A Study on Employee Attrition in Star Category Hotels in Dehradun District

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Abstract

The hotel industry in Dehradun has been evolving since long. The competition in the industry is fierce and every brand is putting their best foot forward by providing “Service par Excellence” to their guests. This is where the hospitality sector differentiates itself from others. Hotel industry is a part of Service industry and is characterized by the intangible nature of its product i.e. “Service”. Unlike the tangible products produced by other industries, the quality of “Service” cannot be standardized through machines because there is a Human factor that is involved in producing & consuming of service. It is a well-known fact that competition for the survival in the industry has been getting tougher with every passing year and the fact of the matter is that industry is still gradually growing at a constant rate of about 15 percent per annum.

Keywords: Attrition, Hotel Industry, Stress, Training, Challenges

INTRODUCTION

Attrition is defined as the process of reducing the staff and employees in a company through normal means such as the loss of customer. The hospitality space in our country is deprived of trained manpower. Attrition is one of the critical problems which are faced by an HR manager during these days. The Indian hospitality industry suffers from a high rate of attrition, that is, more and more employees leave but new employees are not found to replace them. This problem mainly arises because the employees are dissatisfied with their long working hours and not adequate pay. There are day to day many emerging challenges before the Hospitality industry of Uttarakhand, which affect the performance of hotel organizations. A study conducted by an industry chamber located in New Delhi reveals that the attrition rate in the hospitality industry in India is set to double to nearly 50 per cent by 2010, up from the earlier 25 per cent growing at an alarming rate of 10 per cent per annum.

World over, hospitality industry is known for very high turnover ratio of employees. In India, this is said to be as high as 30% by many studies.

Employees are an important asset to every company, business and organisation. In fact, the success of every company or business is entirely dependent on the effectiveness of its workforce (Samuel and Chipunza, 2009). Valuable employees are...
the assets to the organisation and it is quite difficult for the HR managers to hire the good employees (Panoch, 2001). Employee retention is the “effort by an employer to keep desirable workers in order to meet the business objectives” by keeping the right people on the right jobs (Frank, Finnegan and Taylor 2004; Hassan et al., 2011).

Objective

- The researcher paper is aimed at studying the factors that directly or indirectly is affecting the attrition rate of Hotel Employees in Dehradun district.

Literature Review

Bettye L. Holston (2018) Hospitality employee retention reduces the costs associated with recruiting, hiring, and training new workers. Therefore, understanding the factors that lead to employees leaving their jobs is necessary for organization survival.

When organizational leaders engage their employees, service quality increases, which influences customer satisfaction, employee retention, and productivity while improving financial performance studied by (Frey et al., 2013). By contrast, with worker alienation or disengagement, organizations experience declines in all these areas.

The cost of turnover is also high: costs associated with pre-departure, recruitment, selection, training, and loss of productivity to 200 percent of an employee’s annual remuneration, depending on the employee’s productivity.2

Muogbo et al., (2013) derived from their study that motivation means the sense of having satisfaction level at a certain point. They said that it has been a very important phenomenon for the organizations in both Public and Private sectors. Every organization have to keep the employees motivated towards their work so that it may help organization to easily meet the standards of the market and to have satisfied customers. Laghane (2012) did a study on managing retention in the hospitality industry in India.

According to this study, it is possible to streamline the though process of employees of Human Resources in order to focus on aspects of recruitments and Training & Development. This study also showcases that it is important to streamline the above mentioned pointers as. These are important aspects in making a business successful.

The hotel Industry is set to grow 15% per annum6. The world travel and tourism council says that India ranks 18th in Business travel and be among top 5 very soon6.

A lack of employee development opportunities also plays a role. Mentorship programs, continuing education, cross training all will show hospitality professional that hotel care about their future in the industry7.

Branham L (2005) suggested there are reasons why employees leave a company. “Employees feel the job or the workplace is not what they expected, there is a mismatch between the job and person, there is too little coaching and feedback, there are few growth and advancement opportunities, employees feel devalued
and unrecognized employees feel stress from overwork and have a improper work life.

Abbokar Siddiq (2017) identifies many factors that contribute to the high employee turnover rates in the Hospitality Industry. Lack of motivation, no training program, improper work timings contribute to low employee retention rates.

