

EMPLOYEE RETENTION PARAMETERS: A CASE STUDY OF HOTEL DOLPHIN, DIGHA

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ABSTRACT

Background: Hospitality industry, it all depends on the people, and people working in the hospitality industry need to be different and have specified characteristics. Retention of the key employees is critical to long term health and success of any organization. **Objective:** To examine the effect of salary structure; wage administration; training and if CSR has impact on employee retention in hotel industry. **Methodology:** 103 employees of Hotel Dolphin, Digha were the subjects for the study. These subjects were given a structured questionnaire to collect data on employee retention parameters. **Results:** Salary, wage administration, training, CSR has positive influence on job satisfaction and consequently job satisfaction influences the employee retention. **Conclusion:** Improvement in the satisfaction level of employees is needed in terms of present benefits, present compensation, work life balance, relation with superior/manager as an individual, training to improve job performances, cooperation from management in terms of operation, relation between employees and other employees, understanding of business strategy at the lower employee level and offer membership program

Key Words: Employee Retention, CSR, Job Satisfaction, Wages, Influence

INTRODUCTION

In the hospitality industry, it all depends on the people, and people working in the hospitality industry need to be different and have specified characteristics compared to other industries (Dawson et al. 2011; Bowen & Ford 2004). They are the company's face and hospitality industry completely relies on the talent of their employees. So organizational productivity is closely tied to employees' motivation. Retention is the process of developing and implementing practices that reward and supports employees. Retention of the key employees is critical to long term health and success of any organization. It ensures better satisfaction, increased product sales, effective succession planning and deeply embedded organizational knowledge and learning. High turnover is harmful to a company's productivity if skilled workers are often leaving and the worker population contains a high percentage of novice workers (Taylor, 1998). Therefore keeping in mind all the matters- salary, wage administration, training, corporate social responsibility and job satisfaction specially these matters in context of Hotel Dolphin Digha; the employee retention is being studied and researched.

The study will be used to examine the impact of salary, wage administration, training, corporate social responsibilities, job satisfaction organization toward employees performance in the hotel industry resulting the employee retention. According to Get Les Mckeown's employee retention is defined as "effective employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain employed by having policies and practices in place that address their diverse needs. Also of concern are the costs of employee turnover including hiring costs; productivity loss." So employee retention refers to the ability of an organization to retain its employees. Employee retention can be represented by a simple statistic e.g. a retention rate of 80% usually indicates that an organization kept 80% of its employees in a given period. However many consider employee retention as relating to the efforts by which employers attempt to retain employees in their workforce. In this sense, retention becomes the strategies rather than outcome. In a business setting, the goal of employers is usually to decrease employee turnover, thereby decreasing training costs, recruitment costs, loss of talent and organizational knowledge. By implementing lessons learned from key organizational behaviour concepts employers can improve retention rates and decrease the associated costs of high turnover. However, this isn't always the case. Employers can seek "positive turnover" whereby they aim to maintain only those employees who they consider to be high performers.

As we know organizations are "a structured social system consisting of groups and individuals working together to meet some agreed – upon objectives" (Greenberg, 2011); so it's very essential for the retention of the employees. Joan Gabrie (2010) used time-series techniques to estimate the long-run relationship between real wages, job satisfaction and productivity in the Mexican Tourism. The finding shows that job satisfaction and productivity depends positively on real wages. Regarding employee welfare or CSR within companies or work-life balance; Karatepe (2008) examined the effects of negative affectivity (NA) and positive affectivity (PA) on work family conflict and family work conflict and the effects of both directions of conflict on marital satisfaction and job satisfaction or turnover intentions or in the long way employee retention. Barros (2005) discusses, by means of data envelopment analysis, the efficiency of individual hotel belonging to Portuguese state owned chain, Pousadas de Portugal, which is managed by the enterprise, ENATUR.

