

Himalayan Journal of Social Sciences & Humanities

(A Peer Reviewed Journal of Society for Himalayan Action Research and Development)

ISSN: 0975-9891

ANALYSIS OF TURNOVER RATIO IN HOSPITALITY INDUSTRY IN GARHWAL REGION OF UTTARAKHAND: ISSUES AND CHALLENGES

SANJAY DHYANI

Placement Officer, H.N.B Garhwal University, Srinagar Garhwal, Uttarakhand-246174 Email: dhyani.sanjay@gmail.com

.....

Manuscript Info

Abstract

Manuscript History

Received: 08.12.2016

Revised: 18 12.2016

Accepted: 26.12.2016

Key words:

Turnover, Hospitality, accommodation, Human Resource Uttarakhand state economy is largely dependent on the tourism sector and due to the lack of employment opportunities in other sectors of the state the importance of the tourism sector attains much higher importance. Tourism sector not only provides the employment opportunities to the local youth but also delivers sufficient opportunities for the generation of self employment in the sector. Hospitality sector comprising largely of the accommodation sector is on the path of development in these regions but due to several problems the sector has failed to deliver the quality service and facilities to the potential tourists. Apart from lack of adequate infrastructure the major problem associated with this sector revolves around the human resource engaged in this sector. High turnover ratio in this sector is one of such issue which is main obstacle in the development of this sector and also in providing and delivering quality service to the tourists. The present paper analyses the turnover ratio in the accommodation sub-sector under the hospitality sector in the urban and rural regions of the Uttarakhand. The paper further reflects upon the major factors responsible for the turnover and presents the study which highlights the problem in the light of urban and rural settings.

.....

INTRODUCTION

Like transport, accommodation sector too is vitally important component responsible for growth and development of tourism. Availability of appropriate accommodation facilities for various categories of travelers has determining impact on the type and volume of tourist traffic to a given destination/destination region. The accommodation and catering industry further is largely dependent on the human resource engaged in it.

Traditionally the Garhwal region of Uttarakhand has been attracting pilgrims from countrywide for centuries and hence the tourist infrastructure developed over the years has distinctively developed along their generic demands. The study area is specially the hunting ground of the pilgrims, naturalist and adventurous souls. Incidentally, luxury accommodation does not generically fall in the priority of none of

these three motivation groups, more so while traveling in relatively remote Himalayan environment. The accommodation in the study area is available mostly in the form of private lodges, Guest Houses and budget category hotels at almost all the major tourist destinations and transit points. Tourist rest houses run by GMVN, Government Accommodation units such as Forest Rest Houses, and PWD Guest Houses can be considered as reasonably standard accommodation at almost all the major tourist centers in the study area along with Tourist Guest Houses managed at Badri-Kedar *Yatra* Circuit are also benefiting the budget class tourists. Besides these, Dharamshalas, Ashrams and Gurudwaras also cater a large number of tourists in the region.

Apart from transport and accommodation, fast food outlets, eating-houses, restaurants, motels, tourist information centers, health centers, toilets, drinking water, communication network, safety and security provisions, auto repair workshops and petrol pumps etc are integral part of the roadside tourist amenities especially significant in the context of mountain tourism, which are in the developing phase in the study area which need to be improved in order to increase the tourist satisfaction about the study region .

The Problem

Human resource has a huge role in all the activities related to the hospitality industry and the success of this industry is largely depended on the quality and efficiency of human resource. But even after having such an important role in the industry the human resource aspect in the industry is encountering largely the problems related to the human resource. These problems are related to human resource availability, their turnover, retention ratio, skill manpower, discrimination, human resource harassments and many others. These problems are acting as major challenge in front of the success of the hospitality industry.

Literature Review

Delivering quality service is one of the major challenges facing hospitality managers in the new millennium. It will be an essential condition for success in the emerging, keenly competitive, global hospitality markets. While the future importance of delivering quality hospitality service is easy to discern and to agree on, doing so presents some difficult and intriguing management issues. Since the delivery of hospitality service always involves people, these issues center on the management of people, and in particular on the interactions between guests and staff, interactions that are called service encounters. In the eyes of our guests, our hospitality businesses will succeed or fail depending on the cumulative impact of the service encounters in which they have participated (Singh, Percy, 2008). One of the most important departments of any hospitality industry staff is human resources management. Thus the role of the human resource is directly important in attaining consumer satisfaction through delivering quality and efficient service.

