

# To Identify Measures Undertaken to Prevent the Attrition Rate in the QSR

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## Abstract

*International and domestic companies are expanding their business at a very rapid speed, which has helped India to become a very healthy economic environment for customers. Employees of hospitality industry are benefited too, as they have numerous options to start their careers or grow in their careers. With this, increasing rate of attrition has developed into a reason of worry for all the companies, as it is affecting the business directly and indirectly. Employees now have a tendency to leave their job in a real short time for various reasons. It helped few players who came to India and were looking for skilled and unskilled talent for their brand, as the QSR industry itself was new in the Indian market. The need of prevention of attrition has increased in last few years. The more entrants in the market, the more choices employees have. Every company is trying to attract people from their competition to survive in the business. The study aims to understand the measures taken by companies to prevent attrition.*

## I. INTRODUCTION

QSR stand for Quick service restaurants which is a concept introduced in the year of 1996 when a famous burger brand Macdonald entered in the Indian market. The industry demands quick food in quick time, with very strong standard operating procedures in place. India has seen a rapid growth in this segment in last 15 years with number of new and now famous brands expanding their business. The competition is keeping everyone alert and aggressive in survival. Hence there is lot of pressure on the employees to perform.

According to a research done by PRNewswire, Indian fast food industry is expected to grow at a CAGR of 18% by 2020 and is expected to be worth of US\$27.57 billion. Employee turnover and retention to avoid the same has become a challenge in front of all the major companies, as it attracts a very huge cost which can be otherwise used in a better way to expand the business which in return is going to get more revenue and better pay to the employees. It is very important for an employer to study the behavior of employees which can make them more aware about employee dissatisfactions.

The financial expenses during this entire process of recruitment to resignation are indeed very high. This includes interviews, training, salary, incentive and many others. Excessive turnover has a very bad impact on customer's perception about the organization too; also it has a long impact on the business revenue too. Customers recognize a brand for fast service, and will have a brand image which will give them a lot of comfort and emotional loyalty. The hospitality staff is generally shifting their choice of employment towards a BPO, Finance, Retail sector and Insurance and IT admin.

Unfortunately the scenario is not very encouraging, for that matter it is becoming tougher to retain the employees due to tremendous market growth. New entrants have been successful in attracting employees of a competition with a better package.

Mr. Khagendra (2013) studied, that the maximum attrition in a hotel happens in food and beverage service department. The highest turnover is in the first 6 months of joining a job, after that the rate comes down. It is observed that attrition is reduced at the higher level. There are around five factors which were identified to increase the satisfaction level of the employees: those were food provided in the canteen, uniform, promotions, career development and the orientation programme.

Neha Gupta concluded, in her research, that incentive like loyalty bonus and employee recognition by giving those awards and rewards will help in keeping employees loyal to their current employer.

It is hence very important for companies to take a note of all the problems faced by their employees and have a very strong policy in place. The human resource and training and development department will have to tackle the issue at a very basic level before it is escalated to an unmanageable level.

### 1.1 Key Terms & Definitions

- **QSR**- Quick Service Restaurants is a type of food and beverage service outlets, serving food which is prepared and served in a short span of time.
- **Fast Food** – Same industry as QSR.
- **Retention**– According to the Merriam- Webster, a definition of retention is act of retaining.
- **Hospitality Industry**– refers to the relationship between a guest and a host, wherein the host receives the guest with goodwill, including the reception and entertainment of guests, visitors, or strangers
- **PCMC**- Pimpri Chinchwad Municipal Corporation, an extension industry hub to Pune city.

## 1.2 Limitation of Study

- Study is conducted only in PCMC area of Pune city, hence has its limitation
- Sample is collected randomly from the employees of various QSR brands.

## II. OBJECTIVE OF THE STUDY

**“To study the various factors essential in employee retention for the quick service restaurants and to identify the best motivator for employees to join an organization.”**

