

# An Empirical Study of Employee Retention Issues in Hotel Industry in Bhubaneswar, Odisha

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## Abstract:

The aim of the study was to identify the factors that would help reduce the employee turnover and to examine some factors as found from the literature and suggest the means to retain the employees in hotel industry. The sample hotels for the study were The Crown and HHI in Bhubaneswar, Odisha and the data was collected through a well-designed questionnaires which were administered on hundred employees who were purposively selected from sample hotels. Bartlett's test of sphericity, Factor Analysis and Chi square test were conducted to ascertain the veracity of the study. Ten variables viz., Career Growth, Work Life Balance, Salary & Benefits, Reward & Recognition, Social Security & Benefits, Payment System, Suitability of Work Timing, Physical Working Condition, Training Need & Appraisal and Performance Appraisal were identified through factor analysis and were found to be significantly contributing to employee turnover in the sample hotels. Chi square test confirmed that there all the ten variables have a strong association and significant relationship with employee retention. Based on the findings, retention strategies were suggested for the management to improve employee retention in the hotel industry in Bhubaneswar, Odisha

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## I. INTRODUCTION

Industrialization, globalization of business and modernization of the society have increased the importance of tourism more than the early society. Tourism industry and hotel industry go hand-in-hand. The growth of tourism industry has a tremendous impact on the growth of hotel industry. In this regard, hotel industry plays a major role in strengthening the tourism business not only in Odisha but also throughout the

country. Again, the business performance of this industry is identified with performance of the employees. So, hotels and other supplementary accommodations need to maintain its employee size to extend best business or service to the customers.

The growing demand of tourism over the period and priority of government for growth of tourism in the Odisha State, has led the hotels both private and government always in demand with skilled and talented employees. However, migration of

such skilled and professionals to other states has become a matter of concern for the growth and sustainability of hotel industry.

The success of any industry depends largely upon the quality of human resource and tourism is not an exception either. The service sector is highly personalized. Guest attraction and retention is the pre-requisite for a smooth and successful operation in this sector, requiring professionally trained and highly skilled personnel. Service industry such as the hotel industry is aware of the fact that one of the important parts of conducting business in a highly competitive environment is through a talented pool of employees. Therefore, it is pertinent to understand that 'recruitment' and 'retention' are not only the issues pertaining to human resources but also two major drivers for growth and sustenance of business (Thornton, 2008) [1]. "Competitive advantage in business through technology is short term, the only way to achieve sustained success is by proper management and utilization of human resources" (Johanson, Martenson and Skoog, 2001) [2]. "Employees today are different. They have good opportunities because of the wide market. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job" Taylor and Driscoll (1998) [3]. Hence, employee turnover has a direct negative impact on productivity and efficiency in an organization which ultimately leads to hiring and training cost of the newly recruits (Lashley and Chaplain, 1999) [4].

Hoteliers in Odisha are facing increased turnover and poor retention. Most of the students who pass out from various catering and hotel management institutes prefer to move out of Odisha for better exposure, career opportunity and healthy work environment. Due to shortage of professional employees, the service standards are undermined. Because of shortage, of skilled manpower, hotels are forced to recruit employees with lower educational attainments, and it becomes difficult to train them. Further most of the operational positions are filled as and when they need instead of a proper recruitment and selection process. As a result, they lack practical exposure and positive attitude. It is also apparent that the current young generation sees hotel as entryway to job than as a lifetime career opportunity.

Keeping the above issues in mind, retention strategies such as compensation, benefits and security, flexi-work timings, training & development, performance appraisal, work-life balance, etc (Allen, Bryant and Vardhaman, 2010; Cloutier, Feluseak, Hill and Pemberton- Jones, 2015; Das, 1996; James and Mathew, 2012; Kumar and Arora, 2012; Sinha and Sinha, 2012) can help the sample hotels in Odisha to attract, develop and retain skillful manpower [5], [6], [7], [8], [9], [10].