Proper human resources management can be the difference between a really well run hospitality industry and a poor one. The human resources manager can control almost the whole feeling and presence of the entire hotel. This makes the importance of human resources management for hospitality industry very evident (Khanna, 1999). There are several different areas in which human resources management is very important. One of these areas is for newly hired employees. The employees that are hired in a hospitality sector can really alter the quality of service and the whole atmosphere of the hotel. This means that it is very important to pick upbeat, dedicated workers for each position. It is the job of the human resources manager to make sure that good people are chosen to work in the hotel. Retention of employees is another large problem in the hospitality service business. Since so many of the employees do not have hospitality industry work as their ending career goals, many of them only work in a hospitality industry for a short

amount of time. Other employees may have to be let go because of poor work ethics or other issues. However, there are ways that a hospitality industry human resources manager can curb some of the desire and likelihood that employees will move to other jobs quickly. The importance of human resources management for hotels is very high in this area. Managers can provide good training and incentive programs that will cause employees to stay longer at the hotel. Having a clear progression plan to advance to higher levels of service will also cause employees to stick around much longer. (Batra, 1996)

The issue of employee progression and promotion is also another large issue for the hospitality industry. The importance of human resources management for hotels is proven in this area. Hotels which provide ways for employees to advance in position, or that provide training for employees so that they can gain skills necessary for an advanced position are very important to the retention rate of employees. It is easy to implement services of this nature and the expense is negligible compared to the expense and time necessary to constantly find new employees to replace the ones that always leave shortly after being hired. One of the easiest things to implement is English lessons. Many hospitality industry employees do not speak English very well, and so it is a great incentive for them to stay working at a hospitality industry if they are offered English lessons (Manpower Recruitment in Hotel industry, 2006, A Market Plus Report).

The importance of human resources management for hotels is also important in the area of employee services. If the employees know they can come to the human resources manager whenever they have a problem or issue then it is easier for them to work in good conscience. Many human resources departments implement different games and activities to make the work environment more interesting and fun for employees. There are many different services that a human resources manager can think of to help employee morale. Maybe the hospitality industry could implement a babysitting service, or have a park day every year. These little services go a long way towards making happy employees. Happy employees make happy companies and happy customers. (Swain, Sampad Kumar, 2007)

The importance of human resources management for hotels is very great. There are thousands of ways that a human resources manager can make a hospitality industry run more smoothly and more efficiently. There are many different areas that can benefit from the experience and guidance of a human resources manager. Therefore it is very important to not undermine the manager's importance. Without the human resources manager a hospitality industry is not the same or as pleasing to customers and employees. The human resources department within a large hotel organization is responsible for recruiting, screening and hiring staff members. Employees in this department also administer compensation and benefits programs, coordinate safety practices and implement labor law requirements, just to name a few. The actions taken by human resources, especially during the hiring process, have a direct impact on the reputation, quality and financial performance of the hotel. By making decisions that can make or break the success of an organization, it is easy to see why human resources management is one of the most important departments in any industry. (Michael J. Boella, et al., 2005)

OBJECTIVES OF THE STUDY:

The present work aims to study the issues related to the employee's turnover ratio in the hospitality industry in the Garhwal region of Uttarakhand state. The objective of the study is to study the turnover ratio of both levels of employees, i.e. the management level and non-management level. The study has further aimed to deduct the factors which affect the turnover ratio in the industry. The study aims to study these aspects in case of the industry units located in both urban areas and rural areas of the Garhwal

region of the state. The study further aims to deduct the solutions of the problems related to the turnover ratio in the industry in these regions.

Research methodology and Study Area

Garhwal region of Uttarakhand is administratively, comprised of seven districts-Chamoli, Rudraprayag, Pauri, Uttarkashi, Tehri, Haridwar and Dehradun. The present study concentrates on five out of the seven districts constituting Garhwal region of the Uttarakhand State. The study not only analyzes the present status of the hospitality industry and its infrastructure but also focuses on the potential of the different destination for planning and developing better tourism infrastructure. The study restricts the definition of hospitality industry to accommodation units existing in the various districts of the Garhwal region.

