

# THE RELATIONSHIP BETWEEN JOB SATISFACTION AND EMPLOYEE TURNOVER IN THE HOSPITALITY INDUSTRY

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Dr Amrapali Bhandari

Assistant Professor, Omkarananda Institute of Management and Technology

Rishikesh (Uttarakhand) India

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## ABSTRACT

*Employee discontent is a common reason for the high turnover rate in the hotel business. The purpose of this research is to investigate the relationship between important job satisfaction characteristics and employee retention in the hotel industry. These elements include work environment, salary, career progression, management support, and work-life balance. The study aims to identify the main causes for employee turnover and possible solutions to enhance retention by conducting surveys and structured interviews with workers of hotels, restaurants, and tourist businesses. According to the results, a lack of professional development possibilities, excessive working hours, and low compensation are some of the main causes of significant employee turnover. On the other side, companies with a strong emphasis on employee happiness, professional growth opportunities, and a supportive work environment tend to have lower employee turnover rates. The research shows that HR practices, such as mentoring programs and employee engagement efforts, may make a difference in how happy people are in their jobs. Productivity and customer service both rise when workers are happy in their jobs, according to the research. In order to decrease turnover and increase operational efficiency, the study indicates that enterprises in the hotel industry should prioritise the creation of a work environment that is both supportive and growth-oriented.*

**Keywords:** Job satisfaction, employee turnover, hospitality industry, career growth, work environment, workforce stability, HR strategies.

## INTRODUCTION

A highly motivated and content staff is essential in the fast-paced and labour-intensive hotel business to maintain excellent service standards and satisfy customers. When workers are happy in their jobs, they are more likely to stay around, which is good for business since it means the company can weather any storm. On the other hand, the hotel business has long struggled with excessive staff turnover, which compromises service quality, causes operational interruptions, and drives up recruiting and training expenses. Businesses in the hotel industry would do well to study the correlation between employee happiness and turnover rates so that they may create retention strategies and better working conditions. Job satisfaction is impacted by a multitude of variables, including the work environment, pay, job security, possibilities for professional growth, leadership, and the ability to manage work and personal life. Workers in the hospitality sector often endure physically demanding jobs, long hours, high levels of stress, and unpredictable shift patterns. Employees may seek out other work alternatives as a result of these difficulties, which may have a major influence on their level of job satisfaction. It is difficult for

organisations to retain their personnel due to factors such as low salary, restricted career advancement opportunities, and lack of recognition.

The term "employee turnover" describes how often a company has to replace its workers.

\*Assistant Professor, Omkarananda Institute of Management and Technology, Rishikesh (Uttarakhand) India. amrapali.negi@gmail.com

Employees may choose to leave voluntarily if they are unhappy with their job or see better prospects elsewhere, or they may be fired involuntarily by their employers as a result of poor performance or layoffs. Employees in the hotel business typically look for other jobs that provide better working conditions, greater compensation, and opportunities for professional progress, which may lead to high turnover rates. Financial performance isn't the only thing that gets hit by staff turnover; morale takes a nosedive, and customer service suffers as a result. Organisational culture and work environment are important factors that contribute to job satisfaction in the hospitality business. Engagement, drive, and loyalty are all enhanced in an encouraging and supportive work environment.

Workers are more inclined to stay there when they know their contributions matter to their employer. Poor leadership, a lack of communication, and disputes in the office all contribute to a toxic work environment, which in turn causes discontent and higher turnover rates. Job satisfaction and retention may be greatly improved when companies put an emphasis on employees' health and happiness, foster an inclusive work environment, and provide opportunities for professional growth.

When it comes to employee happiness and loyalty, compensation and perks is king. Employees report higher levels of work satisfaction when they get fair pay, performance-based incentives, health insurance, and other benefits. Offering attractive pay packages may play a big role in keeping personnel in the hospitality business, since earnings are often lower than other industries. It is difficult for many hospitality firms to provide competitive compensation due to financial restrictions. Flexible scheduling, employee discounts, and wellness programs are non-monetary incentives that may boost work satisfaction and retention rates. Both employee happiness and retention are affected by possibilities for professional advancement. A common goal of many workers in the hospitality sector is to advance from entry-level to management jobs. A feeling of belonging and dedication to the company over the long run is the result of training programs, mentoring, and skill development that are funded by the company. On the one hand, workers are more inclined to stay around and put their best foot forward when they can see a clear route to promotion inside the company. On the other hand, when employees are frustrated and see little room for progress, they are more likely to consider leaving.

