

Study on Employee Attrition at Selected Barbeque Outlets in Chennai

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Abstract:

Hotel industry ever face the problem of employee attrition because a success of this industry is mainly depends on employees. This industry demand high skilled manpower which expect high remuneration in turn. But to retain these skilled labor there is a need of strong HR policies and practices. But many organization fail in this aspect. The main objective of this study is to identify the key factors responsible for attrition and to develop employee retention strategy to solve attrition problem. With 50 respondents as sample size, the data were collected through the research instruments, questionnaire and the collected data were edited, tabulated and analyzed with the statistical tool ANOVA. The major finding shows that majority of the respondents felt their job as not challenging and creative and felt job as stressful and their skills are effectively utilized. The researcher recommending for unbiased reward system and transparency in this outlets.

Keywords —Retention strategy, Training and development Techniques, unbiased reward system, data, respondents

I. INTRODUCTION

Attrition, in Human Resource terminology, refers to the phenomenon of the employees leaving the company. Attrition in a company is usually measured with a metric called attrition rate, which simply measures the no of employees moving out of the company (voluntary resigning or laid off by the company). Attrition Rate is also referred as churn rate or turnover.

Attrition Rate Formula

Attrition rate refers to the rate at which employees are leaving an organization. Attrition rate can be calculated as:

$$\text{Attrition Rate (\%)} = \left(\frac{\text{Number of separations}}{\text{Number of employees}} \right) * 100$$

Attrition rate gives an idea as to how many employees are leaving the company at any given time period. It is an important factor as companies have to prepare to start recruiting for the positions which are critical and cannot be left vacant.



A. EMPLOYEE ATTRITION:

Employee attrition and candidates absconding are significant business concerns in today's knowledge-driven marketplace, where employees are the most important human capital assets.

The World Future Society predicted that the greatest test of durability for companies in the next five years would be the ability to attract and retain top performers. For example- in some industries there is a phenomenon of 'merry-go-round employees where employees jump ship within the industry and companies are recycling employees. In the finance industry, it is a common phenomena for the top-level employees to 'job-hop'. In simple terms, attrition refers to phenomenon wherein, an employee leaves the organization.

B. REASON FOR ATTRITION:

Attrition is encouraged within the organization if it is a part of a strategic business maneuver to reduce cost. It is also counted when an employee voluntarily leave their jobs. Employees can leave their jobs due to numerous reasons, such as; Employee may move, retire to take another job, No suitable for the positions they were hired to, Work – life balance issues, Lack of the freedom or autonomy required to perform at expected levels.

Some other reasons are, rude behavior, Work-life imbalance, the job did not meet expectations, employee misalignment, feeling undervalued, coaching and feedback are lacking, decision-making ability is lacking, people skills are inadequate, organizational instability, raises and promotions froze, faith and confidence shaken., growth opportunities not available.

The Barbeque outlets generally made for family dining out. Here during dinner period, number of customer will be more that other timings. So there is a need of skilled manpower, who serve

efficiently with in this stipulated time. Due to high level of stress, many in this field would like to shift to other normal food outlets. Hence, there is a need of understanding about the reason for employee leaving the organization.

II. REVIEW OF LITERATURE

Michael T MacHatton, et al., (1997) in his study entitled "selection and retention of managers in the us restaurant sector" indicates that reference check, structured and unstructured interviews are the most frequents-used and effective selection procedures. Chain restaurants used structured interview., credit checks and police check than independent restaurants. Annual managerial turnover is 18.6 per cent.-(follow the same pattern for all)

Jichul Jang, B.S. (Aug-2008) in his study entitled " the impact of career motivation and polychronicity on job satisfaction and turnover intention among hotel industry employees" examine the impact of individual differences focusing on career motivation and Polychronicity on job satisfaction and its influences on employee turnover in hotel industry. This study conduct a survey on career motivation, Polychronicity, job satisfaction and turnover intention among 609 non- supervised employees working in two Dallas hotel. Career motivation is related to job satisfaction which is useful to reduce turnover in hotel industry

Ms.VijitChaturvedi-(2010) in her study entitled " a study on factors affecting job satisfaction of employees in hotel industry: a study with reference to few categorized hotels NCR" examine the job satisfaction factors like compensation structure, training and development, supervision, communication, nature of work, affective commitment for employees in hotel industry in Delhi National Capital Region. 150 sample size was determined. By using scaling method questionnaire has been framed, employee

attitude used to collect primary data, more statistical method used to analyse the variables. This study shows that there is a significant difference between all the factors. The employee were found to satisfied with channel of communication.