By identifying the efficient hotels in a sample, the slacks in inputs and outputs of the inefficient hotels and the peer group of efficient hotels, the data envelopment analysis stands out as one of the most promising techniques to aid the improvement of efficiency. Managerial implications arising from this study are considered. Job satisfaction is simply defined as the affective orientation that an employee has towards his or her work. In other words, it is an effective reaction to a job that results from the comparison of perceived outcomes with those that are desired (Kam, 1998). Job Satisfaction is the degree to which employees enjoy their jobs (McCloskey and McCain, 1987). Carr and Kazanowsky (1994) successfully showed that inadequate salary was very legated to employees' dissatisfaction.

And recent studies showed that a participative (democratic) management style was mostly preferred by today’s managers to increase their employees’ job satisfaction (Dogan and Ibicioglu, 2004; Knoop, 1991). Moreover the relationships between jobsatisfaction and many variables such as motivation, stress,salary, promotion, role conflict, distributive and procedural justice, role ambiguity, autonomy, workload, leadership style, educational level, emotional intelligence are still being analyzed in different fields as an attractive and important subject of management literature (Ross and Reskin, 1992; Agho et al., 1993; Stordeur et al., 2001; Chu et al., 2003; Kafetsios and Zampetakis, 2008). A detailed review of academic literature, reference books, journals articles, review of the secondary literature from the library, review of materials available in the internet, companies data, data from various hotels for comparative studies, other information from various sources regarding people management, recruitment, retention are used for the research. It also includes for parallel help of research purpose to study Herzberg’s Two factor theory, McClelland’s Theory of Needs and Hackman & Oldham’s Job Characteristics Model for the current research on Hotel Dolphin Digha.

Industry Profile:

Hospitality is the act of kindness in welcoming and looking after the basic needs of customers or strangers, mainly in relation to food, drink and accommodation. A contemporary explanation of Hospitality refers to the relationship process between a customer and a host. When we talk about the “Hospitality Industry”, we are referring to the companies or organizations which provide food and/or drink and/or accommodation to people who are “away from home”. The word hotel is derived from the French word “hot’e” meaning host. A hotel is an establishment that provides paid lodging on a short term basis. Hotel operations vary in size, function, cost etc.

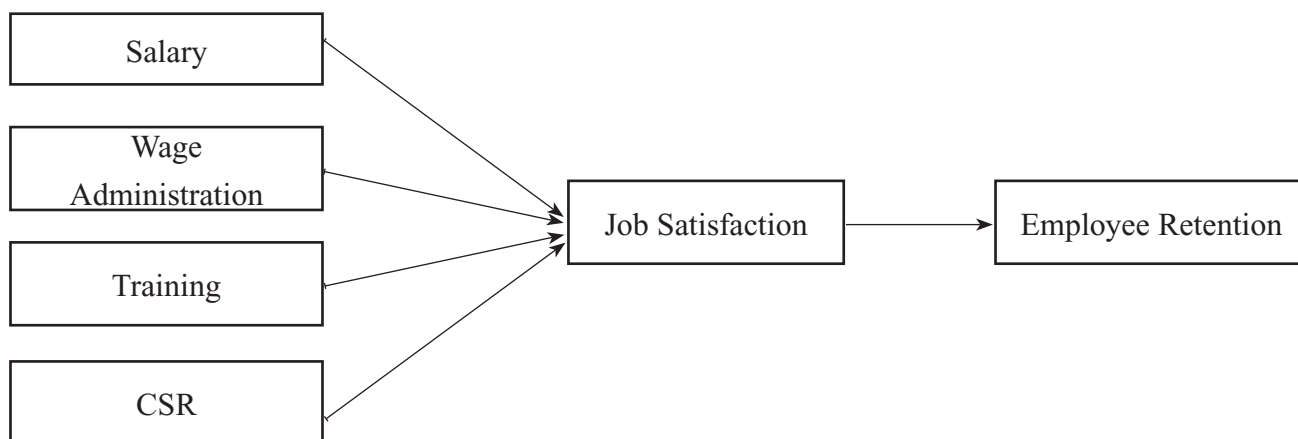


Figure 1: Conceptual framework

Company Profile:

