



A STUDY ON FACTORS INFLUENCING ATTRITION RATE AMONG OUTLET MANAGERS OF MULTINATIONAL QSR INDUSTRY IN DELHI NCR

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Abstract: During the past decade it is been found that Multinational Quick Service Restaurant has literally capture the largest portion of the entire foodservice industry. The rapid and continuous growth has also bought a lot of executive challenges along with it, and at ground level it is been sensed that there is a huge vacuum in the market for well-trained and qualified professionals who can manage the entire operations as an Outlet Managers. Unfortunately, it is also found that the attrition rate of such professionals is also very high. That is why there is a need to identifying the factors that impact this high rate of attrition of Outlet Managers of Multinational Quick Service Restaurant. In order to reduce this rate of attrition through proper human resources practices and policies, it is important to identify the major factors behind the root cause of their dissatisfaction. The sole purpose of this study is to identify the major factors behind this high rate of attrition of Outlet Managers of Multinational Quick Service Restaurant in Delhi NCR and offer suggestion to revise human resources practices and policies.

Index Terms – Attrition, Quick service restaurant, outlet managers, job satisfaction

INTRODUCTION

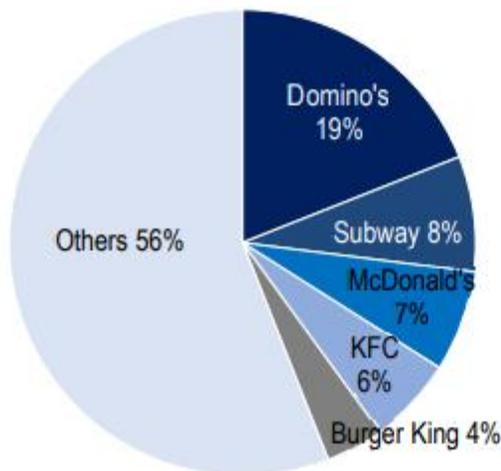
India was always known for his traditional sweet shops (halwai shops) or the street food stalls as per as quick service food industry is concerned, yes off course, in India there were also few brands like India coffee house, Udipi restaurant, Irani restaurant etc. but they were still not very organized as a sector. And then there was time when organized brands came up like Nirula's Wimpy, Bercos etc. Slowly n slowly few more organized brands joined in like Haldiram's, Honest, Bikanerwala, Sarvana Bhavan but still the market was dominated by only unorganized sector. But in the mid of 1990s the entire game was changed with a revolution by the entrance of organized multinational quick service restaurant brands like Pizza Hut, KFC, Domino's, McDonald's, Café Coffee Day etc. They started from metropolitan cities and now PAN India. They not introduced the new standards of service but also did the segmentation of the entire multinational quick service restaurant on the basis of different offerings and service.

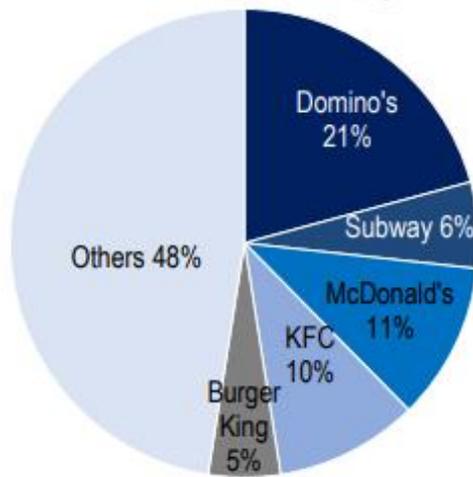
According to the statistics of the Financial Year 2020, the valuation of Indian food services industry was Rs.4.2tn. During the last decade it has started growing at a very rapid speed and has gained strong momentum on account of various factors, including a push in the micro level business opportunities, the age quotient of Indian population, improvement in field of technology access of internet facilities, Government incentivizing organized retail sector, and off course the change in the pattern of consumer behaviour etc. More over the socio-economic changes has also led to a drastic change in the consumer behaviour regarding food habits and preferences. Now consumer are more open to eat outside as if it is a part of their lifestyle.

