

Factors affecting attrition in hotel industry: A study in hotels at UP

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Abstract:

A person can quit the job on basis of a number of reasons; it can be dissatisfaction from the job, retirement, completion of job tenure, etc. With the development of industry and business, the rate of attrition has also increased and the same stands true for the hotel industry as well. Competition between the hotels may give rise to attrition as well, where two companies of the same industry are thriving for higher market share, number of customer and profit, and in lieu of the same they use to target the respective employees of rival organization. Here in this present study hotels in Lucknow, Uttar Pradesh are taken into consideration and the researcher has tried to find out the factors of attrition. This study is based on primary data, Chi square test is used to test the hypothesis.

Keywords: Attrition, Hotel industry, Uttar Pradesh, Retention.

Introduction

The hotel industry in India and around the world has experienced a high amount of growth from late 80s to late 90s, apparently this was the time when most of the industries were in the process of adopting computer technology. As a result competition also rose in the national and international market and components like online booking, customer support and many other factors acted as the reason for this competition. In this environment of development the attrition rates also started to rise as people start to switch jobs at a faster pace.

The Webster's Dictionary states that the respective process of attrition can be explained as the tenure of a given employee in any organization. A person can quit the job on basis of a number of reasons; it can be dissatisfaction from the job, retirement, completion of job tenure, etc. With the development of industry and business, the rate of attrition has also increased, and this can even be experienced in the situations where the labor market is tight.



Source: International Data Corporation (IDC),
Nasscom 2016

Figure 1: Causes of Employee Attrition

As can be seen in the above figure, the main cause of employee attrition can be the controllable factors, un appropriate retention policies, behavior and conduct of the immediate supervisor, gaps in the offering and

joining of the candidates, etc. These were the findings of a report published by Ac Engage in the year 2016, which is a renowned research agency in the field of HRM.

Competition between the hotels may give rise to attrition as well, where two companies of the same industry are thriving for higher market share, number of customer and profit, and in lieu of the same they use to target the respective employees of rival organization.

At the initial level where the tourism and travel sector was growing the term employee turnover was named as employee attrition and the same was related to the high growth of similar sectors in the

given industry and even the environment of competition created by the same. This also stands true for the hotel and related organizations. **Joshi (2004).**

Types of Employee Attrition in Hotel Industry

The type and kind of employee attrition are different, based on different factors of job design, growth, development and many others and as a matter of fact these factors vary from country to country and company to company. Here the researcher had tried to present a general classification of Employee attrition/turnover which can be associated with all the possible reasons of the same. **(Rehman et al., 2008).**

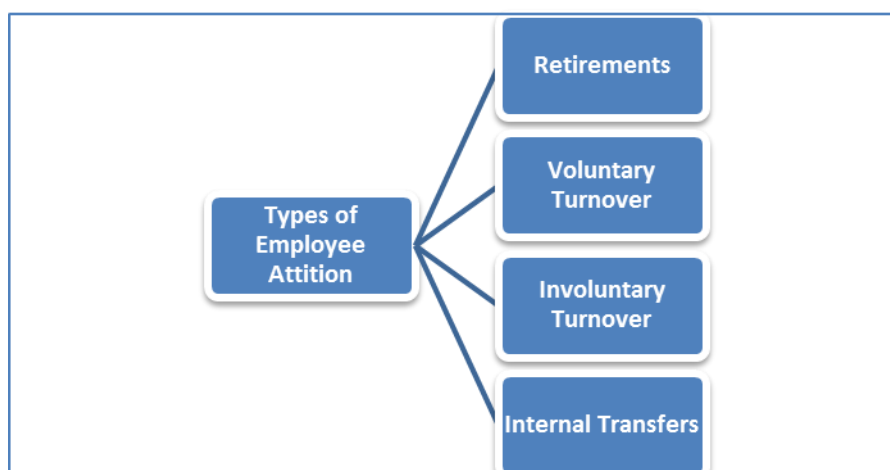


Figure 2: Types of Employee Turnover

Retirements

This completion of tenure can be stated as retirement of the employee, there are many instances where employees use to take voluntary retirements from one company and start a new career.

