

A Study of Associate Engagement Practices Followed by Star Hotels in Pune City and Its Impact on Retention of Employees

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Key Words Associate Engagement, Employee Retention, Hotel Industry, Compensation Strategies, Career Growth, Employee's Talent And Contribution

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Abstract

The hotel industry being a service industry needs a lot of customer centric activities as a satisfied guest will bring good business to the hotel. For a satisfactory guest service, a motivated and satisfied employee force is the key for the success of any hotel. Keeping this in view hotels in Pune city are adopting Associate Engagement practices for effective employee retention. The impact of globalization has had a positive impact on the hotel industry which has seen a boom, creating great demand for skilled hospitality professionals. At the same time hotels have also seen a rise in the attrition rate. The human resource department has to work overtime to come up with strategies to ensure employee satisfaction and retention. Dissatisfied employees are shifting from one job to another because the work values and expectations of employees today are very different. They expect the hotel to offer them something new and different when working with the organization so that they feel the difference. Employees today are keener towards learning, personal development, career growth and more importantly a better treatment in the organization. Hotels are making a conscious effort in making an employee satisfied in the job by placing right person for the right work. Employee's talent and contribution is also recognized time to time and rewarded fairly. Moreover hotels in Pune city are also working upon their compensation strategies and provide better salaries and wages to their employees because it is one of the most important criteria for effective employee retention.

1. Introduction

The hospitality industry of Pune has been in business since ages. The hotel industry being a service industry needs a lot of customer centric activities as a satisfied guest will bring good business for the hotel. For a satisfactory guest service, a motivated and satisfied employee force is the key for the success of any hotel. Stew Leonard in his observation made in 2009, says “If you look after your staff, they will look after the customers who in turn will look after your business”. Keeping this in view hotels in Pune city are adopting Associate Engagement practices for effective employee retention. Under Associate Engagement, hotels undertake activities like Fun at work, Compensation, Motivation etc. These activities lead to garnering of employee loyalty leading to their retention, efficiency and provision of excellent service to their guests which in turn, will keep them happy and satisfied.

The impact of globalization has been seen not only in India but importantly in Pune city as well. Many international manufacturing and service providing companies have started their manufacturing facilities. This has led to spurt in number of travellers to Pune. This has had a positive impact on the hotel industry which has seen a boom, creating great demand for skilled hospitality professionals. International hotel chains have come and started their business, unlike few years back where there was handful of hotels in the city. This has led to cutthroat competition in the hotel business. This competition is primarily seen in the quality of service offered by hotels to their guests in an effort to build customer loyalty. “Service par Excellence” has become the primary motto of all hotels irrespective of size and geographical location. As there are several opportunities available because of this boom, hotels have also seen a rise in the attrition rate. The human resource department has to work overtime to come up with strategies to ensure employee satisfaction and retention. Under Associate Engagement, the human resource department of every hotel is making a conscious effort to keep their employees engaged on the job by adopting various retention practices. Thus the concept of Associate Engagement is gaining popularity in many hotels in the city.

2. Need of the Study

The employee workforce is a tremendous challenge in hotels of Pune city today. At the time where guest's demands are increasing, employee's expectation from the management is also exceeding in leaps and bounds. Dissatisfied employees are shifting from one job to another because the work values and expectations of employees today are very different. Guests expect upgraded services every time they walk into the hotel. In order to provide such upgraded and challenging services, employees also expect that they are offered something new and different when working with the organization. Employees today are keener towards learning, personal development, career growth and more importantly a better treatment in the organization. Employees will remain loyal to the organization as long as they get something different in the form of skill development and growth opportunities in the industry. Therefore, it is a need of the hour to not only promote talented group of employees in specific but also the entire workforce in general.

3. Definition

- **Employee Engagement:** Mercer (2007) - A psychological state of mind in which employees feel a vested interest in the company's success and are both willing and motivated to perform to levels that exceed the stated job requirements. It reflects how employees feel about the overall

work experience – the organization, its leaders, the work environment and the recognition and rewards they receive for their efforts.

