CHAPTER – II

LITERATURE REVIEW
Literature Review

The employees are considered as most critical resource of an organisation. Largely, they contribute in achieving organizational goals, objectives and mission. Particularly for service sector, a committed workforce can take service organisation to any heights. So the importance of employees can easily assessable for the growth of accommodation units. In the present scenario, retaining employees has become a major issue for accommodation sector. When an individual is employed in an organisation, 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 organisations, many allied jargons like employee turnover, employee attrition are also required to be discussed. Thus, employee retention is an important tool for the organizations to stop the employees from leaving their jobs. Although hiring the right people for the right job is essential is important for the organization, but retention is more important than hiring. Because, employee retention encompasses a set of activities for the organization to ensure that it attracts, motivates and retains its talented employees for the future.

2.1 Employee Turnover

Price (1977) defined the term turnover as “the ratio of the number of employees who have left during the period being considered divided by the average number of people in that organization during the period”.

Grobler et al., (1998) defined employee turnover as the “entrance of new employees into the organization and the departure of existing employees from the organization”. Harkins P.J. (1998) defined turnover rate as “how many new recruitments were hired to replace resigned employees”. Mondy R.W. (2010), stated “turnover is a voluntary cessation of membership of an organization by an employee of that organization”. Nel P.S. etal., (2001) suggested that the turnover of employees is the movement of workers in various organisations, occupation and jobs and also between the unemployment and employment states.
According to NSDC (2010), turnover can be defined as “the termination of an employee’s intra organizational career trajectory which is composed of a sequence of job changes from job entry to exit”. Yankeelov P.A. et al., (2008) opined employee turnover is the voluntary leaving of employees from the organization for different reasons and thus affecting the functioning of the organization in terms of costs and delivery of adequate services. Mrara M.T. (2010) opined because of its negative impact on the organization, employee turnover as a subject has drawn a lot of attention from both researchers and academics.

Hom and Griffeth (1995) defined employee turnover as a “voluntary terminations of members from organizations”. Ivancevich and Glueck (1989) opined staff turnover is the end of a relationship between the employee and the employer and at the same the entry of newly recruits to the organization. Kossen (1991) defined turnover as “the amount of movement in and out (of employees) in an organization”.

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”. Iverson and Pullman (2000) categorized turnover as ‘voluntary’ and ‘involuntary’. That is, withdrawal of an employee’s services out of his choice and due to layoffs and expulsion from the organization. Chikwe (2009) described the turnover rate as how quickly the employers lose and recruit employees in their organizations. Mondy (2010) clearly defined turnover rate as the number of newly recruits in place of employees leaving the organization.

Thus, employee turnover can be discussed as a volume of voluntary movement and separation of employees in given time frame in micro level where as it is rotation of potential workforce around the labour market in a specific context like skill, occupation firms at macro level.

2.2 Employee Attrition

The term ‘employee attrition’ was coined in the later part of the 20th century from the old concept, that is, ‘employee turnover’ or ‘labour turnover’. According to the Webster’s Dictionary the term attrition is defined as “the process or state of being gradually worn down”. It may also be defined as a process through which there is a gradual decrease in the number of employees in the organization in the form of death, resignation or retirement. Further, it can be defined as the voluntary and involuntary turnover of employees from the
organization. Hence, the term employee attrition is used interchangeably with employee turnover. In contemporary business settings, the attrition of employees is fast and sometimes unforeseen and could be stagy in the cutthroat business environment where employers are vying to get the best human resources suitable for their organisations.

2.3 Employee Retention

Walker and Miler (2010) stated retention is a term given to retain the employees and to stop them from leaving the organization. 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” Chaminade (2007 cited in Chibowa et al., 2010). Humphreys et al., (2009) elucidated that retention is “some notion of adequacy or sufficiency of length of service”. Frank et al., (2004) defined retention as the "effort by an employer to keep desirable workers in order to meet business objectives".

2.4 Importance of Labour Turnover

Hiemstra (1990) suggested that labour turnover embodies a major direct cost in terms of recruitment, below par practices in terms of production and sub-standard as well as increased training and replacement costs. Fair (1992) suggested there are various types of costs related to labour turnover and they are as follows: leaving costs; recruiting costs; costs incurred in selection process; costs for hiring; relocating expenditures; costs for uniforms and productivity costs. According to him, indirect costs are the ones linked with employee de motivation, poor services leading to dissatisfaction of customers and absenteeism. White (1995) elaborated labour turnover is one such segment where the cost can be calculated and is considered to be a very important factor in measuring the performance of the organization.

Bannister and Griffeth (1986) and Glebbeek & Bax (2004) highlighted that the labour turnover can be considered an asset if it is low. However, when the labour turnover is high, it is considered as a challenge and a problem to be managed. Hinkin and Tracey (2000) are of the opinion that high labour turnover is not related to a particular country; it is indeed a global phenomenon.

Fortino and Ninemeier (1996), indicated that in the USA, the annual turnover rate ranges from 154 per cent to 240 per cent, and labour is a major cost and the loss of human
resources due to high turnover and is of utmost importance with regard to the overall performance of the organization.

Ramlall (2004) explained about direct and indirect costs to the company. Costs such as selection, recruitment and training are direct costs, whereas, overtime expenses, increase in workload and low productivity due to low morale of employee are associated with indirect costs. These costs of employee turnover are equivalent to one year’s or two year’s pay and benefits.

According to (Cheng and Brown, 1998; Forrier and Sels, 2003; Hinkin and Tracey, 2000; Walsh and Taylor, 2007; Walters and Raybould, 2007) some of the human resource practices that are the answers to employee turnover are investing in training and development, providing organizational support, initiating groundbreaking hiring and selection procedures and providing with good career advancement.

According to (Cho et al., 2006; Schuler, 1989; Schuler and Jackson, 1987, Sun et al., 2007) human resource practices and employee turnover have an active role to play in moderating the business outcomes. Hinkin and Tracey (2006) opined recruitment, induction, training, skill development are the direct costs to the company.

Karsan (2007) opined that one of the most ignored direct costs is the recruitment of an employee to cover the absence of another employee is a common business practice in case of turnover. Lashley and Chaplain (1999) elucidated employee turnover is not only a major cost but is a hidden cost that comes with loss of skilled labour, inefficiency and costs of replacement. Lashley (2000) expressed total training investment and loss of employee expertise as opportunity and turnover costs.

Scholars like (Deery and Iverson, 1994; Davidson, et al., 2001a, 2001b, & 2001c; O’Connell and Kung, 2007) pointed some of the important intangible costs of employee turnover such as poor job satisfaction, monotony at workplace, conflict in roles and responsibilities, low employee morale, low commitment, poor leadership, lack of career advancements have a direct impact on employee’s productivity and effectiveness.

Hinkin and Tracey (2008) found out loss of productivity caused from employee turnover may be as high as two-thirds of the total cost incurred in turnover. Lynn (2002) opined that, with the rise in employee turnover, the hotel would experience poor service delivery, as it requires more time to replace employees with the ones leaving the organization.
The two contrasting views on employee turnover by Davidson et al., (2006) and Nicholls & Buergmeister (1993) are although human resource management covers direct costs of turnover, employee turnover can be a positive move that may promote innovation by eliminating the non-performers. Timo (1996) noted employee turnover at times be used as a disciplinary measure through threat of termination or instinctive termination.

Timo (1999) and Hollenbeck & Williams (1986) suggested that the employee turnover can be used as a strategy to instil discipline in the organization or as a quality control measures by attracting newly recruits and encouraging non-performers to quit. Hurley (2010) opined employee turnover is a natural part of organisation’s processes. According to him not all turnover is harmful for the company and less than five per cent is not considered to be healthy.

Marcus (2010) is of the opinion that employee turnover provides the organization with an opportunity to be dynamic by inducting new blood with fresh and red hot ideas, personalities and skills, thus, adding a new lease of life to the organization to breathe.

