

## STUDY ON IMPACT OF EMPLOYEE TRAINING & DEVELOPMENT ON ATTRITION –“HOSPITALITY INDUSTRY, GOA”

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### ABSTRACT

One of the rapidly emerging sectors not only in India, but worldwide is the Hospitality industry. The increasing traffic of tourists in the state of Goa has led to an increase in the emergence of hotels in North Goa, thereby increasing competition. Hence a conscious effort needs to be done by every hotel to distinguish itself from its rivals by ensuring the best service to its customers. Hospitality industry is labour intensive industry, and hence well trained and skilled human resource is a pre-requisite to satisfied customer service. The average age of employees in Hospitality industry is around 30 years. The employees are young and ambitious. Adding to this aspect are growth opportunities for talented employees both in the country and abroad. It is this context, this study assumes importance the study has covered 350 employees across 35 properties located in North Goa. The objective of the study is to evaluate the impact of training & development practices on the employee attrition. The research study proves that Training & Development can help in building/nurturing employee commitment and thus reduce the employee attrition.

**KEYWORDS:** Employee Training, Types of Training, Employee Turnover, Employee Attrition Employee Commitment

### ABOUT THE AUTHOR

Prof (Dr) Venkatesh D N is a HR professional with over 25 years of HR Functional Experience in Industry (Logistics, banking, IT/ITeS, Manufacturing & Social Sectors) and essayed leadership roles. He is associated with Academic for over 6 years now. He is currently working as Professor in OB & HR Area with Goa institute of Management. He has published two books on HRM through Oxford University Press and has over 25 Research Publications. He has expertise in HR Strategy Design & Execution, Driving Organizational Capability Building, and Organization Leadership & Culture Building Areas.

### SCOPE OF THE STUDY

Training employees is an important component for the success of every competitive business. Employees feel it easy to face competition if they are trained adequately hence this study tries to explore the importance of training experienced in the hotels in North Goa District. It also tries to analyze the impact of training on employee's commitment and turnover. The universe of the present study consists of 35 hotels, in the North Goa District.

(Iftikhar Ahmed 2012) In any industry, customer is the king. Thus, hotel industry too is customer oriented and equals success in the hotel industry. 'Moment of truth' is a necessary ingredient for fellow service and personalized service to the guest. For any hotel to achieve its goals and objectives and in turn to be successful need to satisfy their customers with quality goods and services for which train employees and manpower is a must. Customer satisfaction and delight

should be achieved by training tool. Not all hotels in the industry use six sigma as a method of training however those hotel using have achieved good and positive results thus customers are satisfied, loyal and return with a friend as compared to non-satisfied customers.

**(Li Mei, 2008)** Training – organization's can have best investment through talent cultivation. Laboris corporate asset and quality of staff plays as a major factor for corporate competitiveness therefore Employees should improve their skills and innovating qualifications. Because of the competitive and changing environment, there is a problem for organizations in searching for talent and to retain them.

## LITERATURE REVIEW

The study conducted in 435 hotels in India (Chand & Ambardar, 2010) contributed to the knowledge of 31 practices regarding training and development to find if these practices were dependent on any 5 characteristics of hotels and studied the factors that affect the choice of best training practices. The findings of the study shows fragmented and low priority to development and training practices in hotel organizations in India thus research proved among the hotels a significant difference in the usage of training practices. It also indicates that human resource development is influenced by training and development practices. Thus employee development is highly dependent on adoption of training and development practices.

Hospitality and Tourism are the major lifestyle components and hence every hotel must know the importance of skills, abilities and knowledge development of an employee (Morgan, 1991). To achieve this serious importance should be given to HRD. Generally HRD includes activities of education, learning, training and development. This study reveals problems and challenges faced by the employees with regards to training practices. The hotel industry likes to train part time employees, link training programs with business plans and strategies. Since there is an increase in sophisticated and experienced tourists, this paper tells that training professionals should tackle these challenges so that right skills are provided to the employees and they in turn provide quality service which in turn will achieve hotel goals and objectives. **(Jassel, 199)**

Afaq & Thukiman ET al 2011 in their research have identified that training has significant relationship with the employees' performance. Their research paper established that the employees who have undergone training courses are more capable in performing task efficiently. Training is behavior modification in a formal & systematic way achieved by education, instruction & planned experience. Employee training is crucial to achieve cost effective performance. Good performance has greater impact on quality, increase and improvement in quality leads to lower cost and high market share. In modern businesses, managers should be aware of the relationship of training of employees and their performance as current businesses expect accuracy with efficiency.