Hotel Dolphin Digha, a three star categorized hotel on the bank of shining sea beach of the Bay of Bengal’. It consists of 57 luxurious rooms having both sea facing and garden facing, two premium

cottages on the sea kissing lawn. One bungalow for VVIP guests. The “BITES” is the multi cuisine restaurant and a garden restaurant meets the palates of the guests from different parts of the globe. The banquet hall and lawn areas are meeting and get together places. Utilize business center for A/V equipment rental, printing, video conferencing etc. It’s a live hotel in the vibrant atmosphere on the sea beach of the Bay of Bengal.

The purpose of this research was to identify and examine the relationship between the organizational factors of salary, wage administration, training, Corporate Social Responsibilities, communication, employees development, leadership style, procedural justice factors of communication, employees’ development; resulting job satisfaction and hence the employees’ retention; therefore the maximum performance in hospitality industry and an attempt to find solutions and provide recommendations for the research issues keeping in view Hotel Dolphin Digha. The objectives of the study were:

- i) To examine the effect of salary structure on employee retention in hotel industry.
- ii) To determine whether wage administration has influence on employee retention.
- iii) To examine the effect of training on employee retention.
- iv) To see if CSR has impact on employee retention in hotel industry.
- v) To examine the effect of job satisfaction on employee retention.

METHODOLOGY

The research employs both the qualitative and quantitative methods. The qualitative approach, and data collected by using document study technique (the document study/analysis is the form of qualitative research in which document is interpreted by researcher to give meaning around assessment topic). Under this research Hotel Dolphin Digha was visited and the questionnaire was distributed to the hotel employees. A close observation on employees helps the research a lot. Interactive sessions with the top managers and the board have been considered as feedback and giving the research a high level. 103 samples were collected for the said research. Various documents were collected from the Company. Registers and files were a source of the research materials. Field visits and observations made both in house, local hotel association, in and around the surroundings are rich sources of the data for the research.

RESULTS AND DISCUSSION

The results of the questionnaires are being analyzed. The study presents the quantitative research as well as qualitative findings of the research investigating the impact of salary, training, wage administration, Corporate Social Responsibilities in other words employee welfare etc. towards job satisfaction which leads to employee retention in the context of Hotel Dolphin Digha.

Results of SEM shows that all path coefficient positive and significant at p-value less than 0.05. This, indicate that salary, wage administration, training, CSR has positive influence on job satisfaction and consequently job satisfaction influences the employee retention. Therefore, all five hypotheses were supported.

Table 1: Regression Weights: (Path coefficient)

	Path	Estimate	S.E.	C.R.	P
Job Satisfaction	<--- Salary	.219	.038	5.793	***
Job Satisfaction	<--- Wage Administration	.261	.035	7.492	***
Job Satisfaction	<--- Training	.190	.035	5.378	***
Job Satisfaction	<--- CSR	.342	.038	9.073	***
Employee Retention	<--- Job Satisfaction	.390	.110	3.545	.004