Heneman and Judge (2006) expounded proper policies and procedures may be adopted by the organisations to balance out the costs incurred by involuntary and voluntary turnover. They further suggested that the focus should be on retaining the existing employees.

Achoui and Mansour (2007) pointed out creativity and innovation, mobility and adaptability may improve, if the non-performers are replaced with the performers. Abassi et al., (2000) elucidated that style of management, recruitment policies, hazardous working environment, lack of recognition and non-competitive atmosphere influenced the turnover of employees in organisations.

John (2000) said the crucial determinant of turnover of employee is the costs incurred by the organisation in finding out the right talent for replacement, selection, induction, training and appraisal of candidates till he/she attains the required competencies to perform the job. Gaia and Christopher (2007) posited both organisations and employees are affected by the turnover.

Johnson, Griffeth & Griffin (2000) and Susan (2011) explained it will cost nearly fifty per cent of an employee’s salary to hire and train a substitute employee in an organisation. Therefore, if any point of time an employee quits the company, the level of productivity ceases due to the time taken for learning and understanding by the substitute. According to (Mobley, 1977; Price, 1977; Lazear, 2000), the topic of employee turnover is
of great interest to academia and industry alike as it has gain prominence in terms of being a perennial problem as well as financial burden to the organisation.

Mello (2010) pointed out employee turnover sometimes benefits the organisation as well as provides with an opportunity to ones aspiring for a job. According to Sutherland (2004), the direct costs incurred by the organisation when an employee quits are skill sets, domain knowledge and technical know-how and the contacts developed by the employee who departs.

Hogan (1992), Wasmuth & Davis (1983) and Barrows (1990) have argued if turnover of employees is not properly managed then it can have adverse effect on the organisation’s growth and profits. Meaghan and Nick (2002) opined that getting the replacement for an employee who departs is almost impossible and this not only adds to the direct costs but also benefits the competitors who gain to get these employees.

2.5 Related Studies on Employee Retention

In the view of (Barney, 1991; Taplin and Winterton, 2007), retaining employees is a challenging task. According to Holdsworth and Cartwright (2003), conventionally the factors responsible for labour turnover were work life balance, insufficient training, development, and organizational commitment. (Tutuncu and Kozak, 2007; Carbery et al., 2003; Davidson et al., 2010) opined that, co-worker and manager relationship contribute to the employee turnover. (Galraen, Danserea and Minami, 1972) affirmed, cultural context, According to (Sheridan, 1992), rewards (Hansen, Smith and Hansen, 2002), (Hartman and Yrle, 1996; Deery and Shaw, 1997; Ladkin and Juwaheer, 2000; McCabe and Savery, 2007; Willie, Jayawardena and Laver, 2008), seasonal business, and type of jobs (i.e. contractual or casual)

However, restraint over these agents can save this “labour intensive hospitality industry” (Birder, 2002; Brien, 2004; Chalkiti and Sigala, 2009) from bearing unduly expense of turnover (Davidson et al., 2010).

McCann (2004) found out some reasons of leaving organization, which are poor salary and benefits, lack of effective communication, dissentient working environment, lack of reward and recognition, iniquitous treatment, did not find work interesting, no job security and work life balance.
Howard et al., (2007) undertook a research and pointed out that alternative career opportunity, poor remuneration, lack of growth opportunities, lack of challenging job, poor reward and recognition, poor organization culture, work family balance, job enrichment, discriminatory treatment, poor relationship with the superior and poor relationship with peers (Howard et al., 2007) were the factors responsible for employee retention.

Sanjeev Kumar and Wang Wei (2012) conducted a case study on “determinants of human resource practices influencing retention of employees in Kedah State Development Corporation, Malaysia”. The study divulges that, the factors responsible for retention is positively co related to employees desire to stay. The results suggested that, compensation was the most important factor for an employee to stay in an organization.

Phillips and Connell (2003) expressed that employers should understand the needs of the employee and implement different policies in satisfying those needs. Boswell, Boudreau and Tichy (2005) posited an individual face a lot of difficulties when he quits an organization like looking for a new job, adjusting to the new environment and having mutual relationship is also stressful. Pettman (1975), Mobley (1982) and Arthur (2001) found demographic and integrative variables are the causes contributing to the employee turnover in organization. Pettman (1975) and Mobley (1982) opined that the factors influencing labour turnover in organisations are the individual nonworking variables such as family related variables.

Glebeck and Bax (2004) investigated that, the performance of the organization is affected if the rate of voluntary turnover of employees are high. Abelson and Baysinger (1984) expressed their contrary view that, employees with poor performance quit the organization, it is healthy for the organization, hence, it is important to distinguish between functional and dysfunctional turnover and therefore encourage or discourage labour turnover.

Mobley (1982) posited that though certain amount of involuntary turnover is unavoidable, it is positive. For example dismissing the employees who are non-performers could be considered positive. Barrick and Zimmerman (2005) explained the voluntary turnover of key employees should be differentiated into unavoidable and avoidable turnover.

Pfeffer (1994, 2005) explained that, if there is a continuous dearth of skilled work force, then the expenditure on turnover increases, as a result, the recruitment, training, development, and retention of employees form the basis for developing competitive advantage in many industries and countries. According to Rappaport, Bancroft and Okum
organization will stay behind the competition if they fail to retain productive employees, which in turn will leave them understaffed.

Sherratt (2000) and VanVianen, Feji, Krauz and Taris (2004) have two important reasons for turnover; the push and pull motives. “The pull motives include inequity in compensation of an organization, the availability of opportunities to improve one’s career opportunities in the external labour market and resignation by employees from organization to go to private business” while “the push motives are related to dissatisfaction with employee’s current work situation, autocratic managerial patterns and job stress”.

2.6 Studies on various aspects related to Employee Retention in Industry

I. Demographic Distribution

As demographic factors like age, tenure, level of education, level of income, job category, gender have influence on employee retention and they have stable relationship with turnover intention, so the study of demographic factor cannot be ignored.

(Arnold and Feldman, 1982; Cotton and Tuttle, 1986; Gerhart, 1990: Mobley et al., 1979; Price and Mueller, 1986; Wai and Robinson, 1998; Weil and Kimball, 1995) found that, the demographic factors such as age, tenure, and income level have negative relation with turnover intention in organisations.

Berg (1991) and Cotton & Tuttle (1986) in their study found out that the level of education have positive relation with turnover, educated employees tend to quit more than uneducated one’s. Wai and Robinson (1998) and Price & Mueller (1986) indicated that the intention of non-managerial employees to quit is more compared to managerial employees. Moreover, the relationship between gender and turnover showed mixed result.

Pinar et al., (2011) stated that, while competing with male counterparts female employees are quite powerless reasons being previous marriage, motherhood inequality, and stereotyping. This problem intensifies when the job demand long working hours and high degrees of mobility. Schaap et al., (2008) stated that due to “traditional role” assumption, it is very difficult for a woman to advance into a higher position.

working. Studies were undertaken to analyze if both the gender perceive their performance differently, outcomes confirm that, women are more humble where as men are egoistic.

Ng and Sorensen (2008) studied that experienced employees may have expertise in their Job and have better career growth compared to employees with less experience. On the contrary, study conducted by Kavanaugh et al. (2006) disclosed that nurses with different level of incumbency with different levels of tenure are not encouraged to stay with an organization with the same incentives. Furthermore, in a study by Crawley (2005) on the military reported that the women having an experience of five to eight years of employment are expected to quit. Luekens et al., (2004) and Ingersoll (2001) suggested that mostly retained employees are males compared to females.

Crawley (2005) in his study on marital status, found that in case of unmarried officers with no children, wishes to stay in the job. From this, it was assumed that, married employees have higher intention to leave than single employees do as they have family responsibilities. Employees of higher income group are more likely to stay in the organisation.

