CHAPTER 4

PRIMARY FACTORS INFLUENCING ATTRITION

4.1 Factors influencing Attrition in Budget Hotels in Mumbai

Satisfaction of the client with the product or services is the key to the success for any kind of business. The satisfaction is the outcome of expectations of the customer and the actual experience. When the actual product or services excels the expectations of a customer, it leads to the satisfaction. When it comes to the customers of luxury hotels, they visit these hotels with certain amount of expectations of products as well as services. The level of satisfaction is directly related to the efficiency of the employee, occupancy level, revenue and profitability. But these three things are inversely related to the rate of attrition, means, more the satisfaction lesser the attrition. There is a correlation between the Job satisfaction among employees and the rate of attrition.

In the following paragraphs, we will try to understand the correlation between the job satisfaction and the rate of attrition in the hotel Industry. Though it sounds illogical and one may not find any direct link between the two but they are indirectly related to each other. Hotel Industry is predominantly a service industry and what all being sold under the roof of a hotel, 80% of that consists of the services. When one enters into a luxury hotel and places an order for a cup of tea, it usually costs around Rs. 300/- to Rs. 400/- plus taxes. The cost of tea is not even 10% of what is being charged. Hence, 80% to 90% of the billed amount is being charged by these Luxury Hotels for the ambience and the services.

Even if you go to a four star or a three star (Budget) Hotel, the ratio between the cost and the billed amount remains the same – if the billed amount is Rs. 150/- the cost is just Rs. 15/- because the overheads in these hotels are
lesser compared to five-star luxury hotels. Hence, if the hotel charges 80% to 90% for the services alone, there has to be value for the customer’s money. Means, the person who is rendering the service has to be courteous, presentable, a pleasant personality with good communication and other soft skills.

A satisfied customer may create 100 more customers and on the contrary, a dissatisfied customer will take away similar number of customer with his bad publicity about the hotel. But again there is a catch, as to make the customer fully satisfied, the hotel must have a dedicated and satisfied employees as well at its disposal, and to have satisfied employees, the employer will have to ensure him sufficient and timely salaries and a lot more non-monetary incentives as listed in the Table No. 4.1.

As can be seen from the Table 4.1, on the next page, when asked about the salary and compensation, out of 400 total respondents, 32 respondents felt that salaries and compensation in their hotel were very good or excellent. When the employees felt that salaries and compensation were very good or excellent, means they were quite satisfied with this particular aspect. Therefore the immediate outcome of this satisfaction was seen reflected upon the rate of attrition in these hotel which was pegged at just 23% which is way below the average rate of attrition i.e. 29.66% as shown in column-10 of the Table.

Similarly, 80 employees i.e. 20% of the respondents believed that the salaries and compensation paid in their hotels were average. The rate of employees attrition in these hotel was found to be little higher i.e. at 25%, but still below the average of 30%. But the startling facts came to the fore when a majority i.e. 288 employees (72%) of the total respondents felt that the salaries and compensation in their hotel was not up to the mark or were very poor. Here the rate of attrition was found to be whooping 41% which is around 11% higher than the average rate of 30% employee attrition in budget hotels in Mumbai.
<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>Response 1 &amp; 2 Excellent or Very Good</th>
<th>Attrition</th>
<th>Response 3 Average</th>
<th>Attrition</th>
<th>Response 4 &amp; 5 poor or very poor</th>
<th>Attrition</th>
<th>Average Attr. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Salaries and Compensations</td>
<td>3 4 5</td>
<td>6 7</td>
<td>8 9 10 11 12</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Avenues of Promotions &amp; Career growth</td>
<td>32 8% 23%</td>
<td>80 20%</td>
<td>25% 288 72% 41%</td>
<td>29.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Supervisors - Subordinate relationships</td>
<td>77 19% 24%</td>
<td>85 21%</td>
<td>28% 238 60% 37%</td>
<td>29.66</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Employees participation in Management</td>
<td>47 12% 25%</td>
<td>96 24%</td>
<td>27% 257 64% 39%</td>
<td>30.33</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Top Mgmt relations with the Employees</td>
<td>69 17% 24%</td>
<td>83 21%</td>
<td>29% 248 62% 38%</td>
<td>30.33</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When it comes to the Avenues of Promotions in their hotels, 59 respondents i.e. 15% felt that there were excellent avenues of promotions and career growth. In such hotels, the rate of attrition was just 22%. 111 respondents i.e. around 28% felt that the avenues of promotions were average and the rate of
attrition in these hotels was a little higher i.e. 27%. But the majority, 230 respondents believed that avenues of promotions in their hotel were poor or very poor. Here the rate of attrition was found at 40% which was around 10% above the average rate of 30%.

Supervisor-Subordinate relations also play an important role in determining the rate of attrition. As can be seen from the above table, 77 respondents i.e. around 19% believed that the Supervisor-Subordinate relations in their hotel were excellent. Here the rate of attrition was lower i.e. 24%. 85 respondents i.e. around 21% felt that such relations were average in their hotel. The rate of attrition in such hotel was a little higher i.e. 28% but still lower than the average rate of 30%. But when we see that a majority 238 of the total 400 respondents felt that the supervisor-subordinate relations in their hotels were poor or very poor, the rate of attrition has shot up to 37% which is around 7% higher than the average rate of attrition.

This correlation was judged on one more factor i.e. “Employees participation in Management Activities”. Out of 400 respondents, 47 respondents i.e. 12% felt that they take very much active part in such activities. Here the rate of attrition was lower i.e. 25%. Where the employees participation was on an average basis, the rate of attrition was 27%. But again, majority of the employees i.e. 64% felt that they are hardly allowed to participate in management activities, the rate of attrition was found to be 39% which was 9% higher than the industry average of 30%.

Top management’s cordial relations with their employees pay dividend to the hotel in the form of higher rate of occupancy and lower rate of attrition. Out of the total 400 respondents, 69 of them i.e. 17% felt that their top management takes initiatives to have personal interaction with their employees. Here the rate of attrition was found to be 24%. Where such interaction was average, the rate of attrition went up to 29%. But where there was no such interaction or initiative on the part of the top management, the rate of attrition shot up to 38% which is way above the average rate of attrition.
4.2 Graphical presentation of the Factors influencing Employees Attrition in Budget Hotels

As it is evident from the Figure 4.1 on the next page, wherever the Salaries & Compensation were good the rate of attrition was recorded at 23%. In the hotels where such compensation were average the rate of employee attrition was 25% but in cases where the salaries and compensation were not upto the mark and the employees were not satisfied with them, the rate of employee attrition went up to 41%. Similarly, the Avenues of Promotions in the hotel also played an important role in influencing the rate of attrition. In the hotel where the avenues of promotion were excellent and good, the rate of attrition was found to be as low as 22%. Where it was average the rate of attrition was a little higher i.e. 27% but where there were hardly any scope of promotion or even where the management’s policy were not clear, the rate of employees attrition was found to be at the highest at 40%.