## III. REVIEW OF LITERATURE

- *Dr. Asma Farooque, Mr. Habibuddin (2015)*, Studied that on the conducted exit interview there were 5 main reasons identified for attrition which are, low salary due to industry not being a very good pay master compare to others, long working hours was the second reason as employees work for not less than 12 to 14 hours a day. The third reason identified was nature of work, as the industry expects people to be proactive and not otherwise so it gets employee to adjust with the requited speed and flow of the work. Another major reason for people to leave the industry is that there is no work-life balance that is seen. Competition and improper employment practice were the other reasons.
- *Neha Gupta (2013)*, found out from the respondents that nature of the work does not give them the required respect that they deserve. The physical conditions of the work are also not very encouraging. Proper utilization of the resources is also a reason for employees to be dissatisfied. The latest technology is incorporated in the organization. Another reason of employee becoming dissatisfied id because people working in an organization are not qualified in the required field, they are either under graduate or graduate yet working with people who are having degree in very same sector.
- *Asad, Jorge*, concluded in the research that professional and organization spirit experienced by employees has a very positive impact while on work. It also suggest that loyal employees will stay for long with the organization with satisfaction, and intention to leave the job is much less than the other situation.
- *Sangaran, Garg (2013)* have mentioned four different paths which leads a employee to leave the job which should be ideally needs a to be tackled. Hence it is important to study the detorments of job satisfaction like nature of work, pay scale, growth in the organization, supervision and colleagues who are going to contribute majorly in how a employee is satisfied while on work. One of the reasons identified for their turnover is bad infrastructure which can be defiantly looked into.
- *Mehta , Kurbetti (2014)*, reviewed in their paper work that career development is very important for the employees to be happy, this has more impact on the employee retention than the financial award. Effective talent management of employee can lead them to become more confident about their talent and in work engagement. Recruiting right person at the right place is equally important to curb the attrition. On job training, people induction, compensation benefit, work life balance will help too.

- *Dutta, Banerjee ( 2014)*, concluded that low moral while at work has a very bad impact on the work efficiency, which is very much possible to deal at an initial level. Employee loyalty towards an organization can also lead employees to stay by making sure that equality at work is demonstrated. Care and concern for employees, faith in employees is going to help employees to stay back give more than what they can while on work.
- *Sandeep Soni (November 2013)* mentioned in the article where he interviewed Mr. Deeraj Gupta who further stated that jumbo king as a brand makes their franchise owners to take the training programme to have a control on the attrition rate of the employees. In 53 outlets that they have there is a 15-20 % of attrition rate which means 40-50 people leaving the brand every month.

#### IV. RESEARCH METHODOLOGY

##### 4.1 Collection of Data

###### ➤ Primary Data

Primary data was collected from the questionnaires. The questionnaire was given to 42 employees of various brand like Dominos Pizza, Pizza Hut, KFC, Macdonalds.

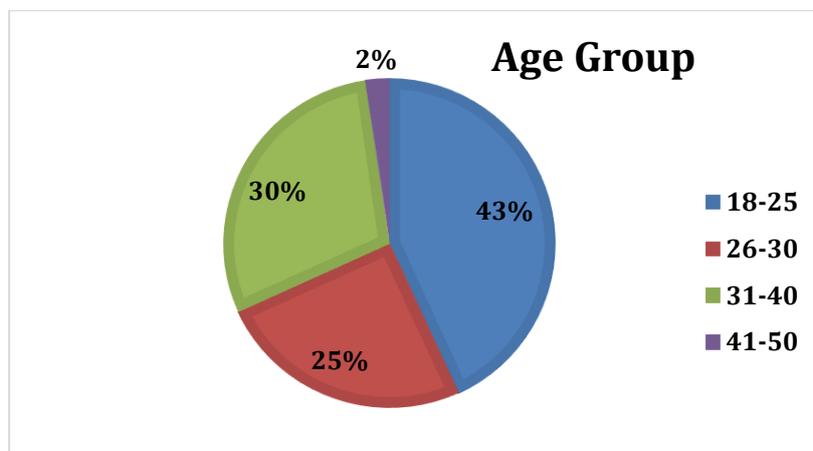
###### ➤ Secondary Data, was collected from,

- E-Journals
- Magazines
- Books
- Websites
- E- Articles

##### 4.2 Sampling Techniques

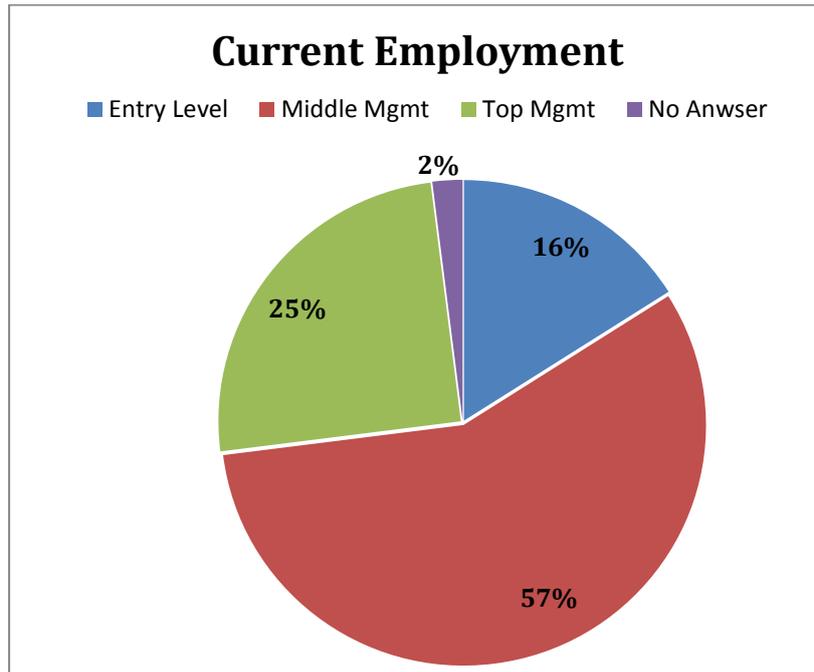
The random sampling technique was used from different level of employees. Questionnaires were filled by 42 employees of top 4 fast food brands

