

## Employee Attrition Issues and Retention in Hotel Industry Vadodara: As a Case Study

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### Abstract

In today's competitive business of hotel, industry success depends on manpower, money, machines and materials. Above-mentioned factors like money, machines, and materials are centred to the application and management of finance but when it comes to manpower it demands proper implementation of behavioural science techniques and appropriate treatment to the labour force which works in an organization. Though some of the organizations do handle their man power in a systematic way but such cases cannot often be seen in three, Four- and five-stars hotels of Vadodara. one of the major points is retention of employee. In a work-driven economy, the employer or higher authority who are emerging as a key competitive differentiator and retaining the talent has become a matter of superior to all others in the hotel industry in Vadodara.

This research is oriented towards finding out the reasons behind the low rate of retention by the HR department and a higher rate of attritions from employees by reaching to them in an organized way.

The area which has been covered in Vadodara city of Gujarat state for this research because being an industrial hub it attracts business tourists from across the world and the need to accommodate the tourist is fulfilled by the hotel industry of Vadodara. The hotel industry in Vadodara has been able to absorb labour force coming from different cities of India and places nearby. Though it is absorbing the labour force, there have been constant problems and serious challenges for hotel industry to retain the staff for a longer period of time.

For this research, convenience sampling is considered for taking the data from five-star and four hotels from Vadodara and random sampling is considered for taking the data from employees who are currently working as well as ex-employees.

The output of the research will aware HR to acknowledge the reasons for attrition in a three to five-star category hotel of Vadodara and the

importance of providing a healthy environment to workers to retain the employee on the basis of their experience, skills and hard work.

**Keywords:** Attrition, Retention, Labour Force, Human Resource.

## Introduction

This research paper glances at the issue of attrition, retention, and HR policy in the three-to-five-star hotel industry of the city of Vadodara and also find out/analyses the reasons for the same in the hotel industry of Vadodara.

Countries like China, Japan, Singapore, South Korea many of the countries are using different machines and artificial intelligence instead of manpower so the organizations can execute their task faster than the workforce/Labour due to the lack of working-age population in these countries but in the Indian hotel industry especially in Vadodara we have enough workforce to execute the task on time.

Attrition means the reduction of the employee through leaving, retirement, resignation and after death or due to workforce some of the employees are voluntarily retiring from the organization. Attrition is a major issue of the hotel industry of Vadodara.

For any hotel organization, employees are the most valuable assets. The retention of the employee in a star category hotel should be done by practicing activities such as performance appraisal, motivation schemes, monetary consideration and, promotion. The promotion can also be done on the basis of skill, knowledge, experience, dedication sense of belongingness of the employee.

In an ideal environment of hotel industry of Vadodara, employees should motivate to do their jobs, good relations with their co-workers in the hotels, work hard to achieve the organizational goals, paid well for their works to fulfill their personal needs and family needs. But in some of the organizations of Vadodara the people are leaving their job due to monetary issues and many of the other issues, and it encourages others employees of the organizations to do the same.

The Human Resource Department of the hotel industry in Vadodara city needs to come up with strong strategies and motivational training to increase the retention rate and decrease the attrition rate in hotels of Vadodara, so that the goal of the organizations can be easily accomplished without any hiccups with experienced staff of that specific hotels. Retention is the key challenges faced by hotel industry in Vadodara. It has been observed that there is a great demand for well skilled and knowledge employee in hotel industry of Vadodara, India and abroad. Retention is better than continuously hiring into any organizations.

## Review Literature

The important researches made earlier related to this study is mentioned below:

**Likhitkar & Verma 2015**, Denote in their study on “Employee retention: an issue of every business sector” they made an effort to examine the employee retention and attritions factors in different sectors of business and they feel human resource manager should practice to retain competent employee by motivation, performance appraisal, monetary considerations etc. by retaining the employee the organization will able to complete their task on time. they strongly feel that to retain the employees human resource department and organization should provide a good working environment, job satisfaction, reward and recognition, learning and development, future opportunities, good career growth, Supervisor and manager support, health-related benefits, compensation and fringe benefits.

**Goswami & Jha 2012**, Denote in their study on “Attrition issue and retention challenges on employees” he tried to examine the attrition issue and retention challenges into different industries and he feels losing talents and employee results in performance lose which can have long term negative effect on the company especially in the departing leaves gaps and its execution capability and human resource functioning which not only lost productivity but also loss the team harmony and social goodwill. According to Brijesh Kishore Goswami every sector in India faces attrition issues but each and every industry has unique reasons and effects of attrition. So, the Human resource department of any organization’s practices can effectively combat the scourge of attrition.

