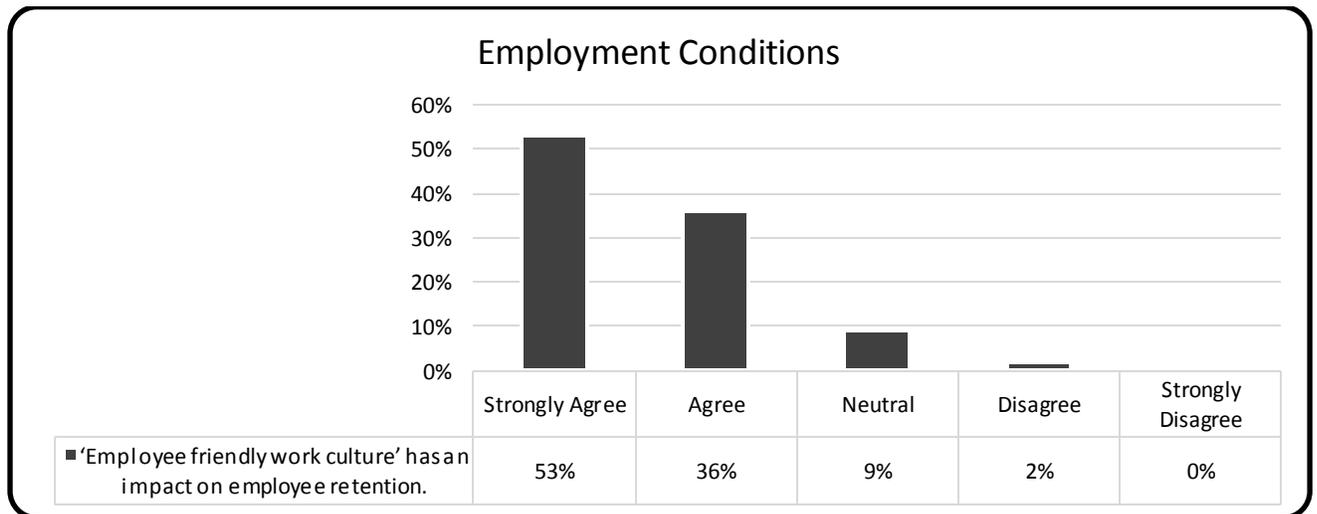


Observation - 10

Most of the respondents are agreeing that, providing “Opportunities to attend training and personality development programs to enhance operational and soft skills” has an impact on employee retention, the level of disagreement is comparatively very low.

Employment Conditions

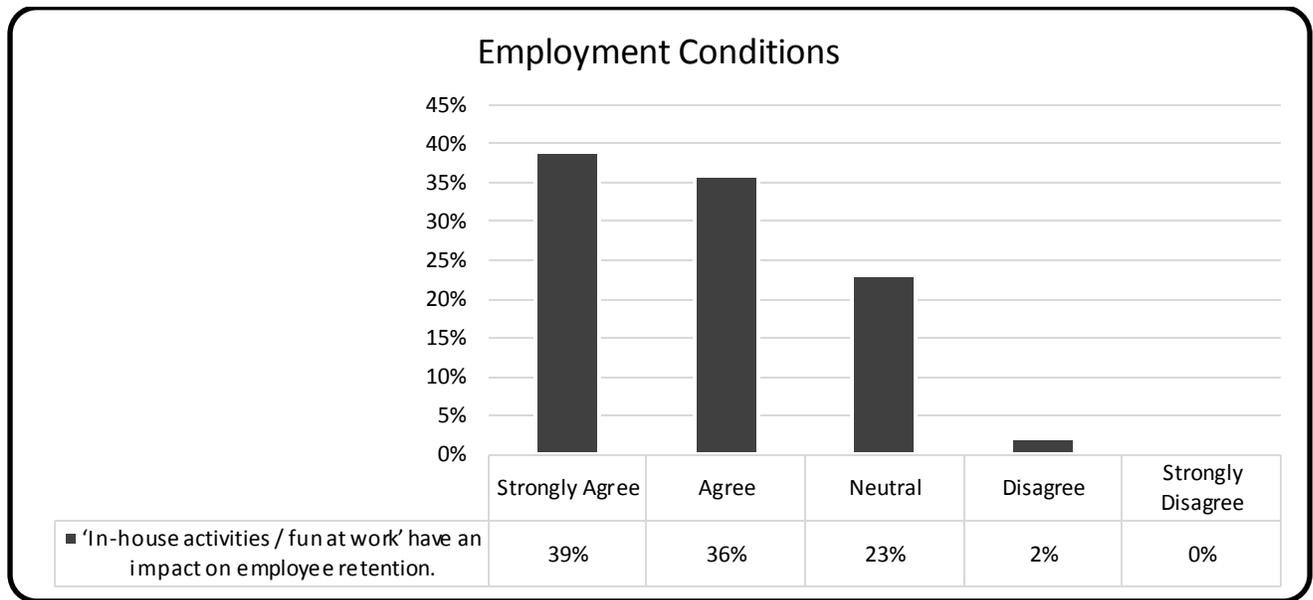
Figure - 11



Observation - 11

Most of the respondents are agreeing that, Employment Conditions by practicing an “employee friendly work culture” has an impact on employee retention; the level of disagreement is comparatively very low.