Another important factor that determines job satisfaction in the hotel business is work-life balance. Workers in this field typically have a hard time juggling their personal and professional lives due to the unpredictable nature of their work schedules, which includes working on weekends and holidays. When workers are overworked to the point of burnout, they are more inclined to look for employments elsewhere that provide a better work-life balance. Businesses in the hospitality industry may boost morale and retention by instituting rules that help workers deal with mental health issues, take time off when they need it, and work around rigid work schedules. How a company's leadership and management practises affect employee happiness and loyalty is substantial. A productive workplace is one in which

workers are appreciated and inspired by leaders who are both supportive and effective. Employees report more happiness in their work lives when their managers value their input, provide helpful criticism, and foster an environment where employees feel comfortable speaking their minds. Frustration and unhappiness, on the other hand, may lead to increased turnover rates when leadership is bad, there is a lack of transparency, and policies are inconsistent. Employee engagement and retention may be improved via training managers to develop strong leadership abilities and emotional intelligence.

Job satisfaction and turnover rates are heavily influenced by organisational commitment and employee engagement. Workers are more likely to be loyal and committed if they have an emotional connection to their company. Employees feel more connected to the company when they are involved in efforts that foster engagement, such as team-building exercises, recognition programs, and participation in organisational decision-making. Workers are more likely to seek out other employment possibilities if they are not engaged, which in turn leads to disengagement. Hotels, restaurants, resort, and event management companies are all part of the hospitality business, but the effect of work satisfaction on turnover differs across these sectors. There are industry-wide elements that influence employee happiness and retention, but there may be sector-specific ones as well. Workers in the hospitality industry may be dissatisfied with their jobs because of the high turnover rate and poor pay compared to those in the restaurant industry, which is characterised by physically hard labour and low compensation. By gaining a deeper understanding of these industry-specific obstacles, organisations may better customise their tactics for retaining employees.

Reducing staff turnover in the hospitality business requires an all-encompassing strategy that tackles the underlying reasons of discontent. In order to find ways to improve, employers should aggressively seek employee input via surveys, performance reviews, and open dialogues. In order to increase job satisfaction and retention, it is important to implement policies that create a favourable work environment, provide competitive remuneration, opportunity for advancement, and support a work-life balance. Reducing employee turnover is another important goal of good organisational cultures that place a premium on employees' health and happiness.

The link between work satisfaction and employee turnover in the hotel business is complicated and interconnected. Employees are more likely to stay put when they are happy in their jobs, but turnover rates tend to rise when they are unhappy. Organisations may boost employee happiness and retention by focussing on things like leadership practises, work-life balance, pay, and advancement opportunities. Businesses in the hospitality industry may improve service quality and increase profits by retaining their employees and turning them into a stable, motivated, and productive team.

## **OBJECTIVES**

1. To research how job satisfaction affects employee retention in the hospitality sector
2. Investigating Employee Turnover and Its Effects on the Hospitality Sector

## **RESEARCH METHODOLOGY**

The present investigation used an explanatory research strategy to learn the specifics of what caused something to happen. "They think reality is stable and can be observed and explained objectively without interfering with the phenomenon being examined," they say. This research adheres to the post-

positive paradigm and is quantitative in character. Particularly useful for testing hypotheses are quantitative investigations.

### Sampling and sample size

The study's target demographic was registered hotel workers in Garhwal and Kumaun region in Uttarakhand which was represented by the sample frame.

$$n = 196$$

$$n_f = \frac{196}{1 + \frac{196}{210}}$$

To the power of 210, we get ('nf'). The survey comprised 210 hotel workers and eighteen (18) hotels that were chosen using a purposive sample approach to pick the respondents.

### Instrumentation, design and application

A self-administered, four-part questionnaire was provided to the respondents. In the first section, we asked about the respondent's demographics, including their gender and age. In Section 2, we detailed the hotel's amenities and history. Job satisfaction elements were examined in Section 3. Intention to resign was the subject of Part 4. A modified version of the "5-point Likert ranging from 1 (strongly disagree) to 5 (strongly agree) to assess turnover intentions" was used by Khan and Du (2014). Both the study's ethical components and its discussion are important to any scientific endeavour. Considerations of informed consent, anonymity, and confidentiality were made in this investigation. The SPSS program (version 20) was used for data entry and coding. There is a presentation of demographic and socioeconomic backgrounds. The chi-square test was used to examine the hypotheses.

