ATTRITION IN HOTEL INDUSTRY: A COMPARATIVE ANALYSIS OF CHAIN AND NON- CHAIN HOTELS IN UDAIPUR DISTRICT

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ABSTRACT

Hotel Industry in India has witnessed a tremendous boom in recent years. The Indian   Hotel Industry has an immense potential to satisfy both the business as well as the leisure travelers. The major challenge of hotel industry is to retain its employees as there is lack of willingness to work with the hotel industry. The requirement of the Hotel Management professionals is increasing due to the growing rate of hospitality. However the employee's attrition in the Hotel Industry is increasing yearly. The major challenge of Hotel Industry is to retain its employees as they do not want to work with Hotel industry. The Paper will incorporate suggestions useful to the hotel industry for retaining its high performers. Present study shows the various factors which are affecting high attrition in hotel industry.

Sources of data &Sampling:

The respondents shall be selected by random sampling method and will be covered in the field survey. Sample size of 300 respondents shall be taken. Questionnaires and interview schedules shall be developed to capture the opinion of different respondents from various departments of chain and Non-Chain hotels of Udaipur District.

Tools & Techniques of Research:

The Null Hypotheses will be tested by percentage, mean, standard deviation, Z –Test.

Key Words: Attrition, Staff Retention, Hotel Industry, work place.

1. Introduction

Hotel Industry in India has witnessed tremendous boom in recent years. The Indian   Hotel Industry has immense potential to satisfy both the business as well as the leisure travelers. Every year many employees join the Indian Hotel Industry but imbalance is observed

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between the demand and supply of staff according to the report of the Indian Hotel Industry which is growing at a rate of 50 percent annually. The requirement of the Hotel Management professionals is increasing due to the growing rate of hospitality. However the employee's attrition in the Hotel Industry is increasing yearly. The Hotel Industry staff attrition is very high due to the low pays scale and long working hours and small rewards. Due to which the hospitality staff is looking different career opportunities in other service sector areas. The major challenge of Hotel Industry is to retain its employees as they do not want to work with Hotel industry. Some level of attrition is healthy for all the companies as there exist employees who do not add value or who are not good fit for the company, such turn overs will catalyze the joining of the fresh new prospective and new energy. In contrast the companies may lose its talented employees at times. Talented and motivated employees expect more from companies and the job satisfactions criteria vary for this segment.

An employee is an asset to any organization he/she is working for. This is reinforced and further emphasized when it comes to the employees of the Hotel Industry.

