Abstract

The aim of this study is to determine the level of employees’ job satisfaction among the various star hotels of Kolkata and to investigate effect of demographic factors on employees’ job satisfaction. The significant determinants of job satisfaction are nature of work, pay, relationship with co-workers, opportunities for promotion and supervision. Data for this study was collected from employees of three hotels of Kolkata. The data so collected has been subjected to reliability tests and analyzed using SPSS. This study will help employers to understand employee needs and plan HR activities more in line with employee requirements in order to increase efficiency, commitment and job satisfaction and control employee turnover rates.

1. Introduction

The hotel industry in the recent past has shown significant growth and has contributed to the economy and is poised to be the largest industry in the coming years. It is considered to be the second largest employer in terms of providing employment to both professional and unskilled workers.¹ The number of Foreign Tourist Arrivals (FTA) in 2014 which stood at 8 million is

projected in to double by 2020. According to the recent hotel rooms inventory India has a total inventory of 1, 25,000 hotel rooms, and by 2020 another 1, 80,000 hotel rooms are required. In order to manage the growth, human resources are important for the hotel industry. Their ability to provide excellent services is vital to ensure guest satisfaction so that they become loyal and give business in the form of repeated visits to the hotel. Thus, we can see that the industry has no yardstick to its growth, but the real problem the industry faces is the high employee turnover due to low job satisfaction and poor human resource practices followed by these hotels. Employee turnover in the industry is at a staggering 31% for the Industry. The impact of high attrition rates in the hotel industry has a profound effect on their sustainability in the competitive market. Attrition does put up a question on the policies and practices the organizations have in store for their human resources. It is quite obvious that high attrition not only increases the expenses the organizations have to bear but also decrease the revenues and presents a poor picture of that organization in the market. The current study has been carried in Kolkata. Three hotels have been selected for the study, all of which are part of the FHRAI listed hotels which belong to the different categories.

<table>
<thead>
<tr>
<th>Table 1 - Manpower Requirement by 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Luxury</strong></td>
</tr>
<tr>
<td>Additional Rooms Required by 2021</td>
</tr>
<tr>
<td>Manpower-to-Room Ratio</td>
</tr>
<tr>
<td>Additional Manpower Requirement by 2021</td>
</tr>
</tbody>
</table>

Source- Indian Hotel Industry Manpower Survey, HVS

2. Review Of Literature

A literature review is an evaluative report of information found in the literature related to the selected area of study. It gives a theoretical base for the research and helps determine the nature of the research.

2.1 Effect of Job Satisfaction on Employee Turnover

(Robins, 2009) defined job satisfaction as a “positive feeling about one’s job resulting from an evaluation of its characteristics”. Job satisfaction is the measure of how much the employee is satisfied with the work or job (Ellickson. M.C., 2002). The organization creates an atmosphere of commitment and cooperation for its employees to ensure that their goals are achieved through policies that facilitate employee satisfaction. Many organizations have conducted studies to ascertain and measure the rates of employee satisfaction in order to predict some key behaviors linked to it. Employee satisfaction leads to high motivation at work which results in organizational commitment and loyalty and greater productivity. According to Herzberg’s two-factor theory of motivation is that the existence and nonexistence of satisfiers and dissatisfiers in a firm have a great outcome on the employee satisfaction levels. The overall outcome of the organization is directly related to the satisfaction of the employee satisfaction and performance. (Feather, 2004) In their study “Organizational Citizenship Behaviors in Relation to job status, Job security, Organizational commitment and identification, Job satisfaction and Work Values” pointed out that satisfied employees exhibit higher productivity and work beyond their job description They also have lower absenteeism rates and have less intention to quit their present employer. (Hussain, 2003) In their study “The effects of job performance on frontline employee job satisfaction and quitting intent: the
case of hotels in Turkish Republic of Northern Cyprus” reported that job satisfaction is inversely proportional or negatively related to employee’s inclination to leave the organization. (Ennew, 2000) In his study on “Managing word of mouth communication: empirical evidence from India” supports the claim of the other researchers that satisfied employees do not show a quitting intention. Further, these employees spread a positive word of mouth about their organizations. (Ananthan, 2011) In their study “Multi-Tier view of employee retention strategies in Indian and global companies a critical appraisal” concluded that in attracting and retaining employees, orientation programs and training and development practices were most important than rewards, recognition strategies and fringe benefits. In their study “Motivational Factors of Employee Retention and Engagement in Organizations” opined that employee’s intention to stay or quit an organization based, job characteristics, career development, financial rewards, work-life balance, recognition and finally employee management (Benjamin Balbuena Aguenza, 2012). (Rowden, 2005) In his work “The impact of workplace learning on job satisfaction in small US commercial banks” argued that customers will be more satisfied by employees who are trained and thus it will help the organization to grow in the competitive environment. (Spector, 1997)