Stat 1: QSRs prominently leading the chart of Chain Food Service Market Size

Chain Food Service Market Size (Rsbn)	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY25P	FY14-20 CAGR (%)	FY20-25 CAGR (%)
Total	150	175	204	236	285	350	397	966	17.6	19.5
QSR	66	78	91	105	130	162	188	524	19.1	22.8
CDR	47	56	67	81	98	118	134	302	19.1	17.6
Cafe	16	17	18	19	21	24	25	37	7.7	8.2
FD/IC	9	10	12	13	15	19	21	43	15.2	15.4
PBCL	7	9	11	12	15	21	24	53	22.8	17.2
FDR	5	5	5	6	6	6	6	6	2.7	0.7

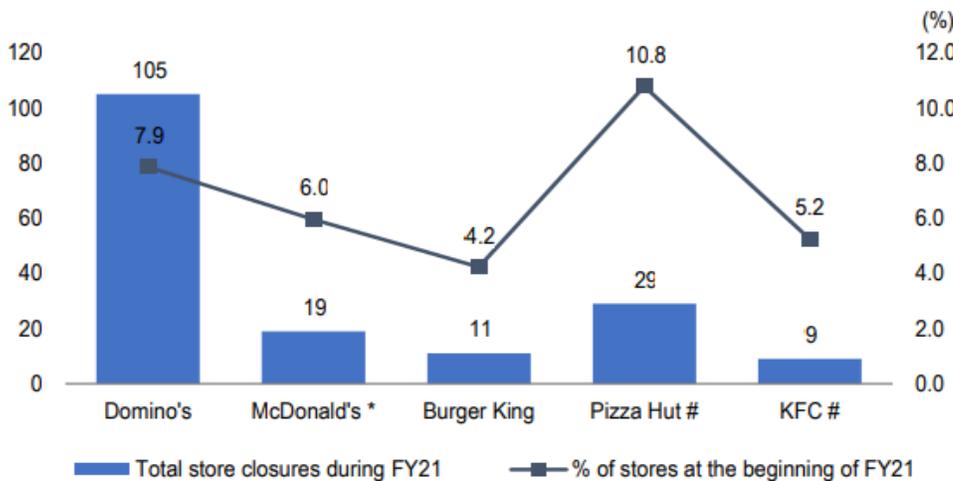
In India, Quick Service Restaurant segment is predominantly ruled by top most international QSR brands and they are physically present in almost all the 1 tier cities. As on Financial Year 2020, as per as the number of outlets is concerned, around 44% of the Indian QSR market is occupied by some major international brands. And as per as the contribution is concerned, around 53% of the Indian QSR market revenue is shared by the same major international brands. The following two pie charts are clearly mentioning the dominance of Domino's Pizza in the Indian QSR market. It has captured around 19% market share in terms of number of outlets and around 21% in terms of revenue generation.

Exhibit 2: % wise display of Indian QSR market in terms of number of outlets**Exhibit 3: % wise display of Indian QSR market in terms of revenue generation**



It is been found that almost all the major QSR brands, in order to capture more n more market or to promote their brand tends to open more outlets and in spite of the fact that they are not even finding their way to touch BEP, they were put under operation, hoping that in near future they might pick up their sales. The figure of such outlets goes up to even 20% for some QSR brand. But the scenario changed drastically during the Covid period as there was not even a bleak of hope of improvement, resulting in the closure of such outlets.

Exhibit 4: Statistics of major QSR branded outlet closed during 2021



As we know adversity creates opportunities, here delivery specialists like Zomato, Swiggy etc. came to rescue these QSR brands. And with that helping push the growth in this sector continued. But along with the growth it was prominently found that there is a high rate of attrition in the QSR industry, especially when we count on Outlet Managers. This situation gave rise to a specific requirement of well-trained and qualified outlet managers of multinational QSR industry. Hence there is a requirement to recognize the factors behind the high rate of attrition of these outlet managers. Moreover, factors for high rate of attrition must be scrutinized so that definite HR policies and practices could be developed to counter this massive rate of attrition.

