

INCENTIVES GIVEN TO HOTEL EMPLOYEES ARE AN IMPORTANT PART OF EMPLOYEE RETENTION STRATEGY

Project Report submitted to the National Council of Hotel Management and Catering Technology

In partial fulfillment of the requirement for the award of Bachelor's Degree in Hospitality and Hotel Administration

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RESEARCH GUIDE

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**INSTITUTE OF HOTEL MANAGEMENT CATERING TECHNOLOGY
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CERTIFICATE

This is to certify that Mr. ATHARVA AJIT JOG is a student of B.Sc. in H & H.A – Third Year has completed and submitted the following Research Project

“INCENTIVES GIVEN TO HOTEL EMPLOYEES ARE AN IMORTANT PART OF EMPLOYEE RETENTION STRATEGY” for the Research presentation held in April 2021 at this Institute for the partial fulfillment of the course B.Sc. in H & H.A for the academic year 2020-21.

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I declare that the project title “**INCENTIVES GIVEN TO HOTEL EMPLOYEES ARE AN IMORTANT PART OF EMPLOYEE RETENTION STRATEGY**” submitted by me for the degree of Bachelor of Science in Hospitality and Hotel Administration program is the record of work carried out by me under the guidance of **Mr. ANIL PANDEY**.

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ACKNOWLEDGMENT

“I have taken efforts in this project. However, it would not have been possible without the kind support of **Mr. ANIL PANDEY**.

I am highly indebted for his guidance and constant supervision as well as for providing necessary information regarding the project & also for his support in completing the project.

I would like to express my gratitude towards my parents for their kind co-operation and encouragement which help me in completion of this project.

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ATHARVA AJIT JOG

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ABSTRACT

INCENTIVES GIVEN TO HOTEL EMPLOYEES ARE AN IMORTANT PART OF EMPLOYEE RETENTION STRATEGY

The article deals with the Incentives given to employees of the hotel industry and how do they play an important part in retaining the employees Employee retention refers to practices, policies and the overall strategy designed to retain its best employees thus reducing the turnover.

A lot of resources are spent in attracting the best talent to the company. When the employees stay longer with the company they become integral part of the company and the position which means when they leave the company loses a valuable member of the team.

And these members are always hard to replace. So it is wiser to retain the employee and make sure he/she remains motivated. A lot of investment is needed to train an employee and to make him productive. The employee retention makes sure the employee stays and applies the learning for the growth of the organization. Employee retained in organization feel part of the overall vision and become better contributors in the long run.

The project report gives a detailed analysis of how can employees in the hotel industry be motivated by not only by the basic salary but also various other incentive/benefits offered by the employer. The factors influencing the workplace atmosphere of the employee are related to various psychological factors. It is a fact that employees usually see money as a motivator but it's time to understand that with money there are many more advantages that they can avail especially when they are in a need of crisis.

CHAPTER 1

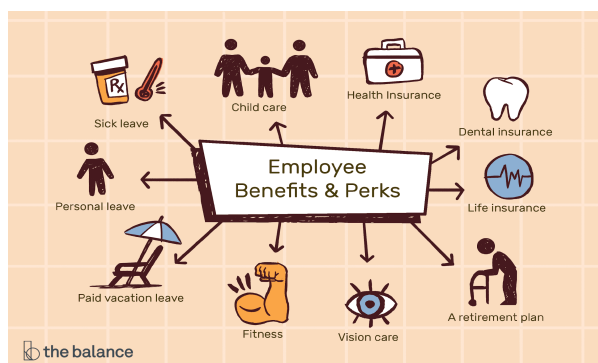
INTRODUCTION

INTRODUCTION

In today's competitive world, the key to success in any business relies on customer satisfaction. As a result, servicing customer needs has become a priority for many organizations. However they have failed to act upon the satisfaction of the employees, who are the internal customers of the firm. Can an organization service the needs of the clients/customers properly when they fail to satisfy the needs of the internal customers?

Employers need to understand that a content and motivated employee has a higher probability of making significant contributions to the organization. It may result in new orders that are won for the organization or even new ideas for the amendment of the product. Unfortunately remuneration and designation are the chief factors determining the longevity of an employee in an organization. Paucity in opportunities is one of the factors that lead to attrition of the employees. Also, the employee's relationship with their supervisor plays a key role. Prejudicing and suppressing the growth of an individual leads the employee to search for an alternative.

Redundancy is one of the major epidemics rapidly emerging across the country. Employers hire instantly, and at the same employees are sacked at the same rapid rate. During times of economic crisis, money minded entrepreneurs apply purely arithmetic logic regarding the pay scale of the veterans and come to a conclusion to hire multiple amateurs that equals the CTC (cost to company) of a veteran. As a result, the organization fails to gain the trust of the employees which paves the way for job insecurity while also losing out on invaluable experience.



Jack Welch, former CEO of General Electric stated in one of his articles that “Any company trying to compete with competitors should figure out a way to engage the mind of every employee”.

HISTORY

Employment is a relationship between two parties, usually based on contract where work is paid for, where one party, which may be a corporation, for profit, not-for-profit organization, co-operative or other entity is the employer and the other is the employee. Employees work in return for payment, which may be in the form of an hourly wage, by piecework or an annual salary, depending on the type of work an employee does or which sector they are working in. Employees in some fields or sectors may receive gratuities, bonus payment or stock options. In some types of employment, employees may receive benefits in addition to payment. Benefits can include health insurance, housing, disability insurance or use of a gym. Employment is typically governed by employment laws, organization or legal contracts.

The main ways for employers to find workers and for people to find employers are via jobs listings in newspapers (via classified advertising) and online, also called job boards. Employers and job seekers also often find each other via professional recruitment consultants which receive a commission from the employer to find, screen and select suitable candidates. However, a study has shown that such consultants may not be reliable when they fail to use established principles in selecting employees. A more traditional approach is with a "Help Wanted" sign in the establishment (usually hung on a window or door or placed on a store counter). Evaluating different employees can be quite laborious but setting up different techniques to analyze their skill to measure their talents within the field can be best through assessments. Employer and potential employee commonly take the additional step of getting to know each other through the process of job interview.

There are many ways that employees are paid, including by hourly wages, by piecework, by yearly salary, or by gratuities (with the latter often being combined with another form of payment). In sales jobs and real estate positions, the employee may be paid a commission, a percentage of the value of the goods or services that they have sold. In some fields and professions (*e.g.*, executive jobs), employees may be eligible for a bonus if they meet certain targets. Some executives and employees may be paid in stocks or stock options, a

compensation approach that has the added benefit, from the company's point of view, of helping to align the interests of the compensated individual with the performance of the company.

CHAPTER 2

REVIEW OF LITERATURE

THEORETICAL REVIEW

INTRODUCTION

What are Incentives? Why do companies give incentives to their loyal customers and best performing employees? What are the benefits of having an incentive program? Will your employees appreciate such a program, and in return, produce more capital and create a friendly work environment? Even the word “Incentive” sounds pretty good, doesn’t it? So how do we use incentives to motivate employees and promote the overall health of a business?

An “Incentive”

is something that we attain by meeting a goal. This is to motivate and encourage employees to boost their productivity and morale. These incentives may be offered by their employer in the form of bonuses, rewards, and salary increases. Incentives can also be a form of cash or non-cash reward, such as plane tickets, concert tickets, and extra vacation time.

Progressive

companies and businesses commonly offer performance-based incentives and compensation for their employees. It is an excellent way to retain the employees for longer durations, while they simultaneously produce higher quality work. With the use of incentives, not only do the employees benefit, but the overall company does as well. Incentives are an excellent way for you, the employer, to have a positive relationship with your employees and promote a healthy, profitable work environment.

Employee incentives also generate healthy competition between teams and individuals within the company. For example, if only certain individuals or employees receive an incentive, then that can motivate other employees to increase their production to attain the same rewards. Managers also set

parameters and benchmarks on determining which employees are eligible for the incentives. Examples of some of these parameters are perfect attendance, above average or excellent quality of work, and treating fellow employees with respect and kindness, ultimately reducing the stress in a work environment. By setting this benchmark, the company becomes productive as well by motivating their employees in a positive manner.

MARKET

According to the **Bureau of Labor Statistics**, the hospitality sector has an annual turnover rate of 73.8%, with around 6% of staff leaving every month.

According to the **Bureau of Labor Statistics**, the hospitality sector has an annual turnover rate of 73.8%, with around 6% of staff leaving every month. Hospitality and leisure employment, however, has continued to trend up in line with its previous 12-month average as of March 2019. The sector has added 33,000 jobs since January 2019. Tourism employs 1 in 10 people in the global economy, according to the **World Travel and Tourism Council**.