According to Collins and Ponniah (2014), retention factors have strong association with various demographic characteristics like gender, age, marital status, education, income, and work experience.

II. Compensation and Benefit

A number of studies have explored the association between pay and retention and have establish a constant relationship between better teacher pay and lower rates of attrition(Kelly, 2004; Stockard and Lehman, 2004; Johnson and Birkel, 2003; Ingersoll, 2001). Trevor et al., (1997) in his research confirmed, increase in remuneration has a negative impact on employee attrition. Becker and Huselid (1998), Cho et al., (2006), Guthrie (2001), Huselid (1995), Milman and Ricci (2004) and Walsh & Taylor (2007) have pointed out that compensation, rewards and employee relations have an impact on turnover and attrition. Compensation is a vital factor to attract and retain valuable employees who are outstanding performers who are crucial to the organization as the organization spend a huge amount on their orientation and training.

Gardner et al., (2004) viewed that, good pay not only motivates the employees, but also act as a technique of employee retention. According to Bernadin (2007) compensation refers to “all forms of financial returns and tangible benefits that employee receives as part of the employment relationship”. 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. Bohlander, Snell and Sherman (2001) suggested as pay provide employees with a substantial reward for their services for which it is considered as one of the important aspect in human resource management.

According to (Khan R. I., Aslam H. D and Lodhi, I, 2011) organizations use pay as the main component to attract and retain their most valued and reliable resource. According to (Hong E.N.C., Hao L.Z., Kumar R., Ramendran C., and Kadiesan V., 2012) compensation is directly proportional to employee retention. Milkovich and Newman, (2004) have affirmed pay as one of the most vital factor of retention.

Lockwood (2006) maintained that “Organizations those have high levels of compensation,” “have lower turnover rates and larger numbers of individuals apply to work with them.” in addition, he expostulated; “workplaces with high wage” may turn out to be a “culture of excellence.” Staw (1980) argued, “money gets employees near the door, but it doesn’t keep them there.” Griffeth, Hom and Gaertner (2000) examined the relationship between employee’s endeavour, pay package and employee turnover. The analysis revealed that employees, who are inadequately rewarded, tend to leave the organisation and the reverse is true as well. Guthrie (2000) identified the traditional method of rewarding employees as per their skill sets and knowledge is a common practice in almost all the organisations.

Collin Pitts (1995) said reward, pay package are amongst the most important factors in motivating employees, and it might lead to dissatisfaction. This may also have an adverse effect in selection, recruitment and retention of valuable employees.

According to Mony (2010), when the workforce become aware of the fact that their firm is not in a position to fulfill their demands in terms of compensation, they may quit the organization. Parker and Wright (2001) explained an equitable wage is the fundamental component of implicit and agreement between employees and employers, it is assumed that, money can motivate the employees. Williams and Dreher (1992) suggested the vital factor that can exert influence on employee attraction and retention is pay package, and is crucial in hiring process.

Odunlade (2012) highlighted that “benefits are indirect financial and non-financial payments employees receive for”. According to Lazear (1986) and Gruber & Madrian (1994), benefits are also positively related to retention. Farris (2000) indicated employee
benefits as a variety of non-financial compensation that an employee receives apart from the financial benefits. Aquino, Griffeth, Allen and Hom (1997) classified money as a “satisfier,” as it is a necessity, but not a primary factor to retain the employees.

In the contrary Collins (2007), agreed money cannot alone motivate the workers. It is not the key retention factor Brannick (1999). Pfeffer (1998) and Collins (2007) argued, without offering high remuneration there are many organizations that practice excellent retention strategy. Smith (2001) opined, money can attract employees to the organization but may not retain them. Branch (1998) said that, although the employees give the money as a reason for their resignation, it is nothing but a “white noise”. It may motivate them for a while but if they are disinterested in the job, money alone cannot keep them in the organisation.

III. Rewards and Recognition

As stated by Agarwal (1998), reward is defined as “something that an organization gives to the employees in response to their contributions and performance and something which is desired by the employees”. Goodale, Koerner and Roney (1997) stated, “Reward system is anything that is extrinsically or intrinsically reinforced, maintain, and improve the employees’ behaviour in an organization”. Bassett-Jones and Lloyd (2005) illustrated, intrinsic reward, which include accomplishment, appreciation, progress, responsibility, and growth. Extrinsic rewards are relationship with peer, managerial style, pay package, working conditions and assured future.

Armstrong (2003) elaborated that money, appreciation, and bonus are considered as reward. The basic objective of reward scheme is to develop strategies and implement, which will help in attracting, retaining, and motivating talented human resource. A study by Taplin, Winterton and Winterton (2003) affirmed that rewards as provided by organizations, are positively related to employment satisfaction and worker retention.

Bamberger and Meshoulam (2000) and McDuffie (1995) stated, the employee performance and their intention to continue with an organization might be affected by reward practice. According to Farris (2000), companies adopt financial rewards frequently to retain the employees in the organization. These are the financial benefits received by the employees for their services rendered. 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. According to Padron (2004), employees feel committed, when their boss recognizes their hard work and in turn they are rewarded.

Sutherland (2004) demonstrated that as a rudimentary component reward determines the benefit an employee receives for his hard work he puts in for achieving the organizational goal. Hence, employers should plan an appealing reward system to draw and retain valued employees. She further posited that, reward policy need to be an important domain of innovation for management. She stated that, due to the growing diversity of labour force, it is essential for offering appropriate reward to deserving candidates. She deduced that by recognizing, rewarding and providing good work culture might contribute to increased retention.

Shoaib et al., (2009), attested that it is essential for the employers to plan a strategic reward policy for addressing the fair and suitable compensation for their work force. Schechtman (2008) opined that a prolific employee could be retained if suitable reward strategies are comprehended and embedded in the organisation culture.

According to Walker (2001), although monetary rewards provide recognition, non-monetary compensation offer recognition, but non-monetary kinds of recognition are equally important to motivate an individual. Appreciation from superior, colleagues, involvement of employee in making decisions etc. are also vital (Davies, 2001; Gold, 2001). Researchers such as (Watson Wyatt, 1999; Tower Perrin, 2003; Mercer, 2003) emphasized the association amongst rewards and workforce retention and gave an understanding on the perception of workers towards reward.

A study by Buckingham and Coffman (1999) found that through recognition employees can achieve job satisfaction which in turn may lead to retention. Urichuk (1999) argued, employee turnover is caused due to improper reward and recognition. He further stated an organization can retain dedicated and sincere employees who in turn can prevent the money and time spend in recruiting new employees and also helps in encouraging other employees to perform better.

Hansen et al., (2002), noted, “intrinsic motivation is driven by the particular behaviour of extrinsic motivation and strategic recognition needed by an organisation while implementing the reward strategy”. According to Coleman, Irving and Cooper (1999), “organizational commitment is extend to which employees recognize their organization that they will make contribution for the development”.

-25-
Booth, Burton and Mumford (2000) pointed, “Commitment is a process of recognition”. When an employee is more committed to an organization he believes and follows the organisation’s principles, objective and mission and it motivates the employee to continue in the organization for long period. Watson Wyatt (2002) annual survey on “worker attitudes toward employers and workplace, work” 2002 found that employees get motivated if they are appreciated and recognized.

IV. Job Satisfaction

Newstrom (2009) defined job satisfaction as “a set of favourable or unfavourable feeling and emotions with which employees view their work”. According to Cascio (2007), “job satisfaction is pleasurable feelings that result from the perception that a job fulfills or allows for the fulfillment of its holder’s important job values”.

According to Robbins and Coulter (2005), job satisfaction is “an attitude rather than a behaviour, it’s an outcome that concerns many managers because satisfied employees are more likely to show up for work and stay with an organization”.

Bitsch and Hogberg (2004) defined job satisfaction as “a general attitude toward an individual current job and organization that encompasses the feeling, beliefs, and thoughts about the job”. Perez (2008) indicated, “Job satisfaction is the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values”.