Supervisor-Subordinate relationships also affected the rate of attrition. Where the these relations were very cordial, the rate of attrition was as low as 24%, where the relations between the supervisors and subordinate were neither very good nor very bed means okay, the rate of attrition was a little higher i.e. at 28%, but where these relations were not cordial, the rate of attrition was found to be very high at 37%.

Employees participation in Management activities also influences the rate of employee attrition in any organization. Wherever the employees are involved in the decision making process, the employees have a sense of belongingness with the organization do not easily quit it until and unless there is very strong reason of leaving the job. Hence, in the hotels where the employees are involved in decision making the rate of attrition was recorded at 25% against 27% where they were sometimes involved and sometimes not. But in the hotels where they are not at all involved in such decision makings, the rate of employee attrition was recorded at whooping 39%, which was way above the average of 30%.
Figure 4.1  Relation between Primary Factors and Attrition

Salaries & Compensation
- Excellent: 23%
- Average: 25%
- Poor: 28%
- Attrition = 41%

Avenues of Promotions
- Excellent: 22%
- Average: 27%
- Poor: 40%

Supervisor-Subordinate Relations
- Excellent: 24%
- Average: 28%
- Poor: 37%

Employees Participation in Management
- Excellent: 25%
- Average: 27%
- Poor: 39%

Top-Management Relations with Employees
- Excellent: 24%
- Average: 29%
- Poor: 38%
Finally, in the hotels where the Top-management relations with the employees are excellent, the rate of attrition in such hotel is between 23% to 25%. Wherever the below mentioned perks and relations were average, the rate of attrition was hovering between 25% to 29%. But in worst cases, where the Supervisor-subordinate relationship were not upto the mark, as highlighted in green in above Figure, the rate of attrition is ranging between 38% to 41% which is extraordinarily high when compared with the average rate of attrition in the industry i.e. 30%.

4.3 Relation between Customer Satisfaction and Attrition

In the previous paragraphs, we had discussed how the level of employee satisfaction affects the rate of employee attrition in the hotel industry. We will now discuss the relation between Customer Satisfaction and the rate of employee attrition in hotel industry, especially the budget hotels in Mumbai region. Though it looks a bit difficult to established a direct relationship between the customer satisfaction and the employee attrition but there is a very strong and indirect relation between the two and the previous studies as well as this study have revealed that customer satisfaction in any service industry indirectly and ultimately results into the lower rate of attrition. The Customer satisfaction brings in additional revenues and profits which can be utilized to retain the outgoing employees by offering them better packages. Let us now try to understand as to how it works.

To start with, a satisfied customer creates a chain of positive reactions within the organization. A new customer starts patronizing a particular hotel and he find the product and service to be good. He repeats the same hotel next time and finds that though the product remained the same but this time the services improved a lot. Most of the operational staff not only recognized him but also new about his preferences and he need not to repeat the instructions to have the things of his choice because the staff of all respective departments new his choice and preferences and made the arrangement accordingly. When he checks in for the third time, he finds further improvement in the product and services and gets convinced that this is the right place not only for himself bur for his prospective clients etc. By now he
has turned into a permanent and a repeat customer of the hotel and not only he himself repeats the hotel but also creates more and more such customers by his mouth publicity.

In fact, a regular customer becomes the unofficial brand ambassador of the hotel and influences his office colleagues, the friends and relatives as well to patronize this particular hotel. With the result, the occupancy level and revenues of the hotel goes up. The employer now has more monetary resources at his disposal to improve upon the quality of his product (Hotel Building & ambience etc) and the services by keeping his employees satisfied. The employer may also plan of expanding his business by way of opening up new hotels or upgrading the existing property to the next (5-star) level. All these factors, indirectly brings about a sense of stability in the mind of an employee and he does not easily think of quitting such a good and satisfying place of work

A work place where, there has not been any flaw in the past, the present is good and also guarantees of the bright future is always preferred by any employee. We will now discuss the components of Table 4.2 and will try to find out as to how the customer satisfaction in a roundabout manner and indirectly results into a satisfied employees and in turn the stability in his career and ultimately results into the lower rate of employee attrition, especially in the budget hotel in Mumbai region.

As can be seen from the item 1 of the above Table 4.2, the respondents asked about their satisfaction with the product i.e. Hotel’s Ambience, Lobby, Rooms and other Amenities. Out of 400 respondents, whereas 85 were fully satisfied, 63 of them had an average kind of satisfaction but the maximum 253 were not at all satisfied. Similarly, the customers were again asked about their satisfaction with the Restaurants, Banquets and F&B services in the hotel. Out of 400 respondents 108 were quite satisfied, 77 were somewhat satisfied but again, the majority of them i.e. 215 respondents were not satisfied by such services in the hotel.
<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>Nos. 1</th>
<th>Nos. 2</th>
<th>Nos. 3</th>
<th>Nos. 4</th>
<th>Nos. 5</th>
<th>Nos. 6</th>
<th>Nos. 7</th>
<th>Nos. 8</th>
<th>Nos. 9</th>
<th>Nos. 10</th>
<th>Nos. 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Customer Satisfaction with product i.e. hotel ambience Lobby, Rooms &amp; other Amenities</td>
<td>85</td>
<td>21%</td>
<td>23%</td>
<td>63</td>
<td>16%</td>
<td>28%</td>
<td>253</td>
<td>63%</td>
<td>41%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Customer Satisfied with Restaurants, Banquets &amp; F&amp;B services</td>
<td>108</td>
<td>27%</td>
<td>24%</td>
<td>77</td>
<td>19%</td>
<td>27%</td>
<td>215</td>
<td>53%</td>
<td>37%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Customers satisfaction with cleanliness/ Housekeeping</td>
<td>101</td>
<td>25%</td>
<td>23%</td>
<td>56</td>
<td>14%</td>
<td>26%</td>
<td>243</td>
<td>61%</td>
<td>43%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Customer Satisfaction with employees attitude and behavior</td>
<td>79</td>
<td>20%</td>
<td>22%</td>
<td>100</td>
<td>25%</td>
<td>24%</td>
<td>221</td>
<td>55%</td>
<td>38%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Top Management’s involvement to ensure customer satisfaction</td>
<td>84</td>
<td>22%</td>
<td>21%</td>
<td>89</td>
<td>22%</td>
<td>26%</td>
<td>227</td>
<td>57%</td>
<td>39%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Customer’s Overall Satisfaction</td>
<td>88</td>
<td>22%</td>
<td>24%</td>
<td>103</td>
<td>26%</td>
<td>30%</td>
<td>248</td>
<td>62%</td>
<td>41%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average Attrition in % | 23% | 26% | 41%
Corporate or business travelers follow very busy and hectic schedule and don’t have much time to enjoy the hotel stay but the least they really expect from the hotel is a neat and clean room and bathroom after a hectic day of anxiety and stressful work. The respondents were therefore asked questions on the cleanliness and housekeeping services in the hotel. Out of 400 respondents, 101 revealed that hotel was good on that front, 56 were found it okay but the whooping 243 respondents expressed their dissatisfaction with the cleanliness and housekeeping services in the hotel. It is evident from this revelation that most of the budget hotels are failing on this front and this is one of the reasons of lower rate of occupancy.