In this study while examining certain parameters relevant to study the various aspects the five districts of the Garhwal region were distributed into two major groups. The distribution of the districts in the two groups is as follows:

- Haridwar-Dehradun
- Chamoli-Uttarakashi-Rudraprayag

These groups have been framed on the basis of the various similarities existing in the respective district. The similarities has been noticed in respect of popularity of district as tourist's destination, existence of type of tourism resources, influx of tourist's, existence of tourism infrastructure, concentration of tourism and hospitality industry.

Random sampling methods along with stratified sampling method were utilized to extract the sample for the study.

RESEARCH FINDINGS:

Largely focusing on the relevance of the human resource engaged in the hospitality industry in the Garhwal region of Uttarakhand examines the issues associated with the employee's turnover rate. The results of the study are as follows:

Employee's Turnover Rate

A turnover rate is the ratio of employees leaving a company (or industry) within a specific period of time. High employee turnover rates have, by far, been one of the main concerns within the hospitality industry in the country. There are many reasons for high labor rates in the hotel industry. First of all, these rates can usually be the result of a flaw in the hiring process itself. In many companies, the hiring managers are in a hurry to fill the empty position, and therefore hire an inexperienced individual, assuming that he or she will "catch on" to the job requirements in due time. Next, there are the issues with salary and growth opportunities. In today's economy, employees are relying on these elements now more than ever. Employee morale is directly related to their income and if the employer thinks that they can get away with overworking the staff while providing no incentives, then they are sadly mistaken. Finally, the work atmosphere also plays a big role in an employee's decision to leave the company. The problems like constantly exposed to a tense, unwelcoming environment, begins to have a negative effect on the job performance and job satisfaction of any employee resulting in high employees turnover rate. Poor communication of the management with the employees also leads to enhance the dissatisfaction level of the employees resulting in employee's high turnover rate (Nickson, Dennis, 2007). The study here

attempts to examine the turnover rate in the hospitality industry in Garhwal region along with identifying the factors resulting in it.

Employee's Turnover Rate in Hospitality Industry in Haridwar-Dehradun

To study the employee's turnover rate in hospitality industry in the various tourists' destinations of Haridwar and Dehradun districts, we have randomly selected a sample of 14 units representing various different categories of the hospitality industry. The period for which the turnover rate is being measures in the study is of past four years. The results of the study are as follows:

Table No. 1 Employee's Turnover Rate in Haridwar-Dehradun

Hierarchy of the employee's	Tourist's De	Tourist's Destinations	
	Dehradun	Haridwar	Rishikesh
Top management	14	18	20
Middle level management	30	25	35
Non-management Skilled Man power/trained	48	38	52
Non-management Unskilled man power/untrained	56	44	62

Source: Field Survey

The above table depicting the employee's turnover rate in all three districts reveals that the hospitality industry in these major tourist's regions is adversely affected to a large extent. The study shows that turnover rate is largely noticed in the case of non-management human resource in the industry. The high rate of turnover further indicates the high degree of dissatisfaction among the human resource along with the huge problem of the hospitality industry. The turnover rate in the case of top and middle level management is relatively less but is still significant to cause a negative impact on the smooth functioning of the industry. The table further shows that turnover rate among the human resource is relatively higher in the case of hospitality industry in Rishikesh. The figure given here depicts the same variations in the turnover among the human resource at the different levels of the industry.

Factors Leading to the Management Employees Turnover Rate in Hospitality Industry in Haridwar-Dehradun

To study the management level employees turnover rate in hospitality industry in Haridwar and Dehradun region we studied a sample size of 29 employees which were randomly selected for the study. These employees were investigated for their previous turnover record in the other units in which they have worked.

