
Managing Attrition through HR System in Hotel Industry

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ABSTRACT:

Hotel industry is facing a downfall in the rate of employees. Attrition in hotel industry is a matter of concern and its peak in current scenario. Reasons behind leaving of employees are many and moreover common in nature throughout the world. Among these reasons, one of the important reasons is the poor and improper HR policies adopted by the hotels. The study focuses on the HR policies adopted and benefits offered by the hotels to their employees as a reason of attrition.

Human resource policies are systems of codified decisions, established by an organization, to support administrative personnel functions, performance management, employee relations and resource planning. The establishment of policies can help an organization demonstrate, both internally and externally, that it meets requirements for diversity, ethics and training as well as its commitments in relation to regulation and corporate governance of its employees.

Index Terms— attrition, employee relations, hotel industry, human resource policies

INTRODUCTION

Employee turnover has always been an important area of concern for organizations. It was even said at one point of time that there is no rationality, predictability or identifiable reason behind workers quitting their job (Wild and Dawson, 1972). But there were also studies that indicated that there are inherent characteristics in the person, in the job and in the environment which lead to an increase in worker mobility (Samuel, 1969; Pettman, 1974; Bevan, 1987; Wild and Dawson, 1972). Many studies on employee turnover that have been carried out in various countries have thrown light on certain factors that directly or indirectly influence an employee's intention to quit his/her job. Factors such as low pay, long working

hours, menial work, and limited opportunities for career progression (Kusluvan and Kusluvan, 2000; Baum, 2002; Wood, 1997; Choy, 1995) and HR practices (Cheng and Brown, 1998; Hughes and Rog, 2008; Willie, Jayawardena and Laver, 2008) have been reported in the earlier literature.

HUMAN RESOURCE POLICIES OF HOTEL INDUSTRY

Increasing employment turnover rate in the hotel sector is an emerging problem worthy of consideration. This study sought to investigate the turnover phenomenon in the hotel sector, which experiences relatively high turnover, and to examine the impact of human resource management (HRM) practices on employees' turnover intentions. The hotel industry has been historically renowned for its poor pay, inferior employment conditions and deficient adoption of HR practices. The industry has largely relied on a low cost, numerically flexible and disposable workforce.

It is important to recognize that HRM in hotels pertains to small to medium organizations. The Hotel Industry essentially comprises both a production and a service aspect; both the creation and the rendering of services from the hotel to the customer are primarily achieved through the employee. The success of this industry depends on the quality of employees and how effectively they are managed, which enables an organization to achieve its objectives. Therefore, it is essential for the hotels to develop efficient HRM practices and policies that enable them to recruit, select and retain competent employees who contribute to the achievement of organizational objectives.

Human Resource policies and practices have their own importance in any of the organization. As people working in the organization and being human nature they tests limits and act accordingly in the workplace situations. Hotels need a set of policies and practices that reflect standards of acceptable behavior.

HR addresses four key elements related to the development and deployment of policies and practices.

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- **Roles** - Employee's should be clearly designed, mentioned and well understood by them. Everyone should know what he or she has to do, a clear reporting structure should exist that spell out who's in charge and how tasks are to be accomplished in the hotel.
 - **Rules** – Managers and Employees need to share a clear understanding of what is and what is not acceptable behavior within the hotel. Setting clear and specific behavioral standards in the form of rules establishes a framework for spotting and addressing violations of those standards. If one rely on loosely defined general standards that aren't properly documented, then violations become subjective and open to interpretation. The result of such ambiguity is often litigation.
 - **Consequences** – Outcomes of violation of set behavioral standards should be stated. Policies and practices can improve the way employees interact, while minimizing the personnel obstacles that often arise at workplace.
 - **Tools** – These are the ways of supporting or appraising the employees. The resources and methods available to handle personnel issues, training, directions to perform

HR policies provide the outline by which employees are likely to behave in the workplace. These policies are written statements of the company's standards and objectives and include all areas of employment. They contain rules on how employees must perform their jobs and interact with each other. Managers, employees and the HR department all have roles in ensuring that HR policies are well implemented.