In the normal course of hotel business the top management people generally do not interfere into the day today operational affairs of the hotel but in exceptional circumstance, where the things have gone terribly wrong, the guest gets so furious that they want someone senior or a top management person to address their problem. In such a situation, and with a view to not lose a customer forever, the top management people comes to the rescue and attend to the guest either in person on over the phone.

Almost every hotel is maintaining the GCCs and there is a question about the overall satisfaction during the stay in the hotel. Out of 400, 88 respondents revealed that their guests were fully satisfied on this count. 103 respondents were having a opinion that overall customer satisfaction about their hotel was on an average but again majority of the respondents felt that most of their customers recording negatively in the GCCs.

### 4.4 Level of Customer Satisfaction inversely affecting the Employees Attrition

We will now have a quick look on level of customer satisfaction (Good, Average or Poor) directly affecting the rate of attrition. As can be seen from this Figure 4.2, on the next page, in the hotels where the customers were absolutely satisfied with the product i.e. Hotel’s Ambience, Lobby, Room and other amenities, the rate of attrition in such hotels was 23%.
Figure 4.2  Relation between Customer Satisfaction and Attrition

- Customer fully satisfied
- Average Satisfaction
- Customers not satisfied

Customer Satisfaction with the product i.e. Hotel's Ambience, Lobby, Rooms & Other Amenities
- Customer fully satisfied: 23%
- Average Satisfaction: 28%
- Customers not satisfied: 41%

Customer Satisfaction with Restaurants, Banquets & F&B Services
- Customer fully satisfied: 24%
- Average Satisfaction: 27%
- Customers not satisfied: 37%

Customer's satisfaction with cleanliness & Housekeeping Services
- Customer fully satisfied: 23%
- Average Satisfaction: 26%
- Customers not satisfied: 43%

Customer Satisfaction with employees attitude & behaviour
- Customer fully satisfied: 22%
- Average Satisfaction: 24%
- Customers not satisfied: 38%

Top Management's involvement to ensure customer satisfaction
- Customer fully satisfied: 21%
- Average Satisfaction: 26%
- Customers not satisfied: 39%

Customer's Overall Satisfaction
- Customer fully satisfied: 24%
- Average Satisfaction: 30%
- Customers not satisfied: 41%
As discussed earlier, though it is difficult to establish any direct relation between the customer satisfaction and the rate of attrition, but if we go deep into the analysis of primary data collected from the respondents, we will find that Customer satisfaction results into the increased occupancy level, increased revenues and profitability. The employer is having more money and resources at his disposal. He is now not only able to upgrade his product and services but also can extend credit to his regular corporate clients, thus, enhancing his cliental base. The employer is also capable to afford higher salaries and other monetary and non-monetary benefits to his employees. He can also utilize the extra resources for the branding and image building of the property. All these things ultimately puts a break on high rate of employee attrition. Where the customer satisfaction was average, the attrition rates goes a little higher (28%) but where there was no customer satisfaction on this front, the rate of employees attrition was seen to be around 41%.

Similarly, in case of customer satisfaction with the Restaurants, Banquets and F&B services in the hotel, where the customer were fully satisfied with these services, the rate of employee attrition was 24%. Where the customers were moderately satisfied, the attrition goes up a little hither and was recorded at 27% but in cases where customer were not at all satisfied with Food and Beverage items or services in the hotel, the attrition was registered at whooping 37%.

Cleanliness of the room and public area is of great significance in the hotel industry. Hence, the respondents were asked the related question, in the hotels, where the customers were fully satisfied with these services, the attrition rate was at lowest i.e. just 23%. Where the customer satisfaction was found to be okay, or average, the attrition rate was seen moderate at 26% but wherever there was a maximum dissatisfaction among the hotel guests, on this account, the rate of attrition went up to 43% which is abnormally above the average rate of 30%.

Everything else is manageable but when the attitude of the employees towards their guest is not submissive, they usually don’t prefer to repeat such
hotels. The respondents were therefore, asked about this important aspect of this service industry. In cases where the customers were fully satisfied with the attitude and behavior of the hotel staff, the rate of attrition was at a lower side i.e. 22%. Wherever, the customer satisfaction on this account was average, the rate of attrition went up to 24% but where most of the customers were dissatisfied with the attitude and behavior of the hotel staff, the employees attrition was hovering around a very high rate of 38%. This means, that the employees in such hotels are not having a long term attitude towards their employment. They are just staying back as they have not got another opportunity. The day they get one, would immediately switch over.

The top management people in some of the budget hotel are seen developing a direct rapport with their prominent and regular guests. They not only meet them personally in the hotel Lobby, exchange their business card but also assures of the best possible services at the disposal of the guests. Where the top management’s role in appeasing the customers is excellent, the rate of attrition is low, i.e. 21% but where the customers were averagely satisfied, the rate of attrition goes a little up at 26% but where there are no efforts from the top managements side to appease the customers, the rate of attrition has been found at whooping 39%.

Similarly, where the customers were fully satisfied on “Overall customer satisfaction” criteria, the attrition rate was at 24%. But where the customers were moderately satisfied, the attrition rate went up by 2% i.e. was registered at 26% But where there was no overall customer satisfaction at all, the rate of employees attrition in such hotel was registered at the highest i.e. whooping 41%.

4.5 Relation between Training Facilities and the rate of Employees Attrition

In the previous paragraphs we had discussed the relation between Customer Satisfaction and the rate of employees attrition in hotel industry, especially the budget hotels in Mumbai region. We will now explain how the availability and non-availability of the training development programs and facilities to the hotel
staff affect the employee attrition in the hotel industry, especially the budget hotels in Mumbai region.

Many of the hoteliers and their top management people have argued that though training and development programs do help in grooming up the employees but it is difficult to evaluate the impact of the trainings on the increased revenues and profits of the hotel. According to them it is difficult to ascertain the amount of returns on the investments made in training their employees. They have further argued that the present employer invests a lot of time and amount on the training and development of its staff which make them confident to serve their guests and handle the situations in case of a crisis. But there is a negative side also as it makes them more employable by other employees. Consequently, once they are groomed up, they become more employable by higher category of hotels within the industry or become more employable by other industries. They, therefore, leave the organization for the better packages, resulting into a huge loss to the existing employer. Hence, instead of gaining something out of their trainings, the hotel rather subjected to two kinds of losses. One on account of the training costs and secondly on account of the recruitment and selection cost for the engagement of new employees.

As can be seen from the item 1 of the Table 4.3, on the next page, the respondents were asked about their satisfaction with the Induction program at the time of their joining the current organization. Out of 400 respondents, 163 were fully satisfied with the induction set up, but majority 237 were not at all satisfied.

