Turnover in Hospitality

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| Published 3.28.2013 |  | Through the ages we have learned that the only way to put the customer first in the hospitality industry is by putting the employee first. The rationale may not be very obvious, but it is certainly compelling. **Satisfied employees lead to satisfied customers**, the only kind we can afford to have in a service business like ours. Just the word hospitality?, which is derived from the word "hospice", having a Latin root in "hospitium's", meaning ?a philosophy; a style of care?, says it all. It implies a personal experience delivered by a human being. An architecturally perfect hotel building doesn't form a part of fond memories of a guest as does a memorable direct experience he had involving a hotel employee! Jim Hartigan, Senior Vice President for Customer Quality and Performance for Hilton Hotels Corporation puts it aptly, "***Quite frankly, whatever product we have, a competitor can copy. A certain kind of bed, a television, a shower head, all of this can be copied. What can't be replicated is the genuine, personal service."*** Indeed it's a truth no one can believe, a large part of what draws customers - especially repeat customers - is how well they are served. Worldwide researches have suggested that employee turnover is among the highest in the hospitality industry. Studies have shown that the average turnover level among non-management hotel employees in the US is about 50%, and about 25% for management staff. Estimates of average annual employee turnover range from around 60 to 300 percent, according to research conducted by the American Hotel and Motel Association. Retention experts say hotels spend thousands every year for each new employee they must train to replace a seasoned worker who leaves. It is no longer a startling fact that the cost of losing an employee is between half and one-and-a-half times their annual salary! My efforts to understand the reasons and motivations behind the decision for a job change - from one hotel to another or from the industry to another sector - highlight a well-known reality: that people are inherently driven to maximize benefits or satisfaction, and that they assume a lifetime perspective when making choices concerning job changes. The expected benefits or utility for the employee comes in the form of;* higher future earnings
* increased job satisfaction
* enrichment over one's lifetime
* a greater appreciation of his personal interests

Many of those associated with the hotel industry maintain that hotel positions, do not, by and large, offer enough creative and intellectual development. Helmut Meckelburg, General Manager and Area Director - Goa, Taj Group of Hotels, is of the opinion that once people have understood the needs and demands of their particular job, their cultural learning and intellectual stimulation comes to an end quite quickly, causing people to lose interest in their job and look elsewhere. Moreover, the knowledge that people are being paid less than what they might in another industry, for a comparable position, adds to this sense of frustration. Also, according to Mr Meckelburg, the management style and HR practices that are used to stimulate, communicate, recognize, reward and incentives personnel have, in many instances, not moved with the times. There are studies that support the fact that employees leave an organization for many reasons, but two common causes are:* the quality of the selection system
* and the quality of leadership

Our hiring processes do not ensure that the applicant would fit in well with the culture of a particular property, or even be well suited for hospitality as a profession! Moreover, conventionally, hotels support a culture that fosters dependence and relies on the traditional chain of command, and not all supervisors are good managers and good team leaders. It a well-known fact that the overwhelming majority of people who leave any hotel leave because of the way they are treated every day. Lack of appreciation, lack of teamwork and the perception that the company doesn't care about employees are consistently the highest-rated reasons for low job satisfaction. A genuine love for the business of hospitality, and the desire to excel as a hotelier, are slowly giving way to aspirations for better work-life balance, faster career growth and the need for better pay. Increasingly, people are less willing to make compromises on a personal front to establish themselves in this profession, when more attractive options beckon from outside the industry. Interesting is the fact that 60-70% of Lausanne graduates decide to go into banking, insurance, and the customer care industry. Once employed, a fifty percent chance exists that any given hotel employee will leave his job within one year. For the hotel, the cost is not only that of hiring and training a new employee and lower productivity during ramp-up time, but possibly even the loss of a valuable client. We have employee retention challenges specific to the hospitality industry, so how do we address these challenges and create and maintain sound teams that inspire creative ideas and work willingly towards a common goal of delivering the best customer service possible? |