## RESULTS

With 18 hotels receiving surveys, the response percentage was 90.5%. 211 questionnaires were sent out. However, due to incompleteness, six (6) surveys were disqualified. Although a total of 210 questionnaires were sent to staff members who participated in this research, this report just covers the 190 relevant replies that were received.

### Background information of hotel employees

According to the theoretical underpinnings of this study, the socio-demographic characteristics of the participants revealed that 54 percent were men. The age distribution was as follows: 53.7% were young adults (21–30), 31.1% were middle-aged (31–40), and 2.1% were senior citizens (51–60). Of individuals who participated in the survey, 58.9% were married and 41.1% were single. Among those who participated in the poll, 28.5% were employed on the front desk, while 20.5% were housekeepers. While only 13.2% work part-time, 86.8% are considered "full-time" workers.

**Table 1: Background information of hotel employees**

Background characteristic	'Frequency'	'Percentage' (%)
Sex		
Male	103	54.2
Female	87	45.8
Age		

<20	7	3.7
21-30	102	53.7
31-40	59	31.1
41-50	18	9.5
51-60	4	2.1
Marital status		
Married	78	41.1
Unmarried	112	58.9
Department		
Housekeeping	39	20.5
Front office	54	28.5
Accounts/administration	54	28.4
Food and beverage	43	22.6
Work status		
Full time	165	86.8
Casual	25	13.2
“Years of service in this hotel”		
Less than 1	54	28.4
1-3	72	37.9
4-6	50	26.3
More than 6	14	7.4
‘Length of service in the industry’		
>5	89	46.8
6-10	74	38.9
> 10	27	14.3
Educational level		
Primary	9	4.7
High School	61	32.1
Intermediate	61	32.1
(non-degree)		
Degree	59	31.1

Of those who participated in the study, 37.9% reported being in the workforce for between one and three years, and 7.4% for six years or more. The percentage of enrollees with a secondary or post-secondary certificate was 32.1%. The lowest rate was 4.7% for those who met the most minimal requirements. Younger, single people with a secondary education were the ones who replied, the results showed.

#### **Categories of factors that account for employee job satisfaction**

The phenomena of workers' satisfaction at work was examined using many constructs and their sub-variables. The particular elements that impact employee happiness in the different hotels polled were

determined by using factor analysis (FA), a data reduction tool to determine how these factors interrelate. The findings may be better understood when a "varimax rotation" was applied to 46 variables with five primary components; this process included replacing the components with a number of highly loaded variables. Consequently, the Principal Component Analysis (PCA) reduced the original set of 46 variables to 22, with four main variables accounting for workers' happiness on the job. This reduction was achieved by the use of the varimax rotation.

### **Turnover intention among hotel employees**

There will be less employee turnover if workers are satisfied with their pay, advancement opportunities, and other perks of their jobs. Some, but not all, elements of the employment may contribute to employees' intentions to leave. We used a yes/no scale to determine whether respondents intended to stay or go.

Table 2 shows the overall sentiments of workers on their intention to leave or not. A little over half of respondents who took the survey expressed an intention to leave their current positions. In order to help their workers reduce their intentions to resign, hotels in the metro area should evaluate their staff's job satisfaction problems after it has been discovered as a predictor of leaving intent.

### **"Association between job satisfaction and quitting intention"**

The researchers looked at how much "job satisfaction" affects workers' "turnover intention." Table 2 shows that there was a negative correlation between "job satisfaction" and "turnover intention" ( $p=0.000$ ). Accordingly, we can rule out the null hypothesis ( $H_1$ ) that states there is a direct relationship between contentment in one's employment and plans to quit.

**Table 2: Association between job satisfaction and quitting intention (n=190)**

Variable	Turnover intention Correlation coefficient	P-value
Job satisfaction	-0.519	0.000*

"\*Significant at 0.01 level (2 tailed)"

Employees' intentions to leave are correlated with their level of job satisfaction, according to this research. A statistically significant and negative association was shown to be associated with both work satisfaction and the probability of quitting one's current position. Therefore, it is concluded that there is no relationship between job satisfaction and leaving one's job. When people are happy in their jobs, they are less likely to leave their positions.