PURPOSE OF THE STUDY

However, few research work is done in the area of quick service restaurant industry but none of them focused on the most key position i.e. the outlet managers. This study is designed to determine the high rate of attrition of QSR outlet managers. Investigating the key factors causing the high rate of attrition of outlet managers, working in multinational QSR industry in Delhi NCR, is the focal objective of this study.

OBJECTIVE

1. Determine the job satisfaction level of outlet managers of multinational QSR industry in Delhi NCR.
2. Determine the reasons high rate of attrition in multinational QSR industry in Delhi NCR.
3. Determine the key factors causing the high rate of attrition of outlet managers, working in multinational QSR industry in Delhi NCR.

CASE STUDY RESEARCH METHODOLOGY

A case study is an "empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 2003, p. 13). It is appropriate when no experimental control can be used in the data collection process and when a researcher seeks an answer to "what", "how", and "why" questions (Yin, 2003; Adler & Ziglio, 1996). Since this study was exploratory in nature and seeks to answer "what" questions, the case study research methodology seems to be appropriate. This study has characteristics of an exploratory case study that is focused on contemporary events and seeks to answer "what" questions (Yin, 2003; Adler & Zigler, 1996). Lacking full scientific understanding, decision-makers have to rely on their own perception or on an expert. A case study approach may lead to a more informal basis for theory development through analytical rather than pure statistical generalizations (Gunasekaran, Love, Rahimi, & Miele, 2001).

A theory can be defined as a set of concepts and generalizations. Sutherland defined theory as an "ordered set of assertions about a generic behavior or structure assumed to hold a broad range of specific instances" (Weick, 1989). Thus, a case study methodology was used in the current study to determine the level of satisfaction and the reason for attrition among the outlet managers QSR sector in Delhi NCR. This case study was designed for the reliable investigation of outlet managers of top 80 multinational QSR outlets in Delhi NCR including top five QSR brands like - Domino's, McDonald's, KFC, Subway and Burger King.

RESEARCH METHODOLOGY

Since the purpose of this study is to determine the key factors causing the high rate of attrition of outlet managers, working in multinational QSR industry in Delhi NCR, top 80 multinational QSR outlets in Delhi NCR was chosen as the population. For this research, data was collected from the major QSR brands operating in Delhi NCR. In accordance to the number of outlets and their market share in terms of revenue top five QSR brands were selected. These brands are Domino's, McDonald's, KFC, Subway and Burger King.

SAMPLE SIZE

Total 400 shift managers/outlet managers of different multinational QSR outlets were chosen for the purpose. Although initially all the questionnaire were sent to corresponding managers of multinational QSR industry of Delhi NCR, through stamped return envelope but the response was found to be very poor hence personal visit were made to get the desired numbers of completed questionnaire in order to aim the appropriate population for significant data collection. A sum of 400 questionnaires were hand-conveyed to respondents. Out of the total 400 numbers of questionnaires only 377 numbers of responses were returned and also out of the 377 numbers of responses only 256 numbers of responses were found to be usable, which exactly gives a response rate of around 64%. A very high response rate was received as most of the participants actually wanted to register their opinion regarding their intentions towards career. They were also very keen to know the actual reason behind the high rate of attrition in their sector. Overall, all the outlet managers/shift managers willingly encouraged responding to the questionnaire because they thought, this study has very high implication in evaluating their career growth in the QSR sector.

ACTUAL DATA COLLECTION

Several research papers related to job satisfaction, compensation and attrition of staff members working in hospitality sector were reviewed and out of all survey techniques I preferred to follow the technique used by Muller and Campbell (1995) and Umbreit and Smith (1991) for the collection of data, as it solely focuses on the factors of job satisfaction and reasons behind attrition of staff members working in the field of hospitality services. This is purely an exploratory research work. During the data collection it was clearly briefed to the respondents that they are not supposed to take any ones' view regarding furnishing the information against the questions been asked and they should not apply the terms true or false, rather they have to score each question on a scale of 1 to 5 (Likert's Scale). Here at the scale of 1 to 5, (1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) in order to measure the respondents' level of agreement toward the factors behind the high rate of attrition of outlet managers of multinational QSR industry in Delhi NCR. Respondents were also assured of the confidentiality.