According to Nathuwera (2011), customer complaints reflect customer dissatisfaction and service deficiencies and this require great attention and care. Carson Research Consulting (2013) found out that customers are twice as likely to speak to others when things go wrong (bad experience) than when things are right. This require that the hotel employees attend to problems immediately, not to leave issues and problems unresolved because solving them at the earliest time creates good impression to the customer about the type of establishment they are in.

Kemal M (2013) examined employees leave the organization other employees are required to work extra hard to cover the additional essential hours pending the hire of a new employee. Despite the fact that a number of employees welcome the extra hours, others have commitments at home to be with their families and actually do not welcome the extra responsibility.

Attrition Rate analysis is an ongoing process and several tools can be further used or developed to analyze the depth of the impact and factors that influence the increasing attrition rate in hotels. This industry is deficient of some prime motivational aspects like attractive salary compensation, maintaining a good work life balance, better opportunities to grow. ASMA FAROOQUE (2015).

Research Methodology
For conducting this study a list of 10 Hotels had been considered in Dehradun district. The responses of participants were collected through a set of structured questionnaire. The data collected from primary and secondary source. The collected data was then tabulated on an excel sheet and graphically represented through analysis.

Population and Sample Size
The entire group of respondents were Hotel employees Male and Female taken into account to draw the inference from their responses. Count of Population and Sample size for conducting this study was 30. Responses were taken through a set of structured questionnaire. This paper had taken into account 30 employees from 10 Hotels collectively who participated as respondent and 10 Human Resource Managers.

Results and Findings: Presentations of Findings

Introduction
This area will focus on the results obtained from the research. It will present the research in a systematic manner pertaining to the issue of High attrition rate of Employees in Dehradun District. Primary data were collected from 30 respondents from 10 Hotels in Dehradun District. Questionnaire framed for respondents helped to determine various factors for low retention level of employees in star category hotels. These 30 respondents who are involved in research are working in various star category hotels in Dehradun district.
Q1. Gender Proportion

![Graph depicting Gender percentage of respondents]

**Figure 1: Graph depicting Gender percentage of respondents**

The first question in the questionnaire sought to identify the gender proportion of respondents who had participated in this research. This was necessary to obtain a fair understanding of the gender composition of the participants. Data was obtained from male and female rather than just from one gender. In this research, 76% of the participants were male, while the remaining 23% were females.

Q2. Age Structure

![Pie Graph showing order of Age structure of respondent.]

**Figure 2: Pie Graph showing order of Age structure of respondent.**

The second question in the questionnaire sought to identify the age structure of the respondent. It is very important for researcher to ascertain the age group of the participant. Here the researchers have considered age range to keep an idea of their age as
people were seem conscious to reveal their age.

6 Participants were of 18-23 yrs age group

10 Participants were of 24-29 yrs age group

3 Participants were of 30-35 yrs age group

5 participants were of 39-40 yrs age group

6 Participants were of 41 yrs and above age group

It has been observed that 33% participants were of 24-29 yrs age group were young respondent who were maximum in number. 20% were 18-23 yrs of age group. 10% were of 30-35 yrs of age group. 17% were of 39-40 yrs age group and 20% were of 41 yrs and above.

Q3: Employee attrition is an Issue

In this question, the participants were presented with a choice of five likert scale questionnaire which were used to take the answers of respondents. The goal was to know whether employee turnover has been an issue in the hotel industry. The graph below present the result provided by 30 respondents.

![Graphical Representation](image)

**Fig.4 Histogram representing responses using a Likert Scale.**

**Graphical Representation**

From the above graph, it is taken as many of the Human Resource Manager as well as employees believe that Attrition has been an issue agreed by 53% whereas 17% agreed for it. 17% disagree because their they found their policy has been accurate to retain staff. 10% strongly Disagree with the idea of issue of employee turnover. 3% gave neutral reply.

**Q4: Do Hotel offer low salary.**

This question sought to identify whether the participants were comfortable with the remuneration Packages and benefits offered to them at their previous places of work. The following graph represents the findings from the 39 participants.

From the above graph, it is clear that the respondents had a lot of issues with the
salary packages and benefits extended to them by the companies they worked for. When asked whether their salary were paid on time, 26% of the respondents said they do receive more salary. The questionnaire required the respondent to state whether the pay received were proportionate to the responsibilities they held in their respective companies. Here a lot of negative feedback was received from the participant with 63% disagreeing. 10% were neutral said they can’t comment on the salary paid by the company.