In such hotels the services of external trainers are availed of. The advantage of hiring their services is that the hotel employees get exposure to varieties of experts. The respondents were therefore asked whether they received trainings from External Experts or Trainers at least every alternate month. Out of 400 respondents, a meager 104 (26%) replied affirmatively but the majority, 296 respondents answered in “NO”.
Table 4.3 Relation between Training Facilities / Programs and Attrition

<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>Total Respondents</th>
<th>Yes, Satisfied</th>
<th></th>
<th>Not Satisfied</th>
<th></th>
<th>Avg. Attrition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Nos.</td>
<td>%</td>
<td>Nos.</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Satisfied with Induction at the time of joining the Org?</td>
<td>400</td>
<td>163</td>
<td>41%</td>
<td>237</td>
<td>59%</td>
<td>28.50%</td>
</tr>
<tr>
<td>2</td>
<td>Your Hotel has a Full-fledged Training Department.?</td>
<td>400</td>
<td>121</td>
<td>30%</td>
<td>279</td>
<td>70%</td>
<td>28.00%</td>
</tr>
<tr>
<td>3</td>
<td>In-house Training is conducted every month?</td>
<td>400</td>
<td>84</td>
<td>21%</td>
<td>316</td>
<td>79%</td>
<td>31.00%</td>
</tr>
<tr>
<td>4</td>
<td>In-house Training is conducted quarterly ?</td>
<td>400</td>
<td>243</td>
<td>61%</td>
<td>157</td>
<td>39%</td>
<td>28.50%</td>
</tr>
<tr>
<td>5</td>
<td>Trainings by External Experts / Trainers is conducted every alternate month.</td>
<td>400</td>
<td>104</td>
<td>26%</td>
<td>296</td>
<td>74%</td>
<td>34.50%</td>
</tr>
<tr>
<td>6</td>
<td>Trainings by External Experts / Trainers is conducted thrice in a year (every 4 months)</td>
<td>400</td>
<td>216</td>
<td>54%</td>
<td>184</td>
<td>46%</td>
<td>30.50%</td>
</tr>
<tr>
<td>7</td>
<td>Satisfied with Training &amp; Development Programs by External Expert/Trainers?</td>
<td>400</td>
<td>164</td>
<td>41%</td>
<td>236</td>
<td>59%</td>
<td>33.50%</td>
</tr>
<tr>
<td>8</td>
<td>All Operational Staff are regularly attending Training programs ?</td>
<td>400</td>
<td>156</td>
<td>39%</td>
<td>244</td>
<td>61%</td>
<td>29.00%</td>
</tr>
<tr>
<td></td>
<td>Average rate of Attrition in %</td>
<td></td>
<td>24%</td>
<td></td>
<td>37%</td>
<td></td>
<td>30.50%</td>
</tr>
</tbody>
</table>
Furthermore, it is not enough to organize training sessions either by internal trainers or by the external experts. The management has to ensure that maximum of the operational staff are regularly attending these Training Sessions. The respondents were therefore asked if all the operational staff are regularly attending Training Programs? Out of 400 respondents, a meager 156 replied in affirmation but remaining 244 said a candid “NO”.

4.6 Training Facilities & Programs V/s Employees Attrition
We will now discussed in the following paragraphs as to how the availability or non-availability of training facility affects the Employees Attrition in the hotel industry. The experts are divided in their opinion when they talk of the advantage of the regular training to the hotel staff. On the one hand there is a group which feels that a well informed and well trained hotel staff not only gains the confidence about himself, but also delivers his services to the utmost satisfaction of the guest.

It is needless to say here that a satisfied guest in the hotel not only becomes the repeat customers but also beings in many other clients by his moth publicity. But there is another group of people who thinks that the time and amount spent in the training of the staff is a waste as the well trained staff becomes more employable in the market and his continuity in the present employment becomes doubtful. This school of thoughts therefore laments as to why waste the time and resources if that is going to benefit some other employer.

But if an employer, especially in the hotel business, starts subscribing to the views of second kind of thoughts, then he will soon have to pay the heavy price for it. Hotel industry is such a business where a large number of employees join as a trainee or management trainees. If proper in-house training facilities are not available in the hotel then who will apprise them of the constantly upgrading products and services in the industry. It can be argued here that these trainees are getting on-the-job practical training every day and then where is the need to send the back to the classroom. But this argument will not stand good in the touch and feel hotel industry.
There is a fierce and cut throat competition in the market and with a view to lure the maximum number of customers, the hotel industry is constantly in search of the innovative ways adopted by their counterparts all over the world. The very profession of a Trainer depends upon the constantly upgrading and innovative ways and contents of his training sessions. If he keeps repeating the same old-fashioned, stereotype contents during every session then he will soon find his audience (trainees) giving the negative feedback about his trainings. A real trainer is therefore said to be the live and moving volcano of talent, knowledge and information about the industry he is catering to. The constant training sessions from such hardcore professionals is therefore not only essential but the integral part of the hotel industry.

In a city like Mumbai, which is a business hub and commercial capital of India, most of the hotels are catering to their corporate clients apart from the leisure travelers. These guests are hardcore professional themselves and stay in the hotel not for a leisure but for conferences, seminars, business meetings, promotional events, meeting their clients etc. In such a situation they have to, at times, show off, either out of necessity or business compulsions. They therefore cannot take a chance by staying in a hotel where the staff are not professional in their dealing with their clients. They expect the hotel staff to be thorough professionals, who not only understand the needs of today’s business client but are rather proactive in suggesting innovative ways and solutions to the task or problem in hand.

4.7 Training Facilities & Programs inversely affects the Employees Attrition

As can be seen from the Figure 4.3, on the next page there is an inverse relation between the training facilities or programs and the employees attrition especially in the hotel industry. The more the training sessions organized for the staff, the more they attains the perfections in their profession and able to create more satisfied customers for their organization. This ultimately results in increased occupancy, increased revenue and increased profits. This enables the employers financially stable and sound and able to retain their
staff in a long run. Thus, when an employer is capable to retain its employees for a longer period, naturally the rate of employees attrition goes down.

As can be seen from the Figure 4.3, on the next page wherever the proper Induction program was conducted for the newly recruited employees, the rate of attrition in such organization was around 24%. On the contrary, where such induction programs were not organized by the employers the rate of attrition was seen at whooping 33%. There is a need to understand this aspect because apparently one cannot see any kind ore direct relation between the Training and induction program and employee attrition but a deep scrutiny into the facts and figures will reveal that there is indirect relation between the two. A groomed up and a smart Receptionist or a Duty Manager is better equipped with the skills to handle the client or critical situation then his counterpart who has had no exposure to the present day technologies being used by the hotel industries starting from the room booking through mobile Apps to the organization of seminars, meetings, presentations and conferences of their corporate clients.

The hotel industry today giving so much of importance to continuous trainings that many chain of hotels have entered into a tie-up with the Training Institutes located across the world. These Training institutes are continuously in search of innovative ways of serving their guests in a better ways with every passing day. Their aim is not confined to the customer satisfaction but they rather emphasis on how to add to the delight of their clients.

