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## STUDY ON EMPLOYEE ATTRITION OR TURNOVER

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### ABSTRACT:

Attrition or Turnover a term which hotel industry faces where the employees after years of work move out all of a sudden where the process becomes difficult for the industry. Attrition is an outcome of the employees leaving the organization. Thus in a situation when more and more employees are leaving the organization, the attrition rate is on a rise. To address this issue of attrition, it is primarily important to understand the root cause of the factors that affect attrition. Once these factors are identified and analyzed, the organizations can design policies to counter the impact of these factors resulting into reduced attrition.

This research traces the problems of employee's attrition or turnover and discusses the current trends used by the industry to retain the employees in the hotel industry.

**KEYWORDS:** Attrition, Retention.

### STATEMENT OF PROBLEM

#### Why Attrition?

Every organization requires hotel professionals with good attributes inculcated in them at the time of their professional education. This great demand has also resulted in a higher attrition rate, as there has been a lot of job shifts observed from one career to another for betterment and advancement. Most of the employees would want to work with the good brands for their continual up-gradation. There are a variety of challenges that contributes towards the dissatisfaction of an employee like inappropriate retention practices, improper pay package, insufficient workforce etc. (Freedman & Kosová, 2014).

Employees also leaves the organization taking Internal Turnover where the employees ask for a transfer within the organization or other organization of the same brand, this could be positive as the employees are staying in the same organization or can be negative as the employees want an internal transfer due to poor processes in the organization, exploitation, no job security, lack of team work and poor communication.



External Turnover where the employee leaves the existing organization and joins some other organization due to various reason like working conditions, better supervisor and need not be only for better packages.

Mentioned below are some of the major reasons why attrition or turnover takes place in an organization.

**Monitory Benefits**-Most of the employees leave for Monitory Benefits like providing

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“Better salaries and wages”  
 “Overtime Compensation”  
 “Festival Bonuses”  
 “Employee reward and Recognition”  
 “Insurance schemes”

Thereby not providing the necessary Monetary Benefits could impact on employee turnover.

**Fringe Benefits** like providing  
 “Accommodation & Transport Facility”  
 “Meals on duty”  
 “Medical facilities”

**Work Life Balance-** “Fixed number of working hours per day”, “Additional leaves / Holidays / Weekly offs”

**Training and Development-**Giving opportunities to attend training and personality development programs to enhance operational and soft skills. Flippo.B. Edwin; (2005)”

**Employment Conditions-** by practicing “in-house activities and fun at work”.  
 “Effective grievance handling mechanism”  
 “Exit Interviews”

**Low Job profile:**

The primary job of a hotel employee is to satisfy the demands of the guests and provide service like serving the guest, housekeeping cleaning of rooms etc. In doing so, at times the employee sacrifice his self-respect. and moreover, in the hotel industry employees are treated with disrespect by the guests thereby the employees lose their morale creating a complex in the minds of the employees.

**Long working hours:**

The hotel industry demands to work for long hours. The employees are expected to work for a minimum of 12 hours and may be extended to more on busy days without any additional monetary compensation. Moreover due to continuous customer contact and providing the required services the stress level of the employees increases and they show lack of interest and dissatisfaction.

**RESEARCH OBJECTIVES**

1. To study various factors influencing ATTRITION in the hotel industry.
2. To identify the practices pertaining to the attrition in the hotel industry.
3. To understand and analyze the practices pertaining on retention of employees.

**LITERATURE REVIEW**

**EFFECTS OF ATTRITION /TURNOVER:-**

**Negative Impact:-**

Employees leaving the organization due to some of the above mentioned reasons gives a negative impact to the organization leading to various losses to the organization on different aspects like:-

**1. Decline in Team Performance.** With employees leaving the team performance decreases and it becomes difficult for the management to replace with a new member and provide the necessary training to provide the same or better customer satisfaction.

**2. Managing Daily Tasks:** It becomes difficult for the team to manage the daily task with sudden leaving of an employee resulting in change of duty rota and planning of the daily duty or tasks.

**3. Cost of Hiring New employee:** Hiring of new employee increases cost where the organization has to go through the process of hiring, training and the increased pay of the new employee.

**4. Adopting to the Policies of the company:** Employees having the experience with the organization have an understanding of the policies and rules which may not be easily accepted by the new employee resulting in low performance, lack of loyalty and trust.

**5. Creates a Negative Brand Image:** With employees leaving an organization a negative image is created about the organization stating it may have poor policies, poor pay and lack of job security.

#### **POSITIVE IMPACT:-**

Like all Negatives there is also a Positive Side of employee's turnover leading to organizations benefits which is beneficial and is needed for the growth and development of the organization like:-

##### **1. Higher Labor Costs:**

With employees working for a longer period of time the pay package increases with time, however the performance and the task of the employees remains the same, leading the organization paying more for the same routine task, hiring of new employees could result in paying as per the pay scale.