Table No 2 Factors Leading to the Management Employees Turnover Rate in Hospitality Industry in Haridwar-Dehradun

Factors leaning to employees turnover	Tourist's Destinations		
	Dehradun	Haridwar	Rishikesh
	(In percentage)	(In percentage)	(In percentage)
Salary and Incentives	69	57	63
Poor working conditions	29	31	47
Poor management of the top authorities	37	49	55
Lack of skills	11	14	23
Miscommunication	12	17	22
Personal reasons	5	11	8

Source: Field Survey

Note: Many of the employees turnover as depicted in the table has been because of the combination of the various factors

The high turnover rate among the human resource engaged in the management part of the industry, as revealed in the study is an issue of concern for the industry. The above table reveals that problems related to the salary and incentives of the human resource is a biggest factor contributing largely in the employees higher turnover rate. In all the above three destinations majority of employees has revealed that dissatisfaction with the existing salary and the opportunities to earn higher salary and incentives in the other units results in their turnover. The next major factor largely responsible for the turnover is the dissatisfaction of the subordinates with the top management in these units. The study revealed that there are many factors which result in this problem and even to conflict among the subordinates and the top management in many cases. Poor working condition is the other important factor which results in the employee's high turnover rate in the industry. The poor condition refers to the long working hours, unhygienic working environment for the employee, undue work pressures and harassments of the subordinates. All these factors have resulted in making the working conditions unhealthy and poor for the employee's resulting in the large turnover of the employees. Lack of skills, miscommunication among the employer-employees also results in the turnover the employees in the industry although these factors are not the biggest contributor in the high turnover among the human resource in the industry.

Factors Leading to the Non-Management Employees Turnover Rate in Hospitality Industry in Haridwar-Dehradun

A sample of 54 non-management employees was randomly selected for the study from the two districts. The results of the study are as follows:

Table No. 3 Factors Leading to the Non-Management Employees Turnover Rate in Hospitality Industry in Haridwar-Dehradun

Factors leading to employees turnover	Tourist's Destinations		
	Dehradun	Haridwar	Rishikesh
	(In percentage)	(In percentage)	(In percentage)
Salary and Incentives	53	62	68
Poor working environment	27	36	18
Poor management of the top authorities	19	23	14
Lack of skills	27	34	26
Miscommunication	14	11	7
Personal reasons	17	6	5

Source: Field Survey

Note: Many of the employees turnover as depicted in the table has been because of the combination of the various factors

The non-management employee holds an important place in the hospitality industry. The peculiar feature about these employees in the hospitality industry is that they are mainly unskilled. The easy entry to this industry pulls the unemployed unskilled youth to it. The study of the causes of high turnover rate of these employees in the industry in Haridwar and Dehradun shows that salary and incentives is the major reason for it. The study suggest that many of the employers pays very low salaries and further do not delivers the

salary in time and even in the low tourists influx season the situation gets worse. Poor working environment and the lack of skills also leads to their high turnover rate in the industry. The poor environment refers to the long working hours and the poor work facilities for these employees. The study further reveals that the work profile of these non-management employees is not fixed and fluctuates as per the industry requirements which lead to their exploitation and job dissatisfaction. The lack of skills leads to their poor job satisfaction and even harassments by the employers and the managers.

Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi Districts

The high turnover rate of the human resource has become a major problem for the hospitality industry. In the back ground that the industry is largely depended on the human resource due to its labour-intensive nature the gravity of the problem enhances. The human resource retention ratio is day by day decreasing as the industry is rapidly developing in the country. The problem of the high turnover rate of the human resource is not only prevalent in the urban centres where the hospitality industry is well developed but in the semi-urban areas also where the hospitality industry is underdeveloped or in the developing phase. Chamoli, Rudraprayag and Uttarkashi represent mainly the semi-urban and rural areas. For the study a sample of 19 units was randomly selected from the three districts. The results of the study are as follows:

Table No.4 Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi Districts

Hierarchy of the employee's	Tourist's Destinations		
	Chamoli	Rudraprayag	Uttarkashi
Top management	7	12	4
Middle level management	46	33	41
Non-management Skilled Man power/trained	27	31	37
Non-management Unskilled man power/untrained	49	54	63

Source: Field Survey

The above table depicting the employee's turnover in the hospitality industry in the three districts reveals that the industry in these regions is heavily suffering from the high turnover rates of the employees. The high turnover rate is not only noticed in the case of the management employees but also among the non-management employees of these regions. The study further suggests that the turnover rate is higher among the non-management employees in comparison to the management employees. The turnover rate is lesser in the case of the top management. The turnover rate among the non-management unskilled human resource of these regions is highest.