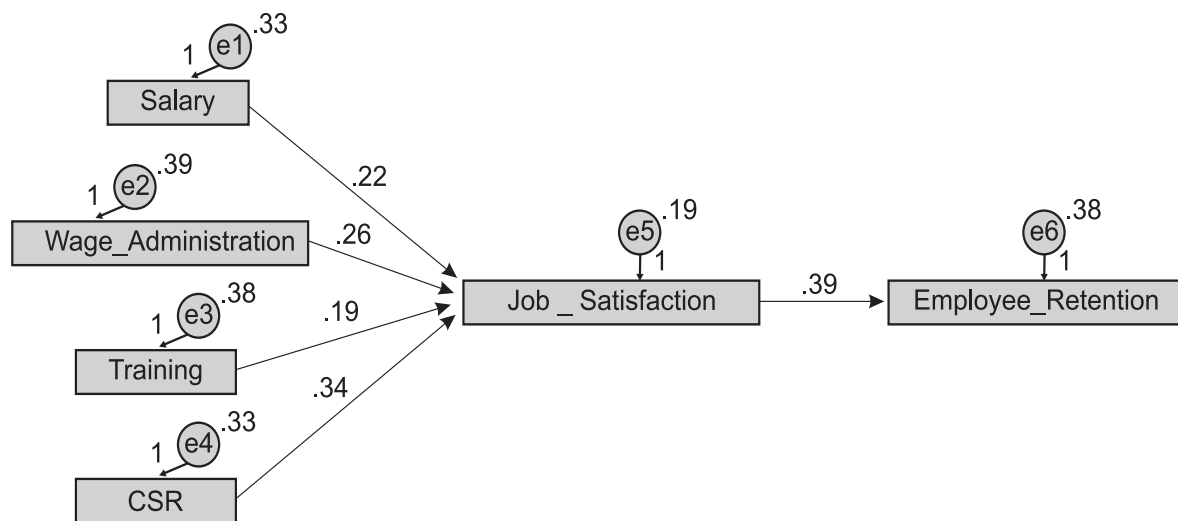


Figure 2: SEM Results

CONCLUSION

Based on the work done and with the analysis of data; it is founded that there are scopes of improvements of the satisfaction level of employees in terms of (i) present benefits (ii) present compensation (iii) work life balance (iv) relation with superior/manager as an individual (v) training to improve job performances (vi) cooperation from management in terms of operation (vii) relation between employees and other employees in the same department or with other departments (viii) understanding of business strategy at the lower employee level (ix) membership program

In order to be effective, retention strategies are a joint effort on the part of heads, managers, Human Resources, Training and development, organisational development offices, union/employee organizations and have to identify, review, document and publicize alternative retention policies,

procedures and efforts. e.g. (a) To conduct a survey to determine types of employee benefits important to the workforce. (b) To offer rewards and recognition employees accordingly (c) Improve career mobility (d) Encourage flexibility in work schedules, telecommuting and provide guidance to agencies on how to do that. (e) To develop policies to encourage retention efforts and to eliminate perceived bureaucratic roadblocks. (f) To conduct salary review of critical titles in comparison to other similar employers and adjust salaries to keep pace. (g) To set up task force to look at physical work environments (h) To set up a board containing representatives of both senior levels and junior levels to keep an eye on the CSR activities in both outside and among the employees.

Employee Organizations / Unions have a major roles : to improve the physical environment of workplace. Help communicate training opportunity information to employees. To encourage family friendly policies like flex time, on site day care centres and telecommuting

Human Resources Department can proactively identify retention concerns: by conducting employee surveys, focus groups and exit interviews. Able to develop targeted solutions geared toward individual agency concerns. Can focus more attention on orientation, including providing realistic job previews for candidates for high turnover jobs. Can develop follow up meetings six months or three months after initial orientation. Can publicize monetary value of employee benefits

Individual employee has a role in retention: Can discuss concerns and needs openly with seniors. Can take responsibility for their own career development. Managers can make employee retention a priority: Can re-evaluate needs and focus on critical matters. Can hold supervisors accountable for retention efforts by making it part of their performance plans. Can invest in the future by providing up to date technology and resources to support it i.e technical support and training. Can support flexibility in work schedules. Can pay attention to management and communication styles to foster a positive work environment.

Training and Development and /or Organizational development can effect change: by providing more management training on retention issues. Can provide training to support open communication. Can provide more career development counselling to employees and to increase their emotional intelligence. So there are vital roles of salary, wage administration, training, corporate social responsibility and job satisfaction in employee retention.

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