2.2 Effect of Demographic Factors on Employee Turnover

(Pfeffer, 1983) Employee demography can be defined as “the study of the composition of a social entity in terms of its members’ attributes”. Demographics comprise of factors such as gender, age, ethnicity, occupation, seniority, salary levels, marital and family status. The researcher normally includes those factors which are understood to have explanatory value in the research. A lot of studies in which demographic factors were employed to investigate job satisfaction and job attitudes have shown to be strong predictors of employee attrition (Bhuian, 1996) (Kavanaugh, 2006) (Schroder, 2008) (Furnham, 2009) (Schneider, 1993). (Achoui, 2007) In their study found that the most important studied demographic variables were age, length of service and educational qualification. This implies that the effects of all that organizations offers to their employees on employees’ decision to continue or leave the organizations will depend on gender, age of the employee, education qualification, position in the organization and tenure. (Bhuian S. N.-J., 1996) Their study found that age was negatively related to employee’s decision to stay. (Miller, 1992) In their study found that female employees have higher attrition intention as compared to male employees. This result is in line with the studies of (Kim, 2005) and (Huang I. C., 2003) (Nel, 2011) which have shown that female employees have higher intention to leave their current jobs than male employees. According to (Chaudhury, 1992) female employees had a weak attachment to their jobs and this was the prime reason for them leaving their current employer. However; some studies have revealed that men have higher turnover intention compared to women (Khatri, 2001). (Ahuja, 2007) In their study on “IT Road Warrior: Balancing Work- Family Conflict, Job Autonomy and Work Overload to Mitigate Turnover Intentions found out that age had a modest but significant effect on turnover intention. According to (Kabungaidze, 2013) in their research study on “The impact of job satisfaction and some demographic variables on employee turnover intentions” found out that older, long-serving employees are much less inclined to look for new opportunities as compared to younger employees. (Kellough, 1993) Mentioned in their research that there is a humble relationship between job position and employee attrition. They found that employees in lower job positions are more inclined to leave than employees who occupy higher
positions in an organizational hierarchy. According to (Wallace, 1997) younger employees are lured to new opportunities by higher compensation and greater responsibility. In addition, retirement benefits and other non-salary compensation are not so important for the younger employees to the older one. Level of education as a demographic factor has been related to employees’ commitment to stay. Well educated individual may have less commitment to their employers as they may have additional opportunities of employment. Employees with long work experience have been found to have low intention to quit their employers. However, its effect on the turnover tendency is cultural bound (Naumann, 1993). According to (Golang, 1999) employees having less education remain with their employer for a longer time than those who have better levels of education those who have specialized skills. (Steers R. M., 1977) In their study found that level of education was inversely related to employees’ commitment to stay. Similarly, (Mathieu, 1990) meta-analysis confirmed this relationship. (Newstrom, 2007) Commitment to stay is usually stronger among employees who have been a part of the organization for a long period. Attrition rate are significantly higher among employees with shorter length of service than those who are employed longer (Somers, 1995) (Poole, 1997). This eventually increases the commitment levels of the employees and thus the intention to quit becomes feeble. Thus, it is quite clear that age, education, gender of employees, experience are important determinants of employee turnover, but a number of studies have shown that they may not be sufficient to attract employees.

3. Research Objectives

- To compare the job satisfaction levels in the selected hotels
- To find the relation of job satisfaction with employee turnover
- To evaluate the effect of demographic factors on employee turnover
- To find out the best hotel to work with in relation to job satisfaction levels
- To examine the on facilities at workplace provided to contractual and permanent employees across hotels
- To come out with possible solutions and recommendations for all the hotels to improve on the existing practices and enable them to be more proficient for the future.

4. Research Hypothesis

H1: Job Satisfaction has a significant negative relation with Employee Turnover

5. Research Methodology

Research Methodology is the procedure by which researchers go about their work of describing, explaining and predicting phenomena. The purpose of this chapter is to provide an overview of the methodology utilized in the current study. The research design for this study is a survey and it was carried out through the help of questionnaires and interviews. Surveys are important instruments in conducting research as they help the researcher gather respondents’ opinions. Purposive and stratified random sampling technique was adopted in selecting 134 respondents across 3 hotels. A total of 20% of the total respondents were taken into consideration; 68 respondents were selected from four-star hotel, 42 from three-star hotel and 24 from two-star hotel to ensure equitable distribution of respondents. Data was obtained from respondents using a five point Likert scale questionnaire. Likert Scale is a method of ascribing quantitative value to qualitative data, to make it amenable to statistical analysis. A numerical value is assigned to each potential choice and a mean figure for all the responses is computed at the end of the evaluation or survey. The questions were
divided into two major sections Annexure I was the demographic variables and Annexure II consisted of questions of Job Satisfaction