Factors leading to the Management Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi

For conducting the study a sample of 38 management level employees' was randomly selected from the three districts. The results of the study are shown in the table given below:

Table No. 5 Factors Leading to the Management Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi

Factors leaning to employees turnover	Tourist's Destinat	Tourist's Destinations		
	Chamoli	Rudraprayag	Uttarkashi	
	(In percentage)	(In percentage)	(In percentage)	
Salary and Incentives	26	38	35	
Poor working conditions	27	41	39	
Poor management of the top authorities	23	17	28	
Lack of skills	7	14	18	
Miscommunication	4	7	11	
Personal reasons	7	5	15	

Source: Field Survey

Note: Many of the employees turnover as depicted in the table has been because of the combination of the various factors

The study of the factors responsible for the high turnover rate among the management employees in hospitality industry of these three regions suggest that problems related to salary and poor conditions are major among them. A large number of employees have suggested that the poor management of the authorities has also resulted in their high turnover. The majority of the employees are not satisfied with the entry level salary structure which they suggests is relatively lesser then the industry in the urban areas. Thus the attractions to the urban areas have also resulted to the employee's high turnover rate in these regions. The poor working conditions is also the other major factor responsible for it, the long working hours and the uncertain job profile results in job dissatisfaction among the employees. The recruitment of the staff in lesser number than the requirement, also increases the heavy burden on these manager level employees resulting in their dissatisfaction with the work place.

Factors leading to the Non-Management Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi

A sample of 55 non-management employees was randomly selected for the study from the three districts. The results of the study are as follows:

Table No 6 Factors Leading to the Non-Management Employee's Turnover Rate in Hospitality Industry in Chamoli-Rudraprayag-Uttarkashi

Factors leaning to employees turnover	Tourist's Destinations		
	Chamoli	Rudraprayag	Uttarkashi
	(In percentage)	(In percentage)	(In percentage)
Salary and Incentives	28	36	32
Poor working environment	26	23	19
Poor management of the top authorities	13	17	15
Lack of skills	31	19	28
Miscommunication	5	7	3
Personal reasons	12	21	16

Source: Field Survey

Note: Many of the employees turnover as depicted in the table has been because of the combination of the various factors

The study of the factors responsible for the high turnover rate among the non-management level employees reveals that problems related to salary, poor working environment and lack of skills are the major ones. The lack of skills among these employees results in their exploitation and uncertain job profile which results in their job dissatisfaction and hence in the high turn over. Majority of the non-management level employees have revealed that the salary related problems aggravates in the non-tourists seasons, the employers often are reluctant to deliver them their salaries timely. Long working hours and undue exploitation by the top authorities also results in their high turnover.

Suggestions and recommendations

Keeping in purview the various problems and issues related to the human resource in the Garhwal region the study attempts to subsidize them through following suggestions:

• Emphasis on creating skilled human resource

To increase the performance and efficiency of human resource along with reducing the high rate of turnover rate it is important to emphasize on creation of larger skilled human resource for the industry. The government has to take initiative in it through developing hospitality industry training institutes in all the districts of the Garhwal region. The government has to take the initiative so that the even the aspirants who cannot bear the huge fees structure as charged by the private sector can avail the training facilities. The government can also take the help of the various hospitality units being owned by them for imparting training, as they possess necessary infrastructure and feasibility for providing adequate job training.

Emphasis on improving the quality of training

To improve the quality of education and training in the various hospitality institutes and to increase its more application usage in the industry it is important to increase the proportion of the practical based curriculum rather then too much emphasis on the theory aspect. In the short term courses the larger emphasis should be on the skill development modules. Apart from focusing on the skill development approach it is important to give equal importance to soft skills development as they are the basic essence of the hospitality industry.

• Structured policy framework for entrepreneurship development

To make the entrepreneurship ventures successful in the hospitality sector it is important for the government to revamp its existing policies. Government should increase the number of finance lending institutions along with generation of lending schemes with certain financial concessions. To help the new entrepreneurs to come up with good feasible and successful ventures it is important to prior impart them necessary training related to the industry and its management and administration. For achieving this government should set up various training workshops for the entrepreneurs with the support of government owned units presently working in the industry. Further to support the ongoing ventures of the entrepreneurs in the industry it is important for the government to support them in their development process through providing them various assistances, like in marketing, finance for expansions, etc.