While drafting the HR policies, a Hotel have to follow the standards of its Group and also have to take care of the State compliances. In addition to the HR policies and practices followed by any Hotel, there are few practices which are considered as Best Practices in the Industry, can be adopted by the Hotels and get benefited.

Marriott Hotels India is among top five Best companies to work from last few years. The HR practices endearing by the Marriott Hotels makes its employees loyal towards the Group and motivate them to continue working with them, Marriott follows some endearing human

resource practices, like treating even junior associates (the internal term for employees) to a one-night stay in a Marriott hotel on their birthdays, with their families. It makes for a great birthday present and has the added advantage of giving the youngsters a feel of what it's like to be on the other side of the table, as a guest.

Role of HR in Hotel industry

- Sets all recruiting and employment activities for both management and hourly positions on a timely basis. This includes organized and structured processes for recruiting, interviewing, hiring and the retention of qualified associates. There should be current and detailed Job Descriptions and specifications for all positions to make certain that everyone's expectations are understood.
- Coordinating or providing organized orientation or on-boarding for ALL new staff at the earliest opportunity and preferably before any guest contact. This support of the investment in "human capital" of the hospitality business is essential, as the cost of turnover has been a historical nightmare to many hotels. This initial contact allows the HR Management team to function as a strategic partner to the General Manager and/or owner, and establishes the value of day-to-day HR management oversight throughout the hotel.
- Administering the salary policies and programs. This includes preparing or overseeing payroll, benefits enrollment and billing. HR leadership should also review and recommend to ownership or management potential new programs based on evolving needs in the workforce or the market.
- Overseeing all associate insurance programs and annually recommends new programs and related costs. Unfortunately, not all hospitality businesses offer health or other insurance to their staff but there are potential options. National, state/provincial or other hospitality associations and some major brands do offer some types of insurance options and these should be evaluated semi-annually.
- Directs and coordinates performance evaluations for hourly and non-exempt associates. This is an incredibly sensitive topic at every hospitality business and HR must have a well-organized system to keep this communication process effective and

equitable. HR should also review and recommend salary ranges adjustments to ownership or management as needed every 12 to 18 months, via local wage surveys.

- Stays abreast of all national and state/provincial laws and keeps management advised of changes affecting associates and operations. The responsibility to ensure compliance with all national and state/provincial laws as well as local regulations and court rulings that may pertain to HR also rests with this function.
- Provides counsel and assistance to all management personnel in regards to associate problems dealing with supervision and administration. Specific training for this should be maintained regularly, as there may be liability issues involved. Counsel is a very sensitive topic and must include following hotel and/or company termination procedures.
- Directs and administers associates' reward and recognition program. This might include an annual associate attitude survey, which should be reviewed by ownership and corporate management.
- Oversees the safety program and Workers' Compensation Benefits.
- HR in hotel /hospitality industry should invest time in getting to know their employees and the motivators that drive them to go above and beyond in their performance can translate into a dramatic increase in guest satisfaction scores and loyalty. Reward and recognition when prioritized and done right allow leaders to accomplish business goals. Amidst the hotel industry's growing competition to attract and retain top talent, recognition and non-monetary rewards are no longer just a part of the "soft side" of the business; they are now an essential part.

DEVELOPING THE HR POLICIES

The human resources department develops policies and communicates them to all employees. It provides all the forms and documents required for policy implementation. This department is also responsible for reviewing, adding, deleting or revising policies to ensure that they remain current with legislation or company needs. HR staff help interpret policies, ensuring that they're applied fairly and equitably throughout the organization. Staff members assist managers in applying policies to work situations such as hiring new employees, conducting

performance appraisals or disciplining subordinates. HR policies allow an organization to be clear with employees on:

- The nature of the organization
- What they should expect from the organization
- What the organization expects of them.
- How policies and procedures work.
- What is acceptable and unacceptable behavior
- The consequences of unacceptable behavior

The policies are framed in a manner that the companies vision & the human resource helping the organization to achieve it or work towards it are at all levels benefited and at the same time not deviated from their main objective.