Employees are the backbone of hotels. It is they who are responsible for the brand and the quality service hotel can offer. A hotel's service is directly proportional to its employee's proactive, spontaneity, hard work, positive attitude and the quality of giving right service at the right time.
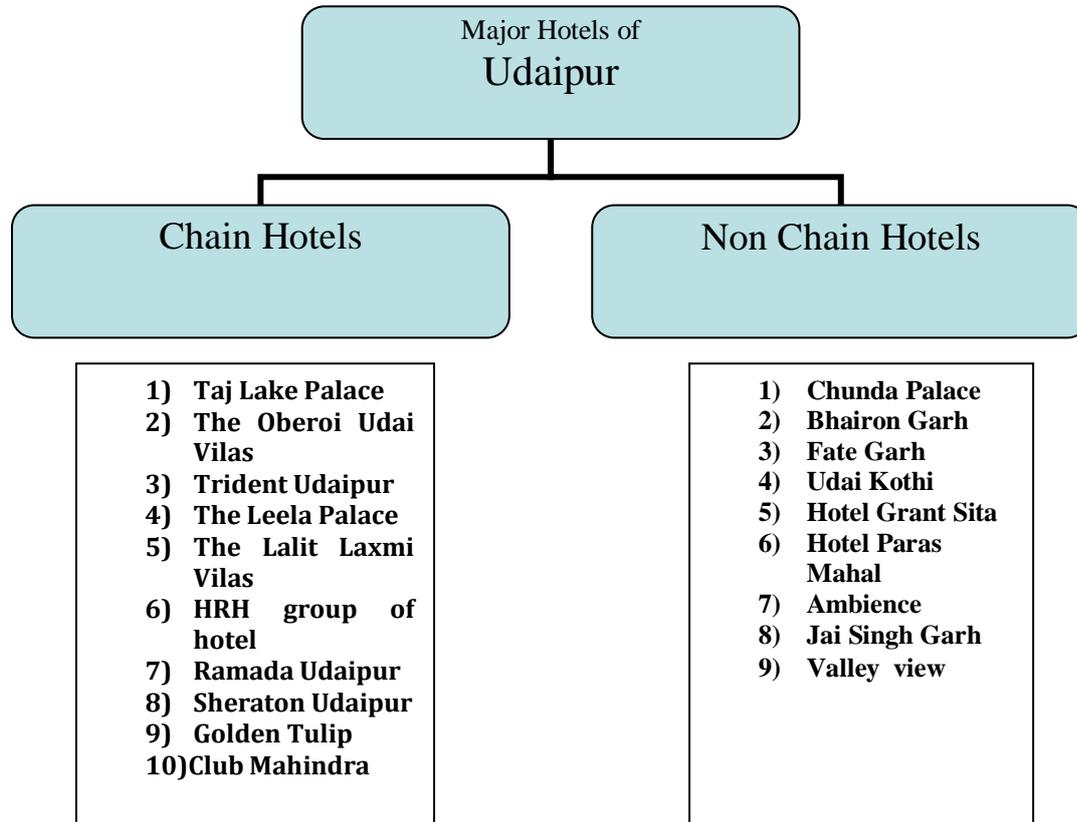
Hence, it becomes crucial to retain and motivate the hotel employee. Ironically the current trends reflect frequent job staff turnover, withdrawals and cases of depression.

On the other hand, majority of youth is also getting attracted to the glamour of the Hotel industry.

The work also intends to observe the inadequacies of the industry and then suggest recommendations to overcome the shortcoming and enhance the retaining ability and indicate suggestive measures or boost positive morale in them.

This research shows why the Hotel employee wants to leave the Hotel Industry and analyze and compare the factors impacting staff turnover rate in Chain hotels and Non- Chain hotels of Udaipur District. This research may assist the Human Resource Department of Hotel Industry to retain its employees. This research shows why the Hotel employee wants to leave the Hotel Industry and analyze and compare the factors impacting staff turnover rate in Chain hotels and Non- Chain hotels of Udaipur District. This research may assist the Human Resource Department of Hotel Industry to retain its employees.

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Major Hotels of Udaipur:

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                    ┌─────────────────────┐
                    │   Major Hotels of   │
                    │      Udaipur        │
                    └─────────────────────┘
                       │              │
          ┌────────────────┐    ┌────────────────┐
          │  Chain Hotels  │    │ Non Chain Hotels│
          └────────────────┘    └────────────────┘
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Chain Hotels	Non Chain Hotels
1) Taj Lake Palace	1) Chunda Palace
2) The Oberoi Udai Vilas	2) Bhairon Garh
3) Trident Udaipur	3) Fate Garh
4) The Leela Palace	4) Udai Kothi
5) The Lalit Laxmi Vilas	5) Hotel Grant Sita
6) HRH group of hotel	6) Hotel Paras Mahal
7) Ramada Udaipur	7) Ambience
8) Sheraton Udaipur	8) Jai Singh Garh
9) Golden Tulip	9) Valley view
10) Club Mahindra	

2. Review of literature:

Some important literature on the subject is reviewed in this section.

Khatri et al., (2001); Anderson, 2005; andMcCabe and Savery, 2007. High employee attrition rates have been recorded widely within the service industry and compound difficulties in establishing a sustainable competitive advantage.

Brooker, (2008); and Manpower, 2008 Attracting the right service professionals, training them and motivating them to stay long enough in a company to recoup recruitment and training costs is an escalating challenge for managers of service industry firms.