Analyzing the importance of staff retention in hotel industry from available literature and research work, the present study is an attempt to examine the factors affecting employee retention in hotel industry in Bhubaneswar, Odisha. This study will certainly help the Management to work on the identified factors causing employee retention in hotels and suggest a few retention strategies underlined in the suggestions/recommendations column in the research. Finally, it will provide the basis for measurement of performance with respected to employee satisfaction in the organization.

## II.LITERATURE REVIEW

When an individual is employed in an organization, both the employer and the employee has to maintain relations implying mutual interdependence, respect and obligations for the betterment of both. So, with experience, once they are trained, an employee has a tendency to leave the organization for greener pastures. The reasons could be a high salary, good working environment, convenient work timings, good ambience, better growth prospects, etc. In the context of employee retention in any business organizations, many allied jargons like employee turnover, employee attrition are also required to be discussed. Therefore, retention of employee is a major tool to reduce employee turnover.

### Employee Turnover

The Chartered Institute of Personnel and Development (2007) defined, "employee turnover as the ratio comparison of the number of employees an organisation must replace in a given time period to the average number of total employees" [11]. Chikwe (2009) reported the turnover rate as, how fast the employers lose and

recruit employees in their organizations [12]. Mondy (2010) clearly defined, “turnover rate as the number of newly recruits in place of employees leaving the organization” [13]. Mrara M.T. (2010) opined that because of its negative impact on the organization, employee turnover as a subject has drawn a lot of attention from both researchers and academics [14].

### **Employee Retention**

Maertz and Campion (1998) explained retention is a relative term and should be examined with leaving process. “Retention is a voluntary move by an organization to create an environment which engages employees for a long term” [15]. Frank et al., (2004) defined retention as the "effort by an employer to keep desirable workers in order to meet business objectives" [16]. Walker and Miler (2010) stated retention is a term given to retain the employees and to stop them from leaving the organization [17].

### **Factors Responsible for Employee Turnover Career Growth**

According to Hannay and Northan (2000) opportunities for career growth is directly related to employees’ morale which motivates them to remain in the organization [18]. Kyriakidou and Ozbilgin (2004), stated that, advancement in career is both beneficial to employees and employer [19]. As reported by Harder (2007) “The opportunity to learn a new skill, or take on a new challenge for career development is one of the top reasons employees leave their job” [20]. According to Vos and Meganck (2009) career advancement strategy enhances the commitment of employees which in turn helps to retain them [21]. In the words of Costen and Salazar (2011) the bonding of the employees improves if they feel that their career prospects and succession plan are better [22]. Morgan and Jay (2011) stated, if the talent management of an organization is at place, the employees feel that they are prospering and highly valued [23].

### **Work Life Balance**

Hyman et al., (2004) undertook a research in U.K and found that, if there is no work life balance in the organization, they become stressful and emotionally exhausted [24]. Nyoka (2006) indicated that management should maintain a proper balance between work and life for employees by allowing with flexi-time that would

enable them to fulfill their personal needs which will help them to retain employees [25]. Gaan (2008) suggested that supervisor support, support from peer group, family, flexi-time, work-life balance, etc. within the organization will enable retention of employee [26]. Spherion (2010) stated, “Employees at organizations where work life balance programs are offered are much more likely to stay with their employer for at least the next five years and report higher job satisfaction” [27].

### **Salary & Benefits**

Gardner et al., (2004) viewed that, good pay not only motivates the employees, but also act as a technique of employee retention [28]. According to Bernadin (2007) compensation refers to “all forms of financial returns and tangible benefits that employee receives as part of the employment relationship” [29]. Mondy (2010) opined it is quite natural for employees to demand pertinent remuneration for their hard work. They may be compensated by monetary and non-monetary rewards [30].

### **Rewards and Recognition**

In the words of Padron (2004), when their hard work is recognized and rewarded the employees feel committed [31]. Silbert (2005) and Shoaib, Noor, Tirmizi and Bashir (2009) illustrated, rewards are very vital as it has lasting effect on workers and they feel that they are valuable to the organization [32]. Schechtman (2008) opined that a suitable reward strategy in an organization will retain valuable employees [33].

