

IMPACT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE'S INTENTION TO LEAVE ORGANIZATION

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ABSTRACT:

Among all the employee associated troubles in the organizations experiencing employee turnover has achieved crucial implication predominantly with the galloping demand for professional employees since the last decade of the 21st century. The employers are highly concerned about its ramifications in needs of far above the ground turnover and the impact on organizational efficiency as well as the necessity for ongoing recruitment and the costs involved. When a person is in employment it is normal of him to keep on working for the organization all through his vigorous work life. Similarly, the employer who engages him is supposed to afford work to him till he is actually fit to work as per the job condition and his expectations. It means mutuality and reciprocity of associations in which both are involved for defining and redefining the structure of their relation. Yet all the time neither the employee nor the employer is assured of that sort of employment relations. The relations are broken up for one or the other reason originating from either of them. Employee's attrition is one of the emerging problems faced in all the organizations. Employee attrition is a costly dilemma for all organizations. In today's taxing business climate, managing company's competent and skilled human capital is vital for success. Sector usually turns to increasing compensation for employees to retain them. It's tough challenge for any team leader, who is managing more than one staff in a company. Most managers are not taught how to prevent people from leaving organization.

Keywords: Employee, Attrition, HR Policy, Hotels, Reasons for Attrition, Strategy to Retain

INTRODUCTION

Employers generally consider attrition a loss of valuable employees and talent. However, there is more to attrition than a shrinking workforce. As employees leaving an organization, they take with them much needed skills and qualifications that they developed during their tenure. Employee attrition costs 12 to 18 months salary for each leaving manager, and 4 to 6 months pay for each leaving employee.

DEFINITION OF EMPLOYEE ATTRITION

Attrition is the gradual reduction of a workforce as employees leave or retire. This is usually measured by what is called the attrition rate. Most employers want a low attrition rate because it means that employees are satisfied and they don't have to train new people. Employee attrition rate is the percentage of employees who has left an organization over a certain period. It includes those employees who left voluntarily and involuntarily. Another employee attrition rate definition is that it is staff's turnover. It is an indication of the capability of an employer to retain employees. Therefore, organizations need to calculate the attrition rate.

Rate of Attrition Formula:

ATTRITION RATE (%) = (Number of leaves ÷ number of employees) x 100

The rate of attrition is described as a percentage of your total workforce. By tracking attrition rates from one year to the next, you can identify patterns and pinpoint high or low points in employee retention. Attrition is closely related to employee turnover or churn rate. However, turnover has more to do with the culture that you create within your company and the frequency of hiring and quitting/firing. Attrition is more concerned with the big picture and the

numerical change in your workforce.

Calculating the employee attrition rate

Deducing the employee attrition rate is easy. Let's calculate the rate together by following the steps below.

1. Calculate the average number of employees who worked in the organization throughout the year. Add the number of the employees who were present at the beginning of the year and those who were still working in the company at the end of the year. Divide the sum by two. For instance, if a company had 960 employees at the starting of the year and 940 at the end of the year, the average number of employees per year would be $960+940/2= 950$
2. Next, assess the number of employees who left the company in the year. Do so, by evaluating the previous year's records. If your organization does not keep records on employees' attrition, you can calculate the number of staff that left over the year. Assume 100 employees left the company.
3. Then, divide the number of staff who left the organization during the year by the average number of employees in that year, to deduce the employee attrition rate. Continuing the example above, the employee attrition rate, in this case, would be $100/950*100=10.5\%$

1.2 OBJECTIVES OF THE STUDY

- To study the conceptual frame work of attrition in general and particular to organized hotel sector.
- To find out the attrition rate and general characteristics of the employees in Le Royal Meridien Chennai.
- To identify the key factors influencing the attrition and HR practices in the organized hotel.
- To find out the employees attitude towards attrition.
- To suggest better strategies to reduce attrition.

1.3 SCOPE OF THE STUDY

The present study highlights the various aspects related to employee attrition and its consequences in the organized hotel. It provides the base for many future research works. These are:

- The scope of the study may be extended to all hotels at National level;
- The regional disparities in employees attrition may be focused in near future;
- The comparative study on employees attrition at various industries may be studied in future;
- The linkage between the psychological aspects of employees and employees attrition may be examined in future;
- The relationship between the HR practices at the units and employees attrition will be researched;
- The problems in the establishment of better employees attrition may be examined in future and
- The perception on various groups of employees on the employees attrition at their units may be evaluated in near future.