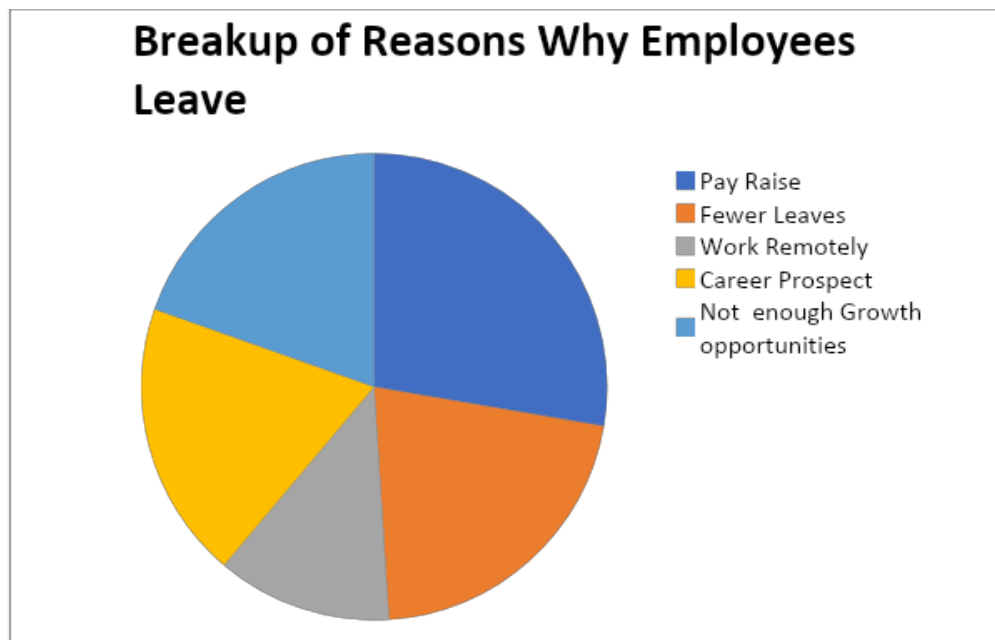
Yet, the hospitality sector still leads in job opening rates, according to the Bureau of Labor Statistics. These low unemployment rates have created an increase in operating costs and resulting in upward pressure on compensation.

CHALLENGES

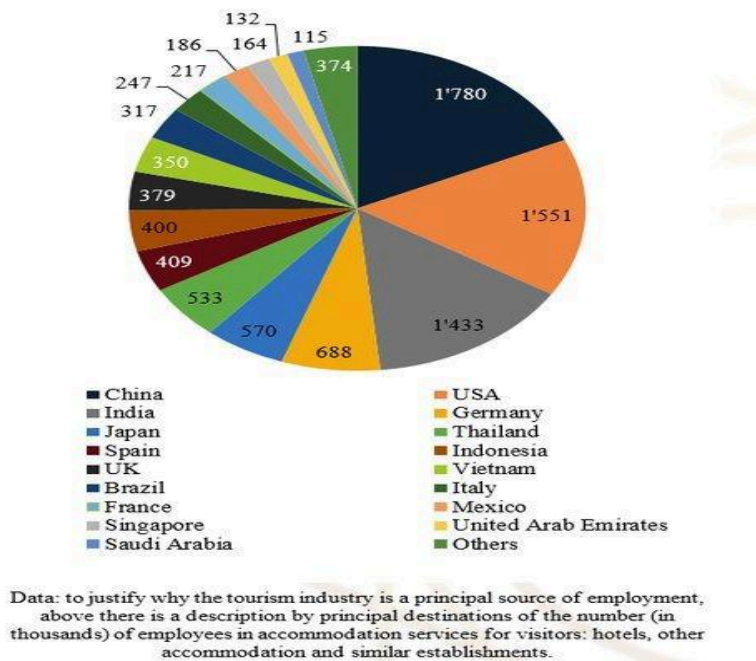
Why do hospitality employees leave?

- ☐ According to a 2018 **Randstad Survey**, these are a few of the top reasons employees leave their jobs:
- ☐ 82% percent expect pay raises every year to stay with their employers
- ☐ 63% percent wouldn't accept a job from employers who offered fewer than 15 paid vacation days per year
- ☐ 36% percent are considering leaving their employer because they don't have the option to work remotely
- ☐ 57% say they need to leave their current employers to take their career to the next level

- 58% percent of workers agree their companies don't currently have enough growth opportunities for them to stay longer term.
- Young hospitality workers are more likely to leave



The notion of retaining optimism and hopes of revival remained high. This was particularly visible with the responses pertaining to the manpower development. This viewpoint of the experts in tourism and hospitality may be attributable to their rich experiences, where they must have observed highs and lows in the industry. Although COVID-19 presents an unprecedented case before all the sectors, in that the reduced demand and revenues are obvious consequences, which can resonate with the previous crises that also had detrimental effects.



MARKET RESEARCH REPORT

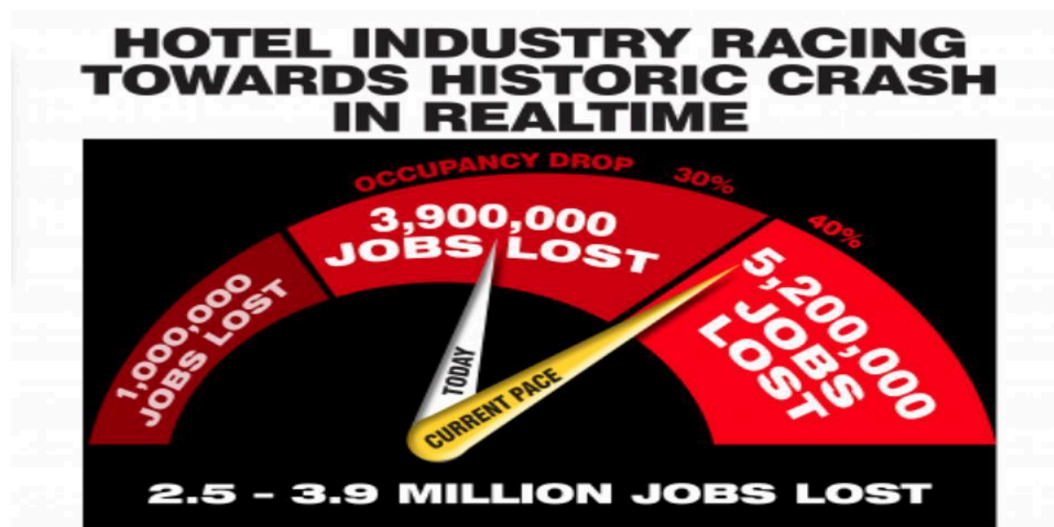
Six months into the COVID-19 pandemic, and there is a cloud of crisis on livelihood. Between April-June 2020, the world lost almost 400 million full-time jobs due to the pandemic, according to statistics released by the International Labour Organization (ILO). The pandemic continues to result in job losses and pay cuts and will lead to many jobs becoming redundant while at the same time, push the creation of newer jobs.

As employers, employees, and economies transform amid the COVID-19 times, it is essential to identify the jobs that will be in demand and help the current and future workforce prepare for them. It's critical for governments, workers, and employers to come and work together to build a sustainable future as we step into the future of work.

But signs of revival are gradually appearing because eventually, people will want to move about and travel after months of being cooped up at home. As restrictions on inter-state and intra-state travel are slowly being relaxed, travelers will cautiously venture out and book holidays. The demand however

will be put on travel operators, hotels, and resorts to offer safer means and solutions with recognized hygiene and sanitization measures in place.

According to a Curly Tales survey, 74% of respondents stated that their first trip after the lockdown would be to a domestic destination such as Goa. This clearly reflects the innate need for people to break their cycles of monotony and cautiously venture out for leisure.



TRENDS OF EMPLOYEE INCENTIVES IN HOTEL INDUSTRY

Hotel sales and revenue management teams are accountable for delivering profitable business to their properties. Incentive compensation is an important motivational tool for these roles, but a new study uncovers significant employee dissatisfaction with the current state of incentive compensation plans in the hotel industry. This, in turn, poses important risks for managing talent retention, motivation and overall employee engagement.

That's the conclusion of the Hotel Sales Incentive Practices Research Study by global sales and marketing consultancy ZS and the nonprofit HSMAI Foundation, the research and educational arm of the Hospitality Sales and Marketing Association International. (, the research and educational arm of the Hospitality Sales and Marketing Association International. (View infographic.)

In this study of incentive compensation design, ZS surveyed 522 HSMAI members in sales and revenue management within the U.S. and Canada. The

goal was to better understand the structure of incentive plans today and highlight opportunities for improvement.

In ZS's analysis of a wide range of hotels, from boutiques to international luxury resorts, only 20 percent of sales executives and 18 percent of revenue managers reported being likely to recommend their incentive compensation plans to colleagues or peers. The majority of participants cited dissatisfaction with overall pay levels, limited performance reporting and poor plan administration.

EMPLOYEE INCENTIVES CAN BE CLASSIFIED INTO:

Monetary Incentives : Monetary incentives are designed to reward employees for outstanding job performance or longevity.

As its name implies, a monetary incentive has an explicit monetary value; an employee knows exactly what one is worth. In addition to cold, hard cash, **monetary rewards** can take the form of:

Salary or wages:

This is one of the most important motivational factors in an organization. Salaries and wages should be fixed reasonably and paid on time.

Bonus:

Bonus is an extra payment over and above salary, and it acts as an incentive to perform better. It is linked to the profitability and productivity of the organization.

Financial incentives:

The organization provides additional incentives to their employees such as medical allowance, travelling allowance, house rent allowance, hard duty allowance and children educational allowance.

Promotion (monetary part):

Promotion is attached with increase in pay, and this motivates the employee to perform better.

Profit sharing:

This is an arrangement by which organizations distribute compensation based on some established formula designed around the company's profitability.

Stock option:

This is a system by which the employee receives shares on a preferential basis which results in financial benefits to the employees.

Non-Monetary Incentives :

Non-monetary incentives are designed to recognize a special achievement or the completion of something that enhances an employee's job performance or value to a company. Such a meritorious category might include the attainment of a sales goal, the culmination of a special research project or graduation from a training program that leads to a desirable certification.

