**A Study on Elements Impacting the Employees Attrition in the Hotel Industry of Kolkata**

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**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 organizations perform well, and they manage to retain people in key positions.

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 comprises a questionnaire method undertaken to collect the data from the employees and employers, the secondary data has been collected from the company records of attrition and the internet.

Keywords – Hospitality, Hotels, Attrition, Retention, Customer Service, Employees

**INTRODUCTION**

Employee attrition is a situation faced by an organization or employer when new employees join and leave the organization to join another organization when he gets an offer in a few years' time. The hospitality space in our country is deprived of a trained workforce. This sector is facing severe challenges from other industries. This industry is deficient in some prime motivational aspects like attractive salary compensation, maintaining a good work-life balance, and better opportunities to grow.

Attrition is one of the critical problems that are faced by Human Resource Managers during the past years. In an ideal situation as an employee, consider multiple comfort levels while working in a hotel for e.g. employer's goodwill in the market, remuneration, future growth, working condition, co-workers, current roles, scope in the market & most important future stability with the organization. In a survey, approximately 70% of the working population in Hotels is not happy at all due to the above-mentioned aspects which are not fulfilled while working in an organization, which caused a higher attrition rate.

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Hotels in Kolkata have been transforming ever since globalization came into place and businesses started expanding. A few years back the city of Kolkata hardly had any star hotels or budget hotels. However, if we look at the market scenario today, the market is highly infested with hotels across various market segments. With time, the clientele base has also started to become more diverse. With time, the city of Kolkata developed into a business hub. The competition in the market is extremely competitive and everyone is trying to put in their best in order to stay ahead of the competition and capture the highest market space.

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 industry aims at streamlining its policies of Human Resources and overcoming the major issue – Employee attrition. The Human Resources department in the hotels has started to address this issue seriously and has started to design various policies and procedures to curb the increasing attrition rate and formulate various ways of retention.

**PROBLEM STATEMENT**

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. Thus, in the hospitality industry, the human element is of utmost importance. The industry aims at channelizing its human resources towards the attainment of its objectives and the major challenge faced by the industry today, is the rising attrition rate of its employees. This study thus aims at analyzing the facts pertaining to this issue and the various retention strategies.

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”

**OBJECTIVES OF STUDY**

* To identify the factors which make employees dissatisfied with hotels policy and norms
* To identify causes that influence the attrition rate in 5-star hotels in Kolkata city
* To identify the steps to reduce attrition and devised retention strategies in star category hotels of Kolkata

**REVIEW OF RELATED LITERATURE**

**Panwar (2012)** explained why associates of organizations aren’t able to keep up with the changing industrial environment. This was done through a survey of various employees at hotels and it was found that the majority of the employees wanted to switch to other hospitality-related industries like retail, e-commerce, aviation, or tourism-related sectors. Remuneration and long shift timings are the two major areas of discontent for the employees of the hotel. The project would also highlight pointers for the hospitality industry to retain its associates.

**Laghane (2012)** did a study on managing retention in the hospitality industry in India. According to this study, it is possible to streamline the thought process of employees of human resources in order to focus on aspects of recruitment Training & Development. This study also showcases that it is important to streamline the above-mentioned pointers as these are important aspects of making a business successful. Sugandha (2010) also highlighted important aspects of attrition rate in the hotel industry. Her study primarily focused on various tools and techniques used to better the retention of employees in the hotel industry.

Several theories of human resources management also focused on organizational behavior and development in hotels**. Lee (2010)** tried to understand work-related characteristics that had an influence on the satisfaction of employees and retention of employees. According to his study, it was found that different work-related characteristics played multiple roles in measuring the retention of employees. His study also inferred that workplace environment-related issues like accomplishment at the workplace had to be dealt with independently irrespective of how the characteristics of the employee are.

A qualitative study was also done by **Kandasamy (2009)** with the intention of identifying work-life balance parameters in conjunction with the hospitality industry. Cho (2009) conducted a study that examined if the factors that lead to the decrease in retention of employees, in turn, lead to the increase of employees wanting to stay back with the organization. The outcome of the research implied that professed support and commitment from the organization can have a positive impact on the employees’ intention to stay back at the organization. Deery (2008), made a significant impact in this field of study by carefully examining the texts and literature which were related to retaining a good workforce and maintaining a good work-life balance. His research began with an overview of general management concepts and then he linked that to the concepts and theories related to the hospitality and tourism industry.

**Chand (2007)** showed in his research that the performance of the hotel was linked to the categorization and nature of the hotel chain. According to his research, it was also inferred that the performance of the hotel was directly proportional to the Human Resources practices of manpower management, controlling the attrition rate, learning and development, total quality management, and payroll management.

**Brymer (1991)**, showcased in his research on how work-related stress is managed in hotels alongside keeping up with the policies of the hotel. It was also inferred from his research that it is vital for organizations to design strategies to cope up with stress as this is a major factor leading to high attrition rate.

**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. MS Excel was used to analyze the data and graphical representation of data. Since research mostly involves qualitative data, to collect data, MS Excel was used to convert the primary data to give pictorial representation in the form of charts and graphs.

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.

**FINDINGS**

* Majority of the employees feel that the company is not utilizing their skills and ability which they have. More than 50 % of respondents strongly agreed that they have poor salary structure and more than 40% said they don’t have better recognition and incentives policies.
* Maximum Employees are dissatisfied with their present job due to long working hours and thereby can’t have a work-life balance.
* Employees are dissatisfied with promotion Policies & Performance Appraisal Systems, Training, and Career Development opportunities in Organization.
* 70% of Employees complain that they are not treated well by the Seniors.
* The hotels do not have a system for measuring the attrition rate in their hotel.
* Although hotels have designed policies for employee retention, they are not very effective.
* High attrition rate in hotels has a great impact on customer satisfaction and the reputation of the hotel.
* 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 worktiming | 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**

**FIGURE 1 – GRAPHICAL REPRESENTATION ON ATTRITION CAUSES**

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**Source - Authors Analysis**

**SUGGESTIONS AND RECOMMENDATIONS**

Based on the responses received by the employees and employers of 10, 4 star and 5-star hotels in Kolkata on attrition analysis and retention, the following suggestions & recommendations can be made:

* Hotels should develop a mechanism to measure the attrition in their hotel so as to take timely measures to control the same.
* The industry should be more proactive in dealing with the problem of attrition and should frame realistic policies for employee retention. These policies should be effectively implemented to achieve the desired results.
* It has been observed that the most important factors affecting attrition are Low salaries, long working hours, and Poor organizational culture. The industry should concentrate on these areas and take measures to reduce employee dissatisfaction.
* Hotels should develop a more employee-centric approach while designing their employment policies with an aim towards holistic development of the employees.
* Participation of employees should be encouraged in designing and implementing the employment policies.
* Since the employees spend most of their time on the job, they should be provided with a comfortable, stress-free work environment and provided with employee welfare facilities.
* Hotels should be more sensitive about the employees leaving their organization and thus should take measures to understand the reasons and the root cause behind their decision. This can be done by conducting structured & confidential exit interviews of the departing employees. This would not only result in the employee changing his decision but also pass a message to the existing employees that the hotel is concerned about them and is keen to reduce employee dissatisfaction.

**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 helps 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 job is through dissatisfaction factors faced in the organization and helps to recover by providing the optimum suggestion or solutions. The study is important, as 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 & providing quality service to the guests and thereby, increasing customer loyalty and repeat business. Thus, in the hospitality industry, the human element is of utmost importance. 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 companies growth and at the same time will help employees in terms of future stability and growth in the organization.

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