Armstrong (2010) describes job satisfaction as “the attitudes and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction”.

Collins (2007) defined job satisfaction as “the degree to which an employee has positive emotions towards the work role”.

Riggio (2003) described job satisfaction as “consisting of the feelings and attitudes one has about one’s job”.

Lee-Kelley, Blackman and Hurst (2009) contend that, one of the main reasons for employees leaving the organisation is job dissatisfaction.

Hom and Griffeth (1995) stated employees who are satisfied are less likely to leave than dissatisfied employees.
Kim, Leong and Lee (2005) and Scherman, Alper & Wolfson (2006) agreed that an employee’s satisfaction about the job is about his/her feelings, perception and experiences.

According to Hamdia and Phadett, (2011) many factors that have an effect on job satisfaction are salary and benefit, workers quality, supervisor relationship and work environment. Al-Hussami (2008) affirmed, satisfied employees are more creative and productive. This in turn will motivate them to stay in the organization.

Abdollah et al., (2010) found employees working in a supervisory position for more than 6 years are satisfied and likely to serve the organization for a longer period of time.

Mueller, Boyer, Price and Iverson (1994) stated that “when employees are both satisfied with their jobs and committed to the organization, the bond with the organization will be strengthened and will result in greater cooperation and a reduced likelihood of quitting”.

V. Job Security

Abegglen (1958), conducted a study on Japanese workers and found that, security of job, permanent employment and seniority based system results in employee dedication, satisfaction of job as well as less turnover of employees.

Research conducted by Ashford et al., (1989), Davy et al., (1991) revealed that, insecure employees are more dissatisfied with their job.

Rosenblatt and Ruvio (1996) in their study on job insecurity found that there was a negative co-relation between job insecurity, job performance and commitment.

VI Training and Development

Babakus, Yavas, Karatepe and Avci (2003) reported 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. Jackofsky (1983) unambiguously stated organisations can retain their employees by making more expenditure in training and development.

Lynn (1997) asserted effective training and development practices in the organisation can reap rich results such as creating a healthy work atmosphere, providing with opportunities for career development and improving commitment of employees. A study by
Steel, Griffeth and Hom (2002) revealed that on numerous occasions high performers quit the organisation due to inadequate training and career opportunities.

Bradley, Petrescu and Simmons (2004) reported that organization’s efficient training practices results in excellent performance, which reduces employee turnover. A study by Duxbury and Higgins, quoted in Beauregard and Fitzgerald (2000), found a positive co-relation between employee dissatisfaction and lack of opportunity to enhance skills, which leads to employee absenteeism from job and turnover.

Kaiser and Hawk (2001) and Paré et al., (2000) confirmed the relation amongst training and retention is stronger for skilled employees. Gomez et al., (1995) opined that shortcoming in employees performance can be overcome by providing specialised training in their areas, while the employees develop requisite skills to perform better in the organization.

Storey and Sisson (1993) advocated that training is a value added proposition which is an indicator of company’s commitment towards workforce.

Frazis et al., (1998) found that employee those who spend less training hours have lower turnover rate than employees spending more training hours. In the opinion of employee’s skill related training will enhance efficiency which in turn will increase their pay and result in retention.

Mill (1988) noted that a well-trained employee results in decrease in cost, absenteeism, stress and turnover corresponding increased productivity and satisfied customer. Messmer (2000), concluded that, organization often invest in training on those employees who can give return on investment. However, according to him training and development is considered one of the most vital factors in retaining employees. Thomlinson (2002) opined in today’s competitive market organization can be in the race if they provide training to their staff on modern technologies.

VII Supervisory Support

Chat-Uthai (2013) expressed that although there are various reasons for employees leaving the organisations but the major cause of employee separation is inadequate supervision as well as worker and supervisor relationship. The style of leadership also contributes to employee turnover. Atif, Kashif, Ijaz, Muhammad and Asad (2011), voiced, the relationship between the mentor and mentee is the deciding factor for mentees skill development and turnover intention.
Karasek and Theorell (1990) and Keashly & Jagatic (2000) revealed, employee dissatisfaction and turnover intention is an effect of poor supervision. Harmon, Scott, Behson, Farias, Petzel, Neuman and Keashly (2007) in their work, argued that proper supervision increases job satisfaction and reduce turnover. Shanock and Eisenberger (2006) opined, whenever supervisor provides right supervision to his subordinate, it will create a positive result both for employees and for organization.

Smith (2005) posited efficient and supportive supervisors encourage better retention and increased productivity. Gentry et al., (2007) argued that supportive supervision creates a sense of belongingness amongst the employees towards the organization, which encourage retention. Hence, the saying that “employees do not leave jobs, they leave their supervisors” holds true.

Gibbons (as cited in Hughes and Rog, 2008) suggested that, manager’s personal relationship with the subordinate is key in deciding employee engagement and retention in the organization.

**VIII Employee Participation**

Cotton et al., (1988) explained on the involvement of employees in making decisions has a positive effect on their output than the compensation and benefits practices. Pierce et al., (1991) assumed that a sense of ownership on the part of the employees significantly brings about an attitudinal and behavioural change towards work and performance.

Romzek (1989) expounded that, those employees who have better participation in their job are likely to have healthier relationship with their families and social environment, which develops an emotional bonding with the organization.

Rousseau (1990) expressed that, in an organization association with its employees begins at the time of hiring, encouraging sustainable relationship and commitment. Whereas, few organization stress upon employee reward and performance.

Hewitt (2002) revealed that present day employers update their employees of all-important activities of business to get them involved in decision-making processes and nurture the talent across the organization.

Noah (2008) in his study found that when employees are involved in various steps of decision-making, they develop ownership, which in turn creates an amiable work atmosphere by building a healthy association between the management and the employees.
IX.  Career Development

Vos and Meganck (2009) suggested that for retention of employees, the employees’ career advancement strategy is important as it increases employee commitment. Hannay and Northan (2000) debated that career growth opportunities has a direct bearing on employees’ morale by motivating them to continue in the organization. Graddick (1988) emphasized that employee career development is a challenge for human resource department to come up with guidelines to sensitize the employees towards organizational mission and vision and align them to achieve competitive sustainable advantage.

Greller (2006) stated that individual work for an objective and it could be fulfilled through job, team members, and organization or within us. According to Hall and Moss (1998), Woodruffe (1999) organizations wish to build healthy relationship with its staff should invest in their growth and development. Hall (1996) opined career advancement is essential for both staff and management.

According to Kyriakidou and Ozbilgin (2004) advancement in career not only benefits the employees but also the employers as well. Prince (2005) suggested there is a need of skillful and dynamic workforce for organization to achieve sustainability in this cutthroat competition.

Hartman and Yrle (1996) studied that; employees may quit the organisation if they feel that they have a very little career growth. Harder (2007) explained that the “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”.

Arthur (1994) witnessed employees have a tendency to shift from one company to other for their career growth rather than moving sequentially in the same organisation. Costen and Salazar (2011) found out that employee bond well with the organisation when they feel that they have a better career prospects and succession plan for them.

Morgan and Jay (2011) indicated, it is through talent management that the organisations send a positive message to their employees that they are highly valued and they wish to see them prosper. Shaw, Duffy and Stark (2000) revealed employees’ discontentment and turnover intention may lead to less emotional attachment and dissatisfaction.
According to Mosadeghrad, Ferlie and Rosenberg (2008b) if an employee sense that promotion practices are unfair in the organization, then his dedication is degraded. Meyer et al (2003) studied an employee will be more committed; if there is a scope for internal career development in the organisation.

X. Work Environment

Oldham and Brass (1979) suggested that the performance, motivational level and satisfaction level of the employees greatly depends upon the environment they work in and keep changing and declining with the change in workplace.

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.