REVIEW OF LITERATURE

The review of literature is a vital part of any research study, which gives essential contribution to the researcher to frame the research study on the selected topic. Review of related studies further helps to avoid the duplication work that has already been done in that specific area. It also helps the investigator to study the different dimensions of the research problem that happened so as to carry over or rectify the problem in the present study. The previous studies enable the researcher to recognize the unexplored research areas, in order to create new grounds for research. It helps to set an investigation in a right path that would keep the researcher abreast of the latest developments in the research topic chosen. The review of literature has been collected from various sources, such as books, journal articles, thesis, reports, and websites and so on. The collected

reviews of related literature for the present study are presented in this chapter.

Chih et al., (2016) in their study titled, “Investigating Employee Turnover in the Construction Industry: A Psychological Contract Perspective” investigated the role of psychological contract breach in predicting employee turnover in the construction industry. The results reveal that psychological contract breach results in emotional exhaustion, which in turn predicts employees’ turnover intentions and actual turnover. The results suggest that younger as opposed to older construction workers who experience psychological contract breach are more likely to experience greater levels of emotional exhaustion and exit their organizations. Accordingly, to retain skilled workers, construction organizations should understand and continuously manage employees’ psychological contract expectations and provide more support to younger workers. This study offers significant theoretical contributions and it is one of the few in the construction literature that examine both employee turnover intentions and actual turnover from a psychological contract perspective.

Khillare (2016) in his study titled, “Challenges of Human Resource Practices in Retail Sectors: in India”, analyze the Human Resource Management practices implemented in the organized retail industry in India. The major objective of this study is to study the challenges of human resource management practices pursued in the organized retailing. Consequently, the research involved an extensive literature review on the area of concern to provide an overview of retail sector in India and the viable HR challenges experienced in the sector. The study finds that the retailers especially organized retailers are nowadays placing a greater emphasis on the HRM practices which includes recruitment, selection, performance appraisal, training and development, compensation, career planning, etc. Apart from this the sector is facing some problems relating to its human resource like lack of skill, lack of formal education in retailing, workforce attrition, threat of poaching and complicated human

resource environment.

Rajasshrie Pillai, Ravi Teja Mamidi and Hamsini Kuchibhotla (2016) made an attempt to understand the reasons for employee turnover, the primary survey was conducted among 156 employees from surveyed with a structured questionnaire. Also to understand the HR viewpoint, structured interviews were conducted. Their study also discussed the employee expectation from the organisation. Their research paper focuses on reasons for employee turnover and the retention strategies for organised retail.

RESEARCH METHODOLOGY

The validity of a research depends on its systematic method of collecting the data and analyzing the same in a logical and sequential order. In the present study, an extensive use of both primary and secondary data was made. The detailed methodology adopted for the study is discussed in the following.

SAMPLING DESIGN

For collecting primary data, field survey technique was employed in the study area. First hand information pertaining to the personal details, professional background information, and opinion on attrition by the employees were collected from one hundred and four sample respondents using stratified random sampling method. The selection of respondents was made in active consultation with the subject experts and the research supervisor, so as to represent all categories such as married and unmarried, highly educated and moderately literate. The respondents were selected randomly from the list of employees maintained by the hotel. Further 65 samples were collected from hotel owners and general managers for assessing the gap between employer and employee opinion towards the influencing factors on attrition.

DATA COLLECTION

PRIMARY DATA

In order to fulfill the objectives set, a sample study was undertaken by using a well framed questionnaire that was duly filled in by the respondents. The respondents with varying backgrounds were selected based on the important aspects of their gender, age, education, marital status and so forth, hailing from

both managerial level and entry level employees of hotel. This was due to the significant level of literacy among the respondents and the researcher's rapport established with them. The specimen of the questionnaire issued to the selected sample respondents is shown in the Appendix section of this thesis. The collected data were edited, coded and analyzed using SPSS software and various statistical tools.