#### V. OBSERVATION AND FINDINGS



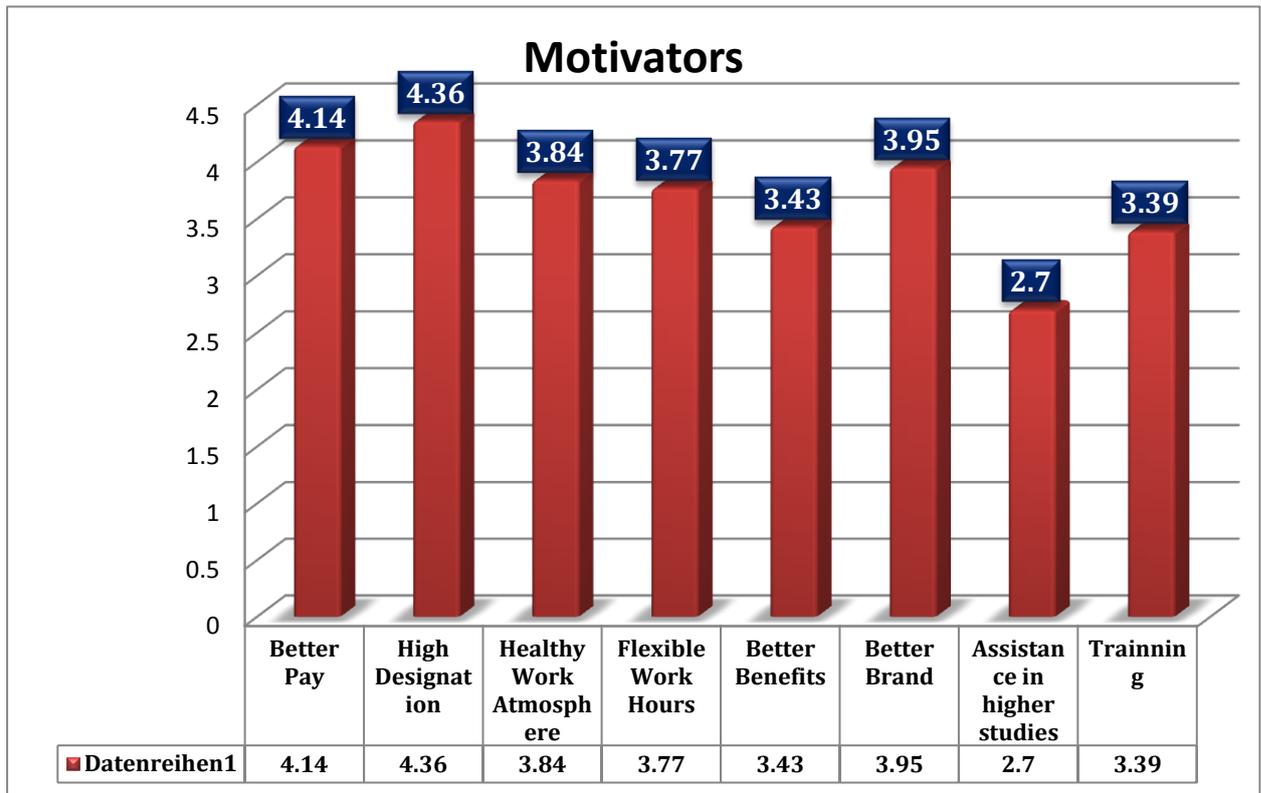
**Chart 1: Age Group of Emoloyees**

The age group working currently in the said industry is in between 18 to 25 age group, which is a crucial age for the turning point for their career.



**Chart 2: Current Employment**

57% of respondents are working for middle management in the respective organizations.