Similarly, wherever the hotels had a full-fledged Training Departments, the attrition rate was way below the average i.e. just 19% but the hotels not having a full-ledged Training department registered an employee attrition 37%. Furthermore, in the hotels where the in-house trainings were conducted every month for the employees, the attrition was just 22% compared to the hotels with no such arrangement – where attrition was at 40%. There was seen a little improvement where the training sessions were conducted quarterly. Here the employee attrition was a little more i.e. 25%.
Figure 4.3 Relation between Training Facilities / Programs and Attrition

<table>
<thead>
<tr>
<th>Question</th>
<th>Satisfied with Training facilities &amp; Programs</th>
<th>Not Satisfied</th>
<th>Attrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfied with Induction at the time of joining this organisation?</td>
<td>24%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Your Hotel has a Full-fledged Training Deptt.?</td>
<td>19%</td>
<td>41%</td>
<td>37%</td>
</tr>
<tr>
<td>Inhouse Training is conducted every month?</td>
<td>22%</td>
<td>40%</td>
<td>40%</td>
</tr>
<tr>
<td>Inhouse Training is conducted quarterly?</td>
<td>25%</td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td>Trainings by External Experts / Traininers is conducted every Alternate month?</td>
<td>27%</td>
<td>43%</td>
<td>42%</td>
</tr>
<tr>
<td>Trainings by External Experts / Traininers is conducted every four months?</td>
<td>23%</td>
<td>38%</td>
<td>38%</td>
</tr>
<tr>
<td>Satisfied with Training &amp; Development</td>
<td>28%</td>
<td>32%</td>
<td>39%</td>
</tr>
<tr>
<td>All Operational Staff are regularly attending the Training Program?</td>
<td>25%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>
In the hotel industry, the External Trainers are regularly invited to conduct the training sessions for their operational as well as non-operational (administrative) staff. Wherever, this phenomena was regular, the attrition was arrested at 23%, otherwise it was noticed at 38% where this feature was not regular.

As discussed earlier, it is not just the numbers, but the quality of training also matters. As evident from the above figure 4.3, wherever the employees were satisfied with the quality of training facilities or programs in their hotel, the attrition was at 28% against the 39% where the employees satisfaction level with such facilities was not up to the mark. Last but not the least, it is not enough just to organize training programs. Immediate Supervisors must spare their staff from the regular duties that’s too on time. Trainings are, though, organized but the staff are not attending for operational reasons, then it will not be effective.

As seen from the above Figure-4.3, wherever the training sessions were regularly attended by the staff, the attrition was around 25%. On the contrary, it was noticed at 33% where the trainings sessions were taking place at regular interval but staff were not able to attend due to shortage of operational staff. When there is a shortage of staff, the Supervisors are found to be reluctant to relieve his subordinates for the training sessions but this aspect should be looked into seriously.

4.8 Advantages of the Location of the Hotel

In the previous paragraphs we had discussed the how the availability and non-availability of the training facilities affect the employees attrition in the hotel industry, especially the budget hotels in Mumbai region. We will now throw light on the other aspect affection the attrition i.e. the relation between the location of the hotel and the rate of attrition. As per Table 4.4 on the next page, majority of the respondents i.e. 220 felt that their hotel had advantage of its location in attracting the clients.
They were further asked, if their hotel was located close to the Domestic or International Airport in Mumbai. Out of 400 respondents just 116, (29%) answered in yes and remaining 284 (71%) in “NO”. A hotel attracts more guests where the sources of transport are easily available. This is evident from the fact that after the launch of Metro-I in Mumbai, the occupancy in hotels located on Andheri-Kurla has gone up.

The respondents were further asked if their hotel providing free transport to their guests from the Airport to the hotel and back. 60% of the respondents replied in “yes” that their hotel was really providing free transportation to their guests. Whatever points we have discussed so far under this category were aimed at the clients or guests.

4.9 Location of the hotel affecting the employees attrition

Location of a hotel plays a very significant role not in the overall business be it a budget hotel or a luxury hotel. It not only affects the occupancy level but also affects the rate of employees attrition as will be evident from the scrutiny of the Figure. As can be seen from the Figure 4.4, on the previous page, wherever the hotel was located in the main Business District, the attrition was just 21% otherwise it was 36%. Similarly, if it was located near the Airport, then attrition was at 24% and in cases of hotels away from the Airport, employee attrition was 34%. In cases of the hotels where means of transport were easily available for the guests to commute between the hotels and their offices, the attrition was found to be at 25%. But in case of the hotels located at an isolated or far off places the rate of employee attrition was registered at 38%.

If the hotel was located on a sea-shore, the employee attrition was 24% otherwise it was 33%. Wherever the hotels were providing free transport to their guests, they register high rate of occupancy, revenue and in turn profits. Such hotels were also able to retain their staff for a longer period, hence, the attrition rate was on the lower side i.e. 27% in other cases it was 35%.
<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>Total Respondents</th>
<th>YES</th>
<th>%</th>
<th>Attrition</th>
<th>NO</th>
<th>%</th>
<th>Attrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Your Hotel is located in main Business District to attract Corporate Clients</td>
<td>400</td>
<td>220</td>
<td>55%</td>
<td>21%</td>
<td>180</td>
<td>45%</td>
<td>36%</td>
</tr>
<tr>
<td>2</td>
<td>Your Hotel is located close to Domestic &amp; International Airports?</td>
<td>400</td>
<td>116</td>
<td>29%</td>
<td>24%</td>
<td>284</td>
<td>71%</td>
<td>34%</td>
</tr>
<tr>
<td>3</td>
<td>Sources of Transport are easily available for your Hotel?</td>
<td>400</td>
<td>260</td>
<td>65%</td>
<td>25%</td>
<td>140</td>
<td>35%</td>
<td>38%</td>
</tr>
<tr>
<td>4</td>
<td>Your Hotel is located on sea-shore to attract the Leisure Travelers/Banquet Functions?</td>
<td>400</td>
<td>40</td>
<td>10%</td>
<td>24%</td>
<td>360</td>
<td>90%</td>
<td>33%</td>
</tr>
<tr>
<td>5</td>
<td>Hotel provides free transport to Guests for Airports?</td>
<td>400</td>
<td>240</td>
<td>60%</td>
<td>27%</td>
<td>160</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>6</td>
<td>Enough means of Transport available for staff to reach the Hotel?</td>
<td>400</td>
<td>301</td>
<td>75%</td>
<td>26%</td>
<td>99</td>
<td>25%</td>
<td>36%</td>
</tr>
<tr>
<td>7</td>
<td>Your Hotel provides Free Transportation to its employees?</td>
<td>400</td>
<td>40</td>
<td>10%</td>
<td>23%</td>
<td>360</td>
<td>90%</td>
<td>33%</td>
</tr>
<tr>
<td>8</td>
<td>Is Hotel located close to your Residence?</td>
<td>400</td>
<td>60</td>
<td>15%</td>
<td>22%</td>
<td>340</td>
<td>85%</td>
<td>35%</td>
</tr>
<tr>
<td></td>
<td><strong>Average Attrition in %</strong></td>
<td></td>
<td></td>
<td></td>
<td>24%</td>
<td></td>
<td></td>
<td>35%</td>
</tr>
</tbody>
</table>
Figure 4.4  Relation between Location of the Hotel and Attrition

<table>
<thead>
<tr>
<th>Condition</th>
<th>YES</th>
<th>Attrition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel located in main Business District?</td>
<td>21%</td>
<td>36%</td>
</tr>
<tr>
<td>Hotel located close to the Airport?</td>
<td>24%</td>
<td>34%</td>
</tr>
<tr>
<td>Sources of Transport easily available for Hotel</td>
<td>25%</td>
<td>38%</td>
</tr>
<tr>
<td>Hotel located on sea-shore</td>
<td>24%</td>
<td>33%</td>
</tr>
<tr>
<td>Free Airport Transfers to the Guest by Hotel</td>
<td>27%</td>
<td>35%</td>
</tr>
<tr>
<td>Easy Transport available for the Employees</td>
<td>26%</td>
<td>36%</td>
</tr>
<tr>
<td>Free Transport to the Employee / staff Bus</td>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>Hotel is close to your Residence</td>
<td>22%</td>
<td>35%</td>
</tr>
</tbody>
</table>
We will now discuss the incentives available to the staff with regards to the location of the hotel. Wherever, the means of local transport available for the commutation of its staff, the attrition rate was lower at 26% otherwise it was found to be 36%.