**Kumar & Mathimaran 2017**, Denotes in their study on “Employee Retention Strategies-an Empirical research” he tried to examine that how to minimize employee attrition and increase the retention rate in an organization. As per the research paper of the author, Employee attrition attributable to poor selection for example unlikely to improve where the policy modification to be focused exclusively on the induction process. Effective employee retention is a systematic employer create a very good working environment that will encourage the current employee to remain by providing good salaries so they can fulfil their personal family needs. Any employer or organizations always try to retain their best talents, hence failing to retain a key employee is a costly proposition to any organization. The Human resource department of an organization need to arrange some career growth and skill development training for the employee and also needs to monitor the monetary aspects of an employee.

**Nappinai & Premavathy 2013**, Denotes in their study on “Employee attrition and retention in a global competitive scenario” they tried to examine that talented person are moving easily from one organization to another. The corporates companies are facing the economic revival of attrition at this time. For any organization, retention will be always more economical than fresh recruitment. they feel that retention is an art of managing the people in an organization and it is all about taking measures so as encourage the workforce or manpower to remain in an organization for the maximum time.

**Bharathi & Paramsivaiah 2015**, Denote in their study on “Attrition and retention the real challenge- a study with special reference to IT& ITES organizations Bangalore” they tried to

examine that the attrition became a serious challenge for the organization. It can be segregated into two parts, the first part in which the employee leaves the organization entirely and in the second part, the employees join another firm in the industry. She/ He Strongly feels that motivation and career development training should be always provided by the supervisors and organization decreasing the attrition rate and increasing the retention rate.

**Balakrishna, Masthan & Chandra 2013**, Denote in their Study on “Employee retention through employee engagement-A study An Indian international Airport” they tried to examine that the Indian international airports were facing the issues of employee attrition from the beginning year of 2011. He feels that by addressing non-financial drivers of the employee engagement like Communications, motivation, higher authority’s supports and role clarity. It gives a message that without financial Expenditure employee retention can be improved.

**Basariya & Ahmed 2019**, Denote in their study on “A study on attrition- turnover intentions on employee” he tried to examine that Attrition and retention is an exceptionally vital test for the Human resource department of any organization. In his research, he discovered the reasons of the attrition such as working environment, personal/Family reasons, vocation development, and human resource should retain the-employee by providing the working condition, welfare, and compensation.

**Kumartalapatra, Rungta & Jagdeesh 2016**, Denote in their study on “Employee attrition and strategic retention challenges in India manufacturing Industries: A case Study” he tried to examine that manpower or workforce is an important constituent of an organization. It is acknowledged into this study due to slow career growth prospects and salary many of the employees switch their job into another organization and they found that if industry will organize some professional development and skill development then the attrition rate can be decreased.

**Ratna & Chawala 2012**, Denotes in their study on “key factors on retention and retention strategies in telecom sector” he tried to examine the various factors of retention such as working Conditions, support from higher authority, job satisfaction and capability, rewards and recognition, Satisfaction for the initiative taken by the human resource department etc. the factors with less satisfaction of the employee, companies need to betterment the policies then only required retention rate can be achieved.

**Factors affecting Attrition in the Hotel Industry of Vadodara is mentioned below:**

1. Working Environment
2. Slow career growth
3. Monetary Consideration
4. Anti-Social Working Hours
5. Job Security/ Job Satisfaction
6. Stress/ Work Pressure
7. Mobility within the organizations

## 8. Personal/Family Reason

### Objectives of the Study

The Study Aims to find out the reasons of attrition as mentioned below:

1. To know the impact of working environment as an issue of attrition, such as working social hours, overtime (paid).
2. To find out the reason for attrition due to the slow career growth issue of attrition.
3. To find out the reason of attrition such as mobility within the organization.
4. To see the impact of monetary consideration and scheme for professional and skill development training to increase the retention rate.

### Methodology

**Research Design:** The research design endorse for this study is explanatory as it observes analyses the measure taken addressed what is the employee attrition issue and retention in three-to-five-star hotels of Vadodara city. The illustration of feedback from stakeholders (i.e., hotels) has been given separately and then the conclusion given a try for being formed.

