

Retaining Talent: A Challenge for Human Resource in Hotel Industry in Delhi/NCR

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Abstract

Hotel industry always faces the challenge to recruit and retain the best talent in today's competitive environment. High turnover in the industry is a universal concern, which prepares the industry short-sightedness towards human resource management practices. To have the appropriate retention strategies as per the need of different hierarchical levels in an organization is the need of present hotel industry. HR managers have to introduce and encourage talent management practices in their organizations. They have to incorporate the habit of rewarding, mentoring and frequent training to their employees. There should be separate strategies for engaging permanent workforce, new joining employees, trainees and apprentices.

This study is conducted to know the policies followed by hotel industry toward employee turnover, and also help in finding out the ways and means of retaining employees. This study also tries to signify the role of human resource policy makers for the betterment of its workforce and organizational outcome.

The research is questionnaire based and carried out at different five star hotels of Delhi and NCR.

Keywords: Talent, Talent Management, Retention, Turnover, Human Resource

Introduction

The increasing need of retaining talent raises the necessity of defining the term 'talent' (CIPD, 2007). There are various researchers who define 'Talent' as an important tool required for the success for any organization (Gallardo-Gallardo et al., 2013; Michaels et al., 2001; Tansley, 2011; Williams, 2000).

The researchers differ in their definition and the characteristics that a talent should have. For example, Cheese et al. (2008) said: "The traditional use of the word 'talent' usually refers to a *special gift* in an individual and if it is related to industry, it has come to summarize all the various attributes of people today. Basically, talent means the sum of all knowledge, expertise, and behaviors' that an individual has and gets it to the work. Therefore, Talent is used as an all-inclusive word to explain the human resource that an establishment wants to attain maintain and develop in order to meet their company goals. Another definition is of the CIPD (2007); they argue that "Talent includes people who can attain a difference to organizational execution, either through their immediate contribution or in the longer-term by demonstrating the highest layers of potential". Michaels, Handfield-Jones and Axelrod (2001) said talent is witnessed as "the essence of an individual's abilities, which includes an individual's inherent qualities, abilities, experience, legal opinion, attitude, character, and drive. Also they added that it too contains the individual's ability to discover and develop".

Objective

The objective of the study includes:

- To identify retention as the major challenge for hotel industry.
- To identify on what basis different hotels recognize their top key talent.
- To analyze different strategies followed by hotels to retain talent.
- To give recommendations to human resource about how to reduce turnover.

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Literature Review

The beginning of talent management process can be seen in the 1865 in the field of arts/entertainment, management, sports management literature, and in early education (Simonton, 2011). In hotel industry, it came into existence in the 1990s with the ground breaking research named “The War for Talent,” by McKinsey (Michaels, Handfield-Jones, & Axelrod, 2001). Although talent management is not at all a new approach, different researchers identified this need by the name of Human-Capital Management, Personnel Management, Employee Alliance Management, Human Resource Management, Talent Strategy and/or Succession Management is often used interchangeably. It is more difficult to identify the precise meaning of talent management since the confusion regarding definitions, given by different authors about talent management. The complexity in giving the precise meaning of talent management is due to the fact that, there seems to be numerous variations of the definition and terms used by researchers in this field.

Blass (2007) defined Talent Management as “the supplementary management practices and prospects that are given to employees in the organization who are considered to be ‘talented’”. In a collective study done by Blass and April (2008), they explained Talent Management is about adding-on the qualities in a new joining or an individual who have expected responsibility for high performance. They had good potential but don’t have practical knowledge of working and handling the specified department and company.

Schweyer (2004) mentioned talent management as

- Sourcing (discovering talent);
- Screening (categorization of qualified and non-qualified candidates);
- Selecting (evaluation/testing, interviewing, reference/background scrutiny etc.) Of applicants; on-boarding (offer acceptance, safety, payroll, services etc.);
- Preserving (actions to maintain the talented employees who contributed success to the organization);
- Growing (training, giving assignments, etc.);
- Employing (best possible assignments/projects to employees, cross training, promotions, etc.)
- Regenerating of the employees with scrutiny and planning as the bonding agent.

In the report of SHRM (Society for Human Resource management) Lockwood (2006) explained talent management as “the accomplishment of incorporated systems planned to increase employee’s efficiency by developing and improving practices to attract, develop, retain and making the most out of the employees with the essential skills and talent to meet current and future company needs”. Meyer & Tuck (2004) come closely to SHRM’s definition because they view talent management as an active personnel management system used by the organization to identify, capture, utilize, increase, develop and take care of the talented employees to benefit the organization at large.

The above two definitions surround several important aspects of talent management:

- It is an on-going systematic process of organizational practice;
- It must be aligned with organizational strategies;
- The process is focused on retention of skilled people with high potential; and
- It is outcomes-based, as it aims at enabling organizations to meet their strategic foundations in the vision, mission and values.