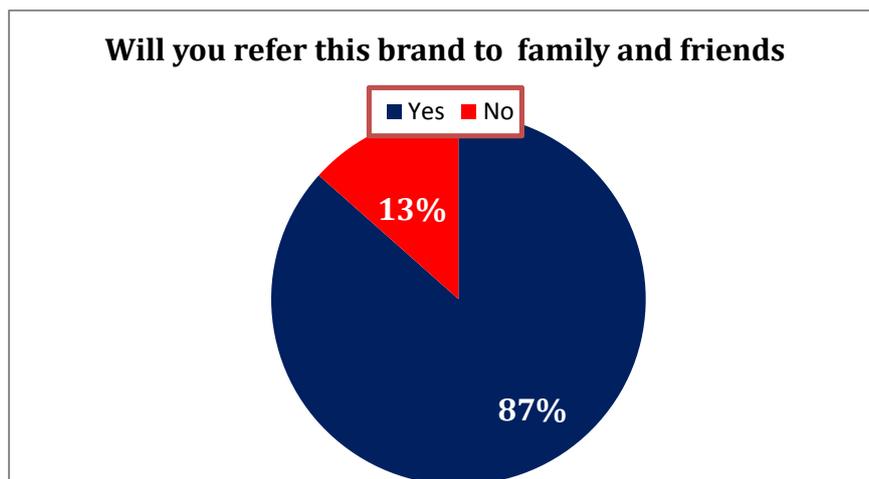
**Chart 3: Motivator for current employees**

The most attractive motivator for current employees to leave the previous organization for the current job was higher designation.



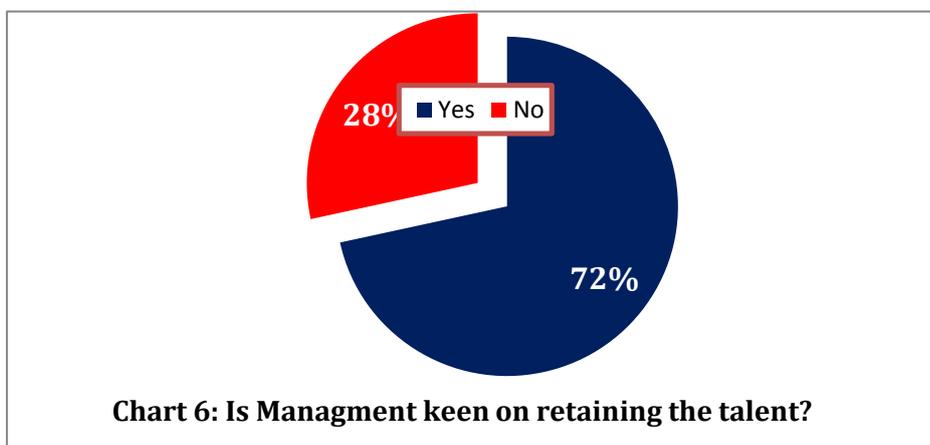
**Chart 4: Current Satisfaction Level**

52% respondents are satisfied in the current organization, after leaving their previous organization.



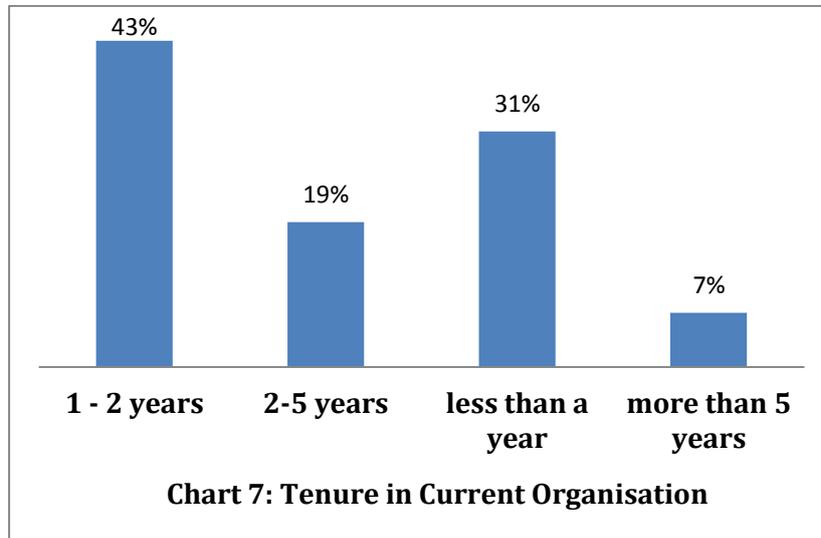
**Chart 5: Choice of Brand**

87% of employees would like to refer this brand to their family and friends, as they are happy working in this.