- **Employee Retention:** Employee retention refers to the various policies and practices which let the employees stick to an organization for a longer period of time. (<http://www.managementstudyguide.com>).

4. Scope of the study

Associate Engagement today has become one of the most effective motivational tool in the industry. Since no hotel can give a lifetime working security the next best thing which a hotel can offer is an effective engagement practice for retention. Besides this a high employee turnover has severe repercussions on the guest service. In today's scenario where the competition is tough, hotels are keener in recruiting and retaining quality employees. Associate Engagement is therefore no longer an operational tool but a necessity for survival.

These studies thus aim at identifying various practices adopted by hotels and analyze their benefits and impact on employee retention.

5. Literature Review

- Dinakaran Usha (2013) the basic purpose of her study was to highlight the main challenges faced by the Indian hospitality industry, envision a change and explore solutions for sustainability in the ever-changing market scenario. Sustainable development, customer relationship management, skilled staff shortage, employment turnover and talent retention, security and digital marketing have emerged as the major challenges. It is important for stakeholders of hospitality industry to consider these challenges in a dynamic market situation and counter them by adopting appropriate changes recommended.
- Kanimozhi. R (2013) has studied on the employee engagement activities at EFD -- eFunds Corporation (P) Ltd, explores the expectations of the associates to get entertained by their engagement activities. From the study on the employee engagement activities at EFD, it was found that the most of the associates are highly engaged with the company both intellectually & emotionally. Also this paper infers that the associates are more pleased about the birthday bashes celebrations and external agencies giving presentations/seminar at EFD, however they expect more increased entertainment programs.
- Baltazar Amonda (2013) the article discusses why employees of restaurants choose not to stay long and prefer to find another job. It describes different significant reasons of employees for choosing not to stay long in their job. It explains how to ensure employees have fun, how to train them well and make them feel appreciated to make them stay in their job. It mentions that it is easier for employees to work together if they are thoroughly trained.
- Yang, Jen-Te, Wan, Chin-Sheng & Fu, Yi-Jui (2012) the purpose of this study was to explore determinants of management-level employee turnover and to identify existing practices in human resource retention strategies. The study indicated that managers need to understand more fully the needs of subordinates when providing career advice and relevant training programs should be introduced to enhance career opportunities and to excel in the hotel industry
- Torres, Edwin & Adler, Howard (2012) had studied the key human resource decisions made by any organization is the design of its compensation strategy. When choosing a compensation strategy, hospitality executives must make a variety of complex decisions that will ultimately

impact a company's recruitment and retention efforts, as well as the attainment of organizational goals. Their exploratory study looks at the decision making patterns of hotel industry executives in terms of compensation.

- Lee, Chang & Way Kelly (2010) their study intended to identify employment characteristics that influenced employee satisfaction with work environments related to employment retention factors played different roles in measuring job satisfaction and employee retention according to individual employment characteristics, while factors related to the work environment i.e. location, communication, accomplishment, and department should be addressed regardless of employment characteristics. The study recommends that hoteliers provide a customized improvement agenda directed to and focused on individual groups according to that group's employment characteristics.
- Moncarz Elisa, Zhao Jinlin & Kay Christine (2009) the purpose of their paper was to investigate US lodging properties organizational employee-retention initiatives and practices and also to examine the impact of those initiatives on employee turnover and retention. The findings of their study has revealed that Corporate Culture, Hiring and Promotions and Training practices influence non-management employee retention. At the same time, Hiring and Promotion practices impacts management retention as well. Moreover, Organizational Mission, Goals and Direction, Employee Recognition, Rewards and Compensation were found to positively reduce non-management employee turnover.
- Etkin, Scott (2008) this article discusses the benefits being gained by Sheraton San Rafael hotel in California from the English as a Second Language classes it offers to its employees with limited English-speaking skills. The hotel decided to offer ESL classes as a way to recruit employees in a market where it is difficult to attract and retain good workers. Aside from serving as an employee-retention strategy, the ESL program has also improved the hotel's quality of guest satisfaction and has reduced turnover costs.
- Barron, Paul (2008) the aim of this paper is to explore one of the biggest issues and challenges now faced by hospitality education and the hospitality industry that of how to attract and retain a critical group of talented people. This paper creates the basis for a discussion on how best to handle these issues so that organizations within the hospitality industry can successfully recruit, select, train, retain and motivate future talent in the hospitality industry.
- Hughes Julia Christensen & Rog Evelina (2008) the main purpose of their article is to clarify what is meant by talent management and why it is important particularly with respect to its effect on employee recruitment, retention and engagement, as well as to identify factors that are critical to its effective implementation within the hospitality organizations.
- Namasivayam Karthik, Miao Li & Zhao Xinyuan (2007) their investigation had examined the relationships between compensation i.e. direct and indirect, practices in hotel organizations and their performance. The results show that in the case of management employees, direct compensation fully mediated the relationship between indirect compensation and hotel performance. In the case of non-management employees, however, such relationship was only partially mediated by direct compensation.
- Hoffman, Michael (2007) his article discusses the implications of effective leadership to employee retention in the hotel industry. It is stated that hotel owners should aim to be effective managers because they could help hire and retain the best employees. It is stated that being an industry that operates every hour of the day, it is essential to delegate and provide employees with

