

# Challenges Faced and Implementation of Revival Strategies to Retain Employees in the Hospitality Industry

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**Abstract:** *In order to retain staff, the report suggests a model for the hotel sector to update its hiring and selection procedures. Moreover, the research offers targeted recommendations that will facilitate the development of employee retention tactics and procedures. It was determined that whereas dissatisfied workers are more inclined to leave their current position in search of a better career opportunity, satisfied workers are less likely to do so. The ramifications for management were also covered. The hotel business faces challenges in maintaining skilled workers; nevertheless, insufficient focus has been placed on creating retention methods, leading to subpar organizational outcomes and unsustainable expansion. Therefore, the goal of the current study is to examine and evaluate employee retention tactics used in the hospitality sector in an effort to retain talented workers for extended periods of time. The study draws from prior research as well as peer-reviewed articles that were released between 2010 and 2020. Search terms including "Hospitality Industry," "employee retention," "employee turnover," and "employees" were used to discover relevant papers in the databases Web Knowledge, Emerald, Google Scholar, and Science Direct. According to the study's findings, employee happiness affects employee retention*

**Keywords:** Hospitality Industry, Employee Retention, Employee turnover, Unsustainable Expansion

## I. INTRODUCTION

People are recognized as a major source of competitive advantage, and companies implement a variety of policies and practices to ensure that their skilled workers stay with them for extended periods of time. As a result, along with cutting costs that aren't essential and raising employee motivation and productivity, staff retention has become one of the most important factors in determining an organization's success. On the other hand, it has been determined that one of the largest problems of the twenty-first century, especially in the hotel sector, is employee retention. Because the hospitality sector constantly faces the challenge of a changing workforce, retaining qualified employees is a continuous and dynamic process.

Employee retention: A methodical attempt to maintain and enhance an atmosphere that motivates staff members to work while putting in place procedures and regulations that meet their various demands is known as "retention." Encouraging employees to remain with the organization for an extended period of time is known as employee retention. "A method by which companies maintain an efficient workforce and meet operational requirements" is employee retention. It's a strategy for motivating staff members to stick with the company or stick around until a project is finished. Human resources constitute a methodical endeavor to establish and enhance a work atmosphere that motivates staff members by endorsing rules and procedures that cater to their varied requirements.

Employee Turnover: Staff turnover comes in two flavors: voluntary and involuntary. Involuntary turnover is when an employer fires employees on purpose or when they are pressured to quit because of unsatisfactory or subpar performance. "Voluntary turnover" refers to an employee's ability to decide for themselves to leave the company (e.g., to choose the best opportunity to work in another organization). A termination is voluntary even if it is not formally announced by the employee. This kind of turnover aligns more with employee controls and preferences than with management policies. When an employee leaves on their own, they are aware of both their current position and job openings in other, more prosperous companies.

**Objective:**

- To analyze various challenges faced by the hospitality industry to retain its employees and the strategies they implement to retain employees.

**II. RESEARCH METHODOLOGY**

Referred to secondary data like various peer-reviewed journals, research articles, websites, books, magazines, etc.

**III. LITERATURE REVIEW**

The low retention rates that the hotel industry faces globally present a very serious concern. This study looks at the causes of the high turnover rate in the hotel sector and talks about them. These are the kinds of things that happen in organizations that make workers want to leave. Surprisingly, or perhaps concurrently, a number of factors can lead to this kind of circumstance. Global data indicates that a significant issue facing the hotel sector is high turnover. High turnover is thought to be a common cause of company failure, low motivation, and subpar performance inside the company.

The hotel sector may more effectively handle employee problems and employment worries by implementing sustainable HR, which in turn encourages employees to adopt a positive outlook and a strong commitment to remaining longer. It is anticipated that the hotel sector will provide over 72 million jobs during the next ten years. As a result, the hospitality sector has emerged as one of the most vibrant and rapidly expanding sectors worldwide, contributing significantly to both social and economic advancement. Additionally, it contributes significantly to economic growth by drawing millions of tourists from abroad each year. Due to the potential to generate excellent job opportunities and draw in foreign investment, this industry's phenomenal growth is essential to the expansion of the nation's economy. According to research, one of the key organizational activities that affects employee retention is human resource management. Businesses that neglect their HR procedures run the risk of losing their knowledgeable and experienced staff, which results in double the expense due to inefficiency on both the financial and operational fronts. Employees' experiences inside an organization are shaped by human resource management procedures such as compensation management, recruiting and selection, training and development, performance appraisal and management, and benefits administration. Employee retention is increased by HR procedures that foster professional development and progress. Effective HRM procedures additionally guarantee that workers have the necessary knowledge, talents, and abilities in addition to motivating them. Additionally, it enhances productivity, lowers employee churn, boosts job satisfaction, and enhances overall organizational performance. The hospitality business is facing a global difficulty in staff retention due to the rising global turnover rate. Studies reveal that two important components of the hotel sector are manufacturing and service. This demonstrates how staff are necessary in order to provide services to clients. Therefore, the hospitality industry's main goal is to retain staff members and manage them well in order to get the most out of them. From this vantage point, retaining personnel for longer and benefiting from them is a crucial task—possibly the largest problem facing the hospitality sector.