Glass, (2007) Employee attrition can be attributed to both push (Internal work environment within the organization) and pull (External conditions or driving forces) factors. Push factors involve employee intentions to switch jobs as a result of situational elements, and are usually

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related to job dissatisfaction. Pull factors, on the other hand, act as driving forces that attract an individual toward alternative work placements.

Armstrong et al., 2007, Dunne, 2007 work life balance has emerged as a factor in employee attrition. Long working hours, work overloads, limited leave and requirements for relocation all have the potential to interfere with employees" home and lifestyle priorities. The consequence of this interference could either be work-family conflict or a work-lifestyle imbalance that eventually contributes to voluntary turn-over.

Hora, (2005) The problems faced by managers who are not of particular areas origin underlines the fact that employees do not like to receive orders from „outsiders". Hence, the managers should know about the employee expectations and mindset. A clear career progression path should be laid out in front of the employees, so that they can look forward to growing with the company. Challenging assignments and adequate recognition for the efforts go a long way in making the employee feel wanted. The gap between HR and the employees needs to be bridged and the focus should shift from a command and control model to a trust to deliver approach. The need of the hour is to set up a functional model which would map the work environment and the employees' needs.

Gupta, (2004) The concept of gold collared workers talks about the employers" need to take care of the human assets, who in turn, bring in the revenues. The reasons for attrition may be many. However, these factors need to be identified for each employee. There cannot be a generic classification of factors affecting employee turnover. Generally speaking, however, the reasons identified by industry professionals may be distilled into areas, such as highly demanding, stressful employment exacerbated by nightshift work; lack of clearly defined career growth opportunities; mismatch of aptitudes and expectations between employer and employees; competitive pressure in the industry, resulting in heavy inter- firm „poaching"; and the desire to pursue higher education or alternative occupations.

O' Connell (2007) stated that many factor play an important role in employee turnover rate of any company and these can come from both the employer and the employees. Wages, company benefits, employee benefits, employee attendance, job performance, role ambiguity, workload, stress, leadership behaviors or opportunity for advancement are all factors that play

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a significant role in employee turnover. However turnover is a process not a event that is related to factors

Deery & Shaw, (1997) Lashley & Chaplain, (1999) said that High staff turnover in hotels is a major factor affecting workplace efficiency, productivity   and hotel cost structure

Woods (1995) states that frequently, managers refer to turnover as the entire process associated with filling a vacancy: Each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover**.**

Ufi lbrahim, Chief Executive of British Hospitality Association(BHA) said that "The key to reducing staff turnover is to motivate and reward-otherwise, staff will enter and exit through a revolving door. The only way to stop that door revolving is to ensure that staff are looked after-and that means training, rewarding, motivating, communicating with them and listening to them."

Druce (2007) concluded that High staff turnover effects the ability to deliver a consistent brand experience, harming business and the fact that not enough people see our growing industry as some were to build their careers.

Walker (2007) contrastingly states that staff turnover is not always a bad thing. He argues some mild turnover can be beneficial because it allows the business to bring in new blood, in other words, new people new ideas, enthusiasm and motivation which is beneficial for a company to increase productivity.

Hemdi and Nasrudeen (2006) in their global research state that the turnover rate in the hotel industry is estimated to rank from 60 percent to 300 percent annually, far higher than the 34.7 percent reported in the manufacturing industry. Most importantly they affirm that excessive employee turnover rate is detrimental to organizations. It is evident the it is related to direct and indirect cost, future more it effects moral, productivity reputation and survival of organization. That is to say, turnover, when it is high, often means that employee are unhappy with the work or compensation, it can also indicate unsafe unhealthy conditions, or that too employee give satisfactory performance (Due to unrealistic expectation poor candidate

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screening).By contrast, turnover when it is low, indicates that none of the above is true: employees are satisfied and their performance is satisfactory to the employer.