necessary tools to perform their jobs so that they could fill in for one another in the whole work environment. The promotion from within the organization would encourage employees to stay with the company especially if they understand from the start that there are advancement opportunities.

- Hensdill, Cherie (2000) has focused on the employee recruitment and retention strategies of hotel companies in the United States and also estimated employee turnover in the hotel industry the study also has emphasized on conducting employee training courses for successful retention.

6. Objectives of the Study

- ▶▶ To explore the concept of Associate Engagement followed in the hotels of Pune city.
- ▶▶ To identify various practices adopted by hotels for Associate engagement.
- ▶▶ To study the impact of Associate Engagement on retention of employees'.

7. Research Methodology

Data collection: The primary data required for the research was collected using the following techniques:

- **Personal interviews:** The researcher conducted personal interview with employees working in various star hotels of Pune city.
- **Questionnaire:** A questionnaire bearing straight forward and relevant questions was drafted and handed over to the sample to obtain their responses.
- **Sample technique:** The population being "Hotel Employees", this study was conducted on more than 100 employees working in various star category hotels of Pune city. All the samples were randomly selected from various star category hotels of Pune city.

Apart from the above mentioned tools the relevant secondary data for the research was collected from journals, books and internet.

8. Observations and Discussions

Hotels in Pune are very much aware about the concept of Associate Engagement and are also trying their level best for effective implementation of various practices to engage their employees. They have formulated a number of techniques towards effective implementation of the same as observed and discussed below:

- i. The employees get motivated to work in an environment which offers liberty to explore their talents and empowers them by giving operational authority this further gives them a feeling of responsibility and maturity at work.
- ii. It is important that employee talent and contribution is recognized from time to time and fairly rewarded.
- iii. The employees should receive a fair chance of professional training for their further development. This will enable to build confidence and improve their quality of work.
- iv. Employees appreciate the management which is free from bias and that gives importance to hard work rather than favoritism or other kind of unjust practices.
- v. The management – employee should work like a TEAM. The employees perform better when they are working under a Leader than a Boss.

- vi. If the organization has transparent promotional policies, the employees can set goals and work accordingly for their growth and betterment.
- vii. Salary and wages form an important part of employee motivation as the standard of living has increased tremendously in Pune city.
- viii. Employees seek basic facilities at work like accommodation, meals, transportation etc.
- ix. Stress busters revitalize the energies of employees, hence arrangements for employee get-to-gathers, picnics etc. has become an important part of work.