### **Social Security & Benefits**

Abegglen (1958), undertook a study on Japanese workers and found that, Job security, permanent employment and seniority based system is the outcome of employee dedication, satisfaction of job as well as fewer turnover of employees [34]. Ashford et al.,(1989) and Davy et al., (1991) conducted a research and revealed that, those employees who are insecure they are likely to be more dissatisfied with their job [35]. Rosenblatt and Ruvio (1996) stated that job insecurity has a negative co-relation between job insecurity, job performance and commitment [36].

### **Payment System**

Gardner et al., (2004) viewed that, good pay not only motivates the employees, but also act as a technique of employee retention [37]. According

to Bernadin (2007) compensation refers to “all forms of financial returns and tangible benefits that employee receives as part of the employment relationship” [38]. Mondy (2010) opined it is quite natural for employees to demand pertinent remuneration for their hard work [39].

#### **Suitability of Work Timing**

Galinsky, Kim and Bond (2001) suggested that workplace pressure and high demands leads to the circumstances where employees feel they are exploited, and having no time for their social life [40]. Lee, MacDermid and Buck (2002) found that reduced workload leads to physical and psychological well-being of employees [41]. According to Presser (2004) and Almeida (2004), work shift greatly contribute towards marital discord and family issues due to erratic work schedules in hotel [42].

#### **Physical Working Condition**

Zeytinoglu and Denton (2005) stated that work environment plays a vital role in retention of employees [43]. Silbert (2005) affirmed that talented and skilled employees will get jobs and workplace to their liking, hence, it is important for the management to retain such employees by creating a friendly and congenial atmosphere [44]. According to Hytter (2008) “work environment is generally discussed as industrial perspective, focus on aspect i.e. noise, toxic substances exposure and heavy lifts etc” [45]. Employee Benefits Provision (2010), numerous research were carried out to explicate the physical environment of work place with various facets such as satisfaction in job [46].

#### **Training Needs & Appraisal**

Thomlinson (2002) opined in today’s competitive market organization can be in the race if they provide training to their staff on modern technologies [47]. Babakus, Yavas, Karatepe and Avci (2003) stated that organizations with efficient training and development policies give a positive impression to its employees about employer’s commitment in retaining them and the customer [48]. According to Bradley, Petrescu and Simmons (2004) efficient training practices of organizations is the outcome of excellent performance, which decreases employee turnover [49].

#### **Performance Appraisal**

Swain and George (2007) carried out a study on employee perception about HRD practices in the classified hotels in Odisha. The employees perceived that there is a positive relationship between professional training and promotion which in turn could lead to organizational effectiveness [50]. Chuang et al., (2009) highlighted that the hospitality employees who remain with the organization expect to be elevated to managerial ranks [51]. Barron, Maxwell, Broadbridge and Ogden (2007) found out that people of today’s generation change their jobs very regularly as they are more performance driven [52]. These employees want to be quicker promotions, a situation that is very prevalent in the ever expanding hospitality industry (UNWTO, 2008) [53].

Ineson, Rhoden and Alexieva (2011) affirmed that employees remain in the company that looks after their needs and prospects and instill in them with a spirit of togetherness [54]. Kumar and Thomas (2011) carried out a research on performance level of employees viz-a-viz employee turnover cost in various star hotels. The outcome of the study revealed that the cost of employee turnover in case of high and medium performing employees was found to be high explained that there is a significant relationship between the two determinants [55]. Kumar and Singh (2015) conducted a study to identify the factors responsible for employee turnover in housekeeping department in hotels in Delhi. The study revealed the following factors – poor communication channel, ineffective leadership, lack of promotion, job security, no social life and job opportunities in other properties, low growth, etc [56].