Chruden & Sherman, (1972). Mobley (1982) state that Turnover refers to the amount of movement of employees in and out of an organization, normally present in terms of the turnover rate they gave the meaning of employee turnover as the discontinuance of membership in an organization by the person who received monetary compensation from the organization.

3. Research Methodology

3.1 Objectives of the research:

- To compare the chain and non-chain hotels with respect to factors leading to high attrition rate
- To assess the level of organizational commitment of hotel employees.
- To determine most preferred dimension that leads to job satisfaction and reduces attrition in chain and non-chain hotels.
- To identify the turnover intention of hotel employees.

3.2 Hypothesis

The conclusions of the study shall be based on data collected from secondary sources besides a comprehensive field study. The hypotheses to be tested shall include the following:

Ho_1:- There is no significant difference in the work environment of chain & non chain hotels

Ho_2:-There is no significant difference in co- worker relationship of Chain & Non Chain hotels

Ho_3:- There is no significant difference in job satisfaction in Chain & Non- Chain hotels

Ho_4:-There is no significant difference in staff turnover intention in Chain & Non Chain hotel

Research Design	Descriptive
Data Collection Method	Random Sampling method
Data Sources	Primary & Secondary
Sample Area	Chain and Non-Chain Hotels of Udaipur

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Sample Size	300
Type Of Questionnaire	Structured
Research Instrument	Questionnaire
Statistical Tools Used	mean, percentage, standard deviation, "Z" Test
Scaling techniques	Likert's five point scale
Reliability Statistics	**Cronbach's Alpha:** 0.895, **Number of Items:** 33

4. Data Analysis and Interpretation

4.1 Opinion on work environment

Work Environment

Type of Hotel	N	Mean	SD	Z	Result
Chain	136	3.09	1.08	2.65	***
Non-Chain	164	2.73	1.28		

Table.1

Figure No. 1

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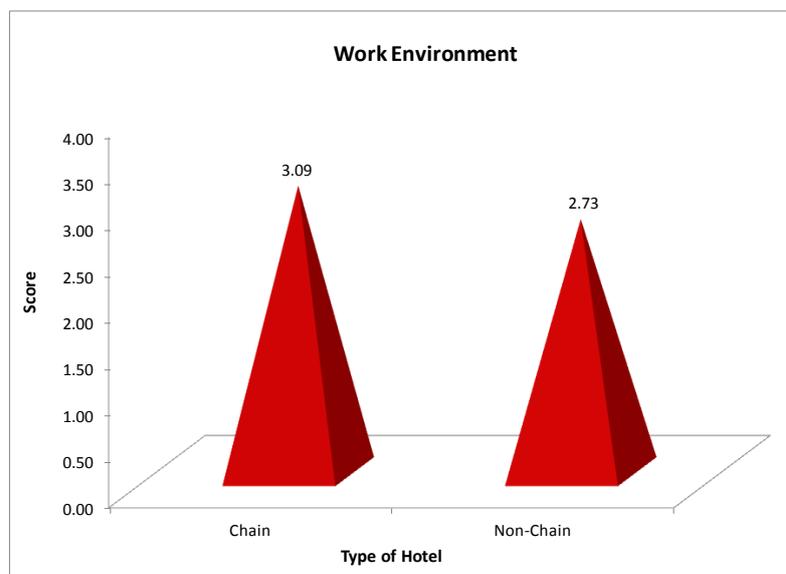Website: www.aarf.asia. Email: editoraarf@gmail.com , editor@aarf.asia
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In Figure 1 it is observed that employees of chain hotel agree that they have got good work environment with mean value as 3.09 however the employees of non chain hotel neither agree nor disagree with the mean value being 2.73

The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of non chain hotels.