SECONDARY DATA

The primary data were supplemented by a spate of secondary sources of data. The secondary data pertaining to the study was gathered from the records published by various organized retail companies at worldwide. Latest information was gathered from hotel Internet web resources. Further, the Secondary data collected through magazines, Journals, information from web portals, past researches and reviews were used.

DATA ANALYSIS AND INTERPRETATIONS: MANN WHITNEY

NULL HYPOTHESIS H0: there is no relationship between gender and shift timings

ALTERNATIVE HYPOTHESIS H1: there is a relationship between gender and shift timings.

Ranks				
	GENDER	N	Mean Rank	Sum of Ranks
What about the shift timing?	MALE	70	51.14	3580.00
	FEMALE	34	55.29	1880.00
	Total	104		

Test Statistics^a	
	What about the shift timing?
Mann-Whitney U	1095.000
Wilcoxon W	3580.000
Z	-.889
Asymp. Sig. (2-tailed)	.374

a. Grouping Variable: GENDER

RESULT: H0 ACCEPTED

INTERPRETATION:

From the above analysis it has been inferred that the significance value is 0.000 which is greater than the confidence level (0.374 > 0.05) so the H0 is accepted and there may be the significance relationship between the gender and the shift timing satisfaction against their job responsibility.

KRUSKAL WALLIS

NULL HYPOTHESIS H0: there is no relationship between opinion regarding the work load and experience

ALTERNATIVE HYPOTHESIS H1: there is a relationship between experience and work load.

Ranks			
	EXPERIENCE	N	Mean Rank
What is your opinion regarding the work load?	0-2 yrs	25	48.22
	2-5 yrs	29	59.02
	5-10yrs	33	45.35
	10-15yrs	16	58.91
	Total	103	

Test Statistics ^{a,b}	
	What is your opinion regarding the work load?
Kruskal-Wallis H	6.056
Df	3
Asymp. Sig.	.109
a. Kruskal Wallis Test	
b. Grouping Variable: EXPERIENCE	

RESULT: H0 ACCEPTED

INTERPRETATION:

From the above analysis it has been inferred that the significance value is 0.000 which is greater than the confidence level ($0.109 > 0.05$) so the H0 is accepted and there may be the significance relationship between the experience and the work load satisfaction against their job responsibility.

CORRELATION

NULL HYPOTHESIS H0: there is no correlation between company policies were employee friendly and reason why employee will not be loyal

ALTERNATIVE HYPOTHESIS H1: there is a correlation between company policies were employee friendly and reason why employee will not be loyal

Correlations			
		Do you think the company policies were employee friendly?	What are the reasons why employees will not be loyal?
Do you think the company policies were employee friendly?	Pearson Correlation	1	.022
	Sig. (2-tailed)		.824
	N	104	104
What are the reasons why employees will not be loyal?	Pearson Correlation	.022	1
	Sig. (2-tailed)	.824	
	N	104	104

RESUL: H0 Pearson correlation positively correlated

INTERPRETATION:

From the above analysis it has been inferred that the significance value is 0.000 which is greater than the confidence level ($0.824 > 0.05$) so the H0 is accepted and there may be the significance correlation between the company policies were employee friendly and reason why employee will not be loyal satisfaction against their job responsibility.

CHI SQUARE

NULL HYPOTHESIS H0: there is no relationship between satisfaction among employee retention and opportunity for personal growth.

ALTERNATIVE HYPOTHESIS H1: there is a relationship between satisfaction among employee retention and opportunity for personal growth.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Kindly identify a main factor that enhances satisfaction among employee retention * Did you have a enough opportunities for personal growth	104	96.3%	4	3.7%	108	100.0%

Kindly identify a main factor that enhances satisfaction among employee retention * Did you have a enough opportunities for personal growth Cross tabulation				
Count				
		Did you have a enough opportunities for personal growth		Total
		TO A LARGE EXTENT	ALMOST ALWAYS	
Kindly identify a main factor that enhances satisfaction among employee retention	FREEDOM TO WORK	23	12	35
	INCENTIVE	4	7	11
	BETTER WORKING CONDITION	19	20	39
	IMPROVEMENT OF SALARY	10	9	19
Total		56	48	104

Chi-Square Tests			
	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.760 ^a	3	.289
Likelihood Ratio	3.807	3	.283
Linear-by-Linear Association	1.311	1	.252
N of Valid Cases	104		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.08.			