### **III. RESEARCH GAP**

Today the hotel industry is operating in a cut throat competitive environment. They require employees who are self-driven, motivated and passionate to put in their best efforts in contributing towards the growth and success of the organization. The present study aims to find out the factors that are responsible for employee retention and find out the means to retain them. There is a significant gap considering the following studies by (Milind.A. Peshave and

Rajashree Gujarathi, 2015) aimed to find out the employee turnover rate in Pune hotels. Two factors that were affecting the attrition rate were long working hours and low wages [57], (Rashmi Farkiya, 2016) study which mainly focused on the secondary data to find out the reasons for employee attrition [58], (Lavanya Latha, 2017) on employee retention in manufacturing industries in Nellore, A.P. focused on satisfactory level of employees with respect to working conditions [59], (Shalini Washwa and Krishna Shetty, 2017) study on factors influencing employee retention in Fashion Institutes in Mumbai where the results revealed that Training & Appraisal System, Reward System and Career Growth are the influencing factors [60], (Vignesh, V., Sarojini, V., and Vetrivel S., 2018) study that underlined the factors such as resignation, death and retirement being the key issues in leaving a void in an organizational job positions [61], (Sivla, Melissa, Joao and Alvaro, 2019) study on employee related and organization related factors affecting the turnover rate where the findings suggested that organization related factors like the promotion on the basis of educational qualifications, compensation, equal benefits and advancement opportunities were responsible for employee attrition [62], (Kiran Mayi Immaneni and Vedala Naga Sailaja, 2019) study on employee attrition in hotel industry in Hyderabad where long working hours and low job profile were significant factors that affected employee turnover [63].

As above mentioned studies have touched upon different areas of concern pertaining to employee retention, however, extensive research on employee turnover, particularly in hotel industry if found lacking. Therefore, taking this gap, the researchers of this study are proposing for an extensive research taking into all the vital factors that are responsible for affecting employee retention particularly in the hotel industry in Bhubaneswar, Odisha.

This research is relevant in the service sector, especially in hotel industry in which very little or no holistic work has been carried out on various dimensions affecting employee attrition. Hence, the present study endeavours to identify and analyze the factors responsible for employee turnover in the selected categorized hotels in

Bhubaneswar, Odisha. The findings and suggestions of the study will certainly help the hotel industry to work positively towards finding the solutions to minimize employee turnover rate.

#### **IV.OBJECTIVES OF THE STUDY**

After going through the literature, the importance of employee retention for organizational success in general, and hotel industry in particular, this piece of work has been preceded with the following objectives.

- To study about employee attrition and employee retention in hotel industry
- To find out the factors affecting employee retention in hotel industry
- To assess the extent of association and relationship of the factors with employee retention
- To suggest intervention strategies to improve employee retention in hotel industry

#### **V.SCOPE OF THE STUDY**

In order to address the problem of employee retention the hotel industry is going through, the present study seek to identify the key factors that are affecting the employee turnover and to suggest remedial measures to control the same. The scope of the study is limited to hotels of 3 star and above facility in Bhubaneswar, Odisha. The hotels taken under the study are The Crown and HHI.

#### **VI.RESEARCH METHODOLOGY**

##### **Research Design**

Exploratory research design is followed for the study.

##### **Sample Design**

A total of hundred respondents from two accommodation units are selected in the city of Bhubaneswar, Odisha.

##### **Sampling Technique**

To select the sample respondents the researcher has adopted the purposive sampling method.

##### **Collection of Data**

##### **Sources of data**

Data were collected from both primary and secondary source. Secondary data were collected from websites, brochures and information bulletins of different hotels, journals, books, etc.

In order to collect data from primary source, a well-structured questionnaire was administered to the respondents.

## VII. ANALYSES OF PRIMARY DATA

### Factor Analysis

Out of 25 indicators used in the study only 10 factors remained for final analysis and Principal Component Analysis (PCA) was performed.

### Test of KMO and Bartlett's Test of Sphericity

In order to measure the adequacy of the sample for factor analysis, KMO and Bartlett's test of Sphericity is used.

**Table- 1**  
**KMO & Bartlett's Test**

	KMO & Bartlett's Test	
	<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</b>	.579
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	2261.641
	<b>Df</b>	1225
	<b>Sig</b>	.000

Source: Primary Data & Author's calculation

The hypotheses is usually rejected by the Bartlett's test of sphericity when the value is (.500). The present analysis shows the value of KMO statistics is .579. Therefore, factor analysis may be considered as an appropriate technique for analyzing the data pertaining to the factors of employee retention issues in accommodation sector.