A non-monetary incentive does not take the form of cold, hard cash, but this doesn't mean an employee cannot discern its monetary value.

Status:

An employee is motivated by better status and designation. Organizations should offer job titles that convey the importance of the position.

Appreciation and recognition:

Employees must be appreciated and reasonably compensated for all their achievements and contributions.

Work-life balance:

Employees should be in a position to balance the two important segments of their life—work and life. This balance makes them ensure the quality of work and life. A balanced employee is a motivated employee.

Delegation:

Delegation of authority promotes dedication and commitment among employees. Employees are satisfied that their employer has faith in them and this motivates them to perform better.

Working conditions:

Healthy working conditions such as proper ventilation, proper lighting and proper sanitation improve the work performance of employees.

Job enrichment:

This provides employees more challenging tasks and responsibilities. The job of the employee becomes more meaningful and satisfying.

Job security:

This promotes employee involvement and better performance. An employee should not be kept on a temporary basis for a long period.

ADVANTAGES AND DISADVANTAGES OF MONETARY AND NON-MONETARY INCENTIVES**Advantages of Monetary Incentives:**

Are instantly recognizable and simple for employees to comprehend. *Hold universal appeal.* Are favored by employees who prefer to add them to their annual salary. *Do not require personalization in the way that a non-monetary incentive requires forethought.* Can solve a financial dilemma for a small-business owner who may want to give an employee a pay raise but cannot afford to do so.

Disadvantages of Monetary Incentives:

Employees don't see a clear and direct correlation between the benchmark and the incentive. These employees could undercut even the most lucrative incentive program unless they view it as worthwhile.

They create a sense of inequality. Since “top” employees often get monetary rewards, those who are left out may become a drag on employee morale and teamwork. *They lead to a sense of entitlement among top employees, who may even turn up their noses to the non-monetary incentives you offer.* They “supercharge” cut-throat, competitive employees to sabotage the work of their colleagues to attain the incentive.* They are unfairly distributed among a group. This is why many business owners get ahead of this approaching storm cloud and either establish individual incentives or distribute incentives to all team members.

Advantages of Non-Monetary Incentives:

The businesses that **The Incentive Research Foundation** found are turning to non-monetary incentives may be on to something: *Employees seem to ascribe a greater value to gifts, even if they can place a dollar value on them.* As an

employer, you may see little difference between, say, writing a **\$1,000 bonus** check and bestowing a **\$1,000 laptop** on a deserving employee.

But the employee? Multiple research studies show that employees show greater enthusiasm and appreciation for **tangible things they can use** (*like a laptop*), **enjoy** (*like a vacation*) or **show off and brag about to others** (*like jewelry and clothing*). And the more they can use or show off these incentives, the more likely they are to think of the employer in a favorable light.

If this still doesn't compute to you, try relating non-monetary incentives to the burgeoning gift card industry. Give someone **\$50 in cash** and they will surely appreciate it – before putting it promptly in their wallet and probably forgetting about it. But give them a **\$50 gift card** and they will regard it for what it is: **A gift**, and something they can redeem for something pleasurable. Gift cards are stamped with a dollar amount, just like cash. *But somehow, they signal greater thought and consideration on the part of the giver.*

Disadvantages of Non-Monetary Incentives:

It would be wrong to say that non-monetary incentives have no drawbacks. They exist, but they seem to be mostly self-inflicted by the business owner who neglects to:

Ensure that the incentives are appealing to employees. A weekend ski package or a Las Vegas getaway may be up your alley but not necessarily so for an employee who has never snapped on ski boots or who doesn't like to gamble.

Do his homework when selecting employee incentives.

MAJOR PLAYERS IN HOSPITALITY AND INCENTIVES OFFERED BY THEM:

1. Marriott International



Marriott International, Inc. is an American multinational diversified hospitality company that manages and franchises a broad portfolio of hotels and related lodging facilities. Marriott International is the largest hotel chain in the world by number of available rooms. It has 30 brands with 7,484 properties in 131 countries and territories around the world, over 1,400,693 rooms (as of June 30, 2020), including 2,104 that are managed with 573,043 rooms, 5,314 that are franchised or licensed with 812,006 rooms, and 66 that are owned or leased with 15,644 rooms.

Incentives:

- ☐ **Retirement & Financial Benefits**
- ☐ **Profit Sharing**
- ☐ **401(k) Plan**
- ☐ **Defined Contribution Pension Plan**
- ☐ **Health & Insurance Benefits**
- ☐ **Life Insurance**
- ☐ **Vision Insurance**
- ☐ **Temporary Disability Insurance**
- ☐ **Accidental Death & Dismemberment Insurance**
- ☐ **Dental Insurance**
- ☐ **Severance Pay**
- ☐ **Long-Term Disabilities Pay**

2. Hyatt Hotels Corporation



Hyatt Hotels Corporation, commonly known as **Hyatt Hotels & Resorts**, is an American multinational hospitality company headquartered in the Riverside Plaza area of Chicago that manages and franchises luxury and business hotels, resorts, and vacation properties. As of September 30, 2019, Hyatt has over 100,000 employees worldwide servicing nearly 900 properties across 20 brands in 60 countries.

Incentives:

- ☐ **Medical, Dental and Vision Insurance**
- ☐ **Prescription Plan**
- ☐ **Disability**
- ☐ **Retirement Savings Plan**
- ☐ **Basic, Supplemental and Dependent Term Life Insurance**
- ☐ **Personal Time Off or Vacation, Sick and Holiday Time**
- ☐ **Complimentary Hotel Room Nights**
- ☐ **Employee Assistance Program**
- ☐ **Work/Life Balance**
- ☐ **Education Assistance**

3. Wyndham

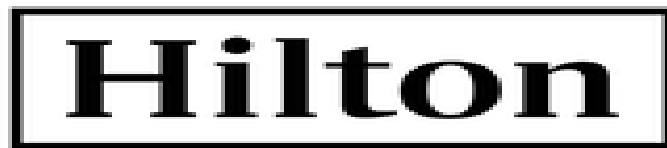


Wyndham Hotels & Resorts, Inc. is a hotel company based in Parsippany, New Jersey. It describes itself as the largest hotel franchisor in the world, with 9,280 locations. It has a portfolio of 20 hotel brands, including Baymont, Days Inn, Howard Johnson, La Quinta, Ramada, Super 8, Travelodge, and Wyndham.

Incentives:

- ☐ **Health Insurance**
- ☐ **Employee Discount**
- ☐ **Severance Pay**
- ☐ **Stock Options**
- ☐ **Employee Assistment Plan**
- ☐ **401(k) Plan**
- ☐ **Stock Allotment**
- ☐ **Retirement Benefits**
- ☐ **Education Assistance**

4. Hilton



Hilton is headquartered in Tysons Corner, Virginia, U.S. As of June 30, 2020, its portfolio includes 6,215 properties (including timeshare properties) with 983,465 rooms in 118 countries and territories, including 690 that are managed and 5,405 that are franchised, with the combined managed and franchised properties having a total of 953,946 rooms, in addition to 65 that are owned or leased including 57 that are wholly owned or leased, one owned by a consolidated non-wholly owned entity, two that are leased by consolidated variable interest entities (VIEs) and five that are owned or leased by unconsolidated affiliates. Prior to their December 2013 IPO, Hilton was ranked as the 36th largest privately held company in the United States by *Forbes*.

Incentives:

- ☐ **Competitive Starting Salary.**
- ☐ **Best-In-Class PTO. (Paid Time Off)**
- ☐ **Employee Assistance & Educational Assistance Programs.**
- ☐ **Health & Welfare Benefit Plans.**
- ☐ **Retirement Savings Program.**
- ☐ **Employee Stock Purchase Plan.**
- ☐ **401(K) Plan**

- ☐ **Severance Pay**

5.Accor Hotels



Accor S.A. is a French multinational hospitality company that owns, manages and franchises hotels, resorts and vacation properties. It is the largest hospitality company in Europe, and the sixth largest worldwide.

Accor operates in 110 countries and 5100 locations. Its total capacity is approximately 704,000 rooms. Accor owns and operates brands that cover many segments of hospitality. Accor also owns companies specialized in digital hospitality and event organization, such as onefinestay, D-Edge, ResDiary, John Paul, and Potel & Chabot.

Incentives:

- ☐ **Pension Plan.**
- ☐ **401K Plan.**
- ☐ **Employee Stock Purchase Plan.**
- ☐ **Stock Options.**
- ☐ **Equity Incentive Plan.**
- ☐ **Supplemental Workers' Compensation.**

□ Charitable Gift Matching.

Why do people choose monetary incentives over non monetary incentives?

Monetary incentives are always expected.

There's a lot to be said for providing what employees expect from your company. By offering yearly raises or monetary perks, including competitive "on track earnings" for commission-based roles, you'll be insuring yourself against the most common cause of employee turnover: not enough monetary compensation.

You could retain employees for longer.

Increasing monetary incentives over time (including raises) will help you retain your most experienced employees. If your highest-performing team members feel financially "taken care of" by your company, they're much less likely to look for work elsewhere.

Money speaks louder than most perks.

Trendy fringe benefits are great for attracting new talent, but employees are often motivated to make big career decisions based on financial benefit. If you offer better monetary incentives than those commonly available in your industry, you're likely to attract some of the best and brightest employees (beating out other companies who have unique or quirky perks).

Some non-monetary incentives can be a waste of money.

