

A STUDY OF INCREASING ATTRITION RATE OF EMPLOYEES IN HOTEL INDUSTRY W.R.T HOTELS IN KERALA

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ABSTRACT

The hotel industry in India has been evolving since long, though the situation was very different in the earlier days when India had just a few five-star hotels and few budget hotels. The hotel industry is the service industry is intangible, for which the guest will have a great experience at the hotel. This industry is diverse in nature and global opportunities are growing due to accelerating growth of the service economy. The hotel industry Average Room Rate (ARR) and occupancy are the two most important factors that determine profitability. The hotel industry in India is growing at the fast pace which includes business hotels, resorts, apartments, etc. along with that the Food and Beverage outlet also growing in the faster rate.

Keywords: Attrition Rate, Budget Hotels, Service Industry, Average Room Rate (ARR), Profitability.

Introduction

Employment Opportunities in Hotel Industry

Every year in India many college students graduate in this booming industry and cross their epic style of their respective colleges to enter this industry as professionals. Today's youth pursuing education in the hotel industry, the number of opportunities is vast.

The Attrition Rate in Hotel Industry

Attrition is a situation where an employee leaves one organisation and joins another organisation due to job dissatisfaction, new opportunity in the market and various other factors. The rising attrition rate in hotel industry is alarming. Every hotel conducts induction program, a regular training program to their employees which is carried out by the learning and development department or the training department. The hotel industry employees generally on regular basis interact with the customer since hotel industry is service oriented industry. Therefore, it has been seen that when an employee joins this industry a lot of efforts are made to groom and get them skilled. After this entire attempt made by training department and the employee is leaving job within 6 months definitely is the huge loss to the organisation. It is generally seen that the age group of 18-28 years in the hotel industry try frequently changing their job for reason like lack of job satisfaction, long working hours, salary factors, etc. The biggest challenge in India is retaining the staff in hotels, getting good service-oriented staff. The organisation should be able to attract, train and retain talent and ensure that they are kept motivated enough to be delivering best service all the time.

Literature Survey

Tourism and Hotel

Neha Mehra and Promilla Sharma (2016): Tourism and hotel sector high a promotion of employees is young and sometimes also are migrant workers from other states. There are seven major departments in the hospitality and tourism sector that are food production and bakery, food and beverage service, front office, housekeeping, travel and tour, sales and marketing and event management. Tourism is all about facilities and tourism attractions places but not to forget its major component is about people especially the relationship between the customer and the individual giving service.

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Sunder Srinivasan, Anuradha Karmarkar (2014): Tourism and hotel are increasing in India, the rise of hotel management institutions also at a rise in recent years. In recent time with demand in the hotel industry, there is a lot of demand in the students wanting to pursue hotel management institutions. The demand among the youngsters is because of various career aspects, opportunity and the huge popularity in various television programs based on the cooking skills by the celebrity chefs some of the parents already in the hotel business, overseas business opportunities.

Neha Gupta (2013) The hotel industry is facing a huge shortage of trained and skilled manpower, as business is becoming and the number of travellers has increased due to good transportation and other factors. As the hotel industry is doing very well as the business is growing it is important that the industry concentrates not only on the business but to stabilize it by focusing on its employees and their role to provide services. As the service demand is increasing so also there is demand in increasing the staffing level at a time when manpower pool is shrinking.

Long, Perumal, and Ajagbe (2012) Higher the turnover of employees it can shrink the pool of new entry-level employee this can lead to the use of short day wage employee or temporary employees which impacts negatively on the skill development, lack of trained staff, lack of customer satisfaction and less productivity.

Wildes, (2005) The hospitality industry is facing huge attrition and it's a challenge for the human resource department to recruit and retain the employee, though most of the restaurants and five-star restaurants have tripping practices and if disturbed through the point system it can be one of the major motivating factors to retain them.

Factors that Influence the Attrition Rate that Influence in the Service Industry

- **Work Environment**

Lee, Back and Chan (2015) Work environment means the condition in which the employee performs their task. These include reporting times, nature of work, nature of managers, work schedule and work flexibility among others.

- **Pay scale**

Poulsston (2008) In the hospitality industry employee turnover has been very crucial problem; some of the reason for high turnover may be low pay, inadequate benefits, poor working conditions, poor work-life balance and employee stress.

- **Low Job Satisfaction**

Panwar (2012) The hotel industry is going through changes and in a previous survey, it was found that the majority of employees of the hotels wanted to switch to other related hospitality industry like retails, aviation or tourism related sectors. The major reason for this is lack of job satisfaction due to long working hours and salary component.

- **Training and Development**

Janet Kaari Mutiria (2015) In the hotel industry lack of professional contributes to major turnover. There is no proper career growth opportunity shown to its employees which leads to an employee leaving the job. The unreasonable to career growth opportunity is another reason to put off the employees from continuing to offer services.

- **Growth Opportunities and Reward Strategy**

Das and Baruah, (2013) The employee who has been trained and developed their skills should be involved in the career development which gives an opportunity for promotion within the organisation as employees improve their employability in the market.