RESULT: H0 is ACCEPTED

INTERPRETATION:

From the above analysis it has been inferred that the significance value is 0.000 which is greater than the confidence level (0.252 > 0.05) so the H0 is accepted and there may be the significance relationship between the satisfaction among employee retention and opportunity for personal growth against their job responsibility.

SUMMARY OF FINDINGS SUGGESTION & CONCLUSION

FINDINGS

1. 21% of the respondent's age is 26-30.
2. 67% of the respondents are Male.
3. 60% of the respondents are married.
4. 24% of the respondents are Administration department.
5. 32% of the respondents are having 5-10 experience.
6. 40% of the respondent's qualifications are diploma.
7. 33% of the respondent's salary is 20001-30000.
8. 56% of the respondents are ranked 4 for friction with supervisor and coworker is the internal and external causes of attrition.
9. 72% of the respondents are yes for

increasing number of industries affecting employee retention.

10. 89% of the respondents are yes for conduct survey.
11. 47% of the respondents are attractive salaries for Strategies to retain the performance.
12. 88% of the respondents are yes for Satisfied with retention policies.
13. 37% of the respondents are better working condition for Satisfaction among employee retention.
14. 98% of the respondents are yes for Retention policies.
15. 48% of the respondents are low benefits for Employees will not be loyal.
16. 32% of the respondents are retention bonus for resigning employees to continue their service.
17. 100% of the respondents are yes for Career goals.
18. 43% of the respondents are satisfied for Employee engagement activities.
19. 93% of the respondents are yes for Training & development met your needs.
20. 100% of the respondents are yes for Recognition.
21. 76% of the respondents are good for Shift timing.
22. 55% of the respondents are low for Work load.
23. 51% of the respondents are highly satisfied for working environment.
24. 50% of the respondents are highly satisfied for Leave facilities.
25. 68% of the respondents are almost always for Policies were employee friendly.
26. 54% of the respondents are large extent for Opportunities for personal growth.

SUGGESTIONS

To handle with the high attrition rate, leading organized hotels are in the need to develop comprehensive retention strategies. The following suggestions are put forward to improve the retention rate of employees.

1. Select the right people through aptitude testing and use

psychometric test to get people who work at multiple shifts.

2. Use employee's referrals as a source to recruit new employees.
3. Recruiting qualified peoples from rural areas, where opportunities are few.
4. Clear understanding must the established among the employees regarding job profile and performance appraisal.
5. The complete training, essential tools and time to complete complicated work must be provided by the organisation else the employee decides to move to an employer who provides them.
6. Proper communication must be established between employees, supervisors and employers. Pay attention to employees complaints and try to rectify them as much as possible is very important to keep the employees in the organisation.
7. Should be provided to reduce the level of stress among the employees of organized retail sectors.
8. Due to the nature of day-today work, frequent breaks should be provided to the employees in order to avoid their physical problems.
9. Employees must feel satisfied, appreciated and recognized. Giving them a periodical raise in salary or increase in incentive helps the organisation to retain its employees.
10. Performance of an employee depends upon the stress free work environment. So the hotel should assure it to their employees.
11. Employees expecting their week off leave in a fixed day, in order to plan their personal works. Hence, the organisations should be given the week off to their employees in a fixed manner.
12. From the analysis, it is noted at various points that 'working hours

per day' and 'working shifts' of the employees are having high level of influence to leave their job.

13. The satisfaction level of employees towards the key strategies practiced by the hotel to retain their employees are comparatively low. The organisations should concentrate on this issue and take necessary steps to improve the satisfaction level of their employees.

CONCLUSION

Organized hotel Sector in India has come to an era that has gone through various transformations over the last decade with noticeable shift in shape and growth of the globalised market. India has a flourishing market with various socio-economic groups of consumers all around the nation. In the sudden hike of organized hotel sector in India also makes the problem of attrition in its workforce. Nowadays the eminent problem of attrition increased in various corporate environments around the world. Employee attrition has been the slow destructive force for the development and productivity of an organization. The significant affect of attrition on financial status are also become high. At this juncture the present study promptly carried out with an object to identify the major factors influencing the employees to take decision.

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