9. Findings

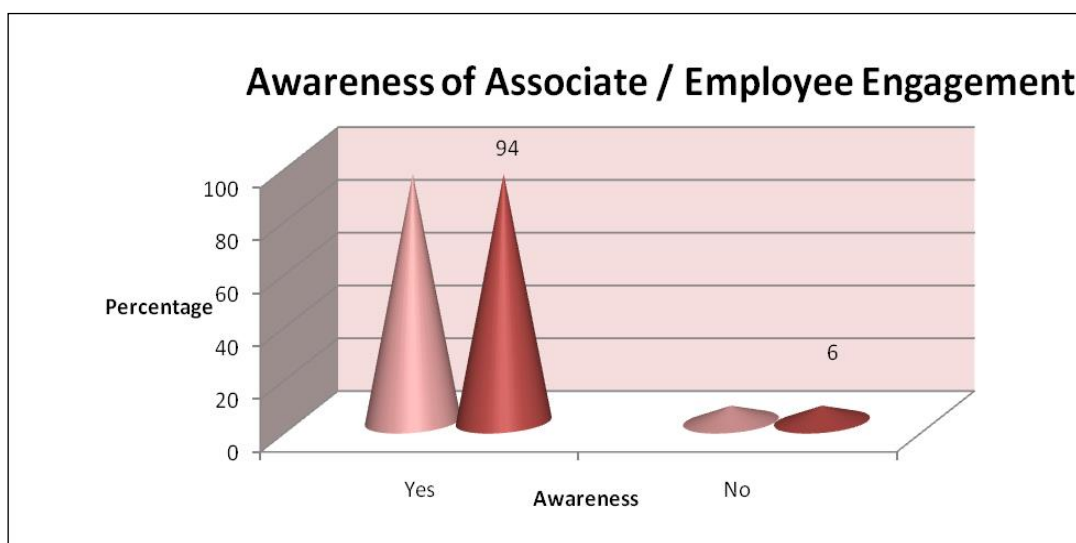


Figure – 9.1: shows that majority of hotels in Pune are aware about the concept of associate engagement

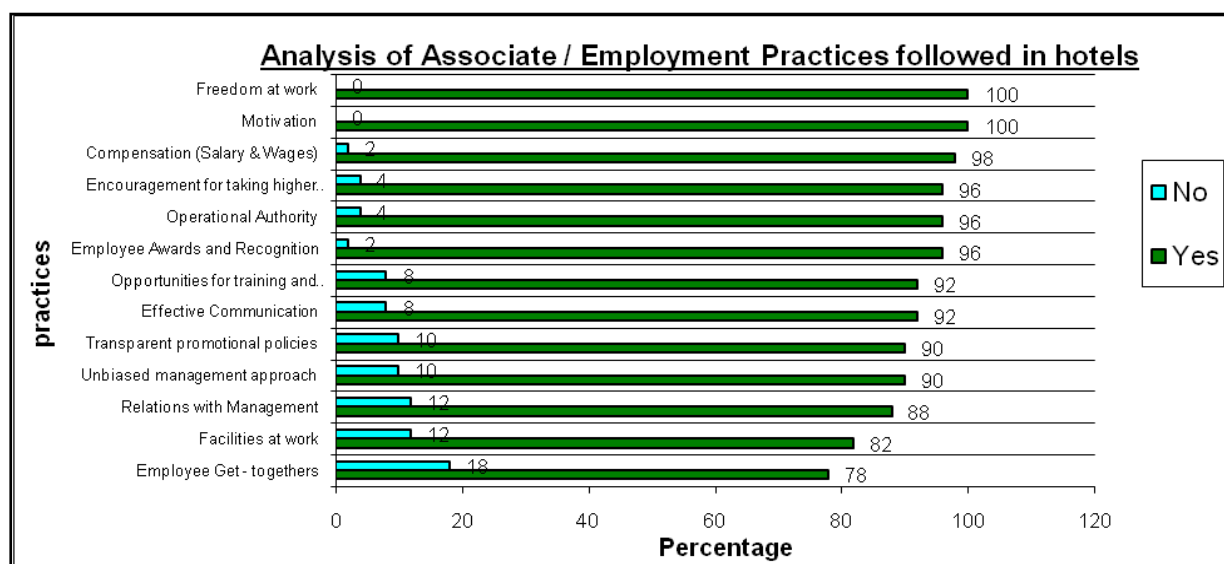


Figure – 2: shows that practices like freedom at work and motivation are the common factors liked by hotel employees whereas compensation is also one of the important criteria considered by employees. On the other hand, practices like facilities, get - togethers are pretty low in the rating.