Objectives of the Study

- To identify the factors contributing to the attrition rate in Kerala specifically Kochi
- To analyse the methods adopted effectively in order to reduce attrition rate in hotel industry.
- To examine the impacts of attrition rate on hotel industry in Kochi, Kerala
- To find out the magnitude of satisfaction of job and working condition and motivational methods to retain
- To suggest policy recommendations for reduction of attrition rate in Kochi.

Hypothesis

- H₁:** There is significant relation between age and attrition factors of the employees
- H₂:** There is significant relation between educational qualification and attrition factors of the employees
- H₃:** There is significant relation between lack of experience and attrition factors of the employees.

Research Methodology

The survey method used in the study will be the sample survey and the survey research designed, particularly for the hotel industry. In this research, Authors have used the combination of qualitative and quantitative data methods. Appropriate data collection for this research was questionnaire which is well structured open-ended questions. The study was conducted with the help of questionnaire filled by hotel employees. The questionnaire was designed and human resource managers help was further taken, where the need of their view was conducted before finalizing the questionnaire. Data related to the previously existing literature review of the research area was gathered from different secondary sources.

Data Collection

- Hotel Trends in Kerala**

Tourism is one of important sources of income among the locals in Kochi. If tourism exists so also accommodation plays vital importance. It is important that accommodation maintains the quality at the same time ample accommodation is provided to meet the requirement of the tourist. Accommodation should meet the requirement of everyone from Luxury Five- Star Hotels, Mid- Scale Hotels, Budget Hotels, Home- Stay, Dormitories.

- Population of the Study**

The population of the study is basically the South Kerala Five- Star, Four - Star and Three - Star hotel employees. The total number of populations in the study area is around 11,931 employees.

For data collection, the Five- Star, Four- Star and Three- Star Hotels were taken. The total population of employees working in the hotel will be 11,931, and Random Sampling size of 600 employees was taken. Further researchers have selected 10 hotels in total for conducting survey.

- Statement of Problem**

The aim of the research is to study in detail to reduce the attrition rate in the organization and to study in details the various factors like the policies and procedures, salary, management- employee relationship, employee's coordination, growth opportunities, various facilities provided while at work, recognition, appreciation and other factors related to reduce the attrition level. To study where the organizations is lacking behind to retain their employee and reduce attrition rate.

Data Analysis

- H₁:** There is significant relation between age and attrition factors of the employees.

Age Group of Respondents

Sr. No.	Age groups	Frequency	Percent	Df	t-value	p
1	18-20	303	50.6	2	1.193	0.355
2	21-25	263	43.8			
3	26-30	34	5.6			
	Total	600	100			

Accept the Alternative hypothesis because T calculated value (1.193) is less than the T table value (4.045). It means that there is significance relation between the age and attrition factors of the employees at 0/05 level of significance.

SPSS Result Shows

- H₁:** It is alternate hypothesis

This means there is significance relation between age and attrition factors of the employees.

One-Sample Statistics

	N	Mean	Std. deviation	Std. error mean
Frequency	3	200.00	145.145	83.799

One Sample Test

	Test Value = 100					
	t	Df	Sig. (2-faced)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Frequency	1.193	2	.355	100.000	-260.56	460.56

H₂: There is significant relation between educational qualification and attrition factors of the employees.

Educational Qualification of Respondents

Sr. No.	Qualification	Frequency	Percent	df	t- value	P value
1	SSC	36	6.0	3	0.659	0.557
2	HSSC	257	42.8			
3	Graduate/ Diploma	303	50.5			
4	Post Graduate	4	0.67			
	Total	600	100			

Alternative Hypothesis was accepted by SPSS at a 0.05 level of significance which means that there is significant relation between educational qualification and attrition factors of employees.

Accepting the alternative hypothesis is because of the T- calculated value is less (0.659) than the T – critical value (3.182).

One- Sample Statistics

	N	Mean	Std. deviation	Std. Error Mean
Frequency	4	150.00	151.844	75.922

One-Sample Test

	Test Value = 100					
	t	Df	Sig. (2-Faced)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Frequency	.659	3	.557	50.000	-191.62	291.62

H₃: There is significance difference between lack of experience and attrition factors of the employees

Work Experience of Respondents

Sr. No.	Category	Frequency	Percent	df	t-value	p- value
1	Below 1 year	275	45.8	3	0.697	0.536
2	2-4 years	273	45.5			
3	5-7 years	37	6.2			
4	Above 7 years	15	2.5			
	Total	600	100			

Alternate Hypothesis at a 0.05 level of significance which means that there is significant relation between lack of experience and attrition factors of employees. Accepting the alternative hypothesis is because of the T-calculated value is less (0.697) than the T- critical value (3.182)

One – Sample Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Frequency	4	150.00	143.467	71.733

One-Sample Test

	Test Value = 100					
	t	Df	Sig. (2-faced)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Frequency	.697	3	.536	50.000	-178.29	278.29