We all know the feeling when our newly-implemented points system or team retreat doesn't generate enough excitement to be effective. With fringe benefits, you really have to know what's valuable and important to your employees—and if you get it wrong, you could be wasting your money.

Full participation isn't always guaranteed.

Money talks—but non-monetary incentives tend to be a lot less persuasive. Your team might not be motivated by the rewards you're providing, and if that

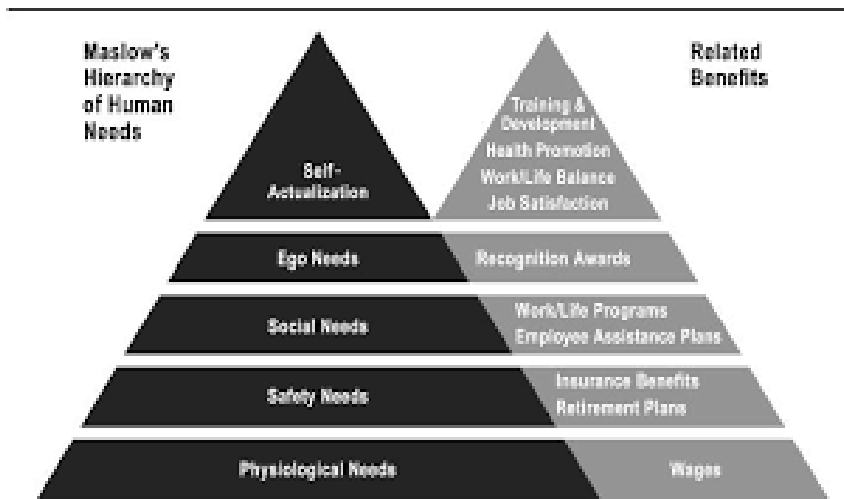
happens, your employee engagement metrics might not change in any meaningful way.

Non-monetary incentives can be an organizational nightmare.

If you aren't in love with your HR and accounting staff, you'll want to get those teams into shape before taking on a whole host of non-monetary incentives. Paperwork is abundant for many of these programs.

SIGNIFICANCE OF NON-MONETARY INCENTIVES IN THE HOTEL INDUSTRY

- Employees want to be valued and to have their companies know what is essential to them in the workplace. Better yet, they appreciate when their companies provide means to address those needs. Many employees have said that they would be willing to work harder if their company recognized their efforts in some manner. Simply put, **employees want to be valued**, and increasing one's base pay or annual bonus often are not the ways that matter most to them. Often, even inexpensive non-monetary methods, as mentioned above, will do the trick if appropriately administered and if they have perceived value by those who receive them.
- Companies of all sizes have recognized that non-monetary compensation can go a long way, and it doesn't need to cost a lot to implement the right type of program. Google, for example, is widely recognized as a company that continuously sees its name near the top of the "**Best Places to Work**" list. Frequently being named on this list isn't an accident.
- It has long been recognised that the monetary wages paid to many hotel workers do not constitute their total earnings. Additional monetary and non-monetary rewards are a feature of hotel employment. Surprisingly, little is known about these additional rewards or fringe benefits, which are growing in significance in wage and salary administration. Until now the state of knowledge has remained partial and fragmented, and debates conducted in an arena of almost total ignorance. Central to this debate is the comparison of hotel worker earnings with those in other industries.



Why do Hotel employees feel demotivated especially the one's working in the core department?

Lack of Appreciation: An employee feels unappreciated for his efforts.

Too Much Work: An employee feels overburdened with a disproportionate chunk of work, which renders him unable to perform his duties well and punctually.

Lack of Clarity in Work: An employee flounders at work due to a lack of clarity on his various tasks.

Favoritism: These refer to unfair practices that favor one worker over another.

Mistrust: This deals with an employee resorting to micromanaging everything, displaying mistrust in a co-worker's capabilities.

Miscommunication: Free flow of information is withheld or information is provided only on a "need-to-know" basis. This can be demotivating as it proves that the boss or organization does not fully trust its employees to share all available information on a project.



SYMPTOMS

1. ABSENTEEISM OR CONSISTENT LATE COMING
2. APATHETIC ATTITUDE
3. CONFLICT WITH PEERS/ BOSS
4. CONSTANTLY STRESSED/ BORED
5. LEADS NEGATIVE DISCUSSIONS
6. DECREASE IN PRODUCTIVITY AND LOUSY QUALITY OF WORK
7. WITHDRAWS FROM EMPLOYEE ENGAGEMENT EVENTS
8. DOES NOT UNDERTAKE NEW INITIATIVES
9. INCREASED ACTIVITY ON PROFESSIONAL NETWORKING SITES
10. DOES NOT RESPONSIBLY CONTRIBUTE TO DISCUSSIONS



CHAPTER 3

EMPLOYEE RETENTION AND IT'S IMPORTANCE IN THE HOSPITALITY INDUSTRY

Employee Retention:



Employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic (for example, a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period).

A distinction should be drawn between low-performing employees and top performers, and efforts to retain employees should be targeted at valuable, contributing employees. Employee turnover is a symptom of deeper issues that have not been resolved, which may include low employee morale, absence of a clear career path, lack of recognition, poor employee-manager relationships or many other issues. A lack of job satisfaction and commitment to the organization can also cause an employee to withdraw and begin looking for other opportunities. Pay does not always play as large a role in inducing turnover as is typically believed.

In a business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs and loss of talent and organisational knowledge. By implementing lessons learned from key organizational behavior concepts, employers can improve retention rates and decrease the associated costs of high turnover.

In today's environmental conscious behavior society, companies that are more responsible towards environment and sustainability practices can attract and retain employees.

TOP EMPLOYMENT RETENTION STRATEGIES

1. Hiring the Right People

80% of employee turnover is due to bad hiring decisions. First of all, **hire the right people**. People who meet the organization's expectations and whose expectations you can fulfill. One way to do this is to **go beyond the textbook interview questions**.

2. Shaping their Growth and Development

Helping employees achieve their short-term and long-term goals is one of the most crucial employee retention strategies.

Therefore, designing in-house **training programs for employees** can advance their professional development. Other methods include paying them to attend conferences, industry events, etc.

3. Encouraging Open Communication

You can create a workplace where employees aren't afraid to express their opinions. In other words, a workplace where they can freely question their leaders and voice their concerns.

An **"open door policy"** is an effective way to establish a **culture of open communication**. It shows that you're always **available to listen** to their opinions and concerns.

4. Providing out-of-the-box Benefits

50% of adults would leave their job for better benefits. Catering to the needs of your employees is important. Employers should provide benefits apart from the usual vacation leaves, sick leaves.

Moreover, **employees favor benefits** like financial incentives, retirement savings plan. Other benefits are sabbaticals, incentive stock options, life insurance, etc.

5. Appreciating your Employees

Every employee wants acknowledgement and recognition for their work. **Appreciating your employees** for their efforts and achievements goes a long way.

6. Balancing their Workload

57% of employees feel less productive and disengaged due to work stress. Tower Watson says stressing your employees can be unfavorable. Thus, encouraging team members to **share the workload** and take time off can be effective.

8. Rewarding & Recognizing Employees

Sometimes, your employees expect more than a thank you or a pat on the back. When they fulfill their goals, rewarding them to congratulate their efforts is important. **Corporate gifts**, point-based reward system, **performance awards**, are some ways.

9. Maintaining Work and Life

11% of workers have refused a new job due to lack of good **work-life balance** opportunities. Another factor associated with overburdening is maintaining the work-life balance. To take pressure off employees, share the workload, allow **work from home**, practice flextime.

People working as a team produce more successful results. When people work as a team, they **produce more** and are more successful. Creating a **culture of collaboration** where employees work in their own way but as a team helps. You can assign tasks to all team members, clarify job responsibilities and encourage them to contribute.

12. Bonding with Employees

A good manager works continuously to nurture his relationship with his employees. Above all, bonding with employees outside work is as important as inside the office. You can do this by **celebrating your employees' major milestones**.

Team lunches, group treks, excursions are some methods to celebrate employees. Celebrating even their personal achievements- a new house, marriage- will deepen your bond.

15. Conducting Exit interviews

Sometimes letting go of an employee is inevitable. Hence, conducting **exit interviews** just before an employee is about to leave is very crucial.

An exit interview is asking a departing employee about his experience at the company. This process can help throw light into things like toxic management practices, **departmental conflicts**, etc.

NEED FOR EMPLOYMENT RETENTION

Retention of a positive and motivated employee is very important for the organization's success. High employee turnover increases the expenses and also has a negative impact on the organization's morale. Implementation of an employee retention program is an effective way of making sure that the pivotal workers remain employed while balancing and maintaining job performance and productivity.

Recruitment Enhancement – Effective retention strategies often begin during the employee recruitment process.

Employee Turnover Management – Employers implement retention strategies to manage employee turnover and attract quality employees.

Performance and Productivity Maintenance – Employee retention practices help support an organization's productivity.

Cost Effective – An organization can significantly get benefit from employee retention programs because of a direct effect on an employer's strategies.

Increases Morale – Employees who enjoy what they do and the atmosphere in which they work are more likely to remain employed with their organization over a longer period of time.



EFFECTS OF POOR EMPLOYEE RETENTION



Loss of Company Knowledge – When an employee leaves, he takes with him valuable knowledge about the company, customers, current projects and past history.

Interruption of Customer Service – Customers and clients do business with a company in part because of the people. Relationships are developed that encourage continued sponsorship of the business.