Also the above definitions on talent management support the use of various processes of human resource, which are associated to organizational strategies used for the purpose of constantly improving the organizational achievement. It must be pointed here that the SHRM (2006) and Meyer & Tuck (2004) definitions will be used to form the crux of this research as variables like salary, work-life balance, commitment towards organization, motivation, reasons for turnover and retention.

Need for Talent Management

Talent Management has become important for human resource personnel, as they work to attain, retain and develop manpower. Organizations are taking different steps to deal with talent more efficiently and also to instigate their individual employer brand. In the same way, employees also recognize themselves with the name of certain organizations. Organizations who decide to “manage their talent” carry out an intentional scrutiny of their current human resource processes. Hotels are getting into Talent Management approach at a very later stage and started focusing on its several aspects,

such as Recruitment, Workforce planning and Culture, Performance management, Employee development, Leadership and Retention.

Thus, it is significant for the organizations to develop adequate and appropriate programs and put in efforts to draw the best pool of available candidates, and also to nourish and hold back the current employees

Talent Management Challenges

It is the main mission of this paper to ascertain the challenges faced by the hotel industry.

Business or organizational success depends on the successful management of talented employees. It can be concluded here that effective service delivery of essential services to the guests and the success of the hotel industry depends entirely on successful talent management. To cite with an example, if an organization cannot find talented employees, a manager cannot develop and engage his or her heads of departments, or if human resource cannot keep competent and experienced staff, then they all together will face difficulty in meeting company's objectives and failed to provide quality service to the guests. The human resource should focus on finding appropriate staff, to keep them for a long time, train and motive them in their key positions to attain organizations objectives.

Vidyeeswari and Nair (2009) identified the important challenges of talent management as shown in the figure 1.



Fig. 1: Challenges in Talent Management

Source: Vidyeeswari and Nair, 2009

Soundly evident from the above figure that the issues of attraction of top talent are identification and development of key talent, retention of top talent in terms of adequate compensation and matching talent with organizational goals in organizations

Research Methodology

The research is exploratory in nature. In order to meet the objective of the study, primary data is collected using the questionnaire method. The study covered a sample of 60 out of target population of 100 human resource manager, training and placement employees of five star hotels in 12 selected hotels in Delhi/NCR. Data collected was analyzed using descriptive statistics.

Finding and Discussion

The number of questionnaires distributed to different hotels were 100. Out of 100 the response rate is only 60% as most of the hoteliers were busy. The incomplete/inappropriate responses are rejected to get a higher precision value in results.

Demographic Profile of the Respondents

Table 1 represents the demographic profile of the respondents. Out of 60 respondents 45 were males and 15 were females. Majority of the respondents with 42% (41.687%) belongs to the age group of 21-30 years, while 33.33% were from 31-40 age group and 15% belongs to the age group of 41-50. As the majority of respondents are from young age group which shows that most of the employees leave hotel industry after working for a certain period of time. Also there is difference between male and female ratio which reveals that less number of females work in hotels.

Table 1: Demographic Profile of Respondents

S. No.		Demographic Variables	N	%	Cumulative Frequency
1	AGE	20-30	25	41.67	0
		31-40	20	33.33	75.00
		41-50	15	25.00	100.00
		Total	60		
2	GENDER	FEMALE	15	25.00	0
		MALE	45	75.00	100.00
		Total	60		

Formal Definition of Top/Key Talent in Hotel

When Human resource personnel from different organizations were asked “Does your organization currently has a formal definition of top talent?” 67% hoteliers said No and only 33.3% have a formal definition of talent in their organization (figure 2).

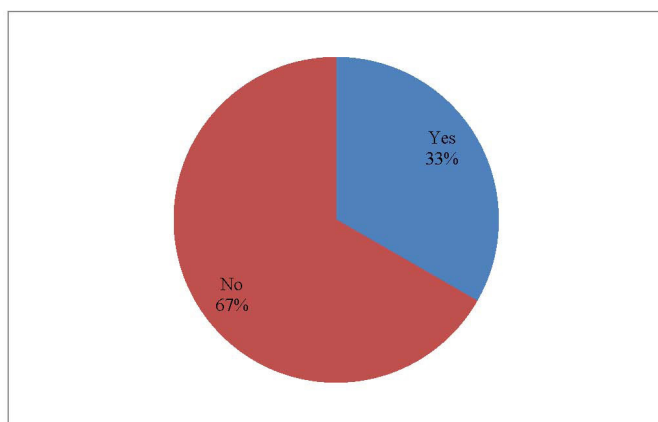


Fig. 2: Does your Organization Currently have a Formal Definition of Top Talent?

Hotel Identifies Top Key Talent on Regular Basis

When respondents were asked if their “Organization identifies top key talent on regular basis”? There is diversity in the responses as compare to the answer whether they have a formal definition of talent in their organization or not, 83% said YES and only 17% said NO (figure 3).

