

Talent Attrition: A Study On Airline Cabin Crew Employees

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Abstract

Attrition is a smoldering problem for the promising industry of Aviation, especially because it fails to tap the full utilization of the human resources and wastes much of its time, money and resources due to this. Productivity is a significant issue for an industry or organization. There are several factors responsible for influencing the productivity of an organization. Employee attrition is one of them which are considered to be one of the challenging issues in business nowadays. The impact of turnover has received significant attention by senior management, human resources professionals and industrial psychologists. It has proven to be one of the most expensive and seemingly obdurate human resource challenges confronting several organizations globally. The purpose of this research is therefore, to find out the actual reasons behind attrition based on literature and survey with airline cabin crew employees. This study aims at exploring the dimensions of attrition. Based on our ground work; and survey with the airline cabin crew employees, retention measures are suggested to control attrition.

Keywords: *Attrition, Retention, Job Satisfaction, Aviation, Human Resource, Saturation.*

Introduction: India is one of the fastest growing aviation markets in the world. The Airport Authority of India (AAI) manages a total of 127 airports in the country, which include 13 international airports, 7 custom airports, 80 domestic airports and 28 civil enclaves. There are over 450 airports and 1091 registered aircrafts in the country. The origin of civil aviation in India goes back to December 1912 when the first domestic air route between Karachi and Delhi became operational. In the early fifties, all airlines operating in the country were merged into either Indian Airlines or Air India and, by virtue of the Air Corporations Act 1953, this monopoly continued for the next forty years.

In 1990s, aviation industry in India saw some important changes. The Air Corporations Act was abolished to end the monopoly of the public sector and private airlines were reintroduced. Post liberalization the Indian aviation sector has witnessed a transformation with the entry of the privately owned full service airlines and low cost carriers. In 2006, the private carriers accounted for around 75% share of the domestic aviation market. The sector has also seen a noteworthy increase in the number of domestic air travel passengers. Some of the factors that have contributed to the higher demand for air transport in India include the growing middle class and their purchasing power, modest airfares offered by low cost carriers like Air Deccan, the growth and expansion of the tourism industry in India, increasing outbound travel from India, etc.

Most research in the aviation sector has addressed specific problems related to its environmental analysis like challenges, growth and opportunities, the problem of attrition, the HRM systems, and issues of job pressure and tension, job contentment, individual performance etc. Research done in the area of employee motivation and satisfaction has discussed domains like private public employment (Brief & Weiss 2002) Financial institutes (Abassiet *al* 2000), ITES industry (Dash *et al.* 2008), oil industry (Okpara 2006), government ministries (Branham 2005), labor market (Brown 2007 O'Connell & Kung, 2007). The basic hypothesis of this research that employee motivation, employee satisfaction, employee commitment, and life interest and work compatibility lead to prolonged sustenance is an extension of this model with minor modifications in it. It is proposed that the Job Characteristics model is modified by redefining job dimensions as growth prospects, accountability, sense of accomplishment, self-esteem, and job security, interpersonal relationships, working conditions, by extending organizational outcomes as satisfied, motivated, committed and retained employees.

Literature review has also shown how various researchers have identified a plethora of reasons behind the escalating problem of attrition and how many of them have even suggested recommendations to combat it (Prakash and Chowdhary 2004; Joshi 2004; Misra 2007). Many researchers have also worked on various domains like the HRM systems and practices (Budhwaret *al.* 2006), job satisfaction (Godard 2004; Sharma 2006), and burnout prevention (Kanwaret *al.* 2008).

Thus The Need For This Study Can Be Clearly Defined: Attrition is a crucial problem for the promising industry of Aviation, especially because it fails to tap the full utilization of the human resources and wastes much of its time, money and resources due to this. This study aims at exploring the dimensions of attrition. Based on our ground work; and survey with the airline cabin crew employees, retention measures may be suggested to control attrition.