Internal Transfers

Internal transfers can be treated as sub-category of employee attrition where a person is transferred to other department of the same organization. This event is having a positive effect on work environment, as the transferred employee will bring new knowledge and experience in the respective department.

Involuntary Turnover

Some of the prominent and popular reasons are degradation in the performance and productivity of the employee, irrational and aggressive behavior of the employee, etc. at times the issues are related to inability of the organization to bear the cost of employing a particular number of employees in the organization.

Voluntary Turnover

Here the quality consciousness and efforts of the organization to balance the work life of a given employees become irrelevant and they quit the job. The reasons for such type of turnover can be

marriage, better offer from market, job profile and other family related issues.

Scenario of Hotel Industry in Uttar Pradesh

As far as the hotel industry in Uttar Pradesh is concerned, the state government, ministry of tourism and other related agencies are in the process of bringing about a number of changes. These changes are related to policy matters, governing bodies, monitoring process and many other such issues. Taking example from states like Rajasthan, Maharashtra, Gujarat, etc. many heritage buildings in Uttar Pradesh are being converted into hotels. The only condition is that the respective building should have come into existence before 1950. Apart from this, a number of amendments are made in the land conversion so that the tourism related activities can be encouraged. State government is not charging any cost or related charges in such cases and even other subsidies are given to the developers. There are clear instructions for the concerned departments that all the applications related to hotel and tourism industry must be processed within a period of sixty days in urban areas and 45 days in rural areas. Due to such friendly and encouraging environment a number of domestic and international brand of hotels are settling in the state.

Apart from this, the state government is also recognizing the efforts of people or agencies who have contributed in the development of the industry, this is done with a view to motivate the individual and agencies so that tourism can be encouraged in the state and the respective revenue can be increased.

Objectives

1. To identify the factors of attrition in hotel industry.
2. To analyze the factors that can influence the level of attrition in the selected Hotels.
3. To critically analyze the components of employee retention based on certain dimensions of the same.

Hypothesis

H₀: There is no significant variation in the dimensions of attrition among the sample respondents;

H₁: There is a significant variation in the dimensions of attrition among the sample respondents.

Research Methodology

Sampling

The capital city of Uttar Pradesh i.e. Lucknow has been selected as the study area purposively as some of the top most hotels, both domestic and international, are operating here. Population for the study is, all the employees working at different levels in the said hotels in Lucknow City.

Sampling unit: Sampling units are those set of elements which are chosen from a given population within a respective time period. For the present study sampling units are the employees working in selected Hotels in Lucknow.

Sample size: The size of the sample is basically the number of elements in the obtained sample. In this present study the total size of the sample was 200 respondents.

Data Collection

In general, data is collected by using a number of tools like questionnaires, check sheets, schedules, etc., likewise in the present study a pre-formatted questionnaire in framed and used. This questionnaire was exercised with the selected respondents in a face to face interaction and in some of the cases questionnaires are send and received by E-mail.

SPSS Ver. 23.0 was religiously used for the statistical analysis.

For testing the hypothesis, one way ANOVA has been used to find out whether the difference between two sample means is significant or not.