### Factor Analysis, Eigen Values & Variation

Table- 2 represents the output related to the factor loadings, Eigen values, and variance percentage. The ten factors classified are training needs & appraisal, salary & benefits, payment systems, social security & benefits, physical working conditions, reward & recognition, performance appraisal, suitability of work timings, work-life balance and career growth.

**Table- 2**  
**Factor Loading, Eigen Values & Variance**

Indicators	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.607	7.215	7.215	3.607	7.215	7.215
2	2.030	4.061	11.275	2.030	4.061	11.275

3	1.849	3.698	14.973	1.849	3.698	14.973
4	1.734	3.467	18.441	1.734	3.467	18.441
5	1.640	3.280	21.721	1.640	3.280	21.721
6	1.592	3.184	24.905	1.592	3.184	24.905
7	1.513	3.026	27.931	1.513	3.026	27.931
8	1.455	2.910	30.841	1.455	2.910	30.841
9	1.398	2.796	33.637	1.398	2.796	33.637
10	1.332	2.664	36.301	1.332	2.664	36.301
11	1.314	2.628	38.929			
12	1.281	2.562	41.492			
13	1.260	2.520	44.012			
14	1.212	2.424	46.436			
15	1.179	2.358	48.794			
16	1.154	2.309	51.103			
17	1.126	2.252	53.354			
18	1.113	2.226	55.580			
19	1.095	2.189	57.769			
20	1.071	2.142	59.911			
21	1.028	2.056	61.967			
22	.984	1.969	63.936			
23	.964	1.929	65.865			
24	.957	1.914	67.778			
25	.927	1.854	69.633			

Source: Primary Data & Author's calculation

From the table – 2, 10 factors are extracted on the basis of factor loading and then the factors are named on the basis of the indicator's relationship

with employee's retention which are reflected in the following table.

**Table for Factors with Eigen Values & Variance**  
**Table – 3**  
**Factors with Eigen Values & Variance**

Indicators	Initial Eigen values		
	Total	% of Variance	Cumulative %
Career Growth	3.607	7.215	7.215
Work Life Balance	2.030	4.061	11.275
Salary & Benefits	1.849	3.698	14.973
Reward & Recognition	1.734	3.467	18.441
Social Security & benefits	1.640	3.280	21.721
Payment System	1.592	3.184	24.905
Suitability of Work Timing	1.513	3.026	27.931
Physical Working Condition	1.455	2.910	30.841
Training Needs & Appraisal	1.398	2.796	33.637
Performance Appraisal	1.332	2.664	36.301

Source: Primary Data & Author's calculation

It is revealed from the Table - 3 that *career growth* is first priority in the views of respondents with comparatively high Eigen value of 3.607, followed by *work- life balance* to continue with an organization with Eigen value of 2.030. Whereas, the next preferred factors is monetary benefits which includes *salary & benefits, reward & recognition, social security & benefits* and

*payment system* with Eigen values of 1.849, 1.734, 1.640 and 1.592 respectively. The third priority factor is work environment like *suitability of work timing* and *physical working condition* with Eigen values of 1.513 and 1.455 respectively. HRD factors such as *training needs and appraisal* and *performance appraisal* carry Eigen values of 1.398, 1.260 and 1.332 respectively.

**Table – 4**  
**Component Matrix**

COMPONENTS	CG	WLB	SB	RR	SSB	PS	SWT	PWC	TNA	PA
CG	.776	.207	.236	.203	.013	.030	.114	.256	-.150	-.086
WLB	.508	.087	.341	.117	.231	.088	.122	.129	.115	.135



<b>SB</b>	.807	.505	.424	.170	.288	.035	.253	.140	.048	.096
<b>RR</b>	.427	.173	.285	.014	-.015	-.034	-.065	.075	.061	.347
<b>SSB</b>	.467	.156	.046	-.013	-.064	.080	.185	-.060	.141	.158
<b>PS</b>	.492	.253	-.034	.244	-.252	.249	.066	.070	-.080	.161
<b>SWT</b>	.792	.113	.125	.067	.020	.065	-.077	-.036	-.043	-.041
<b>PWC</b>	.792	.113	.125	.067	.020	.065	-.077	-.036	-.043	-.041
<b>TNA</b>	.519	.149	.001	-.029	.016	.155	.277	-.061	.250	.173
<b>PA</b>	.657	.254	.110	.090	.264	.074	.250	-.156	.063	.161