The survey instrument comprises of three sections. The first section is the statistic information which was mainly used to gather demographic information such as age, experience, gender, compensation, location, and academic qualification. and the second section covers their overall satisfaction/dissatisfaction and the perception of the respondent regarding their likelihood to recommend their job to someone else. The third section covers the root cause or the actual reasons for leaving the organization.

In the initial part of the second section of the questionnaire, a scale of 1 to 5 (Likert's Scale) is used. Here at the scale of 1 to 5, (1 = Strongly dissatisfied, 2 = Dissatisfied, 3 = Neutral, 4 = Satisfied and 5 = Strongly Satisfied) were used to measure the satisfaction/dissatisfaction level of outlet managers of multinational QSR industry in Delhi NCR, participating in the study. In the second part of the second section of the questionnaire, again scale of 1 to 5 (Likert's Scale) is used. Here at the scale of 1 to 5, (1 = Strongly discourage 2 = Discourage, 3 = Neutral, 4 = Encourage and 5 = Strongly encourage) were used the measure the perception of the outlet managers of multinational QSR industry in Delhi NCR, regarding encouraging their known for similar kind of job in which they are currently working or they themselves would prefer to join back in similar kind of a job profile after a unwanted or forced break from their services.

In the third part of the second section of the questionnaire, again scale of 1 to 5 (Likert's Scale) is used. Here at the scale of 1 to 5, (1 = Strongly Disagree 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) were used the measure the perception of contentment of expectation level of outlet managers of multinational QSR industry in Delhi NCR participating in the study.

The third section of the survey included queries about the perceived root causes for leaving the organization from the position of an outlet managers in multinational QSR industry in Delhi NCR. A scale of 1 to 5 (Likert's Scale) is used. Here at the scale of 1 to 5, (1 = Strongly Disagree 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree) were used the measure the reasons people leave the position of outlet managers in multinational QSR industry in Delhi NCR. Principal components factor analysis was then used in order to determine construct validity of the items.

FINDINGS AND DISCUSSION

According to the demographic data, collected during the survey, male gender clearly dominated over female gender only four outlet managers were found to be females out of the entire population. This is quite typical for managers of multinational QSR industry in Delhi NCR. As per as their academic qualification is concerned, most of the outlet managers had some kind of academic qualification under their belt. Out of the 256 no. of usable entries, 213 no. of outlet managers were found to be graduates. Also, a very interesting fact was found regarding the age factor of the outlet managers of multinational QSR industry in Delhi NCR. The average age was found to be 29.7 years and with a lower age cap of 22 years. Forty-nine respondents were between the ages of 36 to 40 years while the remaining outlet managers were below the age of 34 years. Moreover, compensations in comparison to the responsibilities given, was found be very less ranging from Rs. 336,000 to Rs. 648,000, only 58 managers of multinational QSR industry in Delhi NCR had annual incomes higher than Rs. 428,000, the remaining respondents had annual incomes between Rs. 336,000 and Rs. 428,000.

The factor which was bothering almost 80% to 90% of the respondents was the number of hours they dedicate to their job, daily. They work between 72 to 78 hours per week, which is the major hurdle for them to maintain a proper work-life balance. The majority of the respondents (n=119) indicated that on an average they spend approximately 06 hours in the operations and almost 06 to 07 hours in indenting, receiving, maintenance related job, report generating, recruitment, maintaining overall discipline, customer complaint handling, training, accounts maintaining, banking, promotional activities etc.

