

Brunt of Employee Retention Strategies on Job Satisfaction

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Abstract: Indian Hotel industry is witnessing colossal thrives in recent years. Even though many employees are joining the industry, it is facing an imbalance between the supply and demand of employees. Data was collected from 500 hotel employees by questionnaire designed to elicit their attitudes to employee retention strategies and perception with respect to job satisfaction. An examination of the impact of employee retention strategies and job satisfaction revealed that employee benefits and reward management, working environment, management support and employee development play key role in influencing job satisfaction.

Keywords: Job satisfaction, Employee retention, working environment, management support, employee development.

I. INTRODUCTION

The crucial component of the hospitality industry is hotel as they pose a vigorous growth till today. India has several categories of hotels to cater its ever booming travel and tourism industry. Over the last few years, many hotels and resorts have appeared in India. Hotels range from Luxury to Economy hotels providing variety of facilities and services that are suitable for all classes of people. The major problem faced is that the industry is not able to balance the entry and exit of the employees. That is, the demand of the employees is more than the supply.

Employees move to other jobs if they are not satisfied with the working environment, pay and other factors. The present era of employees have many opportunities and so the instance when they feel dissatisfied with the job they move to other job. But for the hotel management, it is a loss when an employee quits the job as the management should invest money in recruiting and training an employee and the loss also includes the costs involved in grooming the employee who left the job. The human resource department of the hotel industry is always under pressure in order to create a satisfied workforce.

Only few studies have focussed on the effect or impact of retention strategies on job satisfaction among the hotel employees. Therefore this study examined the contribution of employee retention strategies on job satisfaction. Talent management or talent retention plays a huge role these days, because if the needs of the employees are not satisfied, they will go to someone who will give them what they want. For the organisation to be successful in retaining its skilled personnel, it needs to ensure that it tends to all their needs (Ockert Francois Naude 2010). Employee job satisfaction is the process in which employees enjoy their positions and feel rewarded for their efforts will ultimately be the most successful, as well as the most beneficial to their hotels. Employee satisfaction is also used to describe the employees' happiness, contented, fulfilling their desires and needs at work.

Employee satisfaction is a factor in employee motivation, employee goal achievement, and employee morale in the workplace. The longer an employee works for a company, the more valuable they are becoming, especially in the service industry. The rapid growth of tourism nationwide has resulted in the progress of hotels, restaurants and resorts and this indicates the need of well trained, qualified and smart employees, but it is limited in India. The major goal of the hotel industry is to keep their employees satisfied and retain them in this fast-paced work environment.

This study will benefit several areas of the hotel industry. First of all, the study would be able to benefit the development of the hotels because enhancing job satisfaction will motivate employees to work for the betterment of the hotels leading

to the increase in the productivity of the hotels. Therefore, the satisfied employees can give a better external service quality, which will be received and evaluated by the customers which can increase the customer satisfaction

II. LITERATURE REVIEW

Maslach and Jackson (1986), they hypothesised that, the presence of specific demands and the absence of specific resources predict burnout, which in turn lead to various negative outcomes such as employee absenteeism, health problems, employee turnover and diminished commitment in work. Reward does not act as a tool for compensation for the work they do but also it helps in recruiting and retaining strong service performers (Alan Price, 2004). Increasing employee retention and/or reducing employee turnover can be obtained when there is a significant fit between a person and the organization (Silversthorne, 2004).

We can increase the employee salary and compensation to motivate the employee, Key factor affecting job satisfaction is good pay and this will result in the increase of service quality and organizational performance. When an employee is motivated towards the work, his intention to stay in the organisation increases (Mosammad Mahamuda Parvin, 2012). Ananthan BR Sudheendra Raa LN (2011) in his research concluded that in retaining employees, orientation and training development strategies obtained maximum points. Rewards recognition strategies employed least and finally employee fringe benefits have been moderately employed. The study pointed out that employees stay or leave an organization based on six key reasons, they were: financial rewards, job characteristics, career development, recognition, employee management and work-life balance. (Benjamin Balbuen Aguenza, 2012). Human resources in the organization help to enhance their business but due to their various needs it becomes difficult to retain them. Therefore, the focus on understanding their needs in order to achieve their satisfaction is essential (Masri, 2009).

The study discussed by (Nadeem Sohail 2011) found that compensation, career path and working environment have an effect on retention of the employees. The study concluded that career path is most valuable factor that employees look for, to work in the organization. Other factors in retaining employees are recognition, sincere interest in the employees and their work, and stimulation. (Eva Kyndt 2009). A positive work environment is one that supports nurses' autonomy and nursing practice, and includes a shared governance or shared decision-making model (Kramer & Schmalenberg, 2004). Studies made by (Moncarz, 2008) found that pay, goals and direction, employee recognition, rewards and organisation mission have a positive impact on employee retention. When employees are motivated, there is employee retention, and enthusiastic employees will out produce and outperform the unmotivated employees (Honore, 2009).

III. OBJECTIVES

To determine the factors that influence job satisfaction.