Source: Primary Data & Author's calculation

**CG:** Career Growth; **WLB:** Work Life Balance; **SB:** Salary & Benefits; **RR:** Reward & Recognition; **SSB:** Social Security & Benefits; **PS:** Payment System; **SWT:** Suitability of Work Timing; **PWC:** Physical Working Condition; **TNA:** Training Need & Appraisal; **PA:** Performance Appraisal

**Table – 5**  
**Chi square Test**

<b>Variables</b>	<b>Chi-square Value</b>	<b>D.F</b>	<b>P-Value</b>	<b>Gamma Value</b>
Association between Career Growth and Retention	11.56	10	.00**	.771
Association between WL Balance and Retention	12.43	10	.00**	.765
Association between Salary & Benefits and Retention	10.34	10	.00**	.789
Association between Reward & Recognition and Retention	11.28	10	.00**	.687
Association between Social Security ^ Benefits and Retention	12.33	10	.00**	.694
Association between Social Security ^ Benefits and Retention	13.31	10	.00**	.701

Association between Payment System and Retention	15.28	10	.01*	.677
Association between Suitability of Work Timing and Retention	14.99	10	.02*	.598
Association between Physical Working Condition and Retention	13.86	10	.04*	.458
Association between Training Needs & Appraisal and Retention	14.01	10	.05*	.398
Association between Performance Appraisal and Retention				

Source: Primary Data & Author's calculation

\*= Significant

\*\*= Highly Significant

From the above Table- 5, the chi-square value of 11.56 shows that the association between Career Growth and Retention is highly significant. Further, the Gamma Value of .771 shows that there is positive relationship between both variables. This means higher the Career Growth, greater will the retention. The finding corroborates the study of Hannay and Northan (2000) who suggested that opportunities for career growth is directly related to employees' morale which motivates them to remain in the organization [64]. The chi-square value of 12.43 shows that the association between Work Life Balance and Retention is highly significant. Further, the Gamma Value of .765 shows that there is positive relationship between both variables. The finding is in line with the earlier finding of Spherion (2010) who stated, "Employees at organizations where work life balance programs are offered are much more likely to stay with their employer for at least the next five years and report higher job satisfaction" [65]. Similarly, the chi-square value of 10.34 shows that there is positive relationship between Salary & Benefits and Retention. The Gamma Value of .789 shows a highly significant association between the two variables. This finding substantiates the earlier research of Gardner et al., (2004) who viewed that, good pay not only motivates the employees, but also act as a technique of employee retention [66]. The chi-square value of 11.28 shows that the association

between Reward & Recognition and Retention is highly significant. Further, the Gamma Value of .687 shows that there is positive relationship between both variables. The finding from this study validates the study carried out by Padron (2004) who found out that when their hard work is recognized and rewarded the employees feel committed [67]. Further, the analysis suggests that the chi-square value of 12.33 shows that the association between Social Security & Benefits and Retention is highly significant. Further, the Gamma Value of .694 shows that there is positive relationship between both variables. The findings of the study is in alignment with the research conducted by Rosenblatt and Ruvio (1996) where the job insecurity has a negative co-relation between job insecurity, job performance and commitment [68]. The chi-square value of 13.31 shows that the association between Payment System and Retention is highly significant. Further, the Gamma Value of .701 shows that there is positive relationship between both variables. This finding validates the findings of Gardner et al., (2004) who viewed that, good pay not only motivates the employees, but also act as a technique of employee retention [69]. As far as the association between Suitability of Work Timing and Retention is concerned, the chi-square value was found to be 15.28 which is significant and the Gamma Value of .677 shows that there is positive relationship between both variables. The findings correlates the findings of