**Locale:** The area which has been covered in Vadodara a district of Gujarat state because as it is an industry hub, it attracts the tourist from across the world, and need to accommodate the tourist fulfilled by the hotels industry of Vadodara. Manpower or workforce is absorbing by the hotel industry of Vadodara. Though it is absorbing the manpower from the various places of India and nearby, it is facing the retention issue of employees for a longer period of time. To decrease the attrition rate and increase the retention rate, the human resource department should come up with some better policies. Without any financial increment the employee retention rate can be increased by motivation, support from the higher authority, good working condition, skill development programme or training etc. as per the survey in the hotel industry it found that factors that affecting the attritions are: Mobility within in organization, working hours, slow growth career, and most important monetary consideration.

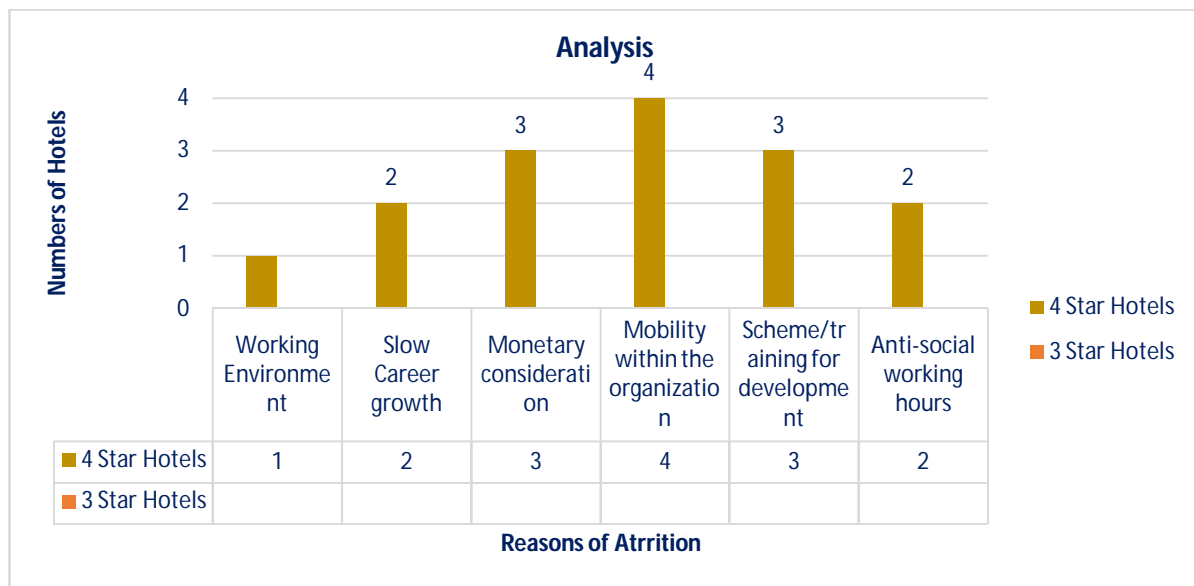
**Sampling Design:** The convenience sampling design was adopted to find out the employee attrition and retention rate in the hotel industry of Vadodara. Opted 4 four-starhotels, 4 three-star hotels, as they were easy to access. 08 numbers administrative level staff it means one from each hotel (staff working at the administrative level as Human Resource manager) for collecting the data on Employee attrition issue and retention rate in the hotel industry of Vadodara as they play a vital role in the attrition and retention, workforce or manpower for any hotel organization.

**Tools and Technique:** To find out the hotels industry initiative pertaining to employee attrition and retention, structured interview was conducted by taking appointments on a prior basis. The primary data regarding the same has been collected from the HR manager of the four-star and three-star hotels in Vadodara. For the HR's feedback the questionnaires made mentioning the

reason of attrition and retention was circulated to the HR manager of three-star and four-star hotel of Vadodara.