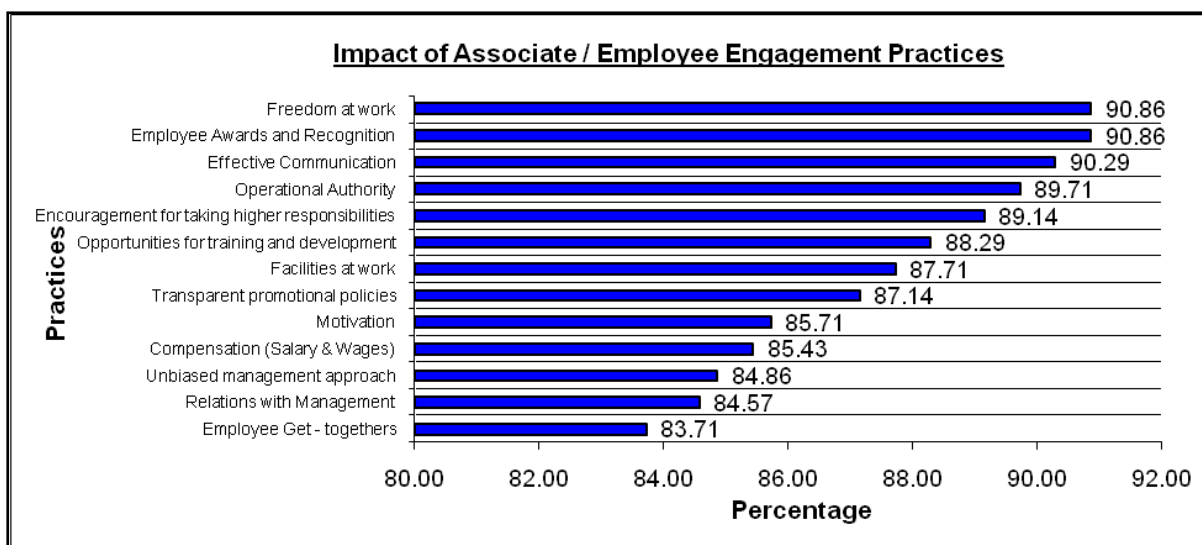


Figure – 3: shows that practices like freedom at work, Awards and Recognition, Effective Communication; Authority has a great impact on retention of employees. Whereas, practices like Get-togethers, Relation with management, unbiased approach has a lower impact on employee retention.



Figure – 4: Shows that associate engagement practices followed by hotels in Pune have a great impact on retention of employees.

10. Recommendations and Suggestions

- i. It is suggested that hotels in Pune city could adopt effective employee retention practices so that not only a talented employee is retained in specific but also the entire workforce in general.
- ii. It is further suggested that hotels could adopt effective Associate Engagement practices so that employees feel the difference while working and stay back with the hotel for a longer tenure.

- iii. The human resource department of the hotel not only has to come up with strategies to ensure employee satisfaction and retention but also have to make a conscious effort to keep their employees engaged on the job.
- iv. The study is conducted in the current scenario and the opinions, perception and expectations of the respondents may differ with time and does not differentiate respondents on basis of their demographic factors which may have an influence of their perception thereby identifying scope for further research.

11. Conclusion

Hotels in Pune are adopting effective associate engagement practices which have a great impact on retention of employees. Hotels are also retaining the talented bunch of employees and are also following effective strategies for retaining the entire workforce.

Hotels are making a conscious effort in making an employee satisfied on the job by placing right person for the right work. Employee's talent and contribution is also recognized time to time and rewarded fairly. The management which is unbiased and transparent will always be liked by the employees who will in turn act as an effective tool for retention of employees. The employees will like to work in an organization in which they receive professional training as and when required for their further development as this will enable them to build confidence and improve their efficiency and quality of work. Hotels to work upon their compensation strategies and provide better salaries and wages to their employees because it is one of the most important criteria for retention.

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