Data Analysis and Interpretation

Graphical Presentation of Data

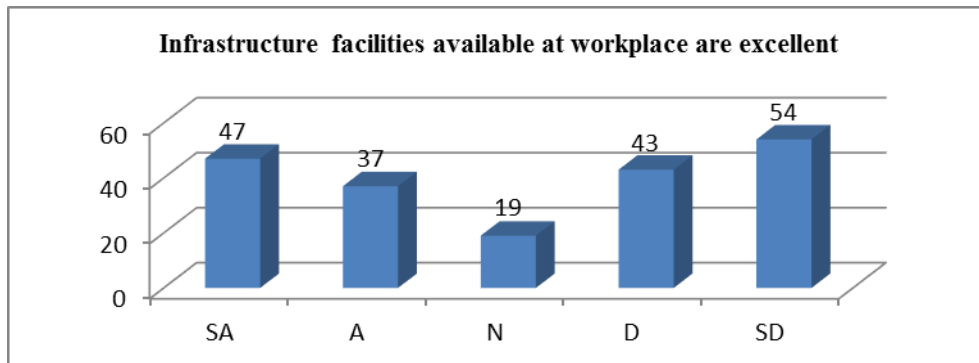


Figure 3: Condition of Infrastructure Facilities

Interpretation

- About 43% of the respondents stated that the required infrastructure facilities are available in their respective organization, like proper lighting, lifts, canteen, etc.
- 6% of the respondents were not sure about the same, as they are new recruits and haven't worked earlier in such proximity.

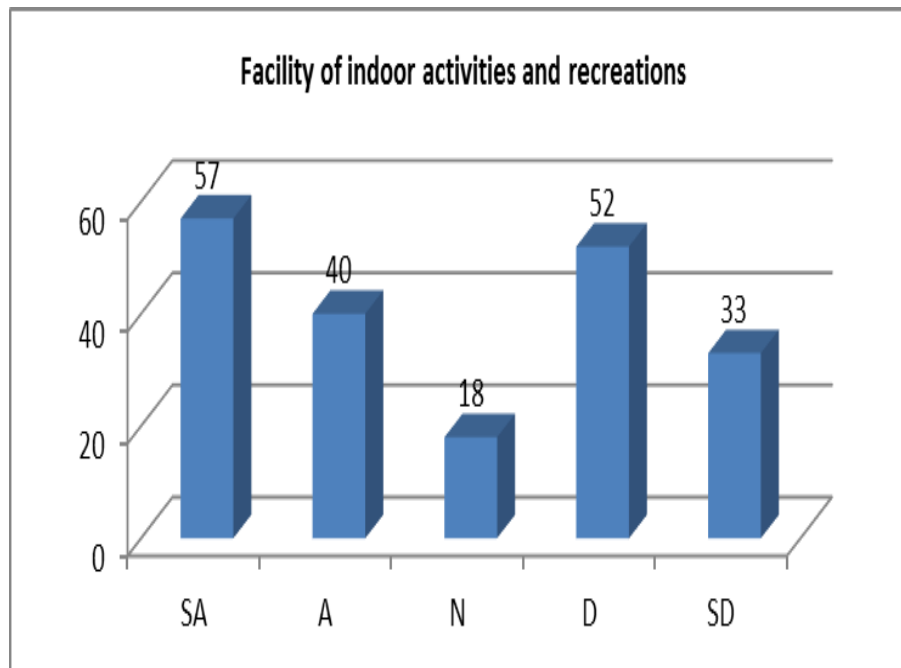


Figure 4: Facility of indoor activities and recreations

Interpretation

- As can be seen from the above diagram that 49% of the respondents were agreed to the point that their organization is having the facility of recreation and other indoor facilities for the relaxation of the employees, rather the availability of such facilities varies from company to company.

