

# IMPACT OF EMPLOYEE TURNOVER IN THE HOTEL INDUSTRY: AN EMPIRICAL STUDY OF SELECT HOTELS IN UTTAR PRADESH

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## ABSTRACT

Hotel enterprise is part of Tourism Industry which is thriving in India than ever before, in line with 2019 record of World Economic Forum India has reached the 34th rank within side the world from forty in the course of 2017 (World Economic Forum;The Travel & Tourism Competitiveness Report, 2019). This has been end result of substantial efforts of the Government and the Industry fantastic steps in boosting its enchantment as a visitor and hospitality vacation spot at the globe. There are diverse International inn chains already in India that are increasing their room stock at a quick tempo to satisfy the destiny needs of lodging and enjoyment services. But with each fulfillment there comes a few types of issues or issues that are had to address as they could slow down the business enterprise or the enterprise as a whole. One of the primary problems which had been a part of each developing enterprise in beyond is to row out itself from the hassle of worker turnover rate. It is stated that worker turnover is one silent a part of human resource control that can have a poor effect for the business enterprise if controlled inadequately. This paper is a try to discover the motives why inn enterprise in India is going through this issue and what are the feasible outcomes of it at the enterprise which would possibly gradual or preserve nonetheless the growth of enterprise as forecasted.

*Keywords: Competitiveness, Hotel, Tourism, Turnover, Uttar Pradesh.*

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## INTRODUCTION

Tourism industry of India is most dynamic industry, in this industry most employees are associated and many small enterprises are connected with industry. While talking about contribution of tourism industry in GDP it was 121.9\$ in 2020 and expected to be 512\$ till 2028. Contribution to GDP of tourism industry in India is 10.35% between 2019-2028 (www.ibef.org, 2021). Firms like Wyndham and Accor are expected to add few more properties in India to increase its footprints.

While industry is going great according to different reports and data's received from different sources another truth is high employee turnover and it should be looked with immediate attention.

The industry faces a significant sales challenge of around 4050 percent. Organized (or organized Branded) Space typically offers regular training programs and learning and development initiatives throughout the year. It conveys not only presentation and maintenance skills, but also certain sophistication. Candidates with such skills are there demand for customer-facing and service-oriented positions in industries such as banking, financial services, retail and airlines above all human resources wars are intensifying in the industry, and almost every company is losing qualified professional's availability of better economic and professional opportunities. At the lower level, employees usually stay in one company about 6 months. This is a short period for employers to see the rewards of their training investment per employee. Employers want their employees to stay in the organization for an average of 36 months to recover their investment in training and, from the employee's point of view, gain sufficient experience in the group to add value to subsequent roles (Narayanan Ramaswamy, 2017).

Given the unorganized (~99.5%) and fragmented nature of the industry, it's miles tough to supply the attrition fees and sample with inside the sector. However, for the QSR and speedy meals segments, particularly the organized percentage this is taken into consideration to be consultant of the sector, the annualized attrition fees are as excessive as 90-100%. This is for personnel who have been with an agency for much less than 12 months. Typically, those personnel are first-time workers. For the ones who live with an agency for extra than 12 months, the annualized attrition fee decreases to ~60%, which is likewise very excessive. Such excessive fees are normally an end result of the mismatch in expectancies of each personnel and employers. Employees accept as true with that repayment and blessings aren't an honest mirrored image of the attempt required (Narayanan Ramaswamy, 2017).

A high turnover rate is a warning sign of low morale among organizational members, which is one of the factors that affect an organization's performance. Employee turnover may be very steeply-priced for a business enterprise, specifically if it's far a voluntary resignation of human capital funding from the business enterprise and the following substitute process. These substitute charges may also encompass the quest of the outside labor marketplace for a likely substitute, choice among competing substitutes, induction, formal and casual education of the substitute till she or

he attains an affordable degree of overall performance this is equal to that of the man or woman who quit (Glynn, 2012).

This article aims to find the various implications of this high turnover rate in the hospitality industry in India, and to find the best ways and proposals to overcome and strengthen the industry with a stable workforce and increase productivity through various investigations and analysis. Do primary and secondary data related to the subject.

## REVIEW OF LITERATURE

Both old and young employees motivating and satisfying at work, but in a different way based on them for the sake of answering, I have ordered the motivators from largest to smallest average, older employees are motivated by workplace flexibility autonomy of work; good interpersonal relationships at work; Opportunity to work on your own speed; respect among employees; equal treatment of employees according to age; employers praise for good work; the possibility of working from home; reduce workplace strain through intergenerational collaboration cooperation with other employees; and distribution of labor at higher wages (Maja Rožman, 2017).