Factors for high rate of attrition among Outlet Managers of multinational QSR industry

In the ongoing review, outlet managers were asked to elaborate the different explanations behind the so-called good reason for leaving their post as an Outlet Manager. The study had an aggregate of 15 items that were asked in regards to cause of attrition, yet after examination of the information, it was resolved that 5 of the items were not obviously phrased or finished by an adequate number of the population and were bar from the factor analysis. A sum of 10 attrition causes were found to be connected with explicit work attributes of the Outlet Manager and hence utilized to gauge explicit work conditions that an association have some control over or impact to diminish conceivable high rate of attrition. The respondents evaluated these 10 reasons utilizing a 5point Likert scale (1= Strongly Disagree to 5= Strongly Agree). The turnover factors that were appraised the most noteworthy among the Outlet Managers were: absence of acknowledgment, a lot of pressure, hours are too lengthy, the position is excessively exhausting, and absence of HR abilities. These had a typical rating above 3.0 when appraised by the ongoing Outlet Managers in the organization.

Hence, to more readily comprehend the justification for why individuals leave their post as an Outlet Manager, the high rate of attrition causes was additionally examined through factor analysis to create a briefer model of what impacts this specific QSR sector. By utilizing a Principal Component Analysis (Chi-Square 93.28, Kaiser-Meyer-Olkin = .52, df=33, Sig. <.0001) the 10 items connected with causes for high rate of attrition were then consolidated to fewer key variables assuming that the things associate with one another firmly enough. For the 52-questionnaire utilized in the examination, the general mean incentive for the 10 items was 2.76 with a standard deviation of 1.1. This suggests that the vast majority of the respondents saw these 10 items as potential explanations behind Outlet Managers leaving the post. The factor analysis gathered the 10 turnover reasons into 4 factor groups showing eigen values more prominent than one, and represented somewhere around 62% of the total variance. Such fluctuation made sense of proposes that just a limited amount of the total variance for each g group of factors is related.

The outcome of the factor analysis imitates that the high rate of attrition among the outlet managers of QSR industry in Delhi NCR are embraced of 4 predominant factors. In light of the substantial examination of the properties that stacked in the 4 factors, the parts are characterized as follow:

No. 1 Factor: - Attribute Job knowledge & Skills: Apart from the regular or routine operational job knowledge, outlet managers are also required to be equipped with a fair knowledge of human resources, marketing, sales and finance in order to run the entire show. Consequently, the relationship among these elements and execution assumptions that are expected from these outlet managers make them significant factors of high rate of attrition in QSR sector. This variable incorporated the scale items; absence of HR Skills; absence of tasks information; and absence of monetary administration abilities. This factor explained 27.8% of the variance with a grouped mean of 2.71 and an eigenvalue 2.61. Its' Cronbach's Alpha was.81.

No. 2 Factor: - Matching International Standards and achieving high profits: In addition to other factors, Outlet Managers are liable for putting forth objectives and executing techniques. International standards of operating procedures are generally set by the association to amplify efficiency and brand image. Also, in order to maintain the pace for ever increasing profit margins, it becomes too overbearing for the outlet managers which ultimately result in strain and anxiety. This variable incorporated the scale items; absence of promotional tactics and marketing strategical skills; the position is excessively difficult; and there is a lot of pressure. This factor

explained 19.1% of the variance with a grouped mean of 2.78 and an eigenvalue 1.71. Its' Cronbach's Alpha was .35.

No. 3 Factor: - Dominance of Herzberg's Hygiene Factors: This class comprises factors like poor working conditions, lack of policies and rules, poor wage/salary and lack of training and supervision. Poor working conditions, like absence of locker rooms, eating space, resting space etc. and poor salary structure add up to a certain mental frustration that leads to a situation where outlet managers feel suffocated to be a part of that organization and hence become one of the major reasons for them to quit their job. This variable incorporated the scale items; poor working conditions; no clarity of policies and rules; and poor salary structure; lack of training and supervision. This factor explained 13.45% of the variance with a grouped mean of 3.01 and an eigenvalue 1.68. Its' Cronbach's Alpha was .52.

No. 4 Factor: - Absence Standard Organizational Procedure: This class comprises factors like an absence of job description and job specification, absence of acknowledgment and long shifts of working hours. The calculated thought behind hierarchical guidelines is to quantify outlet managers performance and its nonexistence could give rise to frustration, uncertainty and demotivation among them. This variable incorporated the scale items; do not get sufficient acknowledgment; no clarity of job description; and the working hours are excessively lengthy. This factor explained 12.89% of the variance with a grouped mean of 2.98 and an eigenvalue 1.20. Its' Cronbach's Alpha was .59.