##### **2. Employees Creating Negativity:-**

Employees working for a long time start creating negativity in the workplace and against the policies of the organization resulting in poor work culture and impacting the other employees performance.

##### **3. Generating New Concepts:**

New concepts or ideas are always brought in by new employees who want to prove to the organization rather than the existing employees who are working for a longer time and are in their own comfort zone not willing to change thereby making the organizations growth to decrease.

##### **4. Decrease in Performance:-**

Employees who have been working for long time tend to show lack of interest and performance decreases as they are doing the daily tasks on a routine and tend to neglect or skip some of the tasks assigned to them. Even the thinking capacity reduces leading to lack of interest at the workplace.

##### **5. Creating a Negative Image:**

Employees working for a long time after leaving tend to create a negative image of the organization after leaving creating a bad reputation for the organization.

#### **FINDINGS ON HOW TO PREVENT ATTRITION/TURNOVER**

Employees working for a long period of time become loyal as the organization have better policies, good working conditions and job security. This also results in guest satisfaction as happy employee's results in good guest satisfaction. As rightly said treat the employee's right and in turn the employees will treat the guest right giving good guest satisfaction as well as employee satisfaction.

A satisfied employee results in good rapport with the guest where the employee knows the guest preferences making the guest feel comfortable which in turn the guest will always recommend or suggest the organization to others giving free marketing of the organization by word of mouth.

Source: <http://www.allfoodbusiness.com/how-to-reduce-turnover.htm>

#### **SUGGESTED ARE SOME POINTS TO MAINTAIN LOW RETENTION:**

**1. Getting Involved:-** Keep our employees informed of the progress and developments of the organization, involve the employees in certain decision making and process to amend .

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**2. Appreciate Employees in front of the team:** It is always better to appreciate an employee's performance in front of the team which would boost his morale and also the other team members performance will increase a small gesture like handshake, pat on the back and an occasional raise in the salary to a deserving employee will send out a message to other employees that dedicated and passionate workers will be rewarded.

**3. Ownership:** Give the employees empowerment to take decisions and let them take the ownership making them feel they are part of the management which will motivate the employees giving them better job satisfaction and resulting in better performance at work.

**4. Building a Rapport with Employees:** Build a trust with the employees and create a good work culture like celebrating the employees birthday, organize get together and reward outstanding employees.

**5. Have a Goal Oriented Work Place:** Employees coming to work need to have a sense of pride and should be ready to take up the challenges and work as a team to achieve the goal of the organization. Employees spend 8-10 hours daily at the workplace and are working with the teammates which should work united towards the goal or the vision of the organization thereby making the organization more focused and a desire to work place.

## CONCLUSION

Attrition is a key challenge of the hotel industry and the hotels are working in their HR policies so that employees are retained with the organization like how the hotels are working towards guest satisfaction and retention of guests in the hotels. Hotels should not only focus on retaining those employees having position but should also have policy and better working conditions for all and have prospects for their further growth.

To attain guest satisfaction and guest retention the hotel should work towards getting employee satisfaction who in turn will give good service to the guest and help in brand image building of the hotel.

## RESEARCH METHODOLOGY

**Type of Research:** A study on the various existing practices on Employee Retention was done through different sources.

## SIGNIFICANCE OF THE STUDY

Every hotel wants to attract and retain their best talented employees in the current situation. There should be a performance management programs because it is a skill based service industry .Which would include transparent appraisals, fair and just performance evaluation, grievances handling and job security. Managers and stakeholders may find this study helpful to understand effective talent retention strategies.

**1. By observation:** The data collection was done by conducting visits to sample hotels. This was a primary technique for collection of data on non verbal behavior observation to understand dynamic behavioral process.

**Secondary data** – was collected from published / unpublished literature on employee talent retention management system in the hotel industry, latest references available from the journals, newspapers, research publications and magazines, past records and training reports of the hotel, and other relevant sources like websites.

## OBSERVATIONS AND DISCUSSIONS

The observation was most of the hotels are taking efforts to retain their employees. Most of the hotels have implemented their own methods to retain employees. Some observations are discussed below:

1. The hotels are now offering better pay package to the deserving employees along with other benefits like bonus or service charge etc and better understanding of the policies of the hotel to retain the employees.

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2. The hotels have also started doing performance appraisals often employees for the career growth and also providing training and development programs to enhance their operational skills as well as their soft skills.

3. The hotels are also offering fringe benefits for the betterment of the staff by providing accommodation, meals and transport facility, in house activities to generate fun at work and create an employee friendly work culture in the organization.

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4. The hotels are allowing their employees to work for fixed number of hours per day and also letting them avail additional leaves and day offs.

5. The hotels are collecting feedback from the employees of their immediate supervisors and the management, evaluating them and taking active steps in improving the negative or poor comments and is also practicing an effective grievance handling system which creates a feeling of safety and security amongst the staff members.

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