Jessica Sze-Yin Ho, et al., (2010) in her study entitled “ employee attrition in the malaysian service industry: push and pull factor”By use of this push and pull factor young workers shift their job more, push factors is like (interference with work-family-lifestyle balance, poor relations with co-workers, work stressors, unsatisfactory supervisory relationships) and pull factors are (offers of better compensations, more interesting work, promotion opportunities, desire to return for academic studies). This study given an idea and strategy of attracting people and how to retain them.

Neeraj Pandey, et al., (2011) in his study entitled “ factors influencing employee attrition in indanITeS call centers”was conducted among information technology enabled services call centres even though the industries providing attractive salaries, social security benefits, pick-up and drop facilities and swanky office spaces, the ITeS call centre employees are leaving the organization. This study examine that the organization need to reviewing human resource policies of call centre in light of employee policies implemented in other industry like career planning, appraisal system, salary and timings to the ITeS call centre employees.

Prince Audgustin, et al., (2012) in his study entitled “ a diagnostics study of employee attrition in an indian automotive company”conducted among the exited employee of automotive industry past five years. This study shows that being an successful organization in future it should adopt organizational behavior and human resource department systems to the realities of the contemporary work environment . And also they

should adopt the employee engagement, motivating people & and their innovative practices t and training and development techniques.

J. Vijayakumar (2012) in his study entitled “ the retention strategies of employees of it industries”Retention of information technology employee in service industry is very difficult in present situation. The human resource department are major reason for retain them to contributing a lot to the business through implement different strategies to this these employees to play a key role in designing the policies, practices and strategies. This study examine that employee retention in IT sector in Bangalore which can help the organization to retain their talented employees and give job satisfaction to their employees through HR strategies, and this study analyse the correlation between job satisfaction and employee retention.

B. RAVIKUMAR, et al., (April- June 2013) in his study entitled “ a study on occupational stress in hotel industry”analyse the occupational stress level among the employees in hotel industry, and to identify their organizational responsibility, their perception about stress and how they reducing their stress by using some strategy. Different factors are used to find the level of stress such as interpersonal relationship, working environment, relationship between workload and stress. By using of stratified random sampling method 110 employee has been selected. This study indicates that long working hours, less manpower and low wages are the major reason behind stress in hospitality industry. By use of manova and anova test collected sample has been analysed. The manova test indicate that there is no significant different between two variables.

Mr. KhagendraNathGangai(May - June 2013) in his study entitled “ attrition at work place: how and why in hotel industry”indicates the attrition rate in hospitality industry. Descriptive and survey method are used for

this study, primary and secondary data were collected from the country inn & Suites hotel and resorts, Sahibabad. A data collected by a Chamber industry said that attrition rate in hospitality industry in india was double to nearly 50 percentage in 2010, but the alarming rate is 10 percentage per annum. 7.1 percentage is the attrition rate of country inn & Suites hotel and resorts, Sahibabad were 5 considered as average and 2-3 considered as good. 30 sample collected to the 202 employees. This study indicates that due to lack in salary, compensation, better opportunities and departmental issues were the major reasons behind the problem of attrition in the company.

Shashikala S (June-2013) in her study entitled “ a study on causes & control techniques for attrition rate in indian industry” Now a days IT, Telecom, and various other sectors are facing high level of attrition, high attrition rate is increase the cost of the organization and also affects the productivity and other costs on the employees. Attrition rate will be high in the industry like BPO, paramedical, aeronautics etc, because the employees work is mostly dependent on knowledge. Offering a below market wages also reason for attrition.

Dr. Shivani Mishra, et al.,(July – September 2013) in her study entitled” review of literature on factors influencing attrition and retention” focusing on employee engagement activity and through, human resource practices and other like employee characteristic and environmental factors, which may have a positive or negative impact on employees’ intention to stay with an organization.

Milind A. Peshave, et al., (September-2013) in his study entitled “ a study of factors influencing increasing attrition rate in hotels of pune, its impact on the organization and measures undertaken by the hotels to curb the attrition rate” The Pune Hospitality sector differences from other

industry and increase their market share by providing “Service par Excellence” to their guests. The author differentiate that hospitality industry is intangible product ie. (service), but the other industry are tangible industry like producing product so the service provided by a human is better than service provided by machine. The survey conducted through questionnaire and interview among employees in pune hotel industry to study about the increasing of attrition rate in hotel industry. Tools used graphical method and chi square test. The study analyse the reason for attrition is long working hours and low salary are the major factor for attrition.