Histogram representing responses using a Likert Scale

Q5. Customer Satisfaction
From the respondent point of view it had been observed that due to employee turnover customer satisfaction level has been affected in star category hotels. It became more evident when 30% respondent agreed with this and in addition 33% employees were strongly agreed. It has been observed from their responses that if a competent staff leaves the organisation then customer are not being served in the same way and their credibility toward the hotel goes down. There were 20% respondents who disagreed with this statement. 13% had strongly disagreed. While 10% gave neutral reply for the question.
A graphical representation of the response of Customer satisfaction level using a Likert scale.

**Q6. Quality of Workforce is affected by Employee Attrition**
From the above figure 30% Human Resource Respondents had agreed to the fact that the quality of workforce or manpower decreases with the employee turnover in star category hotels in Dehradun district. It will lead to low morale among an organisation workforce.

In addition to this 40% Human Resource Respondents had strongly agreed and accepted it leads to demotivation at workplace. There were 10% respondents who had disagreed as well as other 10% had strongly disagreed. There was presence of 10 % respondent who were neutral in regards to this statement.

![Graph representation using Likert Scale](image)

**Q8: Imbalance in social life is one of the biggest factors that affect the attrition rate of employees.**
When interviewed about social life, maximum respondents had strongly agreed with 46 % that they were unable to pay attention in their social life. They had to work during festive season also.33% Agreed that due to odd work hours they are forced to leave industry. Only 10 % have disagreed and 7% had strongly agreed with this statement that have become comfortable and learned to make a balance between professional and personal life while working in this industry. 3% had been neutral.

![Percentage Chart](image)
Q9: What are the policies you apply to curb attrition rate in star category Hotels.
This question was an open ended was directly asked from Human Resource to ascertain about their policies. The policy includes better remuneration, assess past performance of the employees and offer them better designation. Many of the HR Manager mentioned that insteae of all these policies even then they were incapable to retain competent staff and failed to meet the expectation of the employee. Many of the HR Manager mentioned that insteae of all these policies even then they were incapable to retain competent staff. The policy leads to employee attrition. Due to better prospect available in other industries employees do leave the job. Therefore It has been an issue for HRM to provide better benefits.

Upon interviewing General Manager of the hotels researchers found that they emphasized on long and tedious working hours and training for all employees need to be effective during sleek season in hotel or when the occupancy level is low which could result in employee retention. Several times employee worked went unrecognized by senior management. They mentioned that due to all these factors Hotels Market share and employees motivation affects a lot.

Findings
The study indicates that Hospitality industry is having majority of male workers in comparison of female worker and it has been seen that policies are not so lucrative which motivate female staff to retain in the industry. It has been seen that relatively younger workforce engaged in Doon District. There is high attrition rate in Hotel industry as indicated by various HR Managers due to less remuneration, and less availability of qualitative workforce and odd working hours they are not able to enjoy family time. Hence trigger the attrition rate.

The study reveal that the customer satisfaction also largely impacted by Employee Turnover. A customer who was once served by experienced staff they leave the hotel due to the above discussed issues. Service is also a perishable thing just like hotel rooms. If the same customer visit the same hotel again and if he doesn’t deliver the same service. Hotel may lose customer. It takes tedious time to recruit and train new staff and to make him capable of delivering same service as per the hotel standards. Quality of workforce is a daily contributor to a harmonious workplace that emphasizes accountability, reliability and continuous improvement. Attrition of employees is a major factor in loosing Quality of workforce.

Recommendations
The study has revealed various challenges being faced by hospitality units in Doon district. The high attrition rate has been related to low compensation being paid to the hotel workers which in turn affected the customer satisfaction.

For Hospitality business to grow positively the Hospitality unit owners of Doon district need to revise or review their average compensation package. Moreover most of the hotel employees did not have a work life balance which finally resulted in higher attrition rate. It is suggested that HR Manager and the Hospitality unit owner should design policy that create a work life balance for employees.
This study revealed that Hospitality units in Doon district are able to attract women workforce. Human Resource Manager & Hospitality unit owner should devise encouraging policies so as to attract females’ workforce who have better natural skills & service quality in customer interaction of hospitality area. The state government of Uttarakhand should ensure implementation of minimum wages and its compliance in Hospitality units so as to retain and attract good and skilled work. The proactive role of government is desired as tourism and hospitality services remain the greatest revenue earner for the state.

References


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