Despite the efforts made by the hospitality sector to maintain appropriate employment levels, problems with employee retention persist. The hotel sector offers a variety of career options in addition to its challenges. Among these, retaining employees is one of the hardest problems to solve globally. The study revealed that the hotel sector is facing challenges in preserving the equilibrium between the availability and requirement of human resources. Turnover in personnel is costly, representing around 40% of overall costs. This industry has to keep its workers in order to manage labor costs or labor expenses. Stress arises from the fact that workers in the hospitality sector are expected to interact with clients and guests from all over the world on a daily basis. They might be less satisfied as a result, and they might not want to stay there. The most often mentioned factor contributing to the high turnover rate worldwide, especially in the hospitality sector, is the absence of growth and development. where workers are unable to discuss their long-term goals with their managers and are unable to receive advice or recommendations for furthering their careers. These approaches are ineffective in lowering the staff turnover rate in the twenty-first century.

In a previous study, the Harvard Business School Professor of Business Administration characterized human resource management as one of the most significant management tasks in decision-making and in all endeavors that impact life's essence (the employee–agency connection). Another definition of human resource management is a "powerful term

used to define practices, philosophies, and principles that follow people leadership in an organization." Furthermore, all actions pertaining to employee management and the workplace are included in the definition of human resource management. Armstrong claims that human resource management, or the practice of managing personnel and their requirements in firms, has totally superseded the ideas of human resources and human resource management.

Globalization has caused a radical shift in the economy in recent years, as businesses are now evaluated using best practices and international standards. The emphasis is on people due to organizational growth, worker diversity, and altered organizational structures. Organizations have discovered that these modifications have a significant effect on their performance and that encouraging employee participation is essential to quality transfer. The focus should be on inspiring and caring for people through HR practices like appraisal, regular feedback, and continual assistance, as well as sustainable development because the hotel business needs to achieve results through its personnel.

Researchers everywhere agree on the importance of human resources to an organization's ability to succeed. They acknowledge that an organization's people resources are its most valuable asset. Because they understand how to fulfill employee needs and maximize the potential of their workforce, successful companies leverage their workforce to gain a competitive edge. In light of these conditions, a number of variables may come together to make retention even more difficult. One of the biggest and most well-known breweries in the world, SABMiller, claims that its human resources are what really sets it apart from the competition. Additionally, the dedication and enthusiasm of their staff have contributed to SABMiller's increased consumer recognition. This demonstrates how crucial it is to recognize employees' contributions in addition to recruiting and training them. This indicates that most large businesses, particularly those in the service industry, have serious concerns about staff retention.

The hotel sector needs to invest in its workforce since it uses its workers to provide services and tend to the demands of its clients. Since the hotel sector is service-oriented and human-intensive, having an effective workforce is essential to its success and to delivering superior customer care. One of the key strategies is effective human resource management (HRM), particularly in hiring, which is essential to the hotel sector's success. Developing employees' skills and putting excellent HRM practices into practice are also essential to investing in people. The foundation of any organization is recruitment and selection, which is the primary task of human resource management.

For this reason, encouraging prospective employees to choose careers in the hospitality sector should be the top priority for the sector. The business has recently begun to prioritize hiring from university placement programs, but because of an organizational culture that does not meet the demands of these recent graduates, they are unable to keep these recent graduates. The post-hiring pledge is not given any attention. This indicates that the high turnover rate in this industry is a result of their ineffective recruiting and selection procedure.

#### **IV. CONCLUSION**

It was determined that creating and putting into practice various retention tactics would assist the hospitality sector be happier with its workforce, which would in turn encourage workers to remain at their current location. According to the study's findings, four factors are necessary for employees to be satisfied and, consequently, have a high retention rate: a positive and long-lasting work environment; opportunities for growth; efficient and long-lasting communication; and efficient and long-lasting recruitment and selection procedures. Because it is workable and applicable, the proposed model is also helpful in the COVID-19 age. During COVID-19, the hospitality sector had a number of challenges, particularly for front-line employees who dealt with clients because they had to look out for both their own safety and the protection of their patrons [84]. It is difficult to keep those workers at work in light of unforeseen circumstances, therefore businesses need to come up with creative retention techniques. The study also discovered that a number of internal and external variables contribute to the poor retention rate in the hotel sector, making the cause complex. According to this literature study, employees who are happy in their current position are less inclined to leave it, but dissatisfied employees are more likely to leave in search of better career possibilities.

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