

## **EXECUTIVE SUMMARY**

This project is based on a company that is well-known in the Sri Lankan hospitality industry. It has been examined at three stages: the macro level, the industry level, and the organizational level. With the new norm following the Covid 19 pandemic, hospitality trends are changing in the market. KC Resorts is a hospitality market trendsetter and an industry leader. The company owns and operates eight resorts on the island, with a total capacity of 1022 rooms. The company is facing a challenge in retaining frontline staff, and the attrition level of the company is well above the company's accepted norm. As previously stated, the performance gap has a significant overall impact on the company. A scarcity of skilled labor, compounded by lucrative opportunities in competitor markets locally as well as globally and increased migration levels, remains a major challenge for the company. The project methodology was based on a review of primary and secondary data, as well as details from exit interviews along with brain storming sessions with relevant focus groups.

The company is facing difficulty in maintaining high service quality, due to high attrition levels of frontline employees, new hires, as well as employees joining with key competitors in the industry and falling levels of guest satisfaction ratings. Furthermore, the current performance appraisal evaluation system is not up to date, and there are issues with new joiner engagement levels and in receiving low guest ratings. Frontline employee attrition has a wide-ranging impact on the company. The main issues are the difficulty in filling vacancies without interrupting operations, the high cost of recruitment, training and development cost, as well as the failure to meet guest satisfaction levels. Furthermore, the employee engagement survey's low-rated dimensions are compensation and benefits, reward and recognition, and issues related to fulfilling guest satisfaction. To identify the root causes of the problem, an Ishikawa diagram was developed.

Retaining high-performing employees is critical to organizational success. According to the problem analysis of frontline employee attrition in KC Resorts', three components have been identified that have an effect on employee attrition. These components are compensation and benefits management, recruitment and selection and guest satisfaction levels. High-performance work practices, key frontline talent retention, development of a retention strategy, firm-specific skill development initiatives such as guest grievance handling through training and development, clear communication of career development

opportunities, and a well-defined career ladder were found to have a direct impact on reducing employee attrition levels.

The main project objective was to reduce the employee attrition among frontline employees of KC Resorts. For each project component, project objectives were identified and set. These were to reduce the number of frontline employees who join a direct competitor, to reduce the number of new hires who leave the company within one year, and to increase guest satisfaction levels. Distinct techniques were then identified in order to develop solutions to meet project objectives. Under each project component, the current situation has been explained, and solutions have also been developed together with the corresponding appendix number. To understand the company's resource requirements to implement the desired solutions, resource allocation was developed. A budget estimate was prepared for each solution in order to carry out the solutions and to create a viable project.

Recommendations have been made to digitize the employee onboarding process, implement a revamped rewards and recognition program, conduct an industry salary survey, implement a retention bonus scheme for high performers, and launch a guest data platform. The cost-benefit ratio was calculated using the project's net incremental benefit. The output and outcomes that the company gains through the proposed objectives are the most important aspects of the project. The project outputs were, reduced frontline employee attrition, cost savings, increasing organization productivity, increasing employee engagement levels, increasing organizational competitiveness and guest satisfaction. Increase organization profitability, increasing employee job satisfaction and engagement and enhance guest satisfaction were among the project's outcomes. Employee satisfaction, engagement, motivation, bottom line and overall guest satisfaction levels were all improved as a result of the project.

Finally, under the project findings, recommendations to bridge the performance gap, and overall conclusion were mentioned. Frontline employee attrition has had a substantial impact on the company's performance. Improving human resource practices and guest relations through digitization, improving HRM benefits, recognizing value creators of the company and innovators, as well as developing retention strategy through critical talent identification have all had a positive impact on employee retention. KC Resorts' management should concentrate on the identified solutions to reduce employee attrition in order to retain key company talents, to drive and achieve future goals of the company.