Objectives of the Study: The specific objectives of this study are:

- i. To identify the factors of attrition in Airlines cabin crew staff based on accumulative literature review and secondary data.
- ii. To explore and analyze the dimensions of attrition in this department (cabin crew) based on primary data collected from field survey and the correlation between them.
- iii. To suggest employee retention measures based on the research.

Research Methodology: A systematic and organized methodology was obtained for the research study. A survey design was used to obtain the required information. Lincoln and Guba (1985) emphasize that the guiding principle of sampling in qualitative research is one of convenience. An important consideration in sampling is whether there are people available who will allow the researcher to collect data about them. In the Non Random sampling techniques snowball sampling method was used to gather data. Sampling, snowballing – also known as chain referral

sampling – is considered a type of purposive sampling. In this method, participants or informants with whom contact has already been made use their social networks to refer the researcher to other people who could potentially participate in or contribute to the study. Snowball sampling is mostly used to find and recruit “hidden populations,” that is, groups not easily accessible to researchers through other sampling strategies (Burns, 2000; Nargundkar, R. 2010). The population for this study comprised of 30 cabin crew employees of various airlines. The questionnaire was intricately designed to tap the demographic variables including age, education and tenure of the respondents. It also helped in collecting information about the factors responsible for attrition, the factors that can be utilized to retain the employees in the aviation sector and their overall level of satisfaction, motivation, commitment and life interest and work compatibility. Statistical Package for the Social Sciences (SPSS) version 17.0 was systematically used for the statistical analysis.

Data Analysis & Interpretation:

Secondary Data Analysis: In order to gain a deeper understanding about the phenomenon of high attrition, and identification of the factors behind it, it was thereby obvious to read through a lot of literature on the Aviation industry, however not much was written particularly related to the Aviation Sector. Of whatever was read the major causal factors for high attrition in Indian Aviation industry identified in this study were based on qualitative research using secondary data. These were compared with causal factors for attrition identified through the questionnaire with a number of employees. There was a close similarity between the two results, authenticating the qualitative research on causal agents for attrition identified in this study.

The study ranked low perceived value and monotonous work as number one factor attrition. Rank two was shared by high salary expectation and unusual working hours. Next factor was disillusioned employees; rank four was shared by stress and burnout, pressure to perform on metrics, and lack of motivation. Finally rank five was jointly shared by lack of security and social interaction. Please refer **Table 1**.

On the basis of these ranks and factors in **Table 1**, an interesting conclusion was arrived at. Low perceived value stands out as the most significant factor for attrition. Increased dissatisfaction leads to reduced motivation, which in turn results in lowered efficiency. When the efficiency decreases, employees are not able to meet expectations and deliver therequired output which results in their quitting the job. When employees leave the organization, the perceived value is further lowered. Thus a vicious circle is formed as shown in the **Figure 1**.

Vicious Circle:

Primary Data Analysis:

Factor Analysis: The sample size is small which can be seen as the “Kaiser- Meyer –Olkin Measure of Sampling Adequacy” is 0.408 instead of it being above 0.5. However the test is significant as seen in the same table since significant level is less than 0.05.

When we first look at the “Total Variance Explained” column where the Cumulative Percentage has initially four factors extracted together and it accounts for 69.491% of the total variance (information contained in the original 12 variables”). This is a fairly good bargain, because we are able to economize on the number of variable (i.e. from 12 we have reduced it them to 4 underlying factors) while we lost only about 30% of the information content. (70% is retained by the 4 factors extracted from the 12 original variables.)

The Rotated Component Matrix includes three factors like that of “employee perks and benefits”, “Working Hours”, “Clarity on company policies”. With loadings of 0.884, 0.857 and 0.521 (as they are closest to the high loading of 1.00) as the major contributor to Factor 1.

Therefore we can assign a common phrase to Factor 1 by linking a common thread to the factors derived which could be “**Organizational Policies**” as the main contributor to Factor 1 because when we analyze we can infer that working hours, perks and benefits to some extent come under the purview of “organizational policies’ itself.