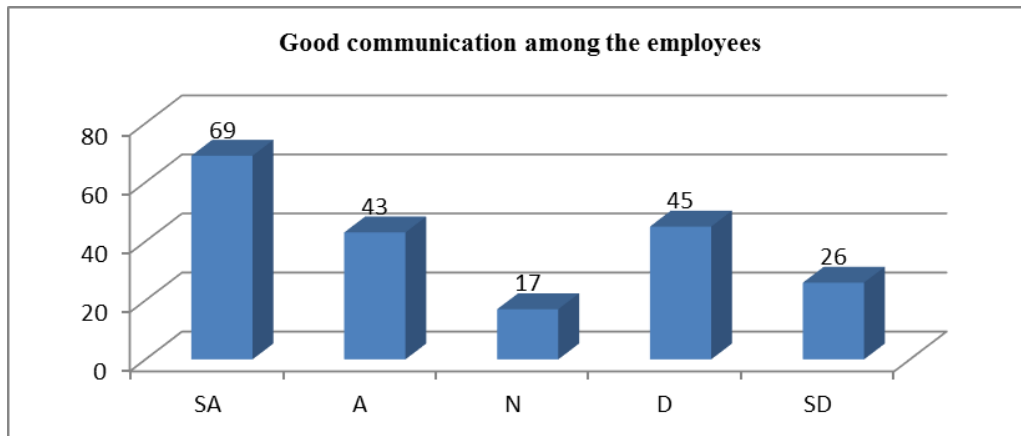


Figure 5: Good communication among the employees

Interpretation

- 57% of the respondents were agreed to the point that there is proper communication among the employees and there is no

restriction on the same form the side of the company.

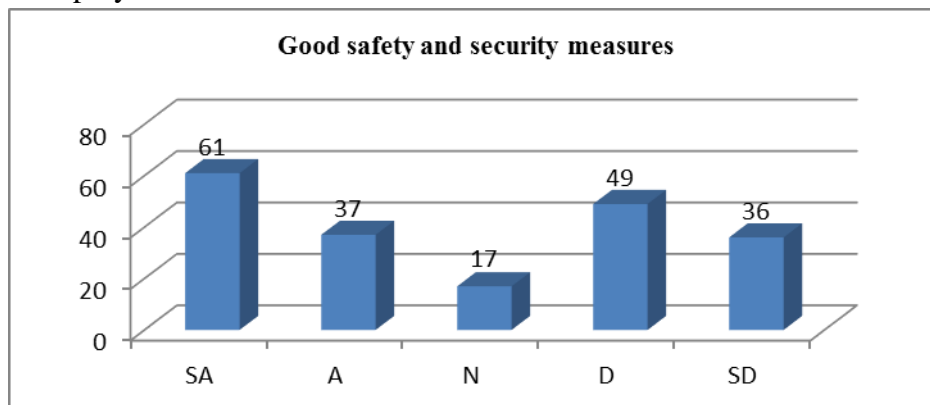


Figure 6: Safety and security measures

Interpretation

- 50% of the respondents were agreed to the point that their respective organization is having proper safety and security measures, as far as job is concerned like cab facility for

night shift employees (*especially for female staff*), power backup, fire safety devices, etc.

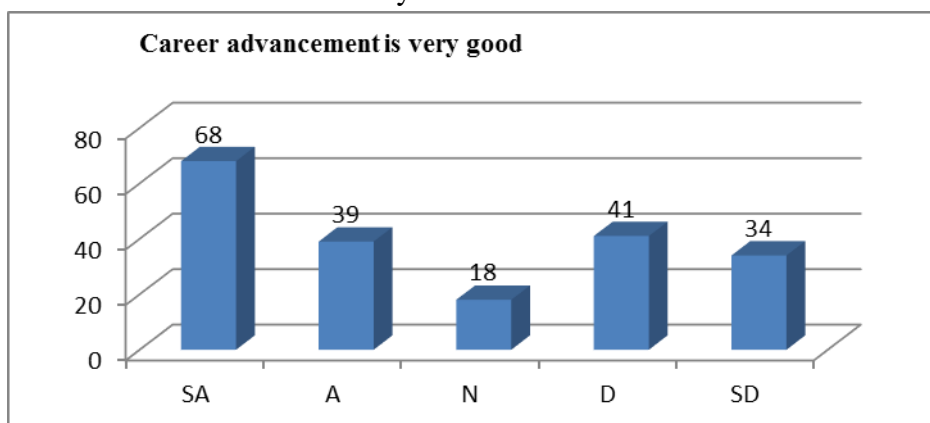


Figure 4.35: Career advancement is very good

Interpretation

- 38% of the respondents were negative about the point in question and stated that though there are opportunities for career development but either they are limited or

based on targets and even for the managerial level employees there is a stage of saturation as well.