4.2 Opinion on Co worker relationship

Co-Worker Relationship

Type of Hotel	N	Mean	SD	Z	Result
Chain	136	3.08	1.01	2.87	***
Non-Chain	164	2.74	1.04		

Table.2

Figure.No.2

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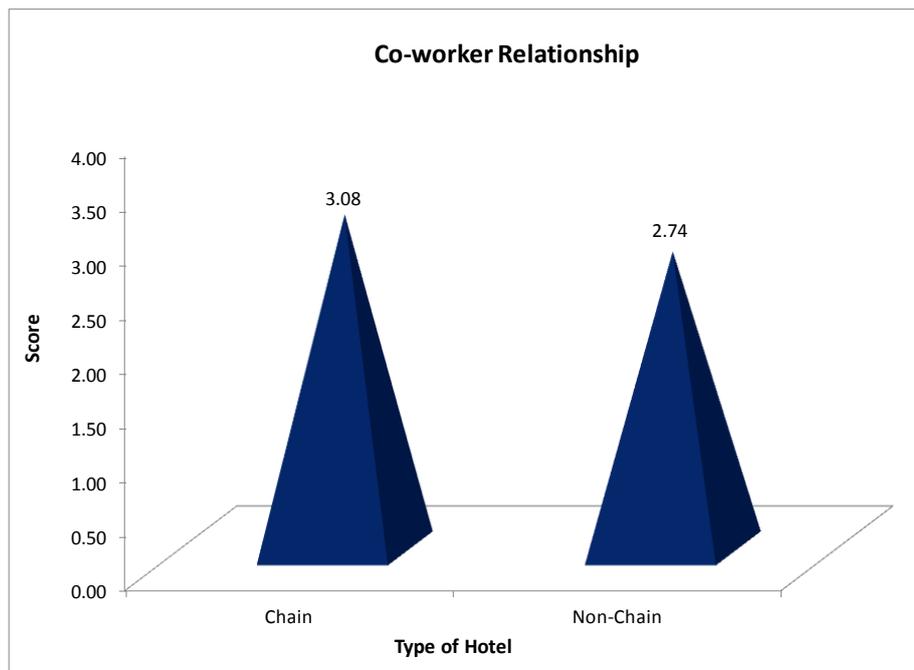Website: www.aarf.asia. Email: editoraarf@gmail.com , editor@aarf.asia

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In Figure 2 it is observed that employees of chain hotels agree that the co- workers are friendly with the mean value as 3.08 however the employees of non chain hotels neither agree nor disagree with co workers being friendly with the value as 2.74.

The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of non chain hotels.

4.3 Opinion of Job Satisfaction

Job Satisfaction

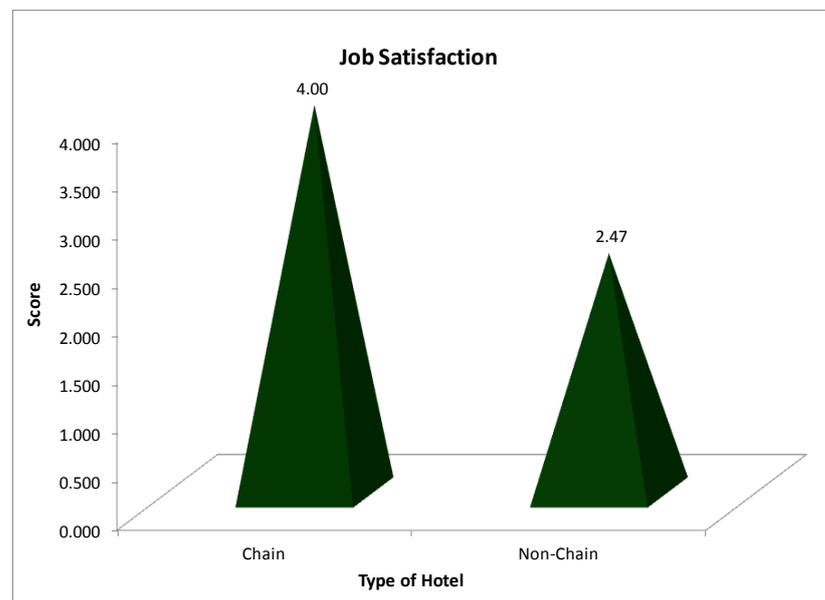| Type of Hotel	N	Mean	SD	Z	Result
Chain	136	4.00	0.47	23.15	***
Non-Chain	164	2.47	0.67		

Table.No.3

Figure.No.3

In Figure 3 it is observed that employees of chain hotels strongly agree with higher job satisfaction with the mean value as 4 however the employees of non chain hotels neither agree nor disagree with the value as 2.47.

