

Employees' Satisfaction towards Retention Practices in Hospitality Industry – A Study with Special Reference to Top Hotels in Chennai

S. Ravi^{1*} and B. Karthigeyan²

¹Assistant Professor and Head, Department of Management Studies, Government Arts and Science College, Idappadi, Tamil Nadu, India; sraviphd@gmail.com

²Research Scholar, Periyar University, Salem, Tamil Nadu, India; geyan3@gmail.com

Abstract

Employees are the most important resources of any organization. The success of an organization also depends on retention of its employees. If an employee retains himself for a job in a particular organization, it refers to the job satisfaction that he gets. This is not an exception for hospitality industry. The hospitality industry is the fastest growing industry with expansion in technology and wide movement of people from one place to another for many purposes. In this regard, the present study analyses the employees' satisfaction towards retention practices in hospitality industry with reference to top hotels in Chennai. Simple random sampling technique is used to select 100 respondents from the top 21 hotels in Chennai city. The study revealed that employees' satisfaction towards working environment and flexible working hours play a dominant role in determining employee retention practices.

Keywords: Employee Retention, Employee Turnover, Employees' Satisfaction and Organizational Effectiveness

1. Introduction

The success of any organization depends on various factors. The most important factor is human resources. The human resources or employees of an organization are considered to be its backbone. Every organization has to create a sense of belongingness among its employees to make them productive. The employees' retention plays a dominant role in making the employees to feel at ease on the working platform. In order to retain the employees in the same organization, it is necessary for the management to undertake certain retention practices. If an employee leaves an organization, the management incurs additional cost in recruiting, hiring and training a new employee. Therefore, it is imperative for any organization to

implement an effective retention strategy to uphold the top talents for a longer period of time in the organization. The present study focuses on the employees' satisfaction towards retention practices followed in hospitality industry, particularly in the select hotels of Chennai city. The hotel industry is one of the growing industries with increasing number of employees. It contributes to the economic growth of the country by increasing revenue and acts as foreign exchange generator. As the life style of the people is keep on changing, the hotel industry is growing at a faster pace. In this aspect, the study highlights the impact posed by employees' satisfaction on employee retention practices in the select hotels at Chennai. Various statistical tools namely percentage analysis, chi-square test and regression analysis are used to analyze the data.

*Author for correspondence

2. Review of Literature

Huang *et al.*,¹ examined the impact of individual, firm and market factors on job retention. The findings revealed that marriage, gender, employee status, the speed of promotion, inter firm and intra firm wage and economic cycles had a significant impact on job retention. Firm specific human capital, wages, and signaling effects were proved to affect job retention. It was also found that firm based factors had a significantly more pronounced impact on the final decision than individual based factors. Min² gave guidelines regarding strategies to be adopted for employee retention of warehouses including pay hike, bonus, fringe benefits and profit sharing. The warehouses were facing difficulty to retain trained labor. The study concluded that warehouse productivity was directly affected by the availability and quality of labor. Samuel and Chipunza³ found that employees in both public and private sector organizations were influenced by the intrinsic and extrinsic motivational factors and had decided to stay in their respective organizations. The motivational variables had a significant impact on employee retention concerning training and development, freedom for innovative thinking, challenging/interesting work, and job security in both the public and private sector organizations.

3. Objectives of the Study

- To examine the level of satisfaction of employees on retention practices in hospitality industry.
- To know the impact posed by employees' satisfaction on employee retention practices.

4. Research Methodology

The study has been undertaken in Chennai and 21 top hotels are selected for the study. A total of 100 respondents who are employees of the selected hotels are chosen based on simple random sampling technique. The primary data required for the study is collected by using a structured questionnaire. The study possesses itself with the limitation of having the results for specific location. The hotels selected for the study in Chennai are given in the Table 1.

Table 1. List of hotels selected for the study

S. No.	Name of the Hotel
1	ITC Grand Chola
2	Taj Fisherman Cave Resort
3	Taj Coromandel
4	The Leela Palace
5	Hilton Chennai
6	Welcome Hotel Chennai
7	Ibis Chennai City Centre Hotel
8	Courtyard Marriott
9	Le meridian
10	Taj Club House
11	Crown Plaza Adyar Park
12	Radisson Blue Chennai City Centre
13	Somerset Green Ways Chennai
14	Green Park Hotel
15	Vivanta Chennai It Express Way
16	Park hyatt Chennai
17	Ibis Chennai OMR hotel
18	Trident Hilton
19	Accord Metropolitan
20	GRT Grand
21	The Residency Towers

5. Hypotheses

H_{01} : There is no significant association between employee retention practices and demographic variables.

H_{02} : There is no significant impact of employee's satisfaction on employee retention practices.

6. Analysis and Discussion

6.1 Demographic Classification of the Respondents

The Table 2 gives the distribution of the respondents based on their demographic characteristics and are analyzed

Table 2. Demographic classification of respondents

Demographic Variables	Classification	No. of Respondents
Gender	Male	62
	Female	38
	Total	100
Age (in years)	18-25	17
	26-33	29
	34-41	32
	42-49	12
	Above 49	10
	Total	100
Family size	Upto 2	21
	3 - 4	55
	Above 4	24
	Total	100
Education	HSC	12
	Diploma	19
	Bachelor degree	43
	Master degree	23
	Others	03
	Total	100

Monthly income	Upto Rs.15000	28
	Rs.15001-25000	33
	Rs.25001-35000	29
	Above Rs.35000	10
	Total	100
Department	Front office	18
	House keeping	19
	Food production	42
	Food and beverage service	19
	Others	02
	Total	100
Experience	1-5 years	26
	6-10 years	46
	11-15 years	23
	Above 15 years	05
	Total	100

Source: Primary data

with Simple Percentage Analysis.