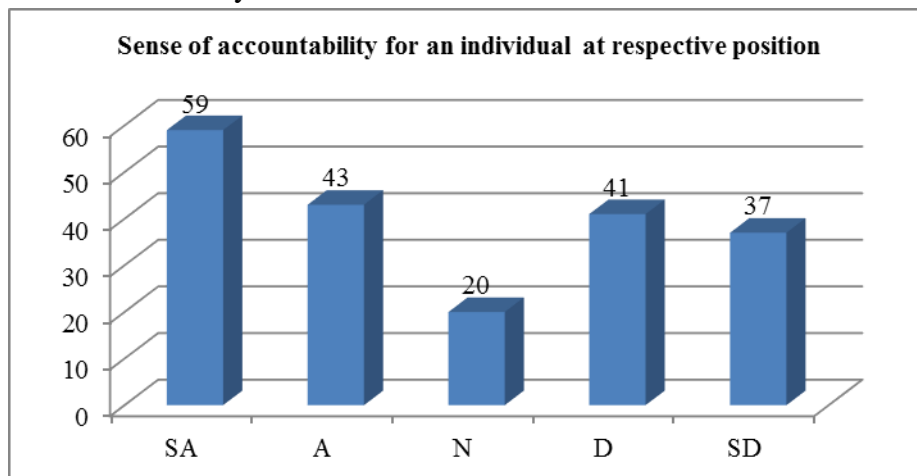


Figure 7: Sense of accountability for an individual at respective position

Interpretation

- 51% of the respondents were agreed to the point and stated that there is proper organization structure in their respective

organization and the accountability of employees at all level is fixed.

Hypothesis Testing

Summary of Chi Square Test

Variables Under Study	Execution Level Employees		Managerial Level Employees	
	Table Value	Calculated Value	Table Value	Calculated Value
Experience of the respondents	.159	3.677	.053	5.878
Growth prospects in other companies	.243	2.827	.146	3.851
Safety and security related issues	.742	2.331	.035	6.705
HR policies of the respective company	.063	5.537	.375	1.962
Issues with the immediate boss	.445	1.621	.040	6.436
Transparency in rewarding System	1.634	.435	.168	3.571

Interpretation

As can be seen from the above given table, that in most of the cases the calculated value of Chi Square test is more than the table value of the same, this

shows that in most of the cases the respondents were not agreed to the point in question. As a matter of fact income, experience and working environment were considered as a basis for evaluation of the

responses. We can clearly see that in case of execution level employees maximum variation can be viewed for 'experience' and 'HR policies' where the calculated value 3.667 and table value is .159 for experience and 5.537 against .063 for HR policies. Then for managerial level employees, maximum variation can be observed in case of 'experience' (.053 calculated and 5.878 table), 'safety issues' (.035 calculated and 6.705 table) and 'issues with immediate boss' (.040 calculated and 6.436 table).

Result

On the basis of above analysis of Chi square test and interpretation it can be observed that in almost all the cases, table value is less than the calculated value, hence it can be stated that there is variation in the dimensions of attrition and it is high or low for different companies. On the basis of same, null hypothesis '*There is no significant variation in the dimensions of attrition among the sample respondents*' can be rejected and the alternate hypothesis will be accepted.

Conclusion

There is a need to reduce the associated issues of the hotel industry so as to ensure long term retention of employees. The analysis in the present study shows that attrition is the outcome of factors like repetitive nature of job, lack of innovative inputs, long working hours, etc. as a matter of fact there are some external factors as well, like poaching activities by other competitors, location related benefits, demand of experienced employees and many others. Attrition can take place at any level of management i.e. top management, middle management and even executive level, obviously the reasons are different at each level.

It is the responsibility of the organization to retain loyal and experienced employees and for this the hotels are required to devise effective ways and means. A well-defined and structured strategic framework will do the needful, but then again the approach should be humanitarian and not autocratic.

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