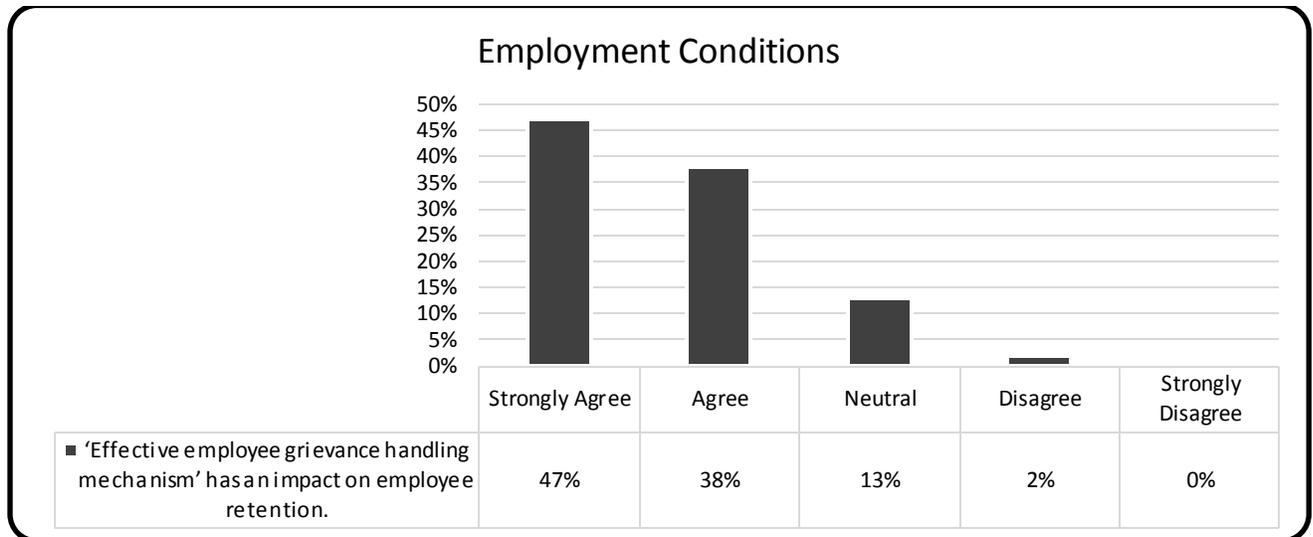
Figure - 12



Observation - 12

Most of the respondents are agreeing that, Employment Conditions by practicing “in-house activities and fun at work” has an impact on employee retention; the level of disagreement is comparatively very low.

Figure - 13



Observation - 13

Most of the respondents are agreeing that, Employment Conditions by practicing “effective grievance handling mechanism” has an impact on employee retention; the level of disagreement is comparatively very low.

FINDINGS

Followings are the interpretations that are drawn from the above graphs related to the benefits of talent retention for the hotel industry-

1. The major findings from the research is that, Monetary Benefits in the form of Salaries and Wages, Overtime Compensation, Festival Bonuses, Recognition, Reward and Insurance schemes have a greatest impact on not only “talent retention” but also “employee retention” for all the employees.
2. There is a lot of agreement observed in the provision of Fringe Benefits in the form of accommodation, transport facility and meals on duty. It also has a better impact on employee retention.
3. There is a positive impact seen in the hotels that are practicing a system of good “Work life balance” by means of allowing the employees to work for the stipulated number of working hours per day and also entitling them to avail additional leaves and day offs. This practice is benefiting the organization in retaining their talented bunch of employees and also for the employees to create a good balance between personal and professional life.
4. The hotels are providing many opportunities to attend training and development programs to enhance the operational skills of the staff members. This is benefiting the organization to fine-tune and enhance the skills of their employees who possess special skills, which is in-turn helping the organization for better retention of employees.
5. The employment condition provided by the organization also has a constructive impact in talent retention by means of practicing an employee friendly work culture, conducting in house activities for employee bonding and more importantly handling the staff grievance in the right manner. These practices are helping the organization to retain the talented employees for a longer period of time.

RECOMMENDATIONS AND SUGGESTIONS

1. Monetary Benefits in the form of Salaries and Wages, Overtime Compensation, Festival Bonuses Employee reward, Recognition and Insurance schemes for employee influence Talent Retention. It is suggested that the hotel in Pune city should adopt these HR practices for retention of talented employees.
2. It is further suggested that the HR department should thoughtfully formulate the Fringe benefits in the form of Accommodation & Transport Facility and provision of on duty meals for employees for better retention.
3. The hotel industry should implement policies which would set fixed number of working hours and Additional leaves / Holidays / Weekly offs for the employees for retention of employees.

4. It is suggested that the training and development programs for the employees should be carried out to update their knowledge, enhance the soft and operational skills, which eventually leads to employee retention.
5. The hotels should include HR practices like employee friendly work culture, in-house activities and fun at work, effective grievance handling mechanism for talent retention.

CONCLUSION

1. The HR practices like 'monitory benefits', 'fringe benefits', helps in retaining talented employees for a longer tenure with the organization.
2. The factors related to the 'Work life Balance' of the employees, if implemented effectively leads to talent retention.
3. The hotel should encourage 'Training and Development programs' which has a positive impact and helps in retention of talented employees.
4. The hotels should inculcate 'employee centric' working conditions for effective retention of talent.
5. The implementation of efficient talent retention HR Practices is the need of an hour for the hospitality industry so that the potential talented group of employees are remained.

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