1. To identify the employee retention strategies in star category hotels
2. To find the impact of employee retention strategies on job satisfaction among the employees in star category hotels

IV. RESEARCH METHODOLOGY

The study employed survey method because it helps in broader coverage with flexibility and convenience. Closed ended questionnaire was used for the collection of data which helped to assess the impact on employee retention strategies on employee retention in the star category hotels of India. Likert scale was used to measure all variables in the questionnaire. A total of 500 questionnaires were distributed were retrieved for analysis. The collected data is analysed using statistical tools. In this research, dependent variable is job satisfaction and the independent variables included various employee retention strategies. Regression analysis is used to explain the variation caused by employee retention strategies on job satisfaction.

V. ANALYSIS AND INTERPRETATION

The job satisfaction was analysed using regression analysis. The most important strategies obtained through literature was taken into consideration. The factors include working environment (WE), building employee relationship (BER), management support (MS), employee development (ED) and employee benefits and reward management (EBM). The model summary is depicted by **Table 1** shows that independent variables can explain 53.8% (0.538) of variations in dependent variable (job satisfaction). The ANOVA table (**Table 2**), shows that the p-value is 0.00 which is less than 0.01

($p < 0.01$), so it is significant at 0.01 level. In overall the regression model with the five independent variables (Employee benefits and reward management, building employee relationship, working environment, management support and employee development) are suitable in explaining the variation in job satisfaction. The elements of independent variables are the factors influencing job satisfaction. This can be determined by the following equation method as below:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + e \quad (1)$$

a = constant X_1 = Working Environment X_2 = employee benefits and reward management

X_3 = management support X_4 = employee development X_5 = Employee benefits and management b = regression of coefficient of X_i ,

$$Y \text{ (job satisfaction)} = 4.447 + 1.109 \text{ (Working Environment)} + 0.055 \text{ (building employee relationship)} + 0.596 \text{ (management support)} + 0.367 \text{ (employee development)} + 0.485 \text{ (Employee benefits and management)}. \quad (2)$$

It can be inferred from the coefficient table (**Table 3**) of regression analysis that employee benefits and reward management, working environment, management support and employee development have p value which is less than 0.01. And hence they influence job satisfaction

TABLE I: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.666 ^a	.543	.538	8.26255	.443	78.652	5	494	.000	1.173

a. Predictors: (Constant), EBM, BER, WE, MS, ED

b. Dependent Variable: JOBSAT

TABLE II: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	26847.688	5	5369.538	78.652	.000 ^a
	Residual	33725.262	494	68.270		
	Total	60572.950	499			

a. Predictors: (Constant), EBM, BER, WE, MS, ED

b. Dependent Variable: JOBSAT

TABLE III: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.447	3.245		1.370	.171
	WE	1.109	.107	.376	10.414	.000
	BER	.055	.117	.018	.474	.635
	MS	.596	.098	.248	6.057	.000
	ED	.367	.106	.147	3.479	.001
	EBM	.485	.103	.169	4.709	.000

VI. SUGGESTIONS

The hotel management should give main priority during recruitment to job fit because it helps in identifying candidates whose job preferences match with hotel's requirement. When we place a right candidate in the right positions it will make a positive impact within the industry. Hotel management can increase employee job satisfaction by listing the most important things like: Work experience, qualification and education, personality skills, temperament, motivation, attitude, initiative and attributes that will facilitate their interactions with customers, employees and managers. A clear career path should be provided by the management as it will act as a benchmark for the employees to work hard in order to reach the top. Employees will be more motivated when they have control over their day-to-day life at work in the hotel. Autonomous employees are also more likely to stay on the job, reducing the cost incurred in turnover. The hotel management should allow their employees to decide when they wish to work, how they want to work, whom they want to work with, and what they want to do. The more freedom and control they have over their own career, the more fulfilled they'll feel and will have greater intention to stay with the hotel. Employee recognition is the informal/formal and timely acknowledgement of an employee's or team's behaviour. Employees want to be respected and valued for the contribution they make. Employees feel good when they are recognized in front of their peers. Public recognition of employees acts as a powerful motivator. Supervisors who walk around with a smile on their face and demonstrate passion towards employees have an uplifting effect on them. Employees need to understand how their daily actions have an impact on the customer. This can be achieved by conducting daily staff meetings as it will help to make good connection with employees. Employees should be encouraged to speak up during staff meetings. Though it may appear simple, each and every strategy is very important to satisfy the employees. If the hotel management implements these strategies on a regular basis then an satisfied, motivated and a thriving workforce can be created.

VII. LIMITATION OF THE STUDY

Several efforts were made by the researcher to carry out a research that was theoretically and empirically sound, the study does suffer from few limitations. Due to very vast and varied geographical expanse of India, the respondents in the study represent only a certain geographical that is southern part of India. A more diverse coverage of geographic regions could be done in the future.

VIII. CONCLUSION

In the present fast-paced environment identification of the factors that result in job satisfaction have become very crucial. Non-monetary rewards should be given as a token of appreciation for well performing employees. A positive working environment and the work relationship should be created as it will lead to a pool of energetic employees which is beneficial in a mutual way resulting in the success of the hotel industry. Targets should be set by the supervisors as it will increase the performance level of the employees. As job satisfaction acts as a foundation for employee retention the

results will help the hotel management in developing effective strategies by placing emphasis on these variables which will help in retaining the hotel employees.

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