Starting from manpower planning to separation policies, HR have to perform in various roles. Apart from the traditional working in the changing era human resource department also changing and modified its policies. Employee engagement, Open house meetings, Group benefits, Employee recognition programs, Professional development programs are the need of the hour.

Not only providing a competitive pay package, HR also focused on to provide its employees a good work life. Non – monetary benefits should also be given equal importance such as work-life balance, good leadership, better growth opportunities, a friendly work environment and training.

HR POLICIES AND PRACTICES

HR policies differ from industry to industry and organization to organization, but the base lies common and necessary to run the organization smoothly. Some of the policies like;

- Manpower planning and selection
- Grooming standards
- Employee Engagement Activities
- Leave policies

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- Medical benefits
 - Group benefits
 - Harassment policies
 - Open house meetings
 - Employee Reorganization Programmes
 - Professional Development programmes
 - Separation policies

These are the important ones where a hotel can show its innovation and make a strong base for its employees. On the other side, there are few policies and practices of HR which are considered as Industry's best HR practices to control the attrition rate.

Recruitment and Selection

Every unit of Big Hotel (division or department) should prepare its expansion plans over the next couple of years, and, in the process, decide on their number of entry level and managerial employees required for the expansion.

Details on the number of new units should be planned in the given time frame (two to five years), a rough picture of the likely organization structure, the time required to develop employees who could take managerial positions, current availability of employees within the Organization and the necessity to recruit externally. All these should be determined during the Planning, Recruitment and Selection Process.

Induction and Orientation

The process should be carried out in the utmost care and planned way. Generally, the orientation programmes are mixed for different cadre and types of employees. Ethically it should be separated.

- **New hire orientation program**

The program should start with a new hire orientation program for all employees to ensure new staffs have the skills needed to perform effectively. The purpose of the program is to introduce new employees to the Organization culture, brand, and their specific hotel/region.

- **Hotel based programs & offering**

Essential Skills for Supervisors and Managers comprised of few modules, including Welcome to Core Organization Management, Communicating for Success, Hiring the Best, Training and Developing your Associates, Coaching for Great Performance, Building Top Performing Teams, Conducting Performance Appraisals, Managing Conflict, Juggling Time, Business Basics, Create Experiences, Effective Daily Meetings, Goal Setting, Your Career and You, and Stress Management. Develops hands-on experience for supervisors to learn about different departments of the hotel and develop broader hotel expertise which help prepare them for management responsibilities.

Development and Career Programme

The career path must be laid down properly so that every employees knows how they can grow in the system in cross as well as vertical movement from their entry point

- **DSDT:** In a Discipline Specific Development Training (DSDT) programme, this provides skill specific training and has been divided into various levels beginning from the basic and moving to the advance level. Essential skills for supervisors and managers: This property-based programme should be designed for supervisors or managers, who would like to receive additional management training to sharpen their skills.

Communication Process

World Class Hotels has Opinion Survey (OS): This provides a method of understanding and improving unit performance through a number of dimensions that predict Associate Engagement (ie, leadership excellence, personal growth, quality of life at work, teamwork, and total rewards). They also provides an opportunity for open and direct communication with the president and the MD, on matters of concern without fear of reprisal. Guarantee of Fair Treatment (GFT): The GFT recognizes that associates have the right to voice workplace concerns and to have those concerns resolved.

Integrity Hotline: If anyone has concerns regarding an integrity or business abuse situation

these can be shared by calling the Business Integrity Line (available 24x7, seven days a week) and giving the operator information without revealing one's name.

Access to information: The company advocates a transparent culture and consequently all information related to the business can be accessed by every associate.

Open door policy: Open communication is encouraged at all levels and associates can voice their opinion/suggestions/ideas/concerns which are valued and acted upon.