Regaining efficiency – If an employee resigns, then a good amount of time is lost in hiring a new employee and then training him. It is expensive and leads to a temporary loss in efficiency.

When individuals leave any organization, they are more likely to join the competitors - Sometimes they tend to take confidential data along with them to create an impression in their new organization. This way the plans of the organization get leaked even before implementation and they fail to do anything great. Employees must not share any information with an external party in any manner what so ever.

An organization can't perform well if the employees speak negative about it - It is essential to have a group of loyalists who play an important role in furthering the brand image of the company.

WHY DO EMPLOYEES LEAVE AN ORGANISATION?

Research says that most of the resources or employees quit or leave an organization because of frustration and constant friction with their boss or superiors or other team members. The reasons can vary with the cases – low salary, lack of motivation, lack of growth prospects, which make an employee to look out for a job change.

It is not just the Management and the Human Resources Managers, but also the Line Managers who are responsible to ensure that the employees are satisfied with their roles and responsibilities and the job is offering them a new challenge and learning every day.

It is not that employees do not have good opportunities in hand, but if they feel dissatisfied with the current job or the employer, they switch over to the next job. So, it is the responsibility of the employer to retain the best employees.

There are many circumstances that influence an employee to leave the organization. **The most common reasons why employees leave their employers are as follows –**

- ☐ **Job is not what the employee expected to be**
- ☐ **Job and responsibilities mismatch**
- ☐ **No growth opportunities**
- ☐ **Lack of appreciation**
- ☐ **Lack of trust and support in coworkers, seniors and management**
- ☐ **Stress from overwork and work life imbalance**
- ☐ **Compensation**
- ☐ **New job offers**



CHALLENGES FACED IN EMPLOYEE RETENTION

In the current scenario, a major challenge for an organization is to retain its valuable and talented employees. The management can control the problem of employees quitting the organization within no time to a great extent but can't put a complete full stop to it. There are several challenges to it.

Let us understand the **challenges to employee retention**:

Monetary dissatisfaction is one of the major reasons for an employee to look for a change. Every organization has a salary budget for every employee which can be raised to some extent but not beyond a certain limit. Retention becomes a problem when an employee quotes an exceptionally high figure beyond the budget of the organization and is just not willing to compromise.

The organization needs to take care of the interests of the other employees as well and can't afford to make them angry. The salaries of the individuals working at the same level should be more or less similar to avoid major disputes amongst employees.

A high potential employee is always the center of attention at every workplace but one should not take any undue advantage. One should understand the limitation of the management and quote something which matches the budget of the organization. An individual should not be adamant on a particular figure, otherwise it becomes difficult for the organization to retain him. Remember there is a room for negotiation everywhere.

In the current scenario, where there is no dearth of opportunities, stopping people to look for a change is a big challenge. Every organization tries its level best to hire employees from the competitors and thus provide lucrative opportunities to attract them. Employees become greedy for money and position

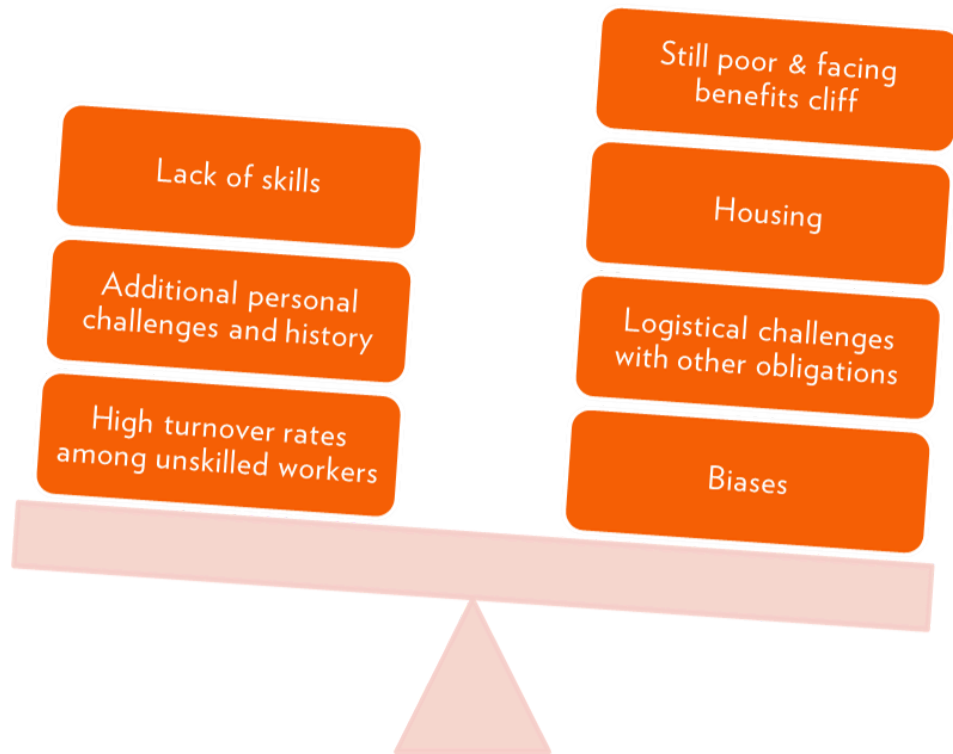
and thus look forward to changing the present job and join the competitors. No amount of counseling helps in such cases and retaining employees becomes a nightmare.

Individuals speak all kind of lies during interviews to get a job. They might not be proficient in branding but would simply say a yes to impress the recruiter and grab the job. It is only later do people realize that there has been a mismatch and thus look for a change. Problems arise whenever a right person is into a wrong profile. An individual loses interest in work whenever he does something out of compulsion. The human resource department should be very careful while recruiting new employees. It is really important to get the reference check done for better reliability and avoid confusions later.

Some individuals have a tendency to get bored in a short span of time. They might find a job really interesting in the beginning but soon find it monotonous and look for a change. The management finds it difficult to convince the employees in such cases.

Individuals must also understand that every organization has some or the other problem and adjustment is required everywhere, so why not in the present organization? It becomes really difficult for the HR Department to find out what exactly is going on in the minds of the individual. An individual should voice his opinions clearly to make things easier for the management.

Unrealistic expectations from the job also lead to employees looking for a change. There is actually no solution to unrealistic expectations. An individual must be mature enough to understand that one can't get all the comforts at the workplace just like his home. Individuals from different backgrounds come together in an organization and minor misunderstandings might arise but one should not make an issue out of it.



HOW DO INCENTIVES AND RECOGNITION PLAY AN IMPORTANT ROLE IN EMPLOYEE RECOGNITION?

Salary, benefits, and other financial incentives aren't the only things that employees are looking for in a job. So how does recognition and rewards impact employee engagement and performance?

An employee can earn the same amount of money with you as with your competitors. But when it comes to belonging to a strong, fun team; earning respect; and having opportunities for career growth and personal development, employers aren't all created equal.

Incentive Compensation

Career development becomes even more powerful when combined with incentive compensation—i.e. when you add financial rewards to the practice of recognizing individuals or teams based on their performance.

If you use incentive compensation, it's important to give your employees a clear line of sight as to how their objectives contribute to the company's overall objective. Use written goals and scorecards to provide them with real time feedback. By doing this, their goals become controllable and they feel

empowered. If, in contrast, there's no clarity about how they're contributing to the larger objective, then they'll feel like the company's goals are non-controllable, which in turn may result in disengagement.

Recognition-Based Incentives

But even more powerful than incentive compensation are recognition-based incentives. Recognition among peers and co-workers can have a long-term impact on employee work engagement and job satisfaction.

A cash bonus is a one-time incentive. In contrast, being recognized among your peers and fellow co-workers for going the extra mile and contributing meaningfully to the company is a lasting achievement—and as we've seen, once our fundamental needs are met, we all want to make a difference in our lives and/or in the world.

That's why **recognition is such a powerful motivator**. Titles such as “employee of the month” and “top performer” offer fulfillment to people who are already passionate about your mission—plus, they can be key accomplishments that make all the difference when the individual applies for a specific role or promotion. It's always great to give recognition to employees who delight your customers, but another way to give recognition is a “kudos” program.

HOW TO MOTIVATE HOTEL EMPLOYEES ?

Be their mentor

Do not forget that you serve as a role model for your employees, whether you like it or not. Your hotel staff is constantly observing you and replicating your actions, so why not use this to your advantage? Offer positive and constructive feedback to your hotel staff whenever you can. Additionally, give your staff the opportunity to ask you questions by being approachable and available. By becoming your employees mentor, you will inspire your team's leaders to serve as role models too..

Ask for feedback

When evaluating your staff, you must keep in mind that your work can also be improved as a boss and it is important that you stay humble. Allowing your staff to express their opinions can be just as beneficial to you as it is for them. The best way to receive feedback is through an anonymous online survey, so that you cannot recognize their handwriting. Nothing can be more frustrating than

being hesitant to voice an honest opinion, as employees may fear what the boss will think. By giving your staff the opportunity to give you some anonymous feedback, you allow them to freely express their opinion, while showing them that their opinion matters and that you care about their well-being.

seek another job where they will be able to do so. By investing in your employees, you give them a reason to stay.

Offer promotions

Don't be afraid to promote the employees who deserve it. Of course, promotions come with a raise in salary, but it does not necessarily mean that the monetary aspect is what motivates the promoted employee the most. In management positions, it is often recognition and respect from the boss, or the ability to make important decisions on their own or within a committee that motivates employees. If a member of your hotel's staff seems ready to take on that position, understands your hotel's operational features, and is well respected by his or her peers so that being promoted will not negatively impact the rest of your team, do not hesitate to promote him or her.