Directions and vigilance to meet minimum standards set up for the human resource

To improve the working conditions of the human resource engaged in the industry it is important to focus on meeting the minimum standards set up by the government for the human resource. Government should take appropriate steps to eradicate the undue harassments and exploitation of the employees in the industry.

The development of the human resource aspiring for the hospitality industry and also engaged in the industry will not only help in decreasing the higher turnover ratio but will go a long way in development of this sector. The development of this sector is not only vital for the economy of these regions which is largely dependent on tourism industry but will also help in solving the problem of dearth of employment opportunities and migration of youths from these regions.

REFERENCES:

- Bagri, S.C, (2003) Tourism Management Education: Issues and Challenges, University News, Sept, 2004
- Batra G.S., (1996) Tourism in the 21st century, Anmol publications Pvt. Ltd., New Delhi
- Bhatia A.K., (1991) Tourism Development Principles and Practices, Sterling Publishers Pvt Ltd, New Delhi
- Cadotte, E.R. and Turgeon, N, (1988) Key Factor in Guest Satisfaction, The Cornel Hotel and Restaurant Administration Quartely, Vol. 28, February
- Carman, J.M., (1990) Consumer Perceptions of Service Quality: An Assessment of Servequal Dimensions, Journal of Retailing, Vol.66, Spring
- C. B. Gupta, N. P. Srinivasan, (2000) Entrepreneurship Development in India, Sultan Chand & Sons, New Delhi
- Gearing, C.E. (1976) Planning for Tourism Development: Quantitative Approach, Prager Publication, New York
- Gray, W & Liguori, S, C, (1996) Hotel and Motel Management and Operations, Third Edition, Singapore: Prentice Hall Simon & Schuster (Asia) Ptd Ltd
- Jithendran K.J & Tom Baum, (2000) Human Resource Development and Sustainability The Case of Indian Tourism, International Journal of Tourism Research, Vol.2, Issue 6
- John R. Walker, Jack E. Miller, (20090 Supervision in the Hospitality Industry: Leading Human Resources, 6th Edition, Wiley publications
- Joseph A. Schumpeter, (1934) Entrepreneurship as Innovation, Harvard University Press
- Khanna, M.K, (1999) Human Resource Development Requirements of the Tourism Sector in India, UNESCAP
- Lattin, G.W., (1989) The Lodging and Food Service Industry, The Educational Institute of the American Hotel and Motel Association
- Lawis, R.E. and Pizam, A, (1982) The Measurement of Guest Satisfaction in the practice of Hospitality Management, a. Pizam et al
- Manpower Recruitment in Hotel industry, (2006) A Market Plus Report of Ministry of tourism, Government of India
- Michael J. Boella, Steven Goss-turner, Vincent H. Eade, (2005) Human Resource Management in The Hospitality Industry: An Introductory Guide, Publisher: Elsevier Science & Technology, 8th ed

- Nickson, Dennis, (2007). Human resource management for the hospitality and tourism industry, Butterworth- Heinemann publication, (first Ed), New Delhi
- Prem Nath Dhar, 1997, Development of Tourism and Travel Industry: An Indian Perspective, Kanishka Publishers, New Delhi
- Punia, B.K., (1990) Tourism Management: Problems and Prospects, Ashish Publishing House, New Delhi
- Saiyadain, Mirza, (2008) Human Resource Management, Mc Graw hill publiacation, New Delhi
- Singh, Percy, (2008) HRM in Hotel and Tourism Industry: Existing Trends and Practices, first Ed, Kanishka publications, New Delhi
- Sonia Bharwani, (2007) "Successful Hospitality Innovations–Case study of Oberoi Resorts.", Institute for International Management and Technology, The 2nd International Conference on Services Management
- Swain, Sampad Kumar, (2007) Human Resource Development in Indian Tourism, Abhijit publications, New Delhi
- Uttarakhand Tourism Development Master Plan, (2007-2022, April, 2008). Govt of Uttarakhand, Govt. of India, United Nation Development Programme and World Tourism Organization