As the staff turnover is highest amongst women employees in hotel industry, the provision of such facilities definitely puts the break on the rate of attrition. Wherever such provisions were available, the attrition was confined to 23%, otherwise 33% if such facilities were not in place. Last but not the least and a bonanza in a city like Mumbai where the commutation from residence to the workplace by local trains claims 8 – 10 lives per day, in cases where the hotel was located near their place of stay, the attrition was just 22% against the whooping 33% in other cases.

### 4.10 Other miscellaneous Reasons leading to dissatisfaction

In the previous paragraphs we had discussed as to how the location of the hotel plays an important role and greatly affect the employees attrition in the hotel industry, especially the budget hotels in Mumbai region. We will now throw light on the Other Miscellaneous Reasons affecting the rate of employee attrition.

As can be seen from Item No. 1 of Table 4.5, on the previous page, when asked about the correlation between the non-expansion of their group may the reason for your quitting the present organization in future. Out of 400, a whooping 363 (66%) respondents replied in affirmation. This means the employees prefer to work either in a group of hotels or with those employers who are having expansion plans of upgrading the category of their property from three star to four star and four star to five star etc. The expectation of getting the elevated position with the organization or within the group brings down the rate of attrition amongst employees. As the hotel employees join the industry at a very young age and immediately after completing their Hotel Management course, many of them wish to pursue higher studies by taking a break from their present employment.
<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>YES</th>
<th></th>
<th></th>
<th>NO</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Respon-dents</td>
<td>%</td>
<td>Attri-tion</td>
<td>Respon-dents</td>
<td>%</td>
<td>Attri-tion</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>2’ Non-expansion of the Group one of the reasons to quit?</td>
<td>263</td>
<td>66%</td>
<td>39%</td>
<td>137</td>
<td>34%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>3’ Pursuing higher study the reason for quitting Previous organization?</td>
<td>36</td>
<td>9%</td>
<td>36%</td>
<td>364</td>
<td>91%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4’ better offers from other than Hotel Industry also tempted you?</td>
<td>237</td>
<td>59%</td>
<td>33%</td>
<td>163</td>
<td>41%</td>
<td>26%</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>5’ Night shift /odd working hours also a reason for quitting previous job?</td>
<td>104</td>
<td>26%</td>
<td>36%</td>
<td>296</td>
<td>74%</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>6’ Did you feel lack of self-esteem while working with previous employer</td>
<td>228</td>
<td>57%</td>
<td>41%</td>
<td>172</td>
<td>43%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>7’ Keen to join a Cruise Liner / Overseas employment for better compensation?</td>
<td>192</td>
<td>48%</td>
<td>38%</td>
<td>208</td>
<td>52%</td>
<td>22%</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>8’ Planning to start your own business?</td>
<td>96</td>
<td>24%</td>
<td>32%</td>
<td>304</td>
<td>76%</td>
<td>19%</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Your Management follow hire &amp; fire policy?</td>
<td>208</td>
<td>52%</td>
<td>41%</td>
<td>192</td>
<td>48%</td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Average Attrition</strong></td>
<td><strong>37%</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>22%</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
When posed with a question if they would like to take a break in service for pursuing higher study, a meager 36 respondents (9%) felt such a need but majority of them i.e. 264 (91%) were satisfied with whatever educational qualification they had attained.

The employment opportunities for Hotel employees today are not confined to the hotel or hospitality industries. There are many other conventional and non-conventional businesses employee Hotel Management graduates in their company. These are mainly Shopping Malls, Large format Stores, Big Retail Show-rooms, Chain of Multiplexes, Airlines, Banks, Cruise Lines, Overseas opportunities, MNCs for their receptions etc. The employees were therefore asked, given the opportunities would they switch-over to other industry from the hotel industry. Out of 400, the majority 237 (59%) answered in affirmation leaving 41% who will still stick to the hotel industry.

One of the main drawbacks in the hotel industry for the employees is night shifts and odd working hours, especially with women employees. But still only 26% of the respondents found feeling the pinch of this aspect and majority 74% found enjoying even the night shifts. As pointed out earlier in this study, there is a big gap between the demand and supply of Hotel Management Graduates in the Luxury (5-Star) Hotels. As all pass-outs of the Hotel Management Institutions are not accommodated in Luxury hotels, many of them have to console themselves by taking up a job in Budget hotels. Many of them therefore never ever find themselves settled. Such employees are always on the lookout for a job in the coveted Luxury hotel. It was therefore asked if they felt the lack of self-esteem while working with a budget hotel. Out of 400 respondents, a majority 228 (57%) replied in affirmation.

Keeping in mind the kind of remunerations it offers, the hotel employees are generally keen to take up employment with a cruise liner or an overseas employment. When asked about this, 48% replied in affirmation. After the elevation of the well known Chef Sanjeev Kapoor to a celebrity status in India, many of the employees especially from the Kitchen department at some or
other point of their career think of starting the business of their own. When
asked about this, out of 400 respondents, 96 replied in affirmation.

It was noticed that not only from the Kitchen or F&B department, but also the
employees from Housekeeping and Security department were also found to
be keen to start their own business. In fact for the last 10 – 15 years, the big
cities in India have been witnessing the mushrooming of shopping malls,
multiplexes, big showrooms and galleries of mobile service providers. This
has given a boost to the professional housekeeping and security agencies.
Housekeeping agencies are even tapping the middle class households for the
periodical housekeeping services etc.

One of the main reasons of high rate of attrition in any organization is the
attitude of the promoters or top management towards their employees. Some
of them are purely business minded want to scale the rungs at a supersonic
speed and in the process adopt hire and fire policies. This kind of
organizations register comparatively higher rate of attrition as on the one hand
the employer is not having patience of allowing a second chance to the
employee and on the other hand it sends out wrong signals among the good
performers as well. Out of fear of losing their job at any point of time or any
day, even the good workers start switching over to a more safer and stable
place of employment.