Trust your employees

Even if you are unable to promote or raise your staff's salary, you can motivate them by trusting them. For example, cease any micromanagement where you would want to control every single one of your staff's actions. Instead, show them that you trust them and that you do not doubt the quality of their work.

DRAWBACKS OF EMPLOYEE RETENTION

1. Non performing employees are retained:

Who to retain is an important decision that every organization has to make. Retention works adversely when employees who are non-performing are retained.

There are times when employees are not ready to grow and they are a liability to the organization. These employees do not add value to the team and should not be retained.

This however calls for a good policy to ensure that these employees are identified.

2. Groupies in Workplace:

Retention many times makes the power to move in wrong hands. This happens when employees take it their head when they are retained over estimating their worth and create a negative group and influence others.

This groupies eventually starts affecting the quality and flow of work which might have been the major reason why they were retained at the first place.

This should be attended immediately to ensure that such groups do not grow strong.

3. Bad Working Environment:

Culture is an important reason why retention policies are needed, when retention starts destructing the culture then it is time to rethink.

Many times retention makes employees under performing and they demand more than they deserve. They even create a negative work environment.

The trick is to ensure that the one who is being retained has an intention to add to the positive environment and not create a negative environment at work.

4. No new talent:

Given that old employees are retained there no inclusion of new talent especially in these time where the business environment is so dynamic .This leads to constricted decisions and bad attitude against the customers.

CHAPTER 4

AIMS, OBJECTIVES & HYPOTHESIS

AIMS:

To make hotel employees understand about various types of incentives offered by the organization.

To give a deeper understanding on why employee retention is important.

OBJECTIVE OF THE STUDY:

- ☐ To make hotel employees pay more attention on incentives more than the salary.
- ☐ To make employee retention more important than hiring new employees.
- ☐ To understand various types of incentives offered to the employees by the organization and how they affect employees psychologically.

HYPOTHESIS:

Employee retention and incentives is a vast topic. It is not popular in all sectors of business especially in Hospitality sector.

In this research, I will be studying the current status of employee retention strategies and how they affect an organization as well as the employee as well as the significance of Monetary and non-Monetary Incentives.

CHAPTER 5

METHODOLOGY

RESEARCH DESIGN

A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to search purpose with economy of procedure. Research design is the conceptual structure within which research is conducted. The research design adopted here is descriptive. I have made use of secondary data collection and also arranging them in perfect order. The research problem was defined by understanding the collected data. To fulfill the objective of the study a narrow approach to secondary data collection was used and primary data collection was done by using a survey questionnaire.

STEPS IN RESEARCH:

- ☐ Collection of data pertaining to Employee Retention and identifying the research problem.
- ☐ Collection of data from secondary data related to the research problem.
- ☐ Primary data collection using a questionnaire

DATA COLLECTION METHODOLOGY

The sources of data used in this project report are both primary and secondary data.

PRIMARY DATA

Primary data was collected manually. A survey questionnaire was made and printouts of the questionnaire were distributed and the result was compiled.

SECONDARY DATA

Secondary data consist of information that already exists and that were being collected in the past for some purpose. Secondary data used in this study were collected from an external source like blogs, Journals etc. some websites which were really helpful were <https://www.springworks.in/blog/employee-retention-strategies/>, <https://www.toppr.com/guides/business-studies/directing/incentives/> and <https://www.salary.com/blog/non-monetary-compensation-explained/>.

ANNEXURE

Research Topic: Incentives given to hospitality employees are an important part of employee retention strategy

NAME: _____

CONTACT NO._____

Please Answer the following Questions.

Q.1 Do Incentives play an import role in retaining employees?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.2 Do you look for a good work culture before joining the organization?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.3 Are monetary incentives more important than non-monetary incentives?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.4 Do you think people choose monetary incentives over non-monetary incentives?

- a) Yes
- b) No

ANS: _____

Q.5 Do people enjoy their work if the pay is less but the level of stress is also less?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.6 Do you think employee retention is important?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.7 Is High employee turnover good for the business or no?

- a) Yes
- b) No
- c) Maybe

ANS: _____

Q.8 Do you prefer new hiring over employee retention?

- a) Yes
- b) No

ANS: _____

Q.9. What is the main problem behind low performance?

- a) bad work culture
- b) job stress
- c) bad leadership
- d) lack of involvement

ANS: _____

Q.10 Does involvement of employees in decision making improve their performance ?

- a) Yes
- b) No
- c) Maybe

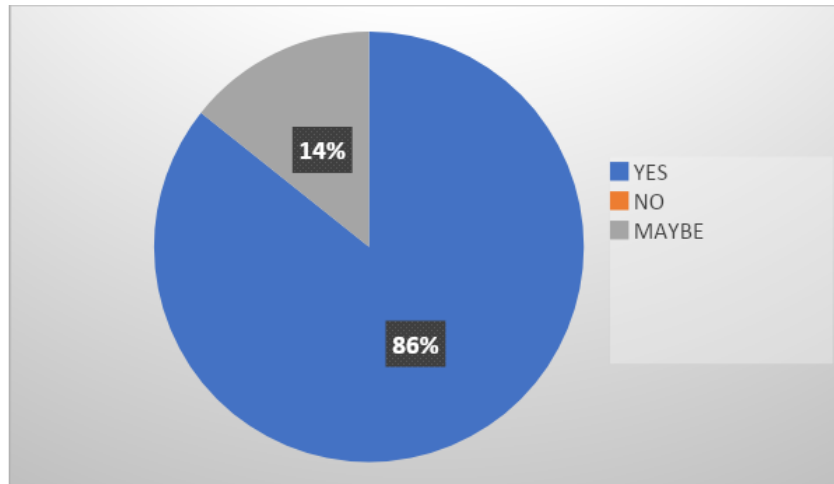
ANS: _____

CHAPTER 6

RESULTS AND DISCUSSIONS

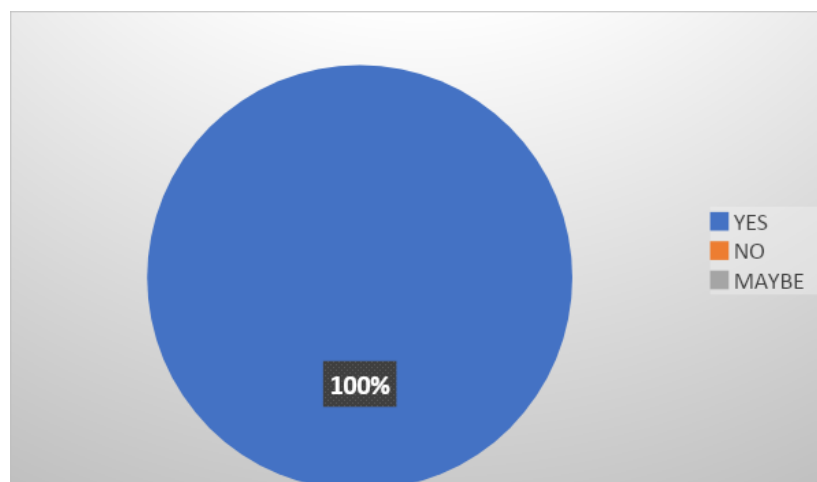
GRAPHICAL REPRESENTATION OF QUESTIONNAIRE

Q.1 Do Incentives play an import role in retaining employees?



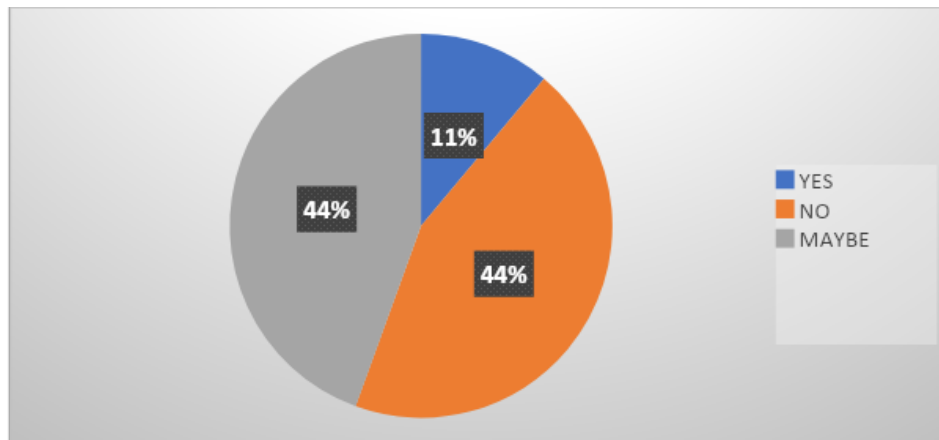
- The pie chart depicts whether incentives play an important role in retaining employees. **86%** people think it plays a very important role while **14%** think its play a certain role to an extent .

Q2. Do you look for a good work culture before joining the organization?