Employee Benefits Provision (2010), numerous research were carried out to explicate the physical environment of workplace with various facets such as satisfaction in job Iaffaldano and Muchinsky (1985) retention of employees Martin (1979), turnover of employees, organizational commitment and involvement in job Sjoberg and Sverke (2000).

Zeytinoglu and Denton (2005) elucidated that for retention of employees work environment plays a vital role. 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”.

According to Normann (1986), the working environment of services sector varies from production sector, as the prior is concerned with customers and the later with products. According to Miller, Erickson and Yust (2001), employees feel satisfied if the physical work environment gives a sense of belongingness.

Wells and Thelen (2002) have studied, employee satisfaction and retention is high in organizations with magnanimous human resource policies and practices.

XI. Leadership

Eisenberger and Associates (1990) opined the employee’s perception about the organisation is dependent upon their association with the manager. Greenhaus and Callanan (1994) expounded that the employees’ intention to leave the job is less if the manager advocates open line of communication and has a good bonding with them.
Ontario (2004) is of the opinion that the people do not leave the organisation instead, they leave their bosses. Therefore, the leadership role is of utmost importance. Silbert (2005) highlighted the role of leader in organization where the employees are supported, encouraged and admired for their jobs in their professional set-up.

Freyermuth (2007) recommended that it is the responsibility of the organisation to train leaders to create a healthy environment for the sustainability and growth of employees. Kouzes and Posner (2008) posited that to be effective as a leader, one has to command respect from employees in the organisation and be recognized for their qualities in the society.

Lakshman (2007) articulated that the performance of any organisation is dependent upon the working relationship between the leaders and their employees, which is the hallmark of an efficient leader. Pleshko and Heiens (2012) elucidated the leaders of today need to mix the right approach and managerial structure in order to achieve the organizational objectives and goals.

Gabrielsson and Seristö (2007) suggested proper guidance and leadership offers an entrepreneurial spirit from the leader. Dhawan and Zubin (2011) explained about the capacity to lead from the front, as a strategist in accomplishing organisation’s goals is what a leadership is all about. Lian and Tui (2012) suggested that a leader might come up with cooperative skills and persuasive strategies to motivate and inspire followers.

Warrick (2011) stated that leaders need to apply a particular style of leadership (for example, transactional or transformational) as certain tasks at hand requires cohesiveness and rationality. Quinn and Dalton (2009) emphasized that effective leadership is about communicating their vision and embracing inclusion to achieve organizational goals.

Kouzes and Posner (2008) posited that the leader should portray the behaviour and conduct in sync with his/her philosophies, which in turn will instill trust amongst the followers. Chang and Tsai (2011) are of the opinion that in order to gain trust and support, command respect from the management, the leader should develop synergistic relationship with the employees.

Moncarz et al., (2009) recommended retaining strategies in an organisation can lead to increase in staff retention.
XII. Work Stress

Thomas and Herson (2002) categorised jobs stress into the following: job based stress which includes work overload, long working hours and work atmosphere; job role based stress which comprises duties and responsibilities, role ambiguity and conflict; stress due to relationships between supervisors, co-workers, subordinates and managers; career related stress which comprises insecurity of job, lack of promotion and job opportunities and finally stress due to work and family.

According to (Caplan, Cobb, French, Harrison and Pinneau, 1975; Perrewe and Anthony, 1990; Bohle and Quinlan, 2000; Smith, 2003) job stress may have ill effect on health, psychological and physical as well. According to (Caplan, Cobb, French, Harrison and Pinneau, 1975; Perrewe and Anthony, 1990; Spector, 2003) job stress may have adverse effects such as increase in absenteeism, ineffective employee performances, employee turnover, and reduced output at workplace.

Spector (2003) explained work stress has different outcomes such as absenteeism, low productivity and employee turnover. Cartwright and Cooper (1997) identified various sources of work stress like inherent factors of work and its role in interfacing work and home.

El Shikieri and Musa (2012) remarked there would be insecurity as far as the employment is concerned if employees are stressed at workplace.

Pater and Lewis (2012) opined that lessening of work stress depends upon the cooperation from the management in the organisation. Schwer, Mejza and Grun-Rehomme (2010) indicated work pressure in the organization could cause friction amongst employees.

Choi, Khairuzzaman, Wan and Salmiah (2011) found out that the fall out due to work stress could be employee leaving the organisation and the financial implications on the organisation’s performance. Mathisen, Einarsen and Mykletun (2011) explained good relationship between the manager and employee can build healthy environment, which would reduce stress in the organisation.

Sheaffer, Carmeli, Steiner-Revivo and Zionit (2009) suggested work stress can be reduced if there is effective and continuous communication across the organisation. Wu, Robson, Hollis and Tanner (2013) suggested the management must initiate sympathetic steps to counter work stress and imbibe positivity amongst the employees.
Taplin and Winterton (2007) explained that although the employees may remain in the organisation in spite of long and stretched schedule, they might get into depression in the long run. Chen et al., (2010) indicated that work stress causes discomfort amongst employees, which in turn may lead to employee turnover. These phenomena can further lead to unhappiness at the workplace.

Minkov (2011) pointed out that work stress could be caused by differences amongst team members and cultural insensitivity. Briggs and DeVreede (2009) stated that when employees work in a multinational environment, they experience cultural differences that cause discomfort.

XIII Long Working Hours

According to Presser (2004) and Almeida (2004), work shift greatly contribute towards marital discord and family issues due to erratic work schedules in hotel. Staines and Pleck (1983) affirmed that the long working hours affect the employees’ performance and work-life balance.

Lee, MacDermid and Buck (2002) found that reduced workload leads to physical and psychological well-being of employees. Hochschild (1997) argued, erratic working hours and hectic schedules along with the changing work pattern have intensified the work life of employees.

Perlow (1997) described, extended working hours and hectic work schedules are the characteristics of modern day workplaces that include hotels as well.

Galinsky, Kim and Bond (2001) described that workplace pressure and high demands lead to the situation where employees feel they are overworked, involved in too many activities at the same time and having no time for their social life.

Karasek (1979) suggested that greater job demands and ineffective decision making is linked with strained jobs and decreased job satisfaction.

XIV Work Life Balance

Nyoka (2006) suggested that strategies to retain employees by the management should be to strike the right balance between work and life by providing with flexi-time that would enable them to fulfill their personal needs.
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”.

Hyman et al., (2004) conducted a research in U.K and found that, when work demand intervenes into employee’s personal life, they become stressful and emotionally exhausted. Gaan (2008) indicated that support from supervisor, peer group, family support, flexi-time, work-life balance, etc. within the organisation leads to employee retention.

Allen (2001) recognized that organizational support in assimilating between household and job decrease the turnover intention of the employees. Pasewark and Viator (2006) suggested that flexi-work timing is an important factor for the employee retention.

Thompson and Prottas (2005) studied the relationship between organizational support and turnover intention of employee. They concluded that support from the organisation leads to decreased intention in employee. Yanadoria and Katob (2010) found out, there is direct relationship between retention of employee and work family support.

Lee and Mitchell (1994) said that the conflicting issues between family and work could be a reason for an employee to leave or stay in the organisation.

XV Communication

Panoch (2001) explained that there could be barriers to communication at the workplace when different cultures co-exist as cultures have different accent, dialect, vocabulary, etc.

Fernandez (2011) emphasized the impact of culture on communication is manifold in terms of body language, conversation, greetings, and decision-making. Harris (2004) opined communication plays a major role as far as the retention of employees is concerned in the organisation.

Honore (2009) emphasized, employees regard open communication to be a topmost priority in the organisation. Shaw, Duffy and Stark (2000) revealed employee’s will to leave the organisation is negatively related to job satisfaction.

Khan, Farooq and Imran Ullah (2010) argued, one of the reasons of barrier in motivating the employees is the lack of communication, which affects the employees’ intention to stay or leave the organisation. Ongori (2007) stated that in order to maintain a
low turnover of employees, effective communication strategies among employees is the need of the hour.