Result and Conclusion

Findings

- The hotel industry is labor intensive and the most important factor in the organization in the people working in them and without the employee, the guest cannot be given services
- The guest stay becomes memorable majorly because of the employees
- The skilled and knowledgeable employees are one of the most important for hotel to be retained
- Incentive and reward majorly used by the hotels to retain their employees
- Every single department in the hotel is important whether it is operational and non- operational departments.
- The employee to be successful in the hotel need to be having and communication skill among with the other soft skill and should have thinking skill to be successful.
- Proper Payroll is a major reason for higher attrition
- High expectation is another reason.
- The main reason for the high attrition rate in the five-star hotels which observed:
- Long working hours
- Work opportunity abroad which gives them a better pay package
- Work opportunity on Cruise liners which gives the chance to earn in dollars and Euro and also gets an opportunity to see the world while at work
- Lack of salary benefits, incentives and overtime facilities.
- Opportunity in the retail industry with a better pay package and better working conditions.
- Higher studies
- Both the gender finding it difficult in balancing the work life
- Not able to commit their life
- Working on odd shifts
- Guest misbehaviour towards the employees
- Night Shift
- Lack of self esteem
- Lack of clean restroom for employees absent in some hotels
- Lack of facilities such as a proper cafeteria, recreation centres, transportation, lockers, accommodation.
- Lack of employment terms and conditions.
- Hire and fire policies existing in the hotel.

Every employee working in the organisation should be enthusiastic about their job and be looking forward to doing the job given. Therefore, it's important that the hotel should create an atmosphere where there is good teamwork, supportive managers, flexible schedule and should be paid well for their services.

Job performance of an employee depends on lots of lots of factors like job security, organizational structure, and other areas, but the major factor is the motivation as this influences the employee in performing better. Managers should motivate their employees as this will increase the competence of the employees within the organisation. An employee who is motivated is always open-minded with the organisational goals and objectives which leads to more productivity and will be retained for longer in the organisation.

Personal characteristics as well as workplace environment, influence the employee's motivation. If the attrition is very high the organization it tends to reflect on a lot of expenses like the involvement of recruitment, training, selection and many more aspects. Based on the observation analysis of the research, it shows there is a strong relationship between work life balance and employee performance.

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Questionnaire

General Information (Personal information)

1. Name of the Hotel:
2. Star Category:(please tick wherever applicable)
 1. 5-star deluxe
 2. 5-star hotel
 3. 4- star
3. Gender:
4. Age Group: (please tick wherever applicable)
 1. 18-20
 2. 21-25
 3. 26-30
5. Level of Education: (please tick wherever applicable)
 1. SSC
 2. HSSC
 3. Graduate/ Diploma (3 or 4 years)
 4. Post graduate
 5. Others
6. Department: (please tick wherever applicable)
 1. Food Production
 2. Bakery
 3. Food and Beverage Service
 4. Skilled Bartending
 5. Housekeeping
 6. Front Office
 7. Others
7. Marital Status :(please tick wherever applicable)
 1. Single
 2. Married
 3. Divorced
8. Length of Service
 1. Below 1 year
 2. 2-4 years
 3. 5-7 years
 4. Above 7 years
9. Designation presently working as
 1. Job Trainee
 2. Associate
 3. Supervisor/ Team Leader
 4. Manager
10. Original from which State
 1. Kerala
 2. Other state. Please specify
11. Specific information (Work environment, job satisfaction and job Stress)

Sr. No.	Statement	Strongly Agree	Agree	Unsure	Strongly Disagree	Strongly Agree
1	Your job is challenging					
2	Your workload is manageable					
3	Satisfied with present job role					
4	Satisfied with present work hours					
5	Your co-workers listen and value your suggestions					
6	Sufficient resource and staff available at work to improve work environment					
7	Work life balance is promoted and practiced in the company					

12. Remuneration Benefit

Sr. No.	Statement	Yes	No	Unsure
1.	Internal promotion been encouraged by head of department or HR			
2.	Internal departmental training for employee growth			
3.	There is transparency in reward system			
4.	Satisfied with the rewards and recognition for my achievements			
5.	Employees empowerment in the organization			
6.	On timely yearly (annual increment)			
7.	Salary is above expectation			

13. Recruitment and Selection

Sr. No.	Statement	Yes	No	Unsure
1	Sourcing of suitable candidates helps in controlling attrition			
2	Hotel follows a systematic selection process to reduce attrition of new employees			
3	Clear with opportunity for career advancement			
4	Encourages internal promotions			
5	During recruitment does the hotel use Advance Techniques like Psychometric test which help in selecting suitable fresher candidates who stay longer in the job			

14. Organizational Culture

Sr. No	Statement	Yes	No	Unsure
1.	Work load on each shift given is achievable within the week/ hours			
2.	Regular work schedule			
3.	Rewards and incentives given on time			
4.	Overtime paid			
5.	Policies and Procedures of HR very clear			