Committed employees remain in the organization and express less desire to leave the organization **(BRUM, 2007)**. They are happy working with positive attitude and desire to work. Steers (1977: 54) concluded that "Employee turnover and employee commitment are inversely related. Hotels adopt training practices to use it as an advantage over the competitors. The study concludes that organization involved in training have higher employee commitment. Organization should develop and participate in human resource activities which increase the commitment of employees. This is the reason hotels adopt for specific training as they can recover their investment through employee

commitment. Employees think that they are part of the organization and insiders into the company thus training is one kind of investment considered as ‘gift’. Thus Training helps organizations to build a more committed and high productive workforce.

Humans are the most important Resources in the hotel industry, they should be handled with proper care and management should maintain good relationship with the employees (Yang, 2010). Thus Human Resource Management is a must in hotels, because smaller the gap between the actual standard of business and actual performance, higher is the success in achieving high organizational effectiveness. Training shortens the study time, helps to deal with dynamic environment, leads to more work effectiveness, less wastages and reduce damages thus it motivate employees to increase their knowledge, improve their skills and leads them to self-development.

(Sarah Peterhans, 2010) Essential, expected, and optional are 3 types of expectations. The expectations met to maintain a business are essential expectation; just beyond them are the expected expectations, which are necessary to provide customers with good service. The extras and the service which is unexpected are the optional expectations that the luxury hotels provide (Wuest, 2001). Hotels should be aware about this expectation so the guests are satisfied. Guests’ Experiences

This experience has no set beginning or end. Training is very important luxury hotels. Training motivates employees, helps them to work better with reduced wastages and accidents. Service standards can also be introduced through training. Finally, training can also solve any problems that occur in service delivery process.

(Khan, Khan, & Khan, 2011) This research concludes that organizational performance is affected by training design, delivery style, on the job and also training and employee performance are correlated. Time and cost is saved through on the job training and thus increases the overall organizational performance.

## OBJECTIVE(S) OF THE STUDY

The primary objective of this study is to analyse the importance of training and development in the hospitality industry. Based on the same, the present study has been conducted with the following specific

### Objective(s)

- To evaluate the relationship of staff training with employee commitment and employee turnover.

## RESEARCH METHODOLOGY&DATA COLLECTION

The sample organizations were selected for the study, based on following criteria:

- The sample selected belongs to the North District of Goa State.
- 35 hotels situated in North Goa District across various demographical characteristics were selected based on convenience sampling.
- Willingness of employees and Human Resource Managers to disclose the required information.
- Respondents, including Human Resource Manager, from each hotel were selected based on random sampling method.

The primary data required for the study were collected through questionnaires and semi-structured interviews with the employees and managers in the sample organizations. For conducting the required analyses the primary data has been used. This data was obtained through questionnaires and semi structured interviews with the Human Resource managers as well as employees of the hotels.

The secondary information with regards to the hotel industry was obtained from various books from college library; newspapers and internet. The data regarding the statistics of tourist movement to Goa was obtained from the Department of Tourism, Government of Goa.

### LIMITATIONS OF STUDY

- Due to time constraint the study is restricted to 35 hotels only.
- Most of the respondents took a long time to respond as they were very suspicious and skeptical as to why the information was being procured.
- Selection of the place for research was chosen as per my convenience of contact. As it was not possible for me to reach out to other employees and hotels.

### OVERVIEW OF HOSPITALITY INDUSTRY AND TRAINING IN GOA

In Goa, Tourism Sector is a major contributor to the livelihood of people. Tourism sector boosts the Goan Economy by providing employment opportunities, which encourages inflow of money in the economy to ensure a better and raised standard of living for its residents.