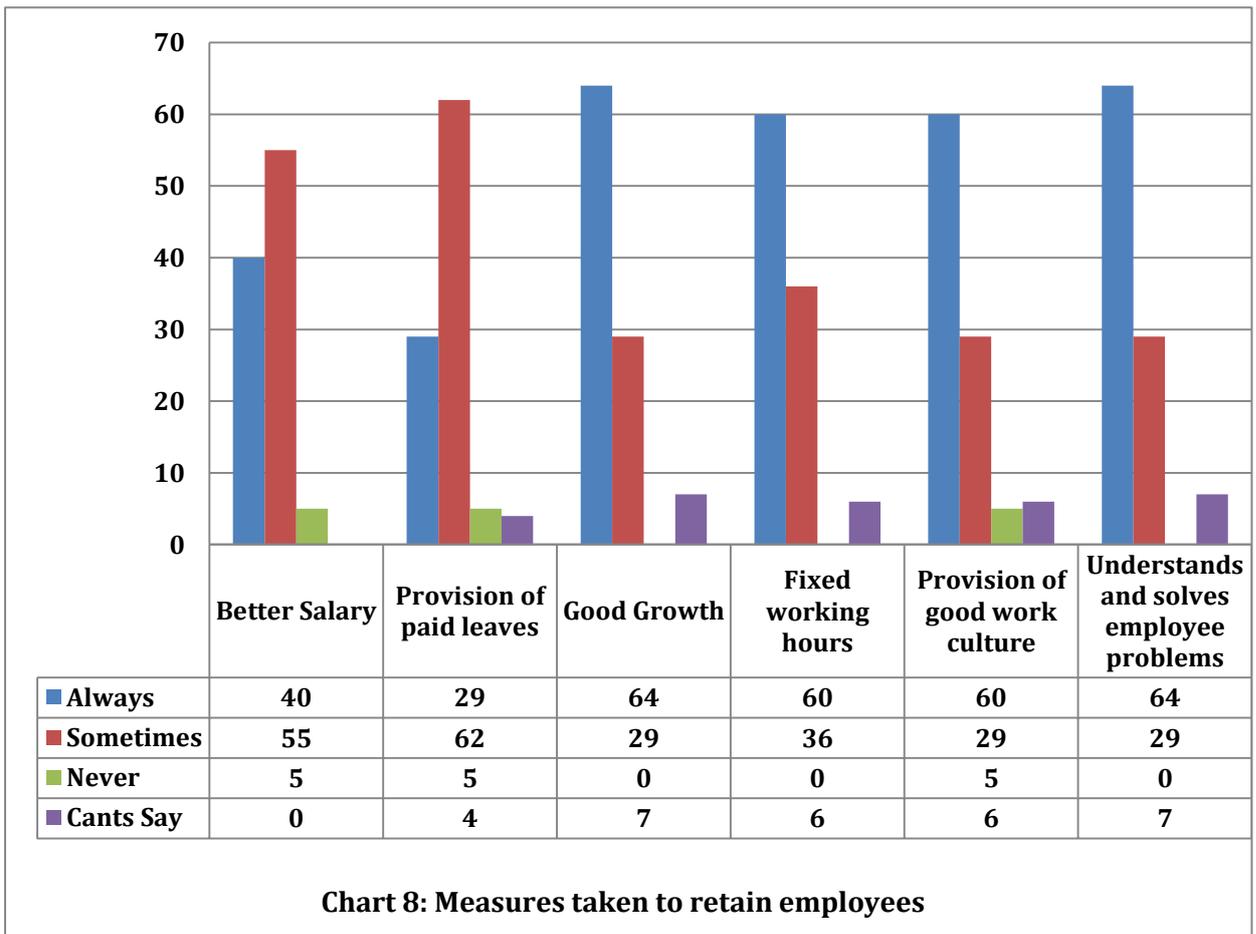


**Chart 6: Is Management keen on retaining the talent?**

72% respondent think, that current management is keen on retaining the talent in the organization, which is a positive sign.



The maximum percentage of employees which is 43% are newly joined the organization. The span is only in between 1-2 years.



The below measure are undertaken by organization as retention strategy.

- Offering a growth chart is the topmost strategy of companies to retain the employees.
- Understanding employee and solving their problems has gained equal importance.

## VI. SUGGESTIONS AND RECOMMENDATIONS

- The author would like to suggest, heavy investment needs to be done on understanding employees expectation from the company to prevent the attrition rate in the industry.
- It a need of an hour to improve the work life culture by adding rewards to encourage employees, or offering convenient working hours which will have enough time for everyone for their personal commitments.
- A need of drafting career path for employees will have clarity for every employee while working.

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