**Branham (2005)** emphasized lack of proper communication amongst employees, departments and management is the main reason for the workers to leave the organisation. **Mosadeghrad, Ferlie and Rosenberg (2008b)** stated that if there is a lack of promoting activities then the organisation’s commitment is unvalued.

**Katcher and Snyder (2007)** elucidated that when there are clear lines of communication with regard to dissemination of information to employees in terms of what is expected of them and what value addition they can bring to the organisation, employee retention becomes much easier.

**Branham (2005)** is of the opinion that employee should be fed with required information from time to time about their progress and other related activities. This will enable the management to increase productivity and control unnecessary rumours.

**Yang, Wan and Fu (2012)** expounded that ineffective communication will lead to employee dissatisfaction, which in turn will have a bad impact on job satisfaction and engagement of employees leading to turnover.

### XVI Motivation

**Gagné and Deci (2005)** suggested that both intrinsic and extrinsic motivations are required for employees to get involved in any activity. Motivation from within such as intrinsic involves employees to engage in an activity, which they enjoy. However, in order to get the work done, sometimes employees need to be rewarded in tangible terms.

**Gouldner (1960)** believed that when a person does a favour to someone, he expects the same in the future. **Eisenberger, Huntington, Hutchison and Sowa (1986)**, explained that social exchanges take place between the management and employees for the betterment of self and the organisation.

**Guzzo, Noonan and Elron (1994)** found out that employees seek employment elsewhere if they find that they are deprived or the support from their present employer. **Allen, Shore and Griffith (2003)** are of the opinion that if the perception of employees towards commitment level is high then the chances of them leaving the organisation is less.

According to **Honore (2009)**, the top ten factors that affect employee motivation are good salary and wages, appreciation for good job done, type of work, job security, proper
working conditions, growth and job promotions, sense of belongingness, loyalty towards employees, discipline and sympathy.

Lee (2000) expressed the ten needs of employees in the following categories – work appreciation, taking pride in work and organisation, autonomy and control, opportunity to express views and ideas, opportunity to learn and grow sense of belongingness, flexibility and work-life balance, good work and opportunity to create an impact at the workplace.

Honore (2009) recognized that the achievement of all the stakeholders such as the management and employees comprising managers, peer group and supervisors is the key for organizational success.

Davies (2006) affirmed that many organisations are unable to retain good employees and if at all they can, they do not know how to retain them. He said that motivation, listening skill, good interpersonal skill are very important to retain good employees.

Manzoor (2012) suggested that in order to motivate the employees, friendly approach from the management is of paramount importance. AlBattat and Som (2013) pointed out that the managers need to know their employees really well so that they can motivate them to get the work done.

XVII Perceived Alternative Employment Opportunity

Trevor (2001) found that good performers have better job opportunities available to them whereas the below par performers do not, hence, good employees or performer are more likely to leave the organisation.

Lee and Mitchell (1994) suggested that organisations couldn’t control the attrition rate of employees in spite of all the strategies in place due to plenty of alternative employment opportunities or job alternatives. This is very closely related to the availability of job vacancies in the market.

Hulin, Roznowski and Hachiya (1985) revealed, there is a direct relationship between turnover and job availability. Further, the educational qualification of the employees also affects perceived alternative employment.

Mor Barak et al., (2001) investigated that employees with higher qualifications have better perceptions about employment opportunities because highly educated workers will an edge over their lesser qualified counterparts.
2.7 Retention issues in Accommodation Sector

Hinkin and Tracey (2000) indicated that one of the major issues the hotel industry is grappling with for a long time is employee turnover. Richardson (2008) reasoned out the hotel industry is not the most preferred career choice due to poor compensation and benefits and unclear career structure. This is one of the reasons for employees leaving the organisation.

Woods and Macaulay (1989) highlighted that the employee turnover continues to be a major bottleneck in the growth of hospitality industry as it affects quality of service, employee morale and hotel profits.

Hamington (2010) explicated that a career with hotel industry is highly undervalued and it creates disillusionment amongst employees. According to (Cheng and Brown, 1998; Hinkin and Tracey, 2000), the employee turnover is a recurring and universal problem across the globe, which contributes towards direct expenses and imperceptible costs.

Hinkin and Tracey (2000) suggested the indirect costs related to turnover account for more than fifty per cent of costs involved in employee turnover. Powers and Barrows (1999) noted that training is one of the most important activities that provides on-the-job training and help the employees to become more efficient and skillful at their work.

Griffeth and Hom (2001) reported that the costs of employee turnover can account for around two hundred per cent of the existing employee’s salary keeping his/her skill in mind.

O’Neill et al., (2009) explained the fact that, employees in the hospitality industry who do not leave the organisation are the ones influenced by the leaders who are concerned about their well-being and the overall productivity.

Hom and Griffeth (1995) expressed that the literature indicated employees’ aspects of working life and their decision to remain or leave the organisation. Osteraker (1999) highlighted that the success of an organisation depends upon the employee satisfaction and retention

According to (Erbes, 1973; Kusluvan, 2003) technology and delivery of service result in employee turnover in the hospitality and tourism industry across the globe. Riley (1996) opined that a majority of jobs in hotels and restaurants are unskilled or semi-skilled in nature, hence, the credibility of such jobs in the hospitality industry is highly questioned.
Sarker, Crossman and Chinmeteepituck (2003) conducted a study on “The relationships of age and length of service with job satisfaction: an examination of hotel employees in Thailand”. The outcome of the study suggested that tenure of employee is significantly linked with job satisfaction but not age.

Bharwani and Butt (2012) pointed out employees who come across various issues in labour intensive industry such as hospitality may leave the organisation as employees may experience low self-respect and self-assurance.

Yang Yun (2014), in his study found that marital status also influences turnover rate. Female employees with more senior jobs were more likely to leave. Female employees face difficulty in achieving promotion in hotels, and the difficulty increases as they reach higher levels of seniority. Because of this, female employees who occupy senior high positions are more likely to leave. Further, he suggested that, to reduce employee turnover, hoteliers should favor married job applicants, reform compensation management systems, and refine internal promotion mechanisms.

Kiruthiga and Magesh (2015) conducted a study on Brunt of Employee Retention Strategies on Job Satisfaction in hotel sector. The results revealed that employee benefits and reward management, working environment, management support and employee development play key role in influencing job satisfaction.

Kumar and Thomas (2011) carried out a research on costing employee turnover based on Employee Performance Level with a special reference to Five Star Hotels in Bangalore. The category-wise average turnover cost analysis of the various hotels reveals that in the case of both high performing employees and medium performing employees the replacement hiring cost is the highest. The analysis also shows that the second highest category-wise average cost of employee turnover incurred by hotels are on training new hire cost. It has been observed that the training new hire cost is the maximum as far as the category wise average cost of employee turnover is concerned in the case of low performing employee in hotels followed by replacement hiring cost. The study also reveals that there is a significant relationship between the Performance level of employees and Elements of Employee Turnover Cost of Five Star Hotels in Bangalore.

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.

**Farooque and Habibuddin (2015)** undertook a study on employee attrition analysis of hotel industry. From their study, it was found less salary, stressful job, good career opportunities, issues regarding stake and compensation were the most important reason for employee attrition.

**Laghane and Deshmukh (2012)** conducted a study on retention management in Indian hospitality industry. The study revealed that by amalgamating people management processes with business processes the managers can be oriented to think from a different perspective i.e., employee retention and development, one of the important activities as far as outcome and success is concerned.

**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. This perception is stronger in case of higher star category hotel employees than those in the lower star category of hotels. The study further suggested that there is no significant relationship between benefits of training and the professional training imparted to employees.

**Panwar, Jagbir and Kaushik (2012)** conducted a study on high employee turnover arising out of low remuneration and extended working hours in hotel industry. The survey revealed that most of the employees want to be work in other Service oriented industries such as Airlines, Tourism, and Retail and Financial services due to low monetary compensation and long working hours in the hotel industry.