Bidisha Lahkar Das, et al.,(Nov- Dec 2013) in her study entitled “ employee retention: a review of literature” Human Resource are the vital and dynamic resources of any organization. Now a days there is many competition for skilled employee and also retain them. And satisfying the employee is the biggest challenge for an organization, this study review the factors affecting employee retention and job satisfaction.

Vibha Gupta(December-2013) in his study entitled “ an analysis of attrition: retention strategy for IT/BPO industry” This study is focused on challenges that IT/BPO industry faces on recruitment and retention and find the way to control turnover in the first year employee in the leading Domestic Call Center based in Indore. According human resources department for permanent agents and executive turn over were 15.6% in 2009 and 35% in 2012 . For temporary employee turnover was 77% in 2012.

Shweta Upamanyu(Nov-Dec, 2014) in her study entitled “ managing attrition through HR system in hotel industry” This study indicates that attrition in hotel industry due to their poor and improper HR policies and benefits offered to their employee. Focus on the HR policies may reduce attrition rate. Human resource policies and system and decision, established by an organization, to

support administrative personnel functions, performance management, employee relations and resource planning. This policies can help to organization demonstrate both internally and externally.

III. RESEARCH METHODOLOGY

The main objective of this study is to identify the key factors responsible for attrition. Primary and secondary data collection used for this study and data's collected through questionnaire. Sample size of this study was 50. And ANOVA test used to analyse the variables.

1. RESEARCH DESIGN

'Research Design' mean the exact nature of research work in a systematic manner. It involves the information about the research work in view of the framework of the study, liability of various data, observations, analysis, samplings etc., this research is descriptive research design by nature.

Descriptive studies try to discover answer to the questions who, what, where, when and sometimes how the researcher attempts to describe or define a subject, often by creating profile of a group of problems. People or events such studies may involve the collection of data and the creation of distribution of the number of times the researcher observes a single event or characteristics or they may involve relating the interaction of two or more variables.

IV. TEST ANALYSIS-ANOVA

4.1 Age and employee opinion about skills are effectively used

Hypothesis:

H0- There is no significant difference between the age and employee opinion about skills are effectively used

H1- There is a significant difference between age and employee opinion about skills are effectively used

ANOVA

Table no 4.1-Table showing Anova between age and employee opinion about skills are effectively used.

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 1.078 | 1 | 1.078 | 6.594 | .013 |
| Within Groups | 7.844 | 48 | .163 | | |
| Total | 8.921 | 49 | | | |

INFERENCES

From the above table, it has been found the significant value is lesser than 0.05, so we accept null hypothesis. Therefore there is no significant difference between age and employee opinion about skills are effectively used .

Here $0.013 < 0.05$. so H1 is rejected.

4.2 Gender and Employee opinion about skills are effectively used

Hypothesis:

H0- There is no significant difference between gender and Employee opinion about skills are effectively used

H1- There is a significant difference between gender and Employee opinion about skills are effectively used.

ANOVA

Table no 4.2-Table showing anova between gender and Employee opinion about skills are effectively used

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | .116 | 1 | .116 | .634 | .430 |
| Within Groups | 8.805 | 48 | .183 | | |
| Total | 8.921 | 49 | | | |

INFERENCES

From the above table, it has been found the significant value is greater than 0.05, so we reject null hypothesis. Therefore there is significant difference between gender and Employee opinion about skills are effectively used

Here $0.430 > 0.05$. so H1 is accepted

4.3 Educational Qualification and Employee opinion about skills are effectively used

Hypothesis:

H0- There is no significant difference between educational qualification and Employee opinion about skills are effectively used

H1- There is a significant difference between educational qualification and Employee opinion about skills are effectively used

ANOVA

Table no -4.3 Table showing anova between education qualification and Employee opinion about skills are effectively used

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|------|------|
| Between Groups | .213 | 4 | .053 | .275 | .892 |
| Within Groups | 8.708 | 45 | .194 | | |
| Total | 8.921 | 49 | | | |

INFERENCES :

From the above table, it has been found the significant value is greater than 0.05, so we reject null hypothesis. Therefore there is significant difference between educational qualification and Employee opinion about skills are effectively used.