**Table 2.1: Tourists Arrivals (Year Wise) to Goa Tourist Arrivals (Year Wise)**

Year	Domestic	Foreign	Total	% Change
2005	1965343	336803	2302146	-6.0
2006	2098654	380414	2479068	7.7
2007	2208986	388457	2597443	4.6
2008	2020416	351123	2371539	-9.5
2009	2127063	376640	2503703	5.5
2010	2201752	441053	2644805	5.6
2011	2225002	445935	2670937	0.98
2012	2337499	450530	2788029	4.20
2013	2629151	492322	3121473	10.68
2014	3544634	513592	4058226	30.01
2015	4756422 (P)	541480 (P)	5297902	30.54
2016	2585092 (P)	342033 (P)	2927125	--

Source: Department of Tourism, Govt. of Goa

The number of tourists to arrive in Goa for the year 2015 amounted to **52, 97,902 (Department of Tourism, Government of Goa)**. The hotels have to ensure the supply of accommodation to these visitors. Mere supply of the services demanded is not enough, but delivering the service at least at par with the competitors via quality in the delivery process is of vital essence. To make this happen it is required that the hotels invest in development and training activities to empower and enrich the human resources to provide satisfying service to the customers.

Unlike the machinery used in product manufacturing concerns, service concerns require the timely sharpening of skills of its human resources to ensure better performance. The dynamic nature of the business environment necessitates

training the staff with the latest technology and skills. Thus systematic, planned and regular training and also development programs should be devised by the management of the hotels. Keeping this need in mind, this research is an attempt to study the practices of training and development programs in the hotels in the District of North Goa.

## FEATURES AND COMPONENTS OF HOSPITALITY INDUSTRY

- Inseparability: The services cannot be separated from the service providers.
- Perishability: If the services are not consumed immediately after they are produced then they perish.
- Labor-intensive: Human resource is the main elements in the delivery of the services in the hospitality services. Without the people the services cannot be delivered.
- Repetitive: The service product requires the repetitive provision of more or less the same quality service to be provided.
- Intangibility: The services provided cannot be touched, nor seen, nor felt, tasted. They can only be experienced.

## COMPONENTS

- Lodging Operations such as hotels, resorts, motels etc.
- Transportation services such as taxi, train, cruise ships, etc.
- Food and Beverage Operations such as restaurants, bars, etc.
- Retail Stores such as souvenir shops, etc.

## STAR CLASSIFICATION OF HOTELS

Organization which make available the services of food, accommodation and other related services to people who are away from home for money are termed as hotels.

- **1 STAR HOTEL** - One star Hotels is of family atmosphere mostly small and independently owned. Services are provided on an informal basis by the owner or family. There is limited range of facilities with simple meals. Some bedrooms may not provide facility of shower rooms.
- **STAR HOTEL** - Include Small to medium size hotels. The two star hotels provide comfortable, well equipped, quality accommodation to their guest. More professional presentation by reception and other staff of the hotel.
- **STAR HOTEL** - Hotels which provide spacious receptions and other public rooms with greater quality.
- **STAR HOTEL** - High luxury, 24-hour room service, laundry facilities are provided. Restaurant demonstrates a serious attention to its cuisine.
- **STAR HOTEL** - Matching the international standards spacious and luxurious accommodation throughout the hotel, provides quality, Interior design comfort and elegance. Services are formal, well supervised and in attention to guests' needs. High level of technical skills in restaurant to produce dishes to suit the best international standards. Staffs are courteous, helpful knowledgeable and well known in all aspects of customer care.

## HOTEL DEPARTMENTS

- Rooms Department : a) Reservation, b) Housekeeping, c) Uniformed Services& d) Telephone
- Food & Beverage Department
- Marketing and sales Department
- Accounting Department
- Engineering and Maintenance Department
- Security Department
- Human Resources Department.

## TRAINING & DEVELOPMENT

It is a learning process that helps to acquire knowledge, sharpen skills, rules and Concepts that helps in change of attitude and behavior. Most of the time there is confusion among people and employees about the understanding of training and development. The difference is that training is provided by hotels for short period and it is for specific skills, it improves the current job performance of staff. But development is a long term process where in growth of employees is of the essence. It trains employees for future performance and helps employees for better career.