Now, if we look at Factor 2, Interpersonal Relations and Organization Environment contributes maximum to factor 2. They both have a loading of 0.387 and 0.455 which are closest to the highest loading.

Therefore we see that both interpersonal relations and organization environment are highly complementary. And hence we can term it as “**Colleague or People Effect**”.

In the 3rd Factor of the Rotated Component Matrix, “job saturation” with a loading of 0.798 and “over utilization of manpower” with a loading of 0.664” followed by “career progression” and “compensation” contributes highest from all other factors Factor 3.

We could assign factor 3 as a specifically “**Job related**” factor since the compensation you get, the saturation you bear , the progression you get and the amount an employee utilizes his skills to perform a particular task are all related to the job one performs.

The 4th Factor and last factor, we consider only “Job recognition and Working Conditions” as major contributors with highest loadings.

They are slightly interrelated and we can term the fourth factor as “**motivation related factor**” as both the working condition as well as the job recognition received weighs heavily on the morale of an employee.

However, it was decided to further reduce the data and to now choose only 3 Factors instead of 4.

When we look at the “Total Variance Explained” column where the Cumulative Percentage now has just three factors extracted together and it accounts for 58.825% of the total variance.

Now, the Rotated Component Matrix, highlights only Employee perks and benefits, Working Hours which again depends on the Organizational Policies and hence we continue to attribute Factor 1 to “**Organizational Policies.**”

So we now christen Factor 2, in continuation with Factor 1 as “**HR policies**”.

The rotated matrix of the third factor includes over utilization of manpower, job saturation and working conditions. And hence going by his table we term the third reason as “**Job Related**”.

Hence we can probably conclude that attrition is caused mainly due to three factors which include a heavy reference to the “**Organizational and HR Policy**” and “**Job Related Factor**”.

These conclusions drawn are not alarmingly shocking or unexpected. These reasons do form the major reasons for people quitting organizations however we are now able to differentiate them better.

Now we move on to find out the correlation between the factors or variables selected by us as probable reasons for Talent Attrition. Correlation is significant at 0.01 and 0.05 level.

The correlation table has values which are standardized, and range from 0 to 1 (+ve and –ve). Looking at all the columns, it is safe to conclude that all these independent variables are fairly correlated. This indicated that these variables are not independent of each other and we may be able to use only 1 or 2 of them to predict the dependent variables.

To delve a little more into it, and concentrate on the “**Job Saturation**” row, we can see that job saturation has the highest correlations with “**employee perks and benefits and career progression and job recognition.**” This makes complete sense as lack of employee perks and benefits, a lack of career progression and low job recognition will eventually lead to low motivation levels amongst the employees and thus results in a feeling of saturation at ones job.

Again if we were to look at the “**Clarity of company policies**” row, we see that it has a correlation (0.962) with “**Organizational Environment**”. This too could be explained by keeping in mind that the policies of the company with regards to work timings, leave policies and other factors has an overall bearing on the environment in the organization.

Regression: The aim of conducting a regression analysis was to find out the dependency of all the other variables on Organizational Environment as the organizational environment is all inclusive.

Dependent Variable:

Y = Organizational Environment

Independent Variable:

X1- Compensation

X2- Job Recognition

X3- Over Utilization of Manpower

X4- Employee perks and benefits

X5- Career Progression

X6- Saturation of Job

X7- Working Hours

X8- Interpersonal Relations

X9- Personal Reasons /Academic Reasons

X10- Clarity of Company Policies

X11- Working Conditions

Equation 1:

$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5 + b_6x_6 + \dots$ Equation 1

A Backward Regression was conducted on the same. This procedure starts with all the 11 variables in the model, and gradually eliminates those, one after another, which do not explain much of the variation in organizational environment, until it ends with an optimal mix of factors. Accordingly after conducting backward regression eight times, only four variables remain i.e. Job recognition, Career Progression, Working Hours and Working Conditions that seem to have a huge impact on organizational environment.