Keeping this aspect in mind, the respondents were asked if their employer
follow a higher-and-fire policy. At this, around 52% of the respondents replied
in affirmation, it means a majority of the budget hotels in Mumbai follow hire-
and fire policy. This is also one of the reasons of the higher rate of attrition in
budget hotel. When an employee departs from an organization he adds up to
the rate of attrition, whether he quits own his own or is being fired (sacked) by
his employer hardly makes a difference.

4.11 Other miscellaneous reasons affecting the rate of attrition
We will now have a quick look on these miscellaneous reasons adding up to
the rate of attrition in the budget hotels in Mumbai. As stated in the earlier
paragraphs of this study, the employees of a budget hotel in Mumbai, especially those who have obtained Hotel Management Degrees from premier Institutions joined these budget hotels or mid segment hotels as a stop gap arrangement as there were not enough vacancies in Luxury (five star) hotels. They are always on the lookout for a job in the higher categories of hotels. The things become all the more difficult for the Budget Hotels if they are operating with single property. Such hotels are usually not having he expansion plans.

Even if, it is a group of hotels but are not having any expansion plans or upgrade at least one of their properties to the next level, then the rate of attrition in these hotels automatically goes up. On the contrary, if the group is having such expansion plans and have already started executing it, the employees stay back with a hope that their own group is going to have a premier (luxury or five star hotel) property and there is no need to switch over in a hurry.

It is evident from the item No.1 of Figure 4.5, on the next page, in the hotel where their group was not having any expansion plans, the rate of attrition was a whooping high at 39%. But in the hotels, where the group had many properties and also had up-gradation plans, the rate of attrition was found to be as low as 21%. It is therefore, suggested to the promoters to have such plans and keep upgrading their properties to retain as many employees as possible.

In Hotel Industry, many of the Hotel Management Graduates hail from the affluent families and are not much bothered about continuing with the present employment but are more focused to obtain one more professional degrees before starting a concrete march on their career path. Such employees join hotels for a year or so just to obtain on the job training and once they have worked for a short stint, they quit the job and join some premier Institution to pursue higher studies, especially MBA. Wherever such mindset of employees are more in number, the rate of attrition goes up.
Your Management follow hire & fire policy?

Planning to start your own business and quit?

Keen to join a Cruise Liner / Overseas job for better compensation?

Did you feel lack of self-esteem in previous / present job?

Night shift or odd working hours was also a reason for quitting?

better offers from other than Hotel Industry also tempted you?

Pursuing higher study the reason for quitting previous job?

Non-expansion of the Group one of the reasons to quit?

Attrition = 39% 21%

36% 23%

33% 26%

36% 24%

41% 21%

38% 22%

32% 19%

41% 20%

Figure 4.5 Relation between Non-monetary Reasons and Attrition
As can be seen from the above Table 4.5 and Figure 4.5, in the hotels where such types of employees were more in numbers the rate of attrition was registered at 36% compared to just 23% attrition in the hotels where most of the employees were satisfied with whatever qualification they had and were not keen to pursue higher studies by taking a break in their employment.

Nowadays, with the augment of Modern Trade and westernized Mall culture, apart from the Hotel Industry, Hotel Management graduates are much in demand in these new format stores. Moreover, in the Multinational organizations the front desk plays an important role for welcoming the visitors and making them comfortable in the Reception area. They days are gone when the visitors were directed by the reception staff to directly go to the cabin of the Manager and conduct the meeting there itself.

A majority of Multinational Companies and even Indian companies today do not allow the visitors to meet the Managers or their employees in their Cabins or at their desk. The visitors are asked wait in the Reception area only. The person to be visited is informed about his visitors. The Manager or the employees then comes at the reception counter and conduct meeting in one of the visitors cabin located in reception area itself.

Under these circumstances, the companies now have a full fledged Front Office Department and the requirement of Front Staff has gone up manifold. To sum up this section, all these Modern Trade Institutions and Multinational Companies prefer front desk staff from the Hotel Management Institutions. The respondents were therefore asked if they would switch over to other industry if given an offer of more compensation. It was found that in the hotels, where the employees were flexible to switchover to other industry, the attrition was as high as 33%. In other hotels, where the employees were keen to continue in the hotel industry, the attrition was 26% only.

As is evident from item-4 of above Table 4.5, Night shifts or odd working hours is one of the main reasons of the high attrition rate in hotel industry but of course it varies from hotel to hotel. Many of the hotels have policy of
keeping a group of Reception Staff during the night shift so that the staff manning the reception counter can have a break of an hour or so by rotation. But all the hotels are not following such policy and keep only one or two staff to man the reception counter for the whole night. In the second categories of hotels the employees were found fed up with night shift or odd working hours. In the front office of these hotels, the rate of attrition was pegged at 36% but where the employees were allowed to take intermittent breaks during night shifts, the rate of attrition in the front office of such hotel was as low as 24%.

Joining Hotel Management Course with high expectations of working with the five star luxury hotel but ending up with an employment in a budget hotel causes frustration and lack self esteem. Wherever the employees felt lack of self-esteem working with the present employer, the rate of attrition was around 41% against just 21% where the employees were not having such feeling. When an employee feels the lack of self-esteem, he either takes a break for higher studies or switch over to other industry.

In Mumbai there are certain hotels located in the area where there are many cruise line agencies are also operating in the vicinity. The advantage with the cruise line employment is that their salaries are two to four times of what they get while working for any budget hotel. Moreover, the salaries and all the remunerations are tax free. Apart from this, in the initial years it is very enticing and exciting to work for cruise line and travel around the world while on duty. A lot of people from these hotels, therefore, switch over to cruise line jobs.

Based on their past experiences and also keeping in mind the reputation of the hotel, these cruise line companies also have their own prejudices and choices. They prefer employees from some hotels the most while out-rightly rejecting the applications from other hotels. Hence, the rate of employee attrition in the hotels whose employees are preferred the most by the cruise liners, was found to be on higher side i.e. around 38% which is more than the average rate of attrition in budget hotels in Mumbai.
Wherever the more and more employees were keen to start their own business, the rate of attrition was recorded 32%. The success stories of the many chain of restaurants or even solitary restaurants tempts many hotel employees especially from the Food and Beverages department to start their own restaurant business. Moreover, at times the family circumstances, where there are old aged parents staying together, children are too young and wife is also employed somewhere and there is no big hotel in the vicinity. Under the circumstances, the easiest way to keep oneself engaged, keep the earning going and at the same time taking care of the family also is to open a restaurant.

We will not discuss about the item-8 of the Table 4.5. Many of the hoteliers are too money minded and just believe in increasing the revenue and thereby immediate profits. They don’t have a long term perspective where the branding and image building of the organization is equally important. Leave the branding or image building aside, they even treat their employees in an inhume manner. For such hoteliers, the employees are like any other inanimate resources available at their disposal.

They don't have any feelings for them and treat them like a bonded labor. Many of the hoteliers, therefore, keep a majority of workers on a third party payroll so that they are not required to face any labor laws litigations etc. However professional a worker is, if the Manger or Supervisor did not like his attitude, he will tell the contracted Firm or Company to replace him with someone else. Moreover, even with those who are on the payroll of the hotel, these hoteliers or their Managers follow a hire-and-fire policy when it comes to the engagement of the employees. These hoteliers are so fickle minded they suddenly get a fit of hiring some more employees for the hotel and next day they will tell the Human Resource Manager to recruit two-three additional staff in each department as a backhand team.