## NEED AND RATIONALE OF TRAINING

Training plays a very important role in organizations it helps organizations as well as employees in job security and career advancement. It sharpens the skills of people working in the hotel which act as an asset to the employees as well as the organization. The following are the reasons for training.

- **Increased productivity:** It helps employee's job assignments and also prepares them for future projects.
- **Lesser need for supervision:** Trained employees are able to do their work with reduced supervision.
- **Higher morale :** Training helps employees to learn and thus it increases the morale of employees,
- **Confidence:** It helps employees in enhancing skills and building new skills, which in turn helps to instil confidence in them.
- **Earning Capability:** The upgraded skills of an employee help him/her in improving the compensation.
- **Delivery Capability & Safety:** The improved skills/capability of employees helps in them to be more efficient both in terms quantity and quality of work delivery.

## TRAINING PROCESS

- **STEP 1 - Objectives and Strategies of organization:** Training process starts with accessing the organizational objectives and strategies. The organization should discuss its present situation and conditions and decide what the hotel wants to achieve in future. All the strength and weakness of hotel should be accessed.

- **STEP 2 – Assessment of the needs:** Training involves huge investment therefore present and the future problems need to be assessed in this step.
- **STEP 3 – Establishment of Training Objectives:** Proper objectives should be established so that good training design can be developed.
- **STEP 4 – Designing the Training Programme:** Certain vital issues should be decided well in advance like the participants, techniques, level and programs of training.
- **STEP 5 - Methods and Techniques of training**
  - *Induction training:* Training helps in understanding of the hotel and also helps to develop them to the behaviors that may be required for working. It helps employees to work with others. It provides many opportunities to learn about and explore four core competencies:
  - *On-the job training:* Training is provided to employees while at the work place.
  - *Off-the job training:* Training away from the workplace.
  - *Cultural training:* Training is provided on cultures, their understanding, values, beliefs and norms. This helps employees to other others culture and avoid intercultural conflicts.
  - *Spiritual training:* Spiritual training helps employees to find deep inner peace, meaning and purpose in life and thus the employee is better in position to do his work effectively and hotels objectives and goals can be achieved. Spiritual training requires great application and personal commitment. Spiritual develop over a lifetime. However for those who bring sincerity, resolve and energy to their work, change or transformations are inevitable.
- **STEP 6 - Planning Training Evaluation**
  - Last step in training process, There is needed to evaluate training to check and maintain the quality of training. It also helps in getting feedback and evaluating learning experiences of employees.

## DATA ANALYSIS

- **Objective** - To evaluate the relationship between staff training and employee commitment, and employee turnover.
- **Technique used** – Correlation and Regression
- **Variables used** - Employee commitment and turnover
  - Independent variable: Employee training
  - Dependent variable: Employee commitment
- **Ho-** There is no significant relationship between staff training and employee commitment.
- **Ho-** There is no significant relationship between staff training and employee turnover.

- **Ho-** There is no significant relationship between and employee commitment and employee turnover.

**Table 4.1: Reliability Statistics**

	Cronbach's Alpha	No. of Items
Staff Training	.803	13
Employee commitment	.669	5
Employee turnover	.663	5

Table 4.1: Shows the reliability of data of Staff training, Employee performance and Employee turnover which are 0.803, 0.711 and 0.663 respectively which are above 0.7 and thus data is reliable.

**Table 4.2: Correlation Matrix**

	Staff Training	Employee Commitment	Employee Turnover
Staff training	1	.625*	.116
Employee commitment	.625*	1	.420*
Employee turnover	.116	.420*	1

In the above table 4.2 shows the correlations between the variables. The correlation between employee training and employee commitment is .62 which implies the high correlation between the two and the probability value is .004 < .05 thus there is significant relationship between staff training and employee commitment. Based on the statistical results null hypothesis is rejected.

The relation between training and turnover is very weak that is .116 and significant value is .030 > 0.05. Hence we can conclude that there is no significance relationship between staff training and employee turnover. Thus accept the null hypothesis.

The relation between employee commitment and turnover is very moderate, i.e., .420 and significant value is .000 < 0.05. Hence we can conclude that there is a significant relationship between commitment and employee turnover. Thus reject the null hypothesis.