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The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of non chain hotels.

4.4 Opinion on Turnover Intention

Turnover Intention

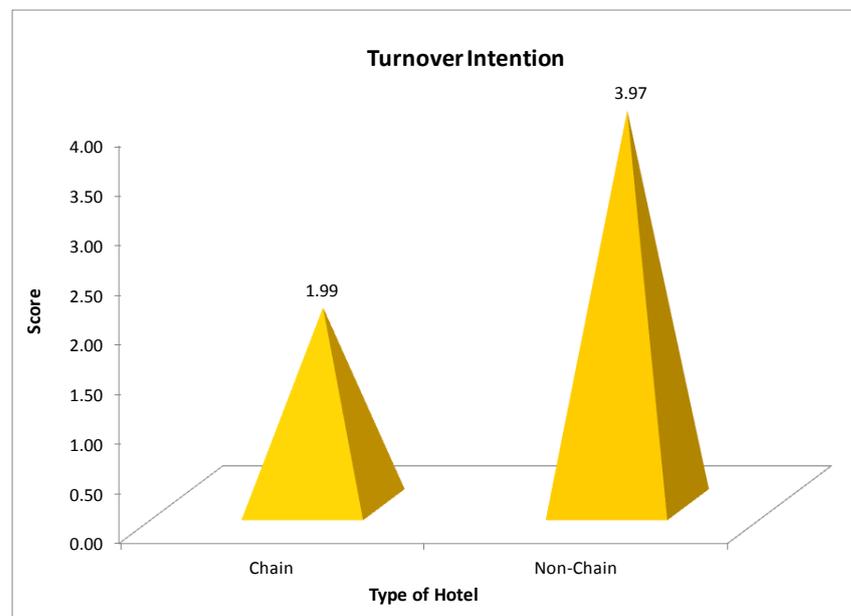| Type of Hotel	N	Mean	SD	Z	Result
Chain	136	1.99	0.45	-37.93	***
Non-Chain	164	3.97	0.45		

Table.No.4

Figure.No.4

In Figure 4 it is observed that employees of chain hotels have less intention of changing jobs with the mean value as 1.99 however the employees of non chain hotels have higher intention of changing jobs with the value as 3.97.

The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of non chain hotels.

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4.5 Organizational Commitment