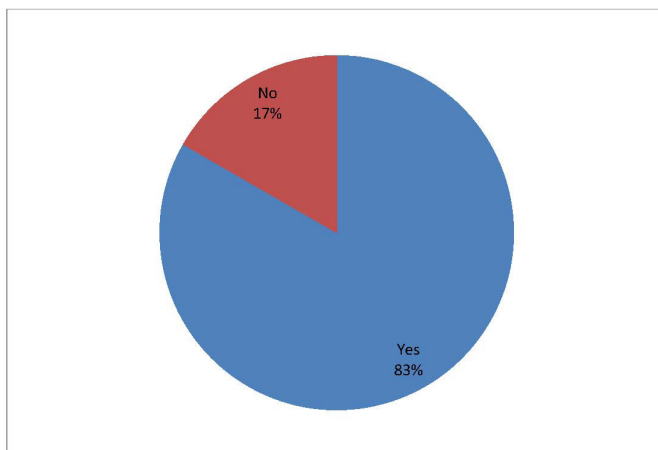


Fig. 3: Does Your Organization Identify Top Key

Talent on Regular Basis?

Talent Identification Frequency

Table 2 shows the frequency of talent identification in an organization. There is no hotel that identifies their talent on fortnightly basis, 58.33% organizations are following half yearly basis of identification process to sustain their employees and their growth. On the other hand, only 16.67% organizations are doing it on monthly basis to identify and recognize their key talent. Also there are 8.33% organizations, which are doing it on yearly basis.

Table 2: Talent Identification Frequency

S. No.	Variables	N	%	Cumulative Frequency
1	Fortnightly	0	0.00	0
2	Monthly	10	16.67	16.67
3	Half Yearly	35	58.33	75.00
4	Yearly	5	8.33	83.33
5	Never	10	16.67	100.00
	Total	60		

Retaining Top/Key Talent is a Major Challenge

Table 3 explains that only 33.33% organizations, strongly agreed that retaining their top key talent is one of the major challenge. While 25% respondents were agreed and 16.67% respondents were neutral towards the statement. On the other hand, there are 25% respondents who did not agree with the need of retaining talented employees is a key issue for the organization.

Table 3: Retaining Top Key Talent is a Major Challenge

S. No.	Variables	N	%	Cumulative Frequency
1	Strongly Agree	20	33.33	33.33
2	Agree	15	25.00	58.33
3	Neutral	10	16.67	75.00
4	Disagree	15	25.00	100.00
5	Strongly Disagree	0	0.00	100.00
	Total	60		

Basis on Which Talent is Identified

Table 4 clarify that performance is the most important variable (33.33% respondents) for identifying the talent in their organization. 16.67% respondents take leadership and competency, individually, as the base of identifying talent in their organizations. Delivery of Results, Decision Making, Integrity and some other unidentified variables (8.33% individual respondents) are considered as the factors of identifying talent in the organizations.

Table 4: Basis of Identifying Talent

S. No.	Variables	N	%	Cumulative Frequency
1	Leadership	10	16.67	16.67
2	Competencies	10	16.67	33.33
3	Performance	20	33.33	66.67
4	Delivery of Results	5	8.33	75.00
5	Decision Making	5	8.33	83.33
6	Integrity	5	8.33	91.67
7	Any Other	5	8.33	100.00
	Total	60		

Strategies Followed by Organization to Retain Talent

Table 5 illustrates different strategies followed by their organization to retain key talent. 33.33% respondents consider REWARD as a major strategy for sustaining talented employees. 16.67% respondents consider succession strategies and training (individually); and 8.33% respondents favor mentoring system as to retain their employees. But there are 25% respondents who were not obvious in stating the need of following strategies to retaining the talent in their organizations. So they have opted "other" as their response for the statement.

Table 5: Strategies Followed by Hotel to Retain Talent

S. No.	Variables	N	%	Cumulative Frequency
1	Succession Strategies	10	16.67	16.67
2	Training	10	16.67	33.33
3	Reward	20	33.33	66.67
4	Mentoring	5	8.33	75.00
5	Other	15	25.00	100.00
	Total	60		

Conclusion

To have the appropriate retention strategies as per the need of different hierarchy levels in an organization is the need of present hotel industry. HR managers have to introduce and encourage talent management practices in their organizations. They have to incorporate the habit of rewarding, mentoring and frequent training to their employees.

An employee should be appreciated as he/she plays a vital role for his/her department and organization. Employee should be evaluated not only on the basis of performance but his competency skills, decision making and integrity should also be considered for the same.

These all strategies will help in retaining and cutting the turnover ratio of the employees. There should be separate strategies for engaging permanent workforce, new joining employees, trainees and apprentices. Long term commitment from employee can only be possible when the same levels of efforts are made by the management. Failing in doing so leads to the loss of expertise skills, overall organizational performance, increase in investment cost of human resource and also subjects to time engagement in giving training to the new joiners.

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