

# A STUDY ON ELEMENTS IMPACTING EMPLOYEE ATTRITION IN THE HOTEL INDUSTRY OF KOLKATA

## Abstract

The Hospitality and Hotel industry has a very high attrition rate. There are certain definite causes for this high attrition rate, including a lack of key motivating factors including competitive pay compensation, preserving a decent work-life balance, and improved growth possibilities in the industry. Despite this, some businesses operate effectively and are able to hold onto essential employees.

This study intends to shed light on the data surrounding the topic of the rising attrition rate and retention in Kolkata's five-star hotels. The survey descriptive research method was the method of research used for this study. The information was gathered from the hotels using both direct and secondary sources. The primary data was obtained through a questionnaire that was distributed to employers and employees, while the secondary data came from the organization's attrition records and the Internet.

**Keywords:** Hospitality, Hotels, Attrition, Retention, Customer Service, Employees

## Author

**Ananya Manna**  
Assistant Professor  
Guru Nanak Institute of Hotel  
Management Kolkata, West Bengal,  
India.

## **I. INTRODUCTION**

An organization or business may experience employee attrition when new hires leave the company after a few years in order to accept a job offer from another company. The hospitality space in our country is deprived of a trained workforce. This sector is facing severe challenges from other industries. This sector lacks key motivators such as appealing pay compensation, preserving a healthy work-life balance, and improving prospects for advancement.

One of the major issues that human resource managers have had to deal with in recent years is attrition. In an ideal scenario, a hotel employee would take into account a variety of comfort levels, including the employer's reputation in the industry, pay, potential growth, working conditions, coworkers, existing duties, market potential, and most importantly, future stability with the company. According to a poll, the above-mentioned characteristics of working in an organization are not satisfied in about 70% of the working population in hotels, which has led to a greater attrition rate.

Hotels in Kolkata have seen changes ever since globalization took hold and companies began growing. A few years ago, there weren't many luxury or affordable hotels in Kolkata. However, if we examine the current state of the business, hotels dominate several different market segments. The clientele base has also begun to diversify over time. Kolkata transformed into a business hub over time. Everyone in the market is doing their best to put forth their finest effort in an effort to stay one step ahead of the competition and get the largest share of the market.

Human Resources are the most important assets of the hotel as they only convert the raw materials into finished products and provide quality services to the guests. A Hotel is providing the services like welcoming and registering a guest in the Hotel room, Providing Housekeeping services in the rooms and in the public areas of the hotel, serving worldwide cuisine dishes made by the chefs in the restaurant, organizing events and functions in the banquet hall, providing fitness services in spa, gym and many more. Thus, all the department employees play a major role in order to provide quality service and increase guest satisfaction to the fullest for repeat business and increasing the market reputation.

The hotel business wants to simplify its HR procedures and address the main problem of employee attrition. The human resources division of hotels has begun to take this problem seriously and has begun to build various rules and processes to slow the rising attrition rate and develop various retention strategies.

## **II. PROBLEM STATEMENT**

As there is a human element involved in both the production and consumption of services, unlike the tangible items created by other businesses, the quality of "Service" cannot be standardized through machines. Therefore, the human aspect is crucial in the hotel sector. The industry strives to direct its human resources toward the accomplishment of its goals, and the main difficulty it currently faces is the increased attrition rate of its workforce. Thus, the objective of this study is to examine the relevant data and the various retention techniques.

This study will be useful for other hotels in the future and they can improve their business revenue. When the whole hospitality industry adopts and uses them the Tourism industry in general will be benefited. Going with the Tourism Department Tagline “Atithi Devo Bhavah”

### III. OBJECTIVES OF STUDY

1. To understand the factors that make employees dissatisfied with hotel policies and norms
2. To identify causes that influence the attrition rate in 5-star hotels in Kolkata city
3. To identify the steps to reduce attrition and devise retention strategies in star category hotels of Kolkata

### IV. REVIEW OF RELATED LITERATURE

**Panwar (2012)** outlined the reasons behind employees' inability to adapt to the changing industrial environment. Most hotel employees wished to transition to other hospitality-related industries, such as retail, e-commerce, aviation, or tourism-related sectors, according to a poll of different hotel employees. The two main sources of unhappiness for hotel staff are pay and extended shift schedules. The project would also emphasize advice for the hotel sector on how to keep its employees.