The Table 2 depicts that most of the respondents are male (62%), between age category of 34-41 years (32%). A maximum of 55% of the respondents have 3-4 members in their family, 43% of the respondents hold bachelor degree, 33% of the respondents earn a monthly income of Rs.15001 – 25000, 42% of the respondents belong to food production department and 46% of the respondents have 6-10 years of experience in the same organization.

6.2 Level of Satisfaction on Employee Retention Practices

The employee retention is influenced by many practices provided by the organization to its employees. The Table 3 depicts the level of satisfaction of the respondents towards the employee retention practices followed in their organization.

Table 3. Level of Satisfaction on Employee retention practices

Retention Practices	Highly Dissatisfied	Dissatisfied	Neither Satisfied nor Dissatisfied	Satisfied	Highly Satisfied	Total
Organization Culture	15	12	23	32	18	100
Job Security	12	18	25	30	15	100
Welfare Schemes	26	23	24	18	9	100
Appraisal System	22	31	19	26	2	100
Career Growth	18	21	29	26	4	100
Job Enrichment and New Task	23	29	18	23	7	100
Training Programs	16	28	19	20	17	100
Flexible Working Hours	11	6	28	29	26	100
Rewards and Incentives	18	23	28	22	9	100
Fringe Benefits	22	22	26	18	12	100
Managerial Practices	19	18	25	21	17	100
Working Environment	12	10	11	36	31	100
Promotional Activities	10	24	15	38	13	100
Workers Participation in Management Decision	10	28	32	20	10	100
Work -life Balance	12	27	29	21	11	100

Source: Primary data

The Table 3 presents that maximum of 31% of the respondents are highly satisfied with working environment, 38% of the respondents are satisfied with promotion of activities, 32% of the respondents are neither satisfied nor dissatisfied with workers participation in management decision, 31% of the respondents are dissatisfied with appraisal system and 26% of the respondents are highly dissatisfied with welfare schemes.

6.3 Association between Employment Retention Practices and Demographic Profile

The association between employment retention practices and demographic profile of the respondents is analyzed by framing a null hypothesis and tested with chi-square test at 5% and 1% level of significance.

Table 4. Association between employee retention practices and demographic variables

Independent Variables	Chi-square Value	Sig. value	Result
Gender	19.51	0.00**	Rejected
Age	26.11	0.00**	Rejected
Family size	46.84	0.17	Accepted
Education	18.17	0.05*	Rejected
Monthly income	2.65	0.04*	Rejected
Department	39.07	0.04*	Rejected
Experience	61.52	0.62	Accepted

Source: Primary data * Significant at 5% ** Significant at 1%

H_{01} : There is no significant association between employee retention practices and demographic variables.

The Table 4 gives the details of the findings.

The Table 4 shows that the framed null hypothesis is accepted for family size and experience whereas it is rejected for the rest of demographic variables. Hence, it is conferred that the association between the employee retention practices and the demographic profile of respondents do exist significantly for gender, age, education, monthly income and department.

6.4 Impact of Employee Satisfaction on Retention Practices

The impact of employees' satisfaction on employee retention practices is analyzed by framing a null hypothesis and regression analysis is applied to verify the same. The findings are given in Table 5 and Table 6.

H_{02} : There is no significant impact of employees' satisfaction on employee retention practices.

Table 5. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.87 ^a	.39	.43	.562
a. Predictors: (Constant), Retention				

Table 6. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.25	1	1.25	29.61	.00 ^b
	Residual	29.35	99	8.98		
	Total	40.60	100			
a. Dependent Variable: Retention						
b. Predictors: (Constant), Satisfaction						

The Table 5 and Table 6 reveal the regression model showing the impact of employees' satisfaction on the employee retention practices. The regression coefficient R^2 is found to be 0.39 indicating that 39% of the variance in retention practices is defined by satisfaction. The ANOVA result confirms that the model is fit and significant ($F = 29.61$), $p < 0.05$). The p-value is significant revealing that there exists a strong relationship between employee satisfaction and retention practices of employees. Therefore, it can be concluded that the impact posed by the employees' satisfaction on the employee retention practices is significant.

7. Suggestions and Conclusion

The study found that the respondents expressed their concern of dissatisfaction and being neutral over various practices of employee retention that are being followed in the hotels. The personnel managers must take into consideration meticulously to consider the requirements of the employees to make them retained. The strategies are effective but the way the strategies get implemented is the place that needs to be rejuvenated. Various strategies can

be implemented from time to time to make the employees feel secure. Both monetary and non-monetary motivation should be in place. Rewards and recognition programmes like adopting practices as announcing the name of "man of the month" or other such kind of awards to employees make them work better. Thus, the suggestions that have been put forth would enable the management to improve the overall satisfaction of its employees and retain their workers in the organization for long period of time.

8. References

- Huang IC, Lin HC, Chuang CH. Constructing Factors Related to Worker Retention. *International Journal of Manpower*. 2006; 27(5):491–508. <https://doi.org/10.1108/01437720610683976>
- Min H. Examining Sources of Warehouse Employee Turnover. *International Journal of Physical Distribution and Logistics Management*. 2007; 37(5):375–388. <https://doi.org/10.1108/09600030710758437>
- Samuel MO, Chipunza C. Employee Retention and Turnover: Using Motivational Variables as a Panacea. *African Journal of Business Management*. 2009; 3:410–415.