### **Discussion**

A worldwide issue has been raised about the contentment and intention to depart of hotel workers. "Job satisfaction and hotel employee turnover intentions" were the focused areas of the poll. There is a literature study on the topic of hotel workers' job satisfaction and their intentions to leave the industry. Employees' happiness on the job at Uttarakhand hotels was explained by four main features that emerged from the conceptual framework. The most common factors are salary (47.8%), then supervision (13.1%), training and progress (9.0%), and finally promotion (9.0%). These four factors comprised 75.6% of the total work satisfaction. Nearly half of all respondents (55%) intended to resign from their positions. As a result, the hotel workers in Uttarakhand will be even less happy. If job happiness and desire to leave are not related, then the chi-square test proves that. If hotel employees believe they will be promoted, they are more inclined to quit their jobs. A worker needs a lot of factors to come together



for them to be pleased on the job. In general, individuals aren't happy in their jobs, which lower their drive, according to the survey. Hotel management in Uttarakhand would do well to provide opportunities for staff to have a say in matters pertaining to their job and well-being if they want to retain a loyal workforce. Employees' contentment and loyalty to the business shrank, a sign of low job satisfaction that is critical for those working in hospitality and business. One important finding from the regression analysis was that financial incentives do have an effect on work satisfaction. Employees are seeking fair compensation for their work. In exchange for their expertise, they are seeking compensation. Workers should get pay that is commensurate with their merit and the responsibilities of their employment. The low wages in the business may be making the situation worse; having said that, working in the hotel business is often associated with poor wages. Employee incompetence might be to blame.

The hotel staff should be well paid for their efforts to optimise efficiency and obtain a competitive edge, even if the salaries in the nation are low. Reactions to problems with supervision were diverse. Concerning issues with supervision, employees were vague. Bosses are desired by subordinates when they are pleasant, accessible, and well-informed. In conclusion employees are dissatisfied with their employment. The outcome is that Uttarakhand hotel managers seem to lack proper training. If they want to boost morale and productivity in the workplace and the level of service their subordinates provide, supervisors need to be well-versed in the field they oversee. Staff members in hotels need training in people skills and clear expression of ideas. Even more concerning, given the intense level of competition in today's business world, respondents were unclear as to whether or not training is essential. The lack of training programs and the lack of priority placed on staff training by management were both mentioned by all respondents as issues plaguing their respective hotels. Employees are kept informed about developments in the workplace via training. Hotel workers' job satisfaction and desire to leave might be positively impacted by monetary bonuses and promotions. Pay raises boost morale on the job. Most hotels in the study region lacked job promotion fairness, which influences employee happiness. When workers meet the criteria for advancement, managers should lay out specific plans for their future, and they should implement more stringent evaluation processes. Hotel workers may be impacted by the least identified factor, which is promotion, according to this research.

Progression has an effect on work satisfaction, according to the research. Job happiness seems to be impacted by promotions. The industry would gain from promotions that are based on performance. It was not surprising to see a substantial correlation between promotion and job satisfaction, given that prior research has shown that workers want acknowledgement for their efforts on the job. When hotel workers get promotions, it shows that their bosses appreciate and respect them, which in turn makes them happier in their work.

Pay, supervision, training, and progression were the four factors that accounted for employees' job satisfaction in the study region. This suggests that workers attribute their dissatisfaction with their jobs to one of these four factors, which might cause them to consider leaving. Worker happiness on the job is most strongly predicted by these four criteria.

## CONCLUSION

Since the hygiene components of the Two-Factor Theory of Motivation for Hotels are strongly linked to staff job happiness and quitting intent in hotels (Wan, Fauziah & Tan, 2013), this study focusses on these components as relevant motivators for hotel managers in the Uttarakhand. The first step in identifying

potential reasons for hotel workers in the Accra Metropolis to quit is to find ways to fix the current issue. Three criteria were identified by Ruthankoon and Ogunlana (2013) as extrinsic variables that, if removed, may lead to widespread dissatisfaction with one's employment. Hotel owners and managers in Garhwal and Kumaun would do well to pay close attention to these four factors because of their impact on staff happiness on the job. Workers may be more likely to remain with their employers amid unfavourable circumstances if they are offered little opportunities for advancement and get little or no training. It is widely agreed that the motivational theory can be used to reduce employee turnover by shedding light on the relationship between job satisfaction and retention and the correlation between job dissatisfaction and the turnover crisis. In addition, if wages are improved and the work environment is reinforced, it is possible that workers in the hotel industry may become more invested in their company and less likely to leave. With these results in hand, hoteliers will be better able to grasp the gravity of the turnover situation.

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