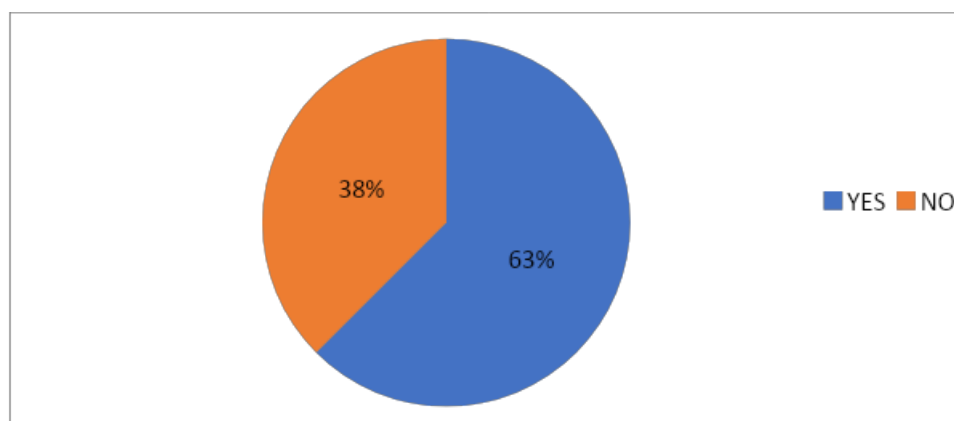
- The above chart reflects that **100%** of the respondents look for a good work culture before joining the organisation.

Q.3 Are monetary incentives more important than non-monetary incentives?



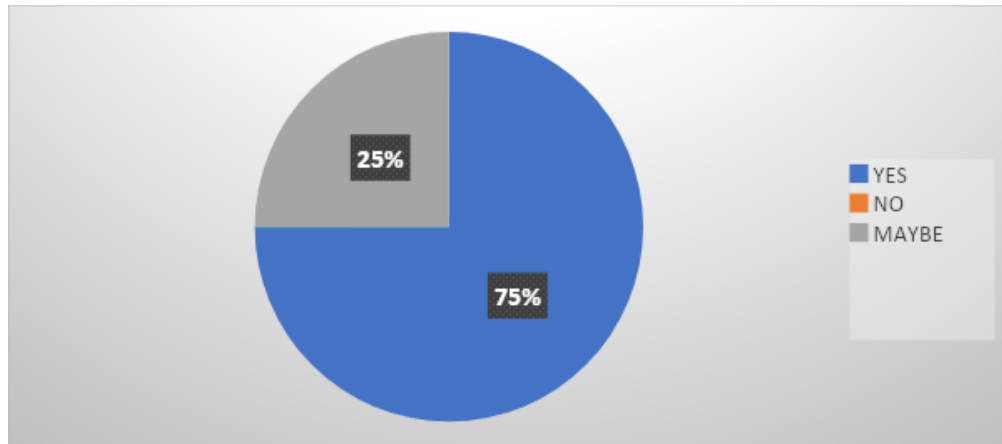
- The pie chart shows that **11%** of the respondents think that monetary incentives are more important than non monetary incentives , **45%** think it's not and rest **44% of** respondents are not sure about it.

Q.4 Do you think people choose monetary incentives over non-monetary incentives?



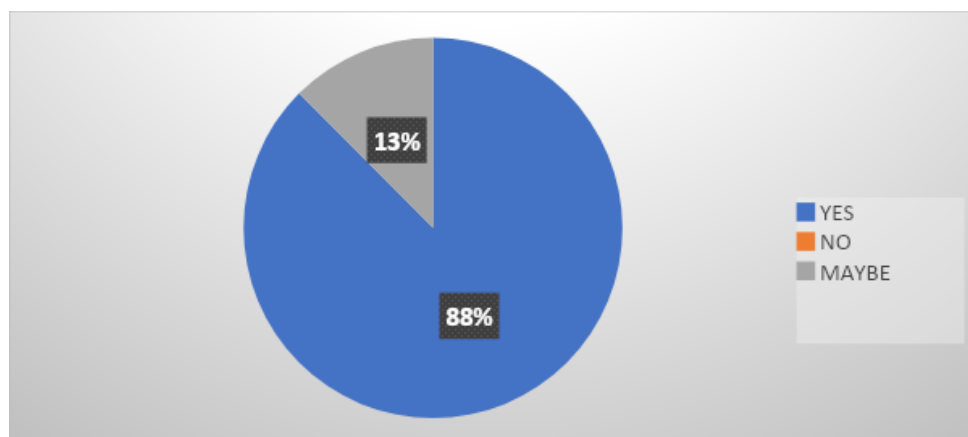
- **60%** of respondents are sure people choose monetary incentives over non-monetary incentives and rest **38%** do not think so.

Q.5 Do people enjoy their work if the pay is less but the level of stress is also less?



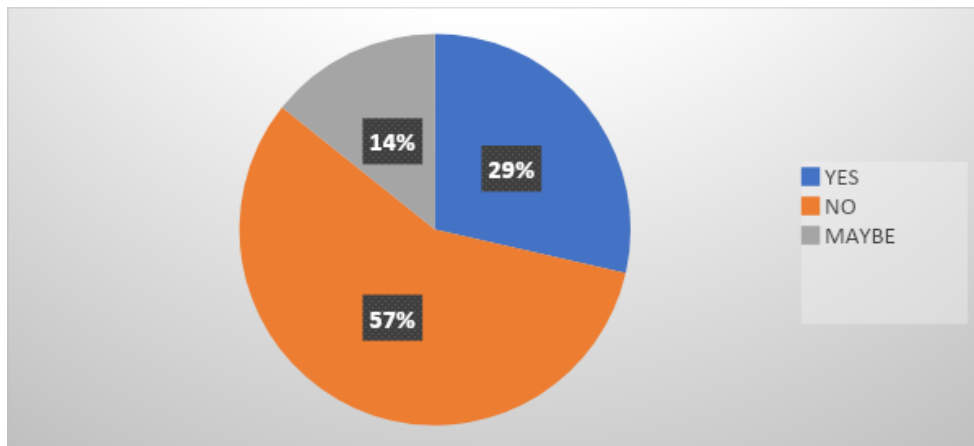
- ☐ **75%** of respondents feel that people enjoy their work if the pay is less but the level of stress is also less while **25%** of them feel that is not the case.

Q.6 Do you think employee retention is important?



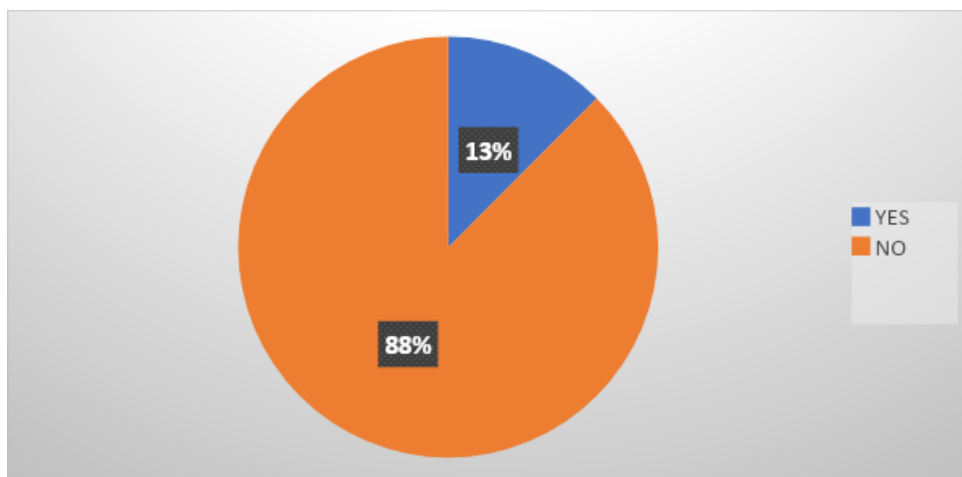
- ☐ With the highest percentage of **71%**, people are in favor of employee retention while **13%** of the respondents are still not clear about it.

Q.7 Is High employee turnover good for the business or no?



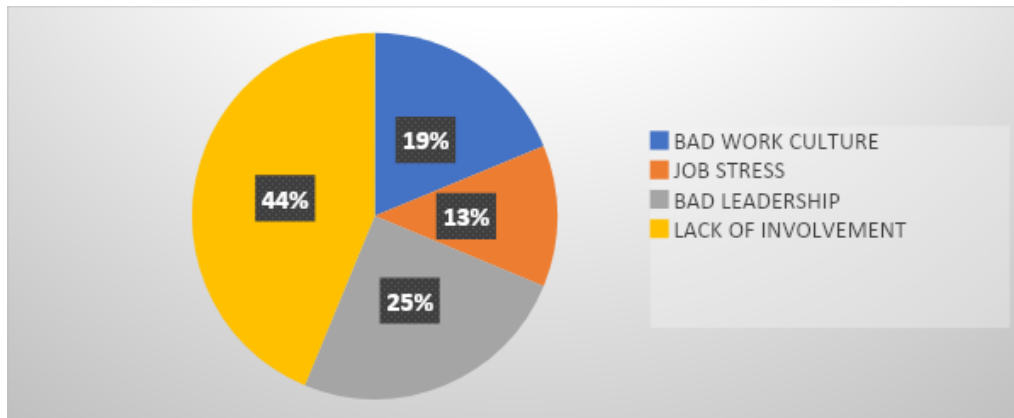
- ☐ **29%** of respondents say that High employee turnover good for the business while **57%** is not good and **14%** are still not sure about it.

Q.8 Do you prefer new hiring over employee retention?