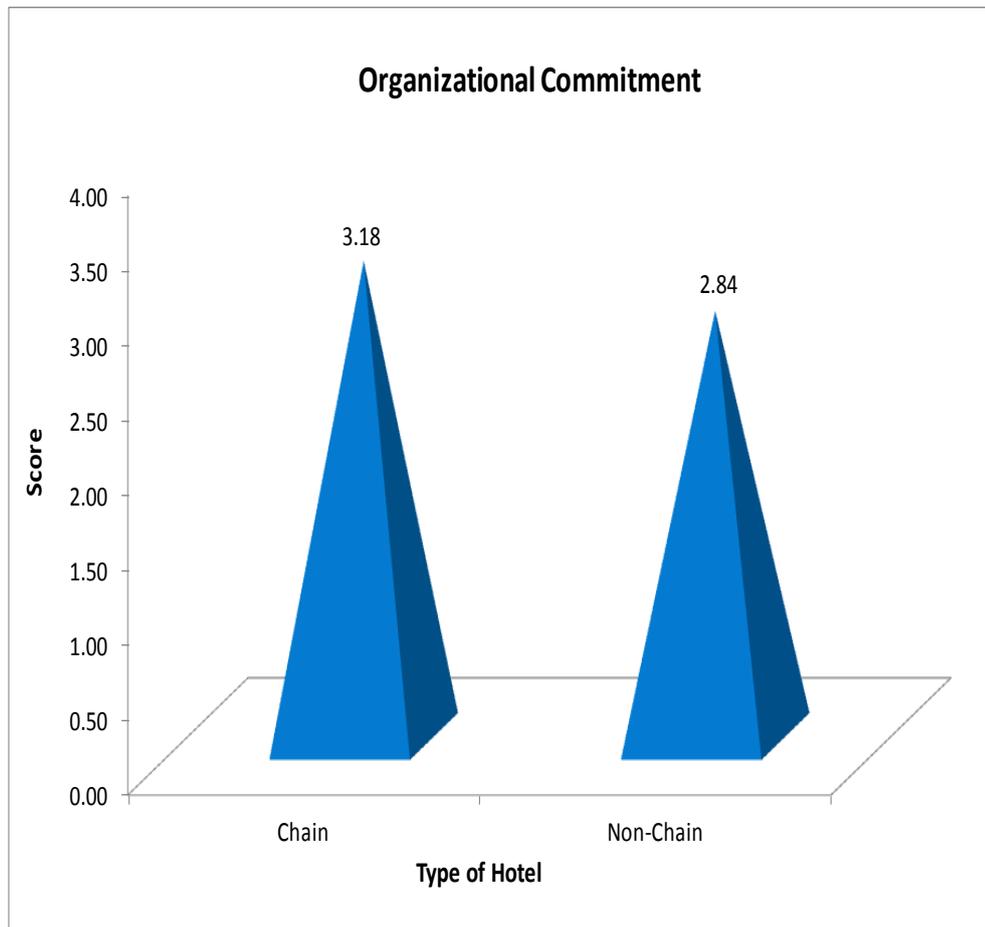| Type of Hotel	N	Mean	SD	Z	Result
Chain	136	3.18	0.63	4.08	***
Non-Chain	164	2.84	0.78		

Table.5

Figure.No.5

In Figure 5 it is observed that employees of chain hotels are having higher organizational commitment with the mean value as 3.18 however the employees of non chain hotels are neutral in response of having organizational commitment.

The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of non-chain hotels.

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4.6 Salary and Perks

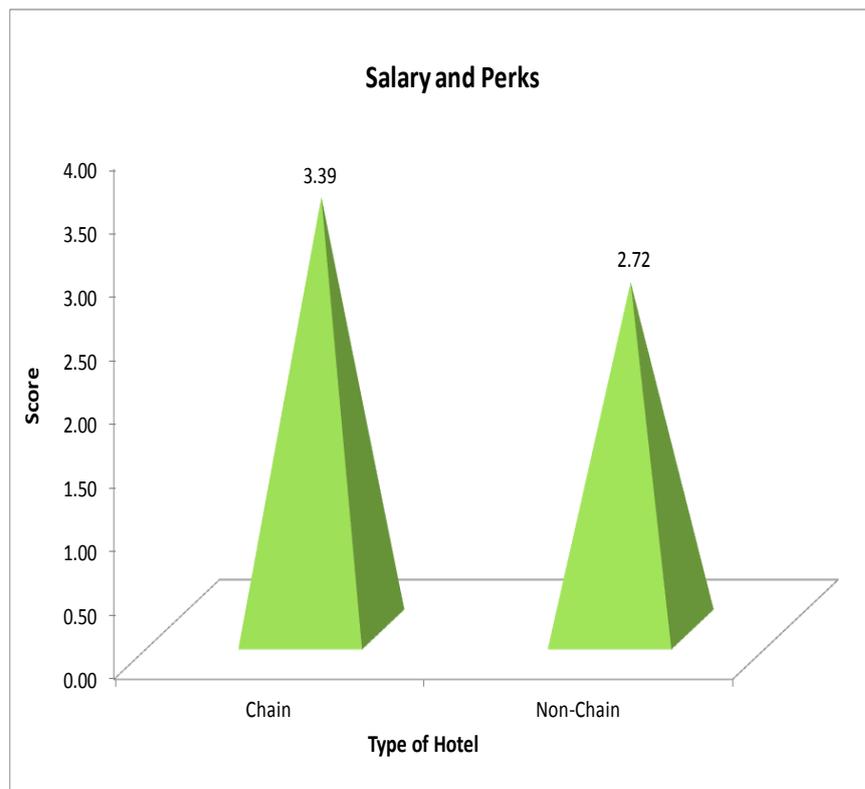| Type of Hotel	N	Mean	SD	Z	Result
Chain	136	3.39	0.77	6.47	***
Non-Chain	164	2.72	1.02		