**Guerrier (1999)** expounded, jobs in tourism and hospitality industry whether unskilled or semi-skilled is based on the logic that if low status jobs are carried out by people with low status that require little skill then this leads to employee turnover.

According to (ILO, 2001), formal qualification is not mandatory to get an entry into hospitality industry as manager focus on the practical skills of the candidate at the workplace.

**Hjalager and Anderson (2001)** cited that a large number of workers in hospitality and tourism industry have formal education while others are part time employees.
According to Baum (1996) and Wood (1995), hotel jobs have less pay, unfavourable working conditions and below par. However, they asserted that services rendered by the hospitality employees are intangible in nature.

Taylor (2002) suggested that hospitality industry is a labour intensive sector where the services rendered are insuperable and the guests crave for personalized and human touch.

Bitner et al., (1990) emphasized that employee-customer interaction is of paramount importance where tourism and hospitality product is a function of give-and-take, communication and act of rendering service.

Matzler and Renzl (2007) agreed that retaining employees in tourism and hospitality industry is an important task as the intangible aspect of service depends upon the skills of employees. Hence, the organisation’s growth and success depends upon the interactions between workers and guests.

Koys (2003) explained that employees who are contented are the ones who are motivated and work hard to exceed the expectations of their manager. Thus, better services by the employees translate into satisfied customer base.

Arokiasamy (2013) conducted a study to examine the relationship between career development, compensation & rewards, job security and working environment with employee satisfaction in the hotel industry in Malaysia. The results indicate that there is a positive relationship between career development, compensation & rewards, job security, working environment and satisfaction of employees.

Samson Kuria (2011) conducted a study on employee turnover in hotels in Kenya. The results revealed that lack of involvement on the part of employees in making decisions and innovation, poor work-life balance, low pay package and non-transparency were the reasons for employee turnover in the three star and five star hotels taken under the study.

McCuddy et al., (2010) carried out their research to know the impact of gender on employee retention in hospitality sector. The study revealed that the industry offers limited for growth and promotion of female employees. The obstacles that the female workers face which stop them to continue with their careers are discrimination, stereotyping, and motherhood.

Blomme, Van Rheede and Tromp (2010) studied the factors behind turnover of employees in the hotel industry, particularly gender impact on the turnover intentions of
highly educated employees. Their study revealed that different factors might influence the decisions for males versus females when considering leaving an organization. Furthermore, their study presented that the main reasons behind female turnover were promotion opportunities and work-family balance while for men; the lack of a structured description of tasks and fixed boundaries was an important reason for leaving.

Bloome et al., (2010) indicated that job content and effective commitment were the most predictable indicators for employee retention in case of both genders. Further, their study found out that industry operates on strong male organizational values, such as working long hours as a condition for promotion. On the other hand, the industry also requires feminine behaviour such as caring, nurturing, and being hospitable; therefore, it is advisable to consider different career opportunities for male and female candidates within the industry. On the other hand, policies such as designing jobs with flexible boundaries and more control opportunities can be helpful in the process of reducing male employee turnover (Bloome et al., 2010).

According to (Brien, 2004; Getz, 1994; Richardson, 2008) low salary and benefits was one of the major reasons for the employees to leave the hospitality industry.

According to Johnson (1983), the total pay system consists of basic pay, subsidized lodging, subsidized food, tips, or service charge, and “fiddles and knock offs”. However, he explained that seasonal bonuses, productivity payments, relocation expenses, free uniforms, and free transport to work were not included in the pay system, but they made significant contributions to the earning level.

Milkovich and Newman (2002) explained that as hotel job skills are usually transferable in nature, the employees have the opportunities to look for better jobs elsewhere. According to them the employees can be motivated and retained if they are provided with monetary benefits.

Johnson (1983) conducted a study that clarified the role fringe benefits have been explaining the pay system in the hotel industry and found out that managers were provided with the greatest range of benefits. Conversely, small hotels provided a minimum amount of benefits and that industry is divided between hotel companies (big hotels) and small, private hotels. Furthermore, the author explained that large hotels offered the greatest range of benefits to mostly managerial positions.
Lattin (2005) indicated that hotel industry fringe benefits should be competitive within the local industry and are satisfactory to the employees’ needs. Nowadays, managers in the hotel industry work with a host of benefits, like medical, dental, disability insurance, leave of absence, holidays, sick leave, and vacation leave.

Moncarz et al., (2009) opined that the hospitality industry needs stability with employees not leaving the organisation very often. Hence, if the management and the managers support their employees by encouraging and appreciating their work, then, they will not contemplate of leaving the organisation.

Quek (2011) found out that hospitality industry can minimize the turnover of employees by fostering change in their routine activities and by communicating information about the organization’s performance and other related activities as the employees want to break the monotony at the workplace.

Chuang et al., (2009) highlighted that the hospitality employees who remain with the organisation expect to be elevated to managerial ranks. Ineson, Rhoden and Alexieva (2011) affirmed, employees remain in the company that looks after their needs and prospects and instill in them with a spirit of togetherness.

Tara Davey (2009) in her article in Hotel and Motel Management has stated that in this cut-throat competition and ever changing economy, training and development of employees should be the need of the hour to enhance customer service by instilling confidence and motivating the employees.

Kazlauskaite et al., (2006) postulated that due to job insecurity and want of support from the administration, employees in the hospitality industry leave the jobs for better prospects and growth opportunities elsewhere.

Woods, Sciarini and Heck (1998) revealed from their survey with around five thousand general managers of various hotels that employees turnover is due to lack of career growth.

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. These employees want to be quicker promotions, a situation that is very prevalent in the ever expanding hospitality industry (UNWTO, 2008).
Ogbeide and Harrington (2009) suggested that the role of employee and leader involvement can bring about a huge change in terms of precision in making decisions in hospitality industry.

According to Mulvaney, O’Neill, Cleveland and Crouter (2006) although research on professional and personal issues have gain prominence in today’s organisation, they have not drawn any consideration in hospitality and tourism journals.

Hom (2002) elaborated that some of the nature of jobs relating to hospitality organisations such as personal and professional conflict, long working hours, job relocation, unsuitable work timings, etc. are the pre-conditions for career growth and at the same these characteristic are also responsible for employee turnover.

According to Lo and Lamm (2005), there is literature suggesting that the hospitality industry is a less risky industry of occupational stress due to the reliance on emotional labour. Hsieh and Eggers (2011) & Zohar (1994) supported that stress at workplace in major issue in the hospitality organisations.

Wallace (2003) stated that the characteristics of hospitality jobs that lead to job stress are extended hours of work, no or inadequate rest period, mental stress, psychological and physiological demands at work and erratic work timings.

Hsieh and Eggers (2011) highlighted the nature of work in hospitality industry. They opined that weekend work shifts, erratic work timings, highly demanding work schedule are the issues limit the employees to focus on their personal and family life, causing disharmony and dissatisfaction.

Hochschild (1997) suggested that the nature of work in hotel industry is customer centric, which demands maintenance of stress levels, high emotional quotient and situation handling.

Sarker, Crossman and Chinmeteepituck (2003) conducted a study on, “The relationships of age and length of service with job satisfaction: an examination of hotel employees in Thailand”. The study revealed that job satisfaction and age of employee are not significantly related, but length of job is significantly related to job satisfaction.

Levine (2005) stressed upon the fact that the key to success in hospitality industry, employee satisfaction is the need of the hour wherein the management must create a friendly
and healthy environment. He further elucidated that in order to motivate an employee, non-monetary benefits are equally important.

Moncarz (2009) confirmed that the retention of employees in hotel industry is due to self-satisfaction and conducive work environment rather than monetary benefits. Andert et al., (2011) explicated that the encouragement has to flow from the top management and percolate down the hierarchical structure. They further stated that the leaders in hospitality industry should formulate plans to motivate employees to remain in the organisation.