Here $0.892 > 0.05$. so H1 is accepted.

4.4 Designation and Employee opinion about skills are effectively used

Hypothesis:

H0- There is no significant difference between designation and Employee opinion about skills are effectively used

H1- There is a significant difference between designation and Employee opinion about skills are effectively used.

ANOVA

Table no 4.4 Table showing anova between designation and Employee opinion about skills are effectively used

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|--------|------|
| Between Groups | 4.428 | 4 | 1.107 | 11.088 | .000 |
| Within Groups | 4.493 | 45 | .100 | | |
| Total | 8.921 | 49 | | | |

INFERENCES:

From the above table, it has been found the significant value is lesser than 0.05, So we accept null hypothesis. Therefore there is significant different between designation and Employee opinion about skills are effectively used

Here $0.000 < 0.05$. so H1 is rejected.

4.5 Experience and Employee opinion about skills are effectively used Hypothesis:

H0- There is no significant difference between experience and Employee opinion about skills are effectively used

H1- There is a significant difference between experience and Employee opinion about skills are effectively used.

ANOVA

Table no 4.5 Table showing anova between experience and Employee opinion about skills are effectively used

Employee opinion about skills are effectively used

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | 1.157 | 2 | .579 | 3.503 | .038 |
| Within Groups | 7.764 | 47 | .165 | | |
| Total | 8.921 | 49 | | | |

INFERENCES:

From the above table, it has been found the significant value is lesser than 0.05, So we accept null hypothesis. Therefore there is significant different between designation and Employee opinion about skills are effectively used

Here $0.038 < 0.05$. so H1 is rejected.

4.6 Experience at this hotel and Employee opinion about skills are effectively used Hypothesis:

H0- There is no significant difference between experience at this hotel and Employee opinion about skills are effectively used

H1- There is a significant difference between experience at this hotel and Employee opinion about skills are effectively used

ANOVA

Table no 4.6 Table showing anova between experience at this hotel and Employee opinion about skills are effectively used

Employee opinion about skills are effectively used

| | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|----|-------------|-------|------|
| Between Groups | .785 | 3 | .262 | 1.480 | .232 |
| Within Groups | 8.136 | 46 | .177 | | |
| Total | 8.921 | 49 | | | |

INFERENCES:

From the above table, it has been found the significant value is greater than 0.05, So we reject null hypothesis. Therefore there is significant different between experience at this hotel and Employee opinion about skills are effectively used

Here $0.232 < 0.05$. so H1 is accepted.ely used

V. FINDINGS:

- a. 70% of the respondents are fall under the age group of 18-25.
- b. Majority 44% of the respondents are with educational qualification of 8th -10th
- c. Majority 36% of the respondents are service staff level of designation
- d. Respondents with the experience of 0-3 years are the highest participants in our survey with percentage of 44.
- e. Majority 52% respondents have their 6-12 month experience at this hotel.

- f. 36% of the respondents are strongly agree with this statement of stressful compared to the job in other industry
- g. 36% of the respondents are felt that skills are effectively used in the organization
- h. 42% of the respondents are strongly agree that job orientation is effective in this organization
- i. 32% of the respondents are agree with the statement of I am fully satisfied with all the training techniques and tools conducted by this organization is existing in organization.
- j. Majority 34% of the respondents are agree that there should be personality and other overall development techniques is existing in organization
- k. Twenty six percentage (26%) of the respondents are strongly agree that management should revise the training and development techniques is existing in organization
- l. 30% of the respondents are strongly agree that many employees leave when they are offered jobs matching with their educational qualification.
- m. Health problem lead to high attrition rate strongly agree by 26% respondents.
- n. Non-transparent and unclear appraisal system are responsible for attrition is strongly agreed by 34% respondents.

VI. RECOMMENTATIONS&CONCLUSION

- i. Only 66% employee felt that their job is stressful compared to other industry which need to be addressed immediately by the organization.The physical and mental stress management strategy should be implemented immediately.
- ii. Only 62% of them are fully satisfied with training techniques and tools.As

- their organization demand high performance from their employee, effective training program need to be design and deliver to the employee and 26% of the employee feel that the training techniques need to be revised.
- iii. 34% of respondents felt that performance appraisal system are non-transparent and unclear. 26% of them are having superior subordinator problem but this need to address and a special development program can be organized for higher level employees at barbeque.

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