But at the end of the month when they find that the wage bill has shot up, they will again call the H.R. Manager to lower the staff strength and retrench some staff immediately. Such types of hotels where the management is not having a
long term planning with regard to their precious human resources are bound
to fail in business in a long run. In such hotels the rate of attrition was
recorded as high as 41% which was again much higher than the average rate
of around 30% in the industry.

4.12 **Reason given by the employees for quitting the previous job**

In the previous paragraphs we had discussed the miscellaneous reasons for
high rate of attrition in the budget hotels in Mumbai region. Now we will try to
know the modes of exist of the employees from their previous organization.
As can be seen from the Item No.1 of the Table 4.6 on the next page and also
from the Figure 4.6, out of 400 respondents, 99 (around 25%) of them just
abandoned their previous job without intimating to the employer or even to
his/her immediate Boss or Supervisor.

This kind of departure is not very uncommon in the hotel industry nowadays.
We cannot blame the employees alone for this kind of unprofessional attitude
at the time of his departure from the hotel. Supervisors or management are
equally responsible and to be blamed for this kind of attitude on the part of
employees. In case the employees leave by giving proper notice etc, their
settlement or last salary get stuck up for months together. There have been
the instances and evidences in the industry where the settlement dues of the
employees were not paid even after the lapse of six months of their exit from
the organization. It results in frustration and instills an atmosphere of distrust.

An employee very well knows his organization, they way the top management
behaves when an employee leaves the organization or how their Head of the
Department or immediate Supervisors have harassed the employees left
earlier by giving the proper notice to the management. He therefore treads
carefully when he decides to quit the existing organization, and tries to exit or
quit in a manner that results into the minimum monetary losses to him. He,
therefore, takes this route of not intimating in advance and waiting for the day
of disbursement of his salary. Once the salary is disbursed or credited to his
bank account he discretely leaves without intimating even to his close friends
and stops attending the office from the next day.
### Table 4.6 Reasons given by Employees for quitting the job at Exit Interviews

<table>
<thead>
<tr>
<th>SN</th>
<th>Reasons given at Exit Interviews</th>
<th>Total Respondents</th>
<th>Affirmative Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Nos.</td>
</tr>
<tr>
<td>1</td>
<td>Abandoned Service ?</td>
<td>400</td>
<td>99</td>
</tr>
<tr>
<td>2</td>
<td>Quit for Better Prospects ?</td>
<td>400</td>
<td>133</td>
</tr>
<tr>
<td>3</td>
<td>Could not join the Organization</td>
<td>400</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Quit the job For Further Studies ?</td>
<td>400</td>
<td>36</td>
</tr>
<tr>
<td>5</td>
<td>Personal reasons - Family Problem due to marriage</td>
<td>400</td>
<td>101</td>
</tr>
<tr>
<td>6</td>
<td>Medical Problem or Could not join as medically unfit</td>
<td>400</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Planned Separation</td>
<td>400</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>400</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
As can be seen from the item 2 of the Table 4.6 and also Figure 4.6, on the previous pages, 33% of the employees shared that they quit their previous job for the better future prospects or because they were offered better position or better salary by the present employer. This is very common reply at the time of exit interviews conducted by the Human Resource Manager of the employer. Even if an employee has left the present job due to dissatisfaction, he avoids to give such an explanations fearing his settlement being held up.

In this study, therefore, the employees were asked as to why did they leave their previous organization. They had no problem in giving a correct answer to these questions as they had left that hotel long back and all the monetary dues had already been settled by that employer. On the next question from above Table 4.6, there were 9% employees who quit their previous job to pursue higher studies – mostly Post Graduate Diploma or MBA program. As we know, the youngsters join Hotel Management Courses immediately after their 12th exam.

After completing their Hotel Management Degrees, they immediately take up jobs either in luxury hotels or in budget hotels. But after working for a few years, they start feeling to pursue further studies. For this reasons, some of them join part time courses, executive courses or online courses. But there are still a few employees who feel that pursuing a full time MBA from reputed institution will enhance the chances of fast growth in their career. They therefore take a break from service and further their higher studies.

As can be seen from item 5 of the Table 4.6, a large number of employees i.e. around 25%, of them left the job because of personal reasons or problem in their family. In this category there were many women employees who had to leave the previous job because of self marriage or pregnancy. In hotel industry, one can find many employees joining some hotel and then taking a break for a year or two on flimsy reason that he got job in some restaurant close to his place. Then something goes wrong there and he comes back to the same hotel. This is possible because the hospitality industry is very vast.
Figure 4.6 Reasons given by Employees for quitting the job at the time of Exit Interviews

Rate of Attrition

- Abandoned Service: 6%
- Medical Problem/Medically unfit: 1%
- Personal reasons - Family Problem/Due to Marriage: 9%
- Quit for Better Prospects: 33%
- Could not join the Organisation: 1%
- Quit the job For Further Studies: 25%
- Abandoned Service: 1%
- Planned Separation: 6%

Attrition = 25%
and consisting of many segments within itself. The employees therefore keep switching over from one segment to another one.

Unlike corporate jobs, where companies usually avoid to re-employ a person who had left the job a few months or year back, in this industry, especially in Budget Hotels, there have been instances where an employee left hotel just six months back, was reemployed by the same hotel. One may not find such a culture of reappointing an employee in other industries. But in Hotel Industry, until and unless you left the organization at a very bad note or your services were abruptly terminated because of some serious misconduct on the part of an employee, the management usually reemploy them. The advantage of reemploying an old employee is that the hotel need not to spend much on his training and development. Moreover, as he had been with the organization earlier, he knows the whole setup inside out and can starts giving his 100% from the day one which is not the case with an altogether new employee switching over from some other hotel.

Finally, as is evident from the item 7 of the Table 4.6 and also Figure 4.6, there were 23 respondents i.e. just 6% employees who planned their exist from the previous organization in an absolutely proper manner i.e. by giving proper notice, having clearance from all department well in advance. They were therefore granted the “Relieving Letter”, No Dues Certificate, Settlement Cheques etc. on the day they were relieved.

When it comes to the relieving letter, the new employer is not insisting for it these days as he knows that previous employer will release it after following the proper procedure. In earlier days, the new employees were not allowed to join the new organization until and unless he has submitted the relieving letter from the previous employer. These days there is though a trend of asking for two reference from the previous organization fearing and ensuring that the employee has not committed a big fraud there or is not having an extremely bad records.
These references are asked for even before issuing the offer letter so that the employee is not put to unnecessary inconvenience or harassment after resigning from the previous employment. Once the reference checks are conducted, the prospective employee is issued an offer letter by the new employer’s HR Department. After receiving the offer letter, he then puts in his papers. In the recent past, there have been many instances where the offer letter was issued to the prospective employee and on conducting the reference checks it was found that the employee was facing some disciplinary action or even had left the organization long back.