Employee turnover rates are determined on a case-by-case basis some employees leave the organization for several years it causes a negative effect on the organization in terms of overall cost and opportunity (Pamela A Yankeelov, 2009). Deploy the minimum required services when personnel depart the enterprise, this could now no longer most effective effect on enterprise but additionally on personnel itself. Due to its miserable effect, worker turnover has been large subject matter for scholars, lecturers and managers.

Employee engagement is defined as an employee's strong emotional and intellectual activity. Attachment to a motivating job, organization, manager, or colleague Take extra effort (Julia Christesen Hughes, 2008).

(Wasmuth WJ, 1993) Indicate that increases in employee turnover are generally due to employee dissatisfaction with their current jobs and lead to attractiveness to other profiles or industries, which may be one of the leading causes of employee turnover. (Dariman, 1990) Argues that organizational productivity decreases as productivity begins to decline as a result of high turnover rates, (Meyer, 1993) states that turnover is close to a hidden part of human resources and has many negative effects on organizations. It also incurs unnecessary cash costs, wastes administrative effort, and lowers employee morale. (Griffieth, 1991) Also noted similar results in many studies, (Tracey, 2000) argue that the organizational costs of employee turnover outweigh the loss of service quality. This also leads to demoralization of the employees working in this organization, which causes unmotivated employees to provide poor service and customers begin to decline.

(Mullins; Mullins, 2000), located that worker turnover leads lack of organizational fees of advertising, interview time, administrative expensive, supervision and training high worker turnover consequences motivation stage of the personnel working, as end result the agency faces low pride stage of personnel and occasional performance.

(Walsh, 2007) Their observation was centered on benefits of worker turnover. They discover that it's far an herbal procedure of downsizing the workforce. But on the identical time they discover that because of worker turnover the manufacturing and the income of the agency is adversely impact.

(Yang, 2008) Wrote that after a worker leaves any agency there might be lack of personnel and that could have an effect on the extent of provider provided.

## OBJECTIVE

The purpose of this study is to understand an empirical approach for the sole purpose of examining the various factors considered by hotel owners on the effect of employee turnover on the hotel business.

## METHODS OF STUDY

Possibilities explored in this study, 400 employees from classified hotels of Uttar Pradesh were selected for study and proper consideration given to departments while selecting data. Representatives from all positions e.g. entry level, Supervisory level, managerial level chosen to respond the questionnaire, study was conducted in hotels of Uttar Pradesh in Uttar Pradesh people of various cultures lives together and so are the employees in hotels. In Uttar Pradesh about 70 classified hotels are there (National Database for Accommodation Units, 2021).

In table 1 given below study was carried out with personnel of different department and positions, majorly of housekeeping department, human resource department and General Managers of few hotels. Their views are registered through telephonic interview in consultation with literatures present. In table we can see majority of respondents feels those employees' turnovers costs in terms of re-recruitment and training of newly recruited staffs. Few more factors are prevalent in impact of hotels operations are mentioned in table e.g. low performance, lack of motivation, less uniformity, assets loss, inability to meet productivity standards, low occupancy level, dissatisfaction of guests, lack of intradepartmental coordination, and goodwill dgrade.