High rate of attrition and Job Satisfaction of Outlet Managers of QSR sector

Work fulfillment scores from the poll were genuinely high, 26 of the respondents were 'exceptionally fulfilled', 20 were 'to some degree fulfilled' and just 1 was 'not excessively fulfilled'. Among every one of the respondents, just five Outlet Managers felt somewhat skeptical 'about suggesting' this work, the leftover 42 Outlet Managers were more disposed to 'emphatically prescribe this occupation' to somebody keen on working in a task like theirs. A more parted reaction was seen with respect to work decision, a sum of 28 respondents concurred that assuming they needed to accept any position they needed they would take similar work they have now, while 18 outlet directors would 'choose most certainly not to take a similar work'.

Further information was gathered from the Outlet Managers regarding the information about the general assumption for their occupation as far as how well it compares the kind of occupation they needed when they took it. 29 respondents answered that their occupation is 'actually like the work they needed when they took it', 16 said that the occupation is 'fairly like they work they needed when they took it', and just 2 answered that the occupation isn't 'actually like the work they needed when they took it'. Further examination of the reactions connected with the attrition rate of the Outlet Managers, from the data demonstrated that there were no genuinely differences in reactions while controlling for work fulfillment, in general work assumptions, work decision, or plan to prescribe the occupation to a companion.

CONCLUSION

As the multinational QSR industry in Delhi NCR figures out how to see its outlet managers as essential human resources, which have intangible resources (information, experience, ability, and so on) that are significant to the organization, only then, business execution ought to improve along with that the condition of quick service restaurant employees will also be raised. The QSR industry in Delhi NCR in general, required to get liberated from the ongoing worker worldview of high rate of attrition, which is actually costing the business billions, in substitution costs, loss of efficiency, administration quality and experience (Pine, 2000). The business likewise needs to give additional opportunity, attempting to lessen the willful high rate of attrition in the higher positions like outlet managers.

The in-depth contextual analysis has shown that there are a few issues with respect to the job of the outlet manager that might be adding to the high rate of attrition in the QSR sector. These elements incorporate the point that there is a lot of pressure in the job of an Outlet Manager, the hours are unnecessarily lengthy, and the job profile is excessively exhausting. These issues might be constrained by either restricting the quantity of hours that one Outlet Manager directs in their work, or by creating a more realistic job preview that the potential Outlet Manager candidate can use when making a decision. The way that Outlet Manager's apparent an excessive amount of pressure and the long hour as significant element of attrition can be connected with the attached strains in the work and the genuine scope of assignments that are expected to be attempted by Outlet Managers (Lashley, 1995; Simons, 1995). There is much of the time a specific allure for an Outlet Manager position in an association on the grounds that the position isn't based on a single viewpoint. This is an advantage, yet in addition a test while expanding the extent of an individual's work liability. Also, a portion of different elements uncovered were that the positions don't get a great deal of acknowledgment from the organization. This might be because of the way that at this level in the association, the acknowledgment is more dedicated to the fine dine eateries. This is a human asset and culture issue that associations can determine by attempting to integrate more impetuses and acknowledgment at the Outlet Manager level of QSR arrangement.

A last element that was uncovered is that there is an absence of human resource management abilities at the Outlet Manager level of the association. This issue was also uncovered in different investigations of Outlet Managers as a basic element for the outcome of an Outlet Manager (Muller and Campbell, 1995; Umbreit, 2001). This infers that eatery associations need to pursue creating human resource management abilities in their Outlet Managers. This is a basic part essential for Outlet Managers to find success in their positions, and their insight is that there is an absence of HR abilities at their position level. The impression of absence of HR abilities is a significant reason for attrition could be result of the fast development in the QSR industry. As per Gross (1999), development is related with more precise human asset approaches, for example, labor supply arranging, progression arranging and work-group contemplations, accordingly during the beginning phases of advancement, associations are leaned to draw the best candidature available although lacking human resource management skills.

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