The R square eventually of the model is 0.407 which is slightly on the weaker side. This shows that nearly 41% of the variation in the Organizational Environment can be explained by these four factors or independent variables.

The F- test too is weak.

If we were to decide to use this model for prediction, (though the R square is not very significant), we only require the data to be collected on the above four independent variables.

However there are three negative co-efficient, that of Job Recognition, Career Progression and Working Hours, which can be interpreted to mean that if we wish to better the organizational environment, the job recognition must decrease, the career progression too must decrease and the working hours must decrease. The *P- levels* are significant for Job Recognition, Career

Progression, and Working Conditions. The P-Level is 0.078 for Working Hours which states that this value is statistically not significant.

Therefore now only Job recognition, Career Progression and Working Conditions should be used for the interpretation. Therefore one should look at these to determine Organizational Environment.

Based on this model the equation now will read as:

$$\text{Organizational Environment} = 7.746 - 0.592 (\text{Job Recognition}) - 0.617 (\text{Career Progression}) + 0.378 (\text{Working Conditions})$$

The consolidated answers given by the employees to the subjective questions helped in concluding that:

The employees here feel that “better compensation” is the most important factor that can help curb attrition. However the factor analysis conducted by us differs as seen earlier.

When the question is addressed in the third person perspective as in when it is time for the respondent to think of a solution to any problem or when his views are sought, he normally disassociates his own reasons and thinks on behalf of others trying to give an answer that he thinks sums up the common consensus.

However when he is asked to rate the reasons on a Likert Scale or any other scale for that matter he answers for himself.

It is commonly understood that “compensation” is the most important reason why people leave one job for another. And the same tendency seems to be reflected in the way the respondents have answered the last question. However when a personal factor analysis was done, the reasons that came forth were different.

Recommendations – Retention Measures

The recommendations based on the analysis is noted below which is also in line with literature and authors Price, 1989; O'Malley, 2000; Phillips and Connell, 2003; Hendricks, 2006; Finlay, 2007; Finnegan, 2009 and Firth, *et al* 2007; Vaiman, 2008; Zhenget al 2010.

- 1) The first factor seen was the “Organizational Policies” w.r.t. working hours, recruitment policies and employee perks and benefits. Hence to counter this issue one can contemplate on the number of perks and benefits being offered and take corrective action based on its feasibility.

- 2) Also more number of people could be recruited to combat the “over utilization and erratic hours” issue.
- 3) The next factor was the “People Effect” which could be tackled again by arranging more team building exercises and some off-the-job training wherein employees could bond over work better. It would definitely improve productivity.
- 4) The third factor was related to Job Saturation and career progression. Job rotation strategy (if feasible) to avoid monotony of work could be thought of. Besides the PMS can be made more effective.
- 5) Career progression seems to be an issue with the employees. Hence constant performance review and career planning needs to be initiated regularly.
- 6) Like some of the employees have also mentioned, additional training or incentives for higher education can be provided to them, so that the employee feels involved in his job and has a feeling that his career is being cared for and that he has a good future with the current organization.
- 7) More employee engagement schemes can be formulated for the employees.

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Table 1: Ranking of factors responsible for high attrition in Indian Aviation industry

Causal Agents / Factors	Score (on 1) (Rank)
Higher Salary Expectation	0.7 (Rank-II)
Lack of Security	0.3 (Rank-V)

Lack of Social Interaction	0.3 (Rank-V)
Monotonous Work	0.8 (Rank-I)
Unusual Working Hours	0.7 (Rank-II)
Pressure to perform on Metrics	0.5 (Rank-IV)
Low Perceived Value	0.8 (Rank-I)
Disillusioned Employees	0.6 (Rank-III)
Stress and Burnout	0.5 (Rank-IV)
Lack of Motivation	0.5 (Rank-IV)

Figure 1: VICIOUS CIRCLE