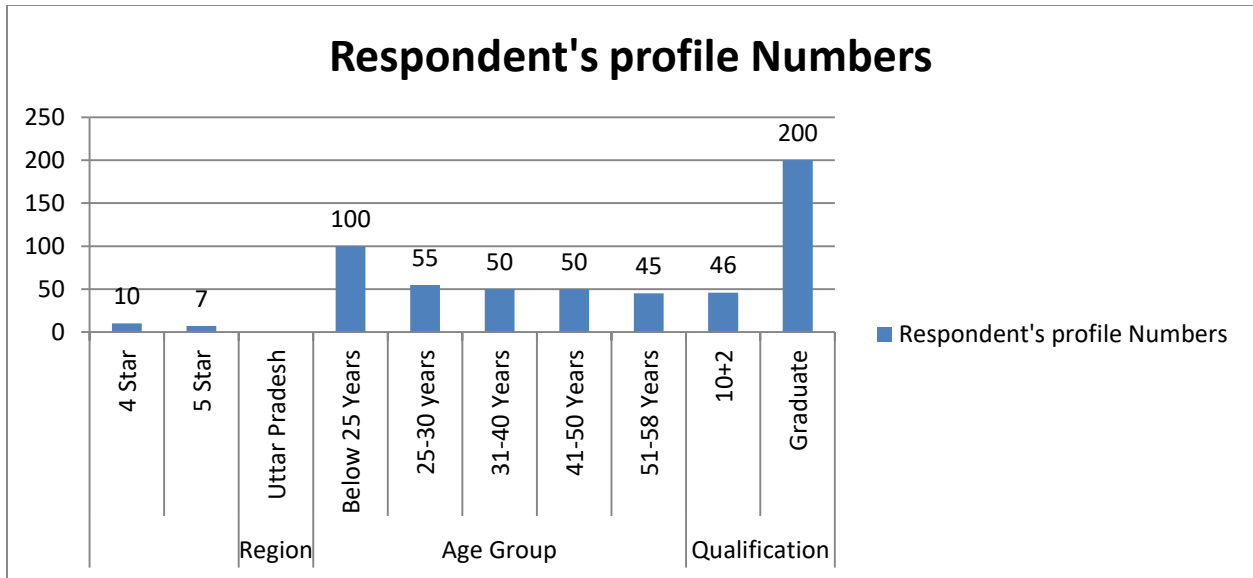


Chart 1: Various factors impacting Hotels operations on employee turnover of Uttar Pradesh

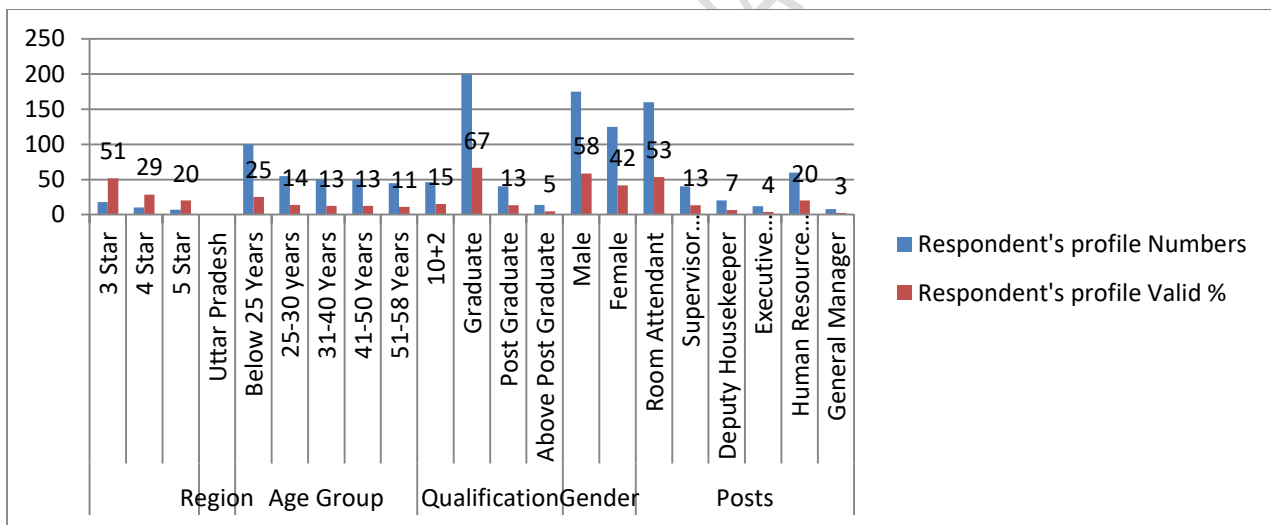


Chart 2: Respondent's profile

Study was conducted in 35 hotels of Uttar Pradesh in which 51% hotels are 3 stars, 29% hotels are 4 stars, and 20% hotels are 5 stars. Talking about positions 53% was entry level, 13% Supervisory level, 7% mid managerial level, 4% Managerial level, 20% human resource personnel, and 3% General managers.

## CONCLUSION

Study was conducted for evaluation of hotels business and employee turnover, impact of employee turnover on hotel business. It is found that if an employee leaves organization it means there will

be loss for organization either direct or indirect. When employee leaves organization who is trained and performing meeting performance and productivity standard human resource personnel has to search for a talent and then recruit and train. But in between the flow of work has been broken and this impacts business of organization. In other hand when one employee leaves organization others feel pressure and they may leave or get frustrated and when an employee in hotel is not happy then he or she couldn't give her 100%.

## SUGGESTIONS

Human resource personnel and owners of hotels should plan some programs to reward outperformers because when an employee works really well he/she expects some fair appraisal and that can be the one way to retain employees. The other way of retention can be through participation of employees in decision making when employee is part of decision he/she feels valued, honored. Many of employers only think if they are paying salaries to an employee that is all but every person needs some satisfaction for him/her and that should be taken cared by employers.

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