**Laghane** did a study on retention management in the Indian hotel industry in **2012**. According to this study, human resources personnel can streamline their thought processes so they can concentrate on recruiting, training, and professional growth. This study also shows how important it is to simplify the previously given recommendations because doing so will aid in a company's success.

**Sugandha (2010)** also emphasized crucial facets of the hotel industry's attrition rate. Her research mainly concentrated on the numerous strategies and instruments employed in the hotel business to increase staff retention. The development of organizational behavior in hotels was also a topic of several human resources management theories.

**Lee (2010)** made an effort to comprehend factors related to the workplace that affected both employee satisfaction and retention. His research revealed that several work-related traits had a variety of functions in determining employee retention. His research also suggested that, regardless of an employee's personal attributes, concerns relating to the professional environment, such as accomplishment at work, needed to be handled separately.

By carefully analyzing the texts and publications that were relevant to keeping a good workforce and upholding a decent work-life balance, **Deery (2008)** significantly influenced this field of study. His research started with an overview of broad management ideas, which he subsequently connected to theories and concepts specific to the hotel and tourism sectors.

In his research, **Chand (2007)** demonstrated a relationship between the hotel's performance and the classification and kind of the chain. His research also suggested that the practices of human resources such as payroll management, learning and development, complete quality control, and attrition rate control directly correlated with the hotel's success.

Examples were given by **Brymer (1991)** in his study on how work-related stress is managed in hotels along with following the hotel's standards. His research also indicated that it is critical for organizations to have stress management strategies because stress is a big factor in high turnover rates.

## V. RESEARCH METHODOLOGY

The data is collected from primary as well as secondary sources. Some data is collected through personal interviews and some data through questionnaires.

### Work Plan

- I have selected 10 hotels in Kolkata for a survey.
- From each hotel HR officials, Departmental Heads, Supervisors, and employees at the operational level have approached.
- There were a minimum of 5 interviews from each hotel and the rest questionnaires were through mail and personal interaction.
- Questionnaires have some close and multiple-choice questions
- Total sample size was 250

Data Analysis is done through basic statistical methods. The data analysis and graphical data visualization were done using MS Excel. Since qualitative data makes up the majority of study data, MS Excel was utilized to turn the primary data into visual representations in the form of graphs and charts.

Sample Size - From 10 hotel questionnaires were collected from 4-star & 5-star hotels from each hotel HR officials, Departmental Heads, Supervisors, and employees in the operational level at Kolkata. The distribution of the sample is as below:

**Table 1: Data**

Hotel	HR Officials	HOD's	Supervisor	Associates	Total
4 STAR	10	7	30	80	127
5 STAR	15	8	25	75	123

Source - Authors Analysis

Data Analysis / Report Writing- The data collected has been analyzed in terms of statistical testing to find out its validity.

## VI. FINDINGS

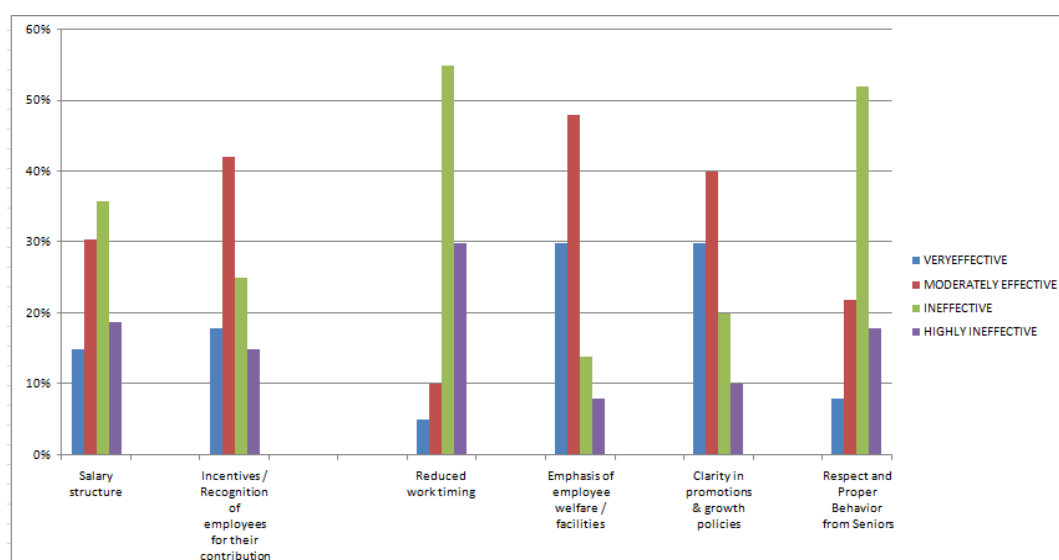
1. The majority of employees believe that their skills and abilities are being underutilized by the organization. More than 50% of respondents firmly agreed that their pay structures are subpar, and more than 40% claimed that their recognition and reward programs might be improved.
2. Maximum Employees are dissatisfied with their present job due to long working hours and thereby can't have a work-life balance.