Varoglu and Eser (2006) suggested employees in hospitality industry should be treated as internal customers. Al-sharafi and Rajani (2013) found that empowerment of employees is a major factor in motivating and retaining them and hence leaders in hospitality industry need to focus more on this issue.

Galletta et al., (2011) expressed that it is pertinent for hospitality organisations to motivate their workforce towards development and nurturing of talent. Tracey and Hinkin (2008) expounded that turnover of employees in hospitality industry is a perennial problem. Therefore, both monetary and non-monetary strategies need to be implemented to retain the employees.

Woods (2006) stated that the factors that cause employee turnover in hospitality sector are poor communication, poor supervision, ineffective employees, ambiguity in job descriptions, and lack of career prospects.

Huang-Wei Su (2014) conducted a research on the determinants of turnover intention of hotel employees in Taiwan hotel industry. The study revealed that wage rate, fringe benefits, mentoring process, and co-worker trust are the most important factors which induce turnover intention.

According to (Cheng and Brown, 1998; Hinkin and Tracey, 2000), employee turnover in the hotel industry is global scenario and is a persistent problem which results in huge direct expenditure.

Simons and Hinkin (2001) contended that due to sophistication in operations and robust training practices, the turnover of employees in full service hotels is more as compared to low budget hotels.

Gangai (2013) conducted a study on attrition of employees in hotel industry. The study revealed that the poor salary and compensation, low career prospects and intra and inter
departmental problems were the key issues in the hotels contributing towards high attrition rate.

**Gupta (2013)** conducted study on employee retention in Indian tourism industry. The research findings showed that the salary and benefits are less in comparison to other service sectors and this is considered a vital factor for employee turnover. Further, the findings revealed that a degree in tourism does not offer a competitive advantage for promotion in the industry and in majority of travel and tourism companies, the human resources practices are not streamlined.

**Ahmed (2012)** found that satisfaction of employees leads to commitment and sustainability in the hospitality industry.

### 2.8 Employee Retention in Indian Context

**Mitra, Jenkins and Gupta (1992)** studied that although a lot of research has been carried out on turnover of employees but a few researches have thrown light on the reasons behind turnover.

**Ramlall (2003)** harped upon identifying the wants of a worker in the company as it will boost employee commitment and provide with an appropriate atmosphere to work where an employee feels he/she is valued.

**Bhattacharya** and **Mukherjee (2009)** asserted that an appropriate reward scheme where the employees’ knowledge, skills and contributions are suitably compensated has a major impact on engagement of employees in the organisation.

**Vaneet Kashyap and Santosh Rangnekar (2009)** in their study “A structural equation model for measuring the impact of employee retention practices on employee’s turnover intentions: an Indian perspective” identified and examined the most important practices of employee retention management that are salary & benefits, nature of jobs, employee training & development, career advancement and work-family life.

**Kapoor and Solomon (2011)** explained the pressures exerted by employers and supervisors are immense. He further added that the level of pressure from the customer increases the stress level which becomes difficult for most of the employees to handle, causing turnover at any given moment.
Sandhya and Pradeep Kumar (2011) conducted a study on “Employee Retention by Motivation”. They concluded that employees can be motivated in the following ways – effective communication system, equitable reward system, advancement in career, incentives on the basis of performance and employee entertainment.

Singh and Dixit (2011) conducted a study on employee retention. The study has attempted to explore the various aspects of employee retention, why is it needed, basic practices, myths and strategies etc. The results showed that what employees strive for, is open mindedness and transparent work culture.

Akila (2012) carried out a study on a study on “employee retention among executives at BGR Energy Systems Ltd, Chennai”. The findings of the study viz., comfortable work timings, yearly pay hike, work-family life, job satisfaction, recognition and advancement in career are causes for retention of employees in the company.

A study conducted by Gurunathan and Vijayalakshmi (2012) on employee retention practices of automobile industries in India focused on managing employee retention and the tools used for retention. The study emphasized on the general practices adopted like talent management, organizational development, training, rewards & recognition and hiring process in the automobile industries.

Balakrishnan, Masthan and Chandra (2013) in their study on “employee retention through employee engagement - a study at an Indian international airport” found out that the employee retention can be improved by increasing the level of employee engagement and focusing on few non-financial drivers.

Mathur and Agarwal (2013) in their study on “Impact of Employee Retention in Private Sector Sugar Mill” found out that retention strategies have an impact on employee turnover. They also investigated other variables such as welfare benefits, personal satisfaction and organizational culture, which are said to be associated with the employee turnover.

Uma Narang (2013) in her study of human resources management practices and its impact on employee retention suggested that advancement in career, cooperation from the manager, workplace atmosphere, rewards and work-family life influence retention of employees in banks.

Nazia and Begum (2013) carried out study on “Employee Retention Practices in Indian Corporate”. The study revealed that rewards, recognition and respect had a significant
impact on satisfaction of employees which in turn helped the multinational organisations to retain their employees.

**Sinha and Shukla (2013)** studied on retention of employees in the pharmaceuticals sector. Their study revealed that the following factors had an influence on retention of employee’s viz., human resources practices and policies, workplace pressure, employee-supervisor relationship.

**Saravana Praveen Kumar and Dhamodharan (2013)** conducted a study on “talent retention strategy by BPO’s in India”. The analysis suggested that to retain employee’s determinants such as salary & benefits, challenges at workplace, learning new things, state-of-art infrastructure and talent management were important for the organisations’ growth and development.

**Mehta, Kurbetti and Dhankhar (2014)** examined determinants such as salary & benefits, strategies for efficient talent management, work-family life, effective communication & leadership, organisation culture, empowerment of employees, human resources practices, work timings, career advancement opportunities and appraisal system. The study showed that all the above determinants were important in influencing employee retention.

**Dutta and Banerjee (2014)** in their study on employee retention elaborated on the retention factors such as training, skill recognition and career development. They further stated the importance of effective communication and employee motivation for the cause of employee retention.

**Patgar and Vijayakumar (2015)** in their study found out that the factors affecting employee retention in a textile industry are competitive salary package, convenient and flexible work hours, recognition and rewards for good performance, career growth & promotion opportunities, job security and training & development programs.

**Sinha and Yadav (2014)** made an analysis of key factors of employee retention in Indian public industry. The result indicated that, the factor like rewards & compensation, superior-subordinate coordination, competency level of employees and their academic achievements majorly motivated the employees to remain in the organisation.

**Setia and Singh (2014)** conducted a study on employee retention in Indian banking industry. The result identified that the HRM practices like Workforce planning, Recruitment,
Promotion, Transfers, Training and development, Performance Appraisal, Team Work and Compensation has significant impact on job satisfaction.

After an extensive review of literature around employee retention in India in general and accommodation in particular, the factors such as work stress, work environment, reward system, advancement in career opportunities, efficient management of talent, hiring employees, placement & orientation, training and development, salary & benefits, work-family life, organisation culture, effective communication & leadership, branding, employee empowerment and performance appraisal were the important factors influencing the turnover of employees across the country.

2.9 Research Gap

Research gap was identified after an extensive literature review in the field of employee turnover and retention, specifically in the context of accommodation sector, and particularly in the state of Odisha. Although turnover of employees has and is a serious issue concerning the tourism and hospitality sector over a couple of decades, very few studies have been carried out to identify the cause and effect of turnover of employees and issues pertaining to retention in the sunrise industry (Bharwani and Butt, 2012; Kiruthiga and Magesh, 2015; Kumar and Thomas, 2011; Kumar and Singh, 2015; Laghane and Deshmukh, 2012; Panwar, Jagbir and Kaushik, 2012; Gupta, 2013), however, no research has been carried out on employee retention issues in accommodation sector of Odisha, indicating this as a research gap. Researchers affirmed that turnover of employees and retaining them is a major problem in accommodation sector, hence, this issues need to be addressed seriously.