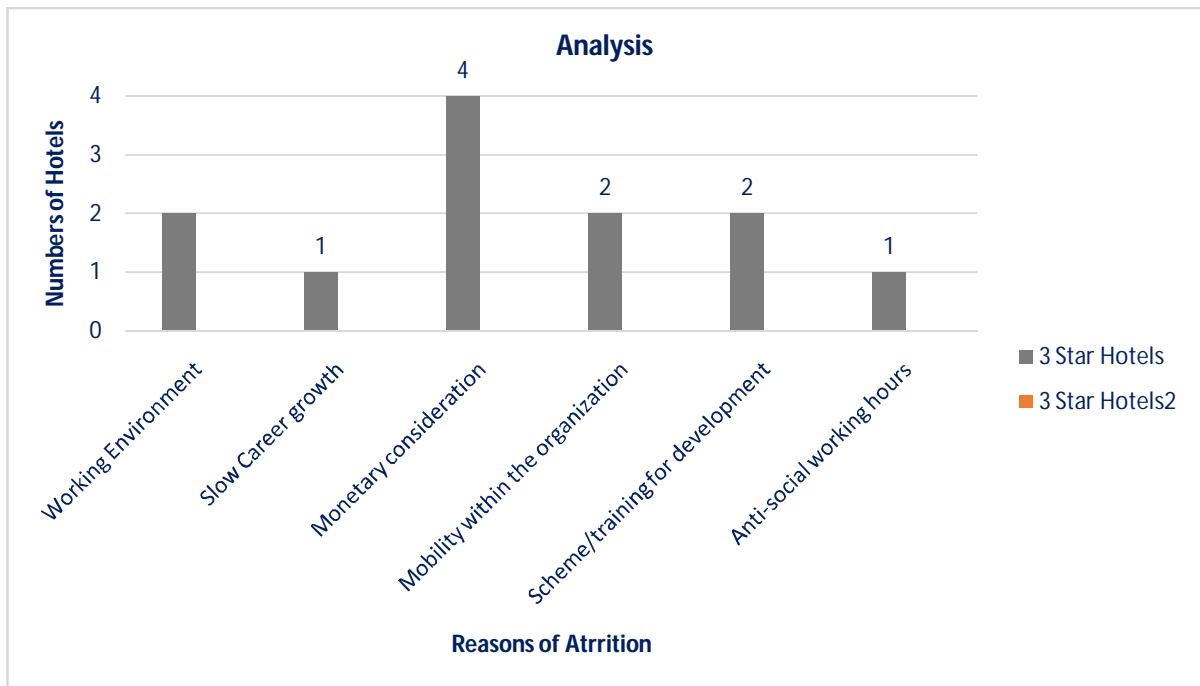
**Data and Statistical analysis:** Data from hotel sources have been taken and directly concluded. For evaluating and presenting the data the chart was used as it is showing the various reasons for the attrition of three-star and four-star hotels of Vadodara.

## Results and Discussion



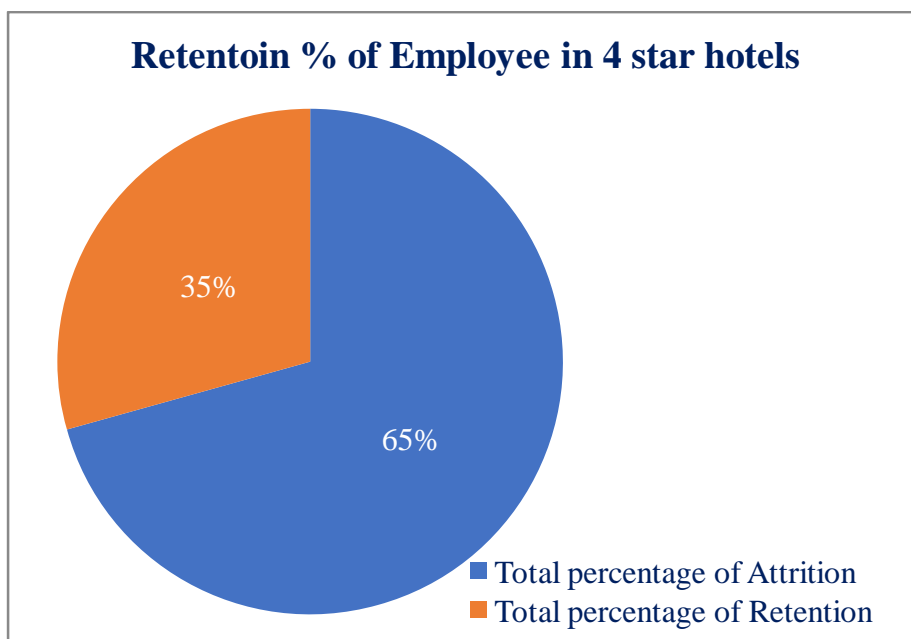
**Chart 1. Analysis on the reasons of attrition in 4 Star hotels**

The HR managers of three-star and four-star hotel of Vadodara are trying to decrease the attrition rate and increase the retention rate in the hotel industry of Vadodara. In a survey with the star category of hotel is found that there are various reasons of attrition into hotel industry such as slow career growth, mobility within the organizations, monetary consideration, schemes/ training of professional and skill development programme, anti-social working hours and personal and family reasons. Some of the HR is coming up with new policies to retain the staff and decrease the attrition rate into the hotels such as motivation, support of the superior, good working environment, job satisfaction, job security, arrangement of training for the professional and skill development. Because they know that manpower or workforce is an important asset, if they fail to retain talented employee then they have to spend more money to recruit a new face into the recruitment process. As its shown in the above chart of 4 Star hotel after a structured interview with HR manager of a 4 star hotels that sample have been collected and its found that only one in four hotels acknowledged work environment as a reason for Attrition, two hotels acknowledge slow career growth, three hotels acknowledged monetary consideration, four hotels acknowledged the mobility within the organization is the major issue, three hotels acknowledged that training and scheme for professional and skill development is the reason of the attrition, and finally two hotels acknowledge the anti-social working hours is the reason of attrition.