**Table 4.3: Regression Analysis**

	R-Square	Variation	Sig
Employee training and employee commitment	0.513	51%	.004*
Employee training and employee turnover	0.13	13%	.030
Employee commitment and employee turnover	0.176	17.6%	.000*

From the regression analysis, we can see that R-Square of employee training and commitment is 0.513, i.e., 51% of variation can be explained by training with the help of employee commitment, however 49% of variable is unexplained. R-square of employee training and turnover is 0.13, i.e., 13% of variation can be explained by training with the help of



employee turnover, however 87 % of variable is unexplained.

R-square of employee commitment and turnover is 0.176, i.e., 17.6 % of variation can be explained by commitment with the help of employee turnover, however 82.4 % of variable is unexplained. The p value of employee training and employee training and commitment is.004 which is less than.005. This means there is a significant relationship between employee training and employee commitment, i.e., the more the employee is trained the more he will be committed to work in the hotel. Based on the above, we can reject the null hypothesis..

The p value of employee training and employee training and commitment is.030 which is more than.005. This means there is a no significant relationship between employee training and employee turnover, i.e., no matter how much training is provided to the employees it will not have any effect on the turnover. Thus accept the null hypothesis.

The p value of employee training and employee training and commitment is.000 which is less than.005. This means there is a significant relationship with employee commitment and employee turnover. Consequentially the null hypothesis is rejected.

## **FINDINGS**

Hospitality industry is a multifaceted industry as it provides lot of job opportunities to skilled as well non skilled workers. It benefits tourist, businessmen as well as common people. Training is very important to employees in hospitality industry as it enhances their competency and leads to better performance.

The 5 training practices through factor analysis adopted in hotels namely were induction training, on the job training, off the job training, cultural training and spiritual training. The relationship between this practices and demographic profile of the hotel namely age of hotel, category of hotel, capital of hotel and number of employees in the hotel was studied using ANNOVA technique and it was found that age of hotel and operating capital do not have significant relationship with adoption of training practices and category of hotels and number of employees have a significant relationship with the adoption of training practices.

The relationship between staff training and employee commitment as well as employee turnover using correlation and regressions techniques established that there is significant relationship between staff training and employee commitment. In other words, the increase in employee training provided led to an increase in the commitment of employees to the organisation.

## **CONCLUSIONS**

Hospitality Industry is growing on fast pace and hotels are the major components of these industry. Human Resource is the biggest asset of all the hotels, and the skills and efficiency of its human resource can lead to the success of the hotels. Therefore, in Goa, proper sharpening and development of employee skills is a must by a hotel industry as they are the delivery channels of the service and customer satisfaction highly depends on them.

This study concludes by emphasizing that the hotels should provide employees with systematic and regular training programs which are relevant and useful to employees in order to better progress and improve their performance to achieve the greatest goal of customer satisfaction and profit. The study proved that the investment in training & development by the hospitality organizations can help them in containing employee attrition..

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## ANNEXURE 1

## LIST OF HOTELS SELECTED FOR THE STUDY

19. Magnum Resort
20. Highland Hotel
21. The O Hotel
22. Boshan Hotels
23. Country Inn & Suites
24. Lemon Tree Hotels
25. Ginger Tree Boutique Resort
26. Ocean Palms Hotel
27. Summer Ville Beach Resort
28. Park Inn Resort
29. Whispering Palms Beach Resort
30. Godwin Hotel
31. The Crown Goa
32. Viva Goa International
33. Hotel Lazy Lagoon
34. Nagoa Grande Resort
35. 360 Degree Beach Retreat

1. Fidalgo
2. Goan Heritage Calagute
3. Calangute Towers Hotel
4. Sonesta Inn Pvt. Ltd.
5. Adame The Bellus
6. Novel Shrem Resort
7. Fortune Select Reginal
8. Golden Tulip Grand View Resort
9. Grand Mercure Goa Shrem Resort
10. Angels
11. Vivanta by Taj
12. Hotel Dona Alcina
13. La-Calypse
14. Pride Sun Village Resort and Spa
15. Hotel Celestiial
16. Double Tree by Hilton
17. Santana Beach Resort
18. Silver Sands Hideaway