3. Employees are dissatisfied with promotion Policies & Performance Appraisal Systems, Career Development opportunities in Organization.
4. 70% of Employees complain that they are not treated well by the seniors.
5. Although hotels have created rules for staff retention, they are not very successful.
6. Hotels do not have a system for evaluating the attrition rate in their hotel.
7. High attrition rates in hotels have a significant influence on guests' satisfaction and the hotel's reputation.
8. The better retention strategies are offering better salaries, reducing the working hours, and having a good organizational culture are the most effective ones.

**Table 2: Data on Attrition Causes**

Sl. No	Reasons of Attrition	Very Effective	Moderately Effective	Ineffective	Highly Ineffective
1	Salary structure	15 %	30.5%	35.8%	18.7 %
2	Incentives / Recognition of employees for their contribution	18 %	42 %	25 %	15 %
3	Reduced work timing	5 %	10 %	55 %	30 %
4	Emphasis of employee welfare/facilities	30 %	48 %	14 %	8 %
5	Clarity in promotions & growth policies	30 %	40 %	20 %	10 %
6	Respect and Proper Behavior from Seniors	8 %	22 %	52 %	18 %

Source - Authors Analysis



Source - Authors Analysis

**Figure 1: Graphical Representation on Attrition Causes**

## **VII. SUGGESTIONS AND RECOMMENDATIONS**

The following ideas and recommendations can be made based on the replies provided by the employees and employers of 10, 4 star, and 5 star hotels in Kolkata about attrition analysis and retention:

1. In order to take prompt action to control attrition, hotels should create a method for measuring it.
2. The sector needs to be more proactive in addressing the issue of attrition and should develop practical personnel retention practices. To get the desired results, these policies must be effectively put into practice.
3. Low compensation, long work hours, and a dysfunctional corporate culture have all been found to have a significant impact on attrition. The sector needs to focus on these issues and implement solutions to lower employee unhappiness.
4. Hotels should adopt a more employee-centric strategy when creating their employment policies with a focus on the total professional growth of the staff.
5. Employee input should be sought out while creating and implementing employment regulations.
6. Since they spend the majority of their time at work, employees should have a relaxing, stress-free working environment and access to employee welfare facilities.
7. Hotels should show more consideration for staff members who leave the company and take steps to ascertain the causes and motivations for their choice. Conducting planned and private departure interviews with leaving employees is one way to do this. This would not only lead to the employee's decision being changed, but it would also send a signal to the other employees that the hotel cares about them and wants to lower employee dissatisfaction.

## **VIII. CONCLUSION**

The research aims to bring employee attrition analysis and retention in 4 and 5-star hotels in Kolkata. The study will throw light on valuable suggestions to decrease attrition levels in the star hotels of Kolkata. The study can help the management to find the weaker parts of the employee's feelings towards the organization and help in converting those weaker parts into stronger ones by providing the optimum suggestions or solutions. This study can help the management to know for which the reason employees tend to change their jobs is through dissatisfaction factors faced in the organization and helps to recover by providing the optimum suggestion or solutions. The study is crucial because, in contrast to the tangible goods produced by other industries, the quality of "Service" cannot be standardized through machines because a human element is involved in producing and providing quality service to the guests thereby boosting customer loyalty and repeat business.

Without qualified people who are good at customer service, it is difficult for the company to achieve the objectives of the company. In the long term, the retention of existing employees saves companies money and drives the company's growth and at the same time will help employees in terms of future stability and growth in the organization.

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