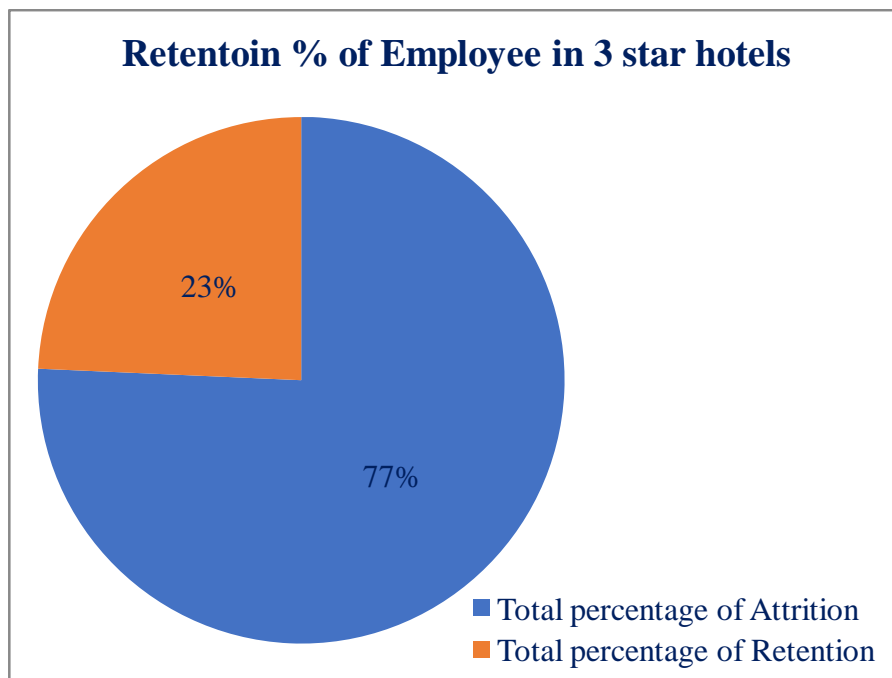
**Chart 2. Analysis on the reasons of attrition in 3 Star hotels**

As its shown in the above chart of 3 Star hotel after a structured interview with HR manager of a 3 star hotels that sample have been collected and its found that two in four hotels acknowledged work environment as a reason for Attrition, only one hotels acknowledge slow career growth, four hotels acknowledged monetary consideration is the major issue, two hotels acknowledged the mobility within the organization, two hotels acknowledged that training and scheme for professional and skill development is the reason of attrition, and finally one hotels acknowledge the anti-social working hours is the reason of attrition.



**Chart 3. Retention Rate % of Employee in 4 Star Hotels in Vadodara**

After taking samples from four-star hotels of Vadodara. It has been concluded that the HR manager from different four hotels they retain approximate 35 % employees on the basis of their previous experience with the industry, punctuality, talent, knowledge and skill. The HR manager also trying to solve the attrition issues/ reasons by talking to the employees and resolving their problems it was stated by two of the HR managers from total four hotels.



**Chart 4.Retention Rate % of Employee in 3 Star Hotels in Vadodara**

After taking samples from three-star hotels of Vadodara. It has been concluded that the HR manager from different four hotels, they retain approximate 23% employees only by increasing their salaries or by the promoting them to the upper next level, reason behind of attrition is better opportunity and monetary consideration as stated by the HR manager of a hotel industry in Vadodara.

## Conclusion

The principles objectives for the hotel industry to earn a profit, but to get maximum revenue they need to focus on the employee too. Because as I have mentioned earlier also the employee is an important asset for the hotel industry. After a survey of hotels of Vadodara, it seems due to deficiency of the monetary consideration, Slow career growth, salary issue either the employee quit their jobs or they switch to the other industry. It found that if attrition has to be decreased then the hotel industry and HR have to come up with the employee development programme to the employee. Apart from this time to time they need to check the work stress and pressure of the employee too. Employee need to motivated, supports from the co-workers, supervisor and management, opportunities of growth in the hotel industry. The talented and best employee should award for their appreciable work.



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