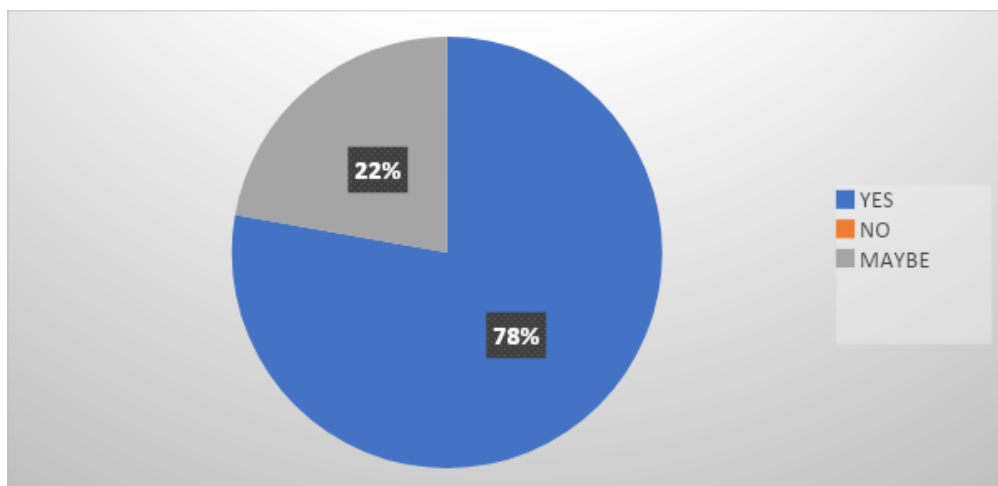
- ☐ **12%** of the respondents prefer new hiring over employee retention and **88%** retaining the same employees instead if hiring new people.

Q.9. What is the main problem behind low performance?



- **19%** of the respondents blame bad work culture, **44%** blame lack of involvement, **25%** blame bad leadership Whereas **12%** of the respondents blame job stress.

Q.10 Does involvement of employees in decision making improve their performance ?



☐ **78%** of the hoteliers think that involvement in decision making improves the employee performance. While **22%** do not agree with the same.

SUGGESTIONS BY RESPONDENTS:

- ☐ Incentives play an important part in rewarding performers.
- ☐ Prospective employees look for a good work culture.
- ☐ While monetary incentives are important, employees also value a good work culture based on values as well as opportunities for development and career progression.
- ☐ Initially monetary incentives may attract but in the long run, non-monetary hygiene factors play a more important role for companies which outperform in the market place, their employees are motivated and less headcount turnover.
- ☐ It takes time for new employees / hires to perform to peak potential. It is better to have our retained employees perform to their peak potential.
- ☐ "Esops" play an important role as an incentive. Employee stock ownership, or employee share ownership, is where a company's employees own shares in that company. Employees typically acquire shares through a share option plan. Such plans may be selective or all-employee plans.
- ☐ Employee will feel important and if retained then will focus more on work.
- ☐ Retention will be helpful for the company as that employee is well aware of the work process and culture.
- ☐ Company will save on money or time in hiring and training new employee.
- ☐ In case of monetary incentives -employee feel motivated and always ready to do additional work to earn more, this will in turn help the organization or business.
- ☐ Non-monetary incentives will motivate the employee to be focused or to do beyond his limitations, in addition he will do quality job to add more incentives or awards in their kitty.

- Have an open communication system.
- Incentives should be structured in such a way that they drive person's behavior in favour of Organizations goals, so it should be win-win for both employee and Organization.
- Retaining good talent is very important in every organization and the HR team should explore different avenues for the same. Social family gatherings is one such way to build the bonds.

CHAPTER 7

SUMMARY AND CONCLUSION

As seen from the results and finding section, I could identify the following factors influencing the Employee Retention in the Hospitality Industry.

1. Work schedule flexibility

The way today's workforce approaches "work" is different than past generations. The old clock-in, clock-out mindset is an element of the past. Employers must prepare and accommodate for a new workforce's sense of individualism. Workers today value flexibility — to choose when and where they work.

Though we do see an increase in work flexibility year over year, many employers are still resistant to change. More than 1.7 million paid employees — those not self-employed — worked from home in 2008 at least once a week, up almost 23% from the 1.4 million in 2000, according to the latest Statistics Canada report.

2. Health and wellness benefits

We spend almost 60% of our waking hours at work, meaning our workplaces have a huge impact on shaping employee lifestyle, eating habits, and overall health. Are you making sure your employees are as healthy and supported in their efforts as they could be?

Factors such as a health spending account or a gym membership reimbursement — relatively small investments — simply show that employers care about their employees' health and wellbeing.

The article also notes that the current lack of health support for employees by employers has a huge impact on employee stress levels. The stress created by a lack of health support or stress management outlets can negatively impact every area of the business. Not convinced that you need to start supporting your employees in their overall health and well-being? Here are a few scary facts that might make you change your mind:

Health care expenditures are nearly 50% greater for workers who report high levels of stress. 20% of Indian workers experience a stress-related illness each year

83.1% of Indian workers identified stress as the major health concern within their organization.

3. Top performer recognition and rewards

When milestones or targets are achieved, are your employees recognized? Are they rewarded? Or are they given a pat on the back and sent right back into the mix?

Failing to recognize X in accounting for an efficient end-of-year filing or Y in marketing for a viral go-to-market campaign is poor communication by an employer and highly ineffective. Furthermore, this seemingly small managerial issue will likely grow into a much larger problem in the future.

Inc.com published a savvy article on 5 ways to keep top performers at your company. Here are the cliff notes:

Keep them entertained. Whether that be through creative projects or exciting social events. Assigning monotonous work lacking creative aspects is the best way to have a top performer looking for an exit.

Give them visibility. When goals are met, give those responsible the spotlight. Praise them appropriately throughout the company and ensure that management takes note.

Provide them with mentors. Every top performer lists personal development as a high priority. It's what makes them successful. Connect them with mentors to help them achieve their goals and they'll surely thank you for it.

Make them responsible—and then reward them. When they've proven themselves time and time again, give top performers more responsibility. More responsibility is a signal of trust. And developing a relationship of trust will only strengthen their investment in your business.

Create clear pathways for growth and advancement. It goes without saying, the definition of success at your company should not be a mystery. Top performers are calculated. Therefore the path to growth and advancement must be clear. As with everything, the path must be often and clearly communicated to everyone on your team.

4. Personal development

Opportunities for personal development should be present and available for all employees. After all, when an employee learns and grows with their position, the business does better overall.

Global Market Insite, Inc. (GMI), a provider of global market intelligence solutions, surveyed over 5,000 full and part time workers in international markets. When asked what a boss could do more of, Canadian workers' top priority (39%) was "use my skills and abilities" and a quarter (26%) asked for bosses to 'encourage my development'.

5. Compensation

The relationship between compensation and retention is not as straightforward as you may think: *A top performer is cooking up an exit strategy? Throw more money at them!* It may surprise you, but cash isn't the end-all-be-all for every employee. One may be unsatisfied for any single reason on this very list.

It goes without saying that having competitive, market-level wages is the first step. The next step is getting to know your employees, their motivations, and their goals. It is the idea route any employer can take. In short, make sure that you offer a reasonable salary and balance it out with a stimulating and flexible work environment.

6. Work-life balance

As you've likely noticed, work-life balance has become a major focus in today's workplace discussions. There are countless ways employers can send a clear message that their employees and their lives outside of work are important. Helping beyond providing a paycheck goes a long way to keeping top performers in their positions.

The survey concluded that having a flexible schedule that enables individuals to choose when their work day starts and ends was associated with slightly greater satisfaction. In fact, 79% of employees with a flexible work schedule reported that they were satisfied or very satisfied with their work-life balance, compared with 73% of those whose schedule was not flexible.

As mentioned earlier, offering work flexibility is a great place to start in developing your employee retention strategy. Of course, one should not blindly start letting employees arrive at 2pm and leave at 5pm

7. Management and leadership team

Employees don't quit because they don't like their jobs, they quit because they can't work with their managers or leaders..

8. On boarding and training

Employee retention strategies are needed right from the get go. Starting from day one, it's the employee who ultimately decides if they stay or go.

Considerable research shows that presenting applicants with a realistic job preview during the recruitment process has a positive effect on retention of those new hires.”

CHAPTER 8

LIMITATIONS AND RECOMMENDATIONS

LIMITATIONS OF THE STUDY

This study deals with the use of Employee Retention in the hotel industry. The study also aims at understanding the factors influencing the Employee Retention of Hotels. The significance of using incentives as a factor influencing employee retention in Hospitality sector . The factors under consideration are management, training , well being and recognition.

- ☐ There is not much awareness about employee retention in small scale restaurants and hotels as compared to large scale hotels and restaurants due to the mindset of the restaurant owners.
- ☐ For a generic study like this where the hotels are meant to keep employees content but on a large scale layoff underperforming employees as to save time and money rather than training them rather hiring new staff.
- ☐ Lack of action on the Hotels direction while providing incentives to employees and not making them aware about the same.
- ☐ Lack of attention of Hotel employees on Non-Monetary incentives rather than Monetary Incentives.

RECOMMENDATIONS

As per my study, the following recommendations could be utilized by the hotels for Employee Retention:

- ☐ As seen from the survey the majorly people are in favour of retaining the employees than hiring new ones as it leads to an addition in cost and overutilisation of resources.
- ☐ Many of them think that Non-Monetary incentives play a major role than monetary incentives such as work culture which defuncts the fact that money is everything .
- ☐ Hotels should aim to reduce the employee turnover to a minimal rate as companies who succeed at the end have low employee turnover rates as well as it help to enhance individuals performance as well as the company's growth.

☐

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