Performance Management

The Balanced Scorecard is a reporting and measurement tool instrumental in achieving Organization vision. The Balanced Scorecard provides feedback on current performance and sets targets for future performance. While the Balanced Scorecard measures performance results, it also incorporates the value of motivated and skilled associates, satisfied clients and partners, and cost-effective, efficient, standardized processes adopted by the employees.

Business Performance Management (BPM) is one of the significant topics in Hotel Industry today. The objectives and indicators of BPM are then associated with operational metrics and linked to performance incentives, which lead to effective strategy execution throughout the organization. BPM involves an array of integrated operational and analytical processes that accomplish two sequential tasks. First, it facilitates the creation of strategic goals by stipulating specific objectives and key performance indicators that are meaningful to the organization.

The BPM assessment results not only in staff salaries but also the performance results are used in staff training, promotion, and changing the cadre. BPM is closed linked with staff career development plan.

Management Flexibility program - The objective is to figure out ways that Hotel could help provide a better balance between the professional and personal lives of its employees.

The success of these efforts can be judged by four criteria: reduced work hours, less job stress and burnout, no adverse impact on Hotel's financial performance, and sustained high quality of service to guests.

RECOMMENDATIONS WHILE IMPLEMENTING BEST HR PRACTICES

When implementing HR practices and policies, managers should note that HR practices: -

- Cannot be 'copied' from one organization to another. A set of complementary HR practices that have produced increases in productivity, improved quality of service, and given the firm a competitive advantage, will not necessarily produce the same, or even similar results in another organization, or part of an organization, operating in the same industry.
- Must be implemented with regard to the organizational context of a particular firm. Priorities for implementing particular sets or bundles of HR practices will vary between firms operating in similar markets in the same industry.
- Are more effective, and can produce a synergistic effect, if they are complementary to each other. For example, self-managed teams being introduced at the same time as team-based or group compensation incentives contingent on organizational performance.
- Must be congruent to the long-term strategic objectives and mission statement of the organization, if they are to yield returns through increased productivity and ultimately improved customer service. If this congruency is absent, then organizational dysfunctions will result and the attempt to introduce progressive HR practices will rapidly lose credibility among the firm's employees.
- Require significant planning, resources and effort. The participation, involvement and commitment of all the firm's employees and their unions have to be secured. This requires leadership and a cohesive management team over the long-term.
- Necessitate that people who are expected to assist with the implementation of the new HR practices must be consulted and be a part of the planning, development and implementation processes right from the start.

- May not be successfully implemented without significant changes in the structure and culture if the structure of an organization is highly hierarchical with an accompanying bureaucratic culture. Such changes would most likely involve significant management changes and a move to a leadership style more conducive to participation.
- Will be of little benefit to an organization unless the appropriate infrastructure and supporting mechanisms are in place. There must be an effective management system to support long-term productivity improvements. Policies and training have to be aligned with HR practices. If the practices are not supported by appropriate policies, then employees will become confused and disillusioned with the implementation of HR practices.
- Must be broadly complementary to HR policies linked to 'high-involvement work practices' and are, thus, relevant to explaining the variation in the diffusion of such practices. Changes in these work practices are more difficult to carry out than changes in the complementary set of HR policies because they are more intricately bound up with the core business processes and requirements of the organization.
- Should be supported by the organization's leader(s) who have earned the respect of the employees. If employee respect for the CEO is lacking, then his/her endorsement will 'count for little' and could even be viewed by employees in a negative light if the CEO has been conspicuously absent during the important initial development stages of new HR policies and practices.

CONCLUSION

The indicator to best HR practices is the long-lasting relationship with employees. At the core of this solid foundation lie various HR initiatives, which are rolled out for employees. Policies should be geared towards the future. Organizations need to match HR policies and practices with long-term business strategies required to compete in the global market place, and generate employee commitment and retention over the long-term. HR practices are required that are incremental and collaborative and provide the opportunity to employees to make decisions affecting their work and to share in the rewards of their creative efforts. Therefore, if HR policy is to contribute to the organization's bottom line, areas such as

recruitment, selection, training, development and performance appraisal should be consistent, integrated and strategically focused.

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