Table.No.6

Figure.No.6

In Figure 6 it is observed that employees of chain hotels are majorly satisfied with the salary and perks with the mean value as 3.39 however the employees of non chain hotels are neutral with the value as 2.72.

The standard deviation results indicate that the employees of chain hotels are more homogenous in comparison to the employees of chain hotels.

5. Calculation of "Z" Test (Work environment)

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Calculated value	% of significance	Tabulated Value
2.65	1 %	2.58

Table.No.7

At 1% level of significance, the calculated value of 'Z'' test is 2.65 which is higher than the tabulated value 2.58 therefore the $H0_1$ is rejected. It means there is significant difference in work environment of chain and non chain hotels.

6. Calculation of "Z" Test (co-worker relationship)

Calculated value	% of significance	Tabulated Value
2.87	1 %	2.58

Table.No.8

At 1% level of significance, the calculated value of 'Z'' test is 2.87 which is higher than the tabulated value 2.58 therefore the $H0_2$ is rejected. It means there is significant difference in co worker relationship of chain and non chain hotels.

7. Calculation of "Z" Test (Job Satisfaction)

Calculated value	% of significance	Tabulated Value
23.15	. 01 %	3.29

Table No. 9

At .1% level of significance, the calculated value of 'Z'' test is 23.15 which is higher than the tabulated value 0.1 therefore the $H0_3$ is rejected. It means there is significant difference in job satisfaction in chain and non chain hotels.

8. Calculation of "Z" Test (Turnover intention)

Calculated value	% of significance	Tabulated Value
37.93	.01 %	3.29

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Table.10

At 1% level of significance, the calculated value of 'Z" test is 37.93 which is higher than the tabulated value 0.1 therefore the $H0_4$ is rejected. It means there is significant difference in staff turnover intention in chain and non chain hotels.

9. Suggestions:

➢ Employees who feel or take things as ownership of the organization are less likely to leave. The management can show appreciation when employees are doing good job. If department does good work, success can be rewarded jointly.

➢ Money is one of the common factors for turnover. Company should pay competitive if company is experiencing high turnover, throwing money at the problem will not make it go away (although it might hide the problem for a while). Debriefing of employees that quit and finding out the "why" behind their decision will contribute effectively. If one continues to allow the employees to leave without any efforts or actions to stop it, one effectively creates a culture that becomes the norm in your business.

➢ Motivate employees by giving awards and rewards for achievement. Achievements can be such as employees' good attendance, high work engagement. You can also offer some form of extra pay as a reward, or free company merchandise.

➢ Offer employees the option of cross-training. Though there are many employees who only want to know their own job, many get bored and like the challenge of learning new skills. Having employees who know more than just their own job benefits both you and them. If you lose an employee, you have others who can step in and take their place. If a job position gets phased out, the employee can move to a new area with the skills they have acquired! Though many employees may not take you up on your offer to cross-train them, some will.

➢ Exit interview is must while any employee is leaving his job it helps to know the cause of leaving a job. Possible factor may be a better job offer, pursuit for growth, poor colleague relationships, not satisfy with compensation, dislike for the nature of

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work, etc. knowing action to address, and taking action on them, will eventually lessen turnover rates in future.

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