Lee, MacDermid and Buck (2002) who founded that reduced workload leads to physical and psychological well-being of employees [70]. The chi-square value between Physical Working Condition and Retention was found to be 14.99, suggesting a significant association and a positive relationship between the two variables with the Gamma value .598. This finding is in line with the study undertaken by Zeytinoglu and Denton (2005) who found out that work environment plays a vital role in retention of employees [71]. The analysis revealed that with a chi-square value of 13.86, the association between Training Needs & Appraisal and Retention is significant and the Gamma Value of .458 suggests that there is positive relationship between the two. The findings of this study correlates the findings from the study undertaken by Babakus, Yavas, Karatepe and Avci (2003) who stated that organizations with efficient training and development policies give a positive impression to its employees about employer's commitment in retaining them and the customer [72]. Finally, the chi-square value of 14.01 suggests that there is a significant association between Performance Appraisal and Retention. The findings validates the findings of the research carried out by Kumar and Thomas (2011) on performance level of employees viz-a-viz employee turnover cost in various star hotels. The outcome of the study revealed that the cost of employee turnover in case of high and medium performing employees was found to be high explained that there is a significant relationship between the two determinants [73].

#### VIII.FINDINGS OF THE STUDY

From the Factor Analysis of the primary data (table-3), it was found that the following factors such as Career Growth, WL Balance, Salary & Benefits, Reward & Recognition, Social Security & Benefits, Payment System, Suitability of Work Timings, Physical Working Condition, Training Needs & Appraisal and Performance Appraisal with the Eigen values of (3.607, 2.030, 1.849,1.734,1.640, 1.592, 1.513, 1.455, 1.398 and 1.332 ) were extracted. The respondents from two sample hotels have given their views and have prioritized them in the order as mentioned above. The chi-square test (table-5) revealed that

variables such as Career Growth, Work Life Balance, Salary & Benefits, Reward & Recognition, Social Security Benefits and Payment System have a highly significant association with dependent variable i.e., Employee Retention. Likewise, variables Suitability of Work Timing, Physical Working Condition, Training Needs & Appraisal and Performance Appraisal showed a significant association with Employee Retention. The findings of the study confirms that the ten factors identified using Factor Analysis have a direct influence on the retention of employees in hotel industry and the Chi-square test further confirms that there is a significant association of all the ten factors with employee retention. Therefore, it is evident that to improve employee retention in hotels the above mentioned areas need to be addressed and taken care.

#### IX. SUGGESTIONS & RECOMMENDATIONS

From the study it is found that, employee attrition is a serious issue in hotels in Odisha state. It involves high cost to the organization in one hand and deteriorates service quality on the other. Hence, the following suggestions may be recommended to improve the retention rate of the employees in hotels.

- The hotels needs to adopt a sound HR policy, prescribing a competitive pay scale, clear cut incentive programme, good reward and recognition system.
- The hotels should provide opportunity for career growth with proper career and succession planning and development.
- A better work system should be at place to balance Work and Life particularly stretched working hours and shift work.
- Proper social security and benefits should be provided to the non- executives.
- The hotel should follow appropriate safety measures and training should be imparted to the employees on the use of emergency facilities.
- The management of hotels should conduct exit interviews to find out the root cause for the employees to leave the organization. This would not only enable

them to retain productive employees in the future but also send a very sensitive message amongst the existing ones that the management is concerned about them and is consciously trying to reduce employee dissatisfaction.

## X. CONCLUSION

The above mentioned suggestions may be incorporated in the HR policies to make the systems and procedures more robust and employee friendly. Thus, senior level and mid-level employees will have to play a mentoring role in instilling trust amongst junior level employees that can go a long way in retaining good employees in the organization. The bottom line is to align the employees with the organization's mission and vision to achieve the goals. This can only be possible if the employees in the organization are satisfied and engaged. In order to achieve all of these, the management needs to continually assess and evolve by developing ways to keep their employees motivated through various initiatives and strategies to improve overall employee retention.

## XI. SCOPE OF FUTURE RESEARCH

- The findings of this cross-sectional study were gathered from a sample size -100 from two sample hotels in Bhubaneswar, Odisha. Similar study can be replicated with a larger sample using longitudinal data because employee attrition and employee retention issues in any organization is a continuous development process which keeps changing with time.
- Collection of Data was confined to the city of Bhubaneswar, Odisha. Future study can be carried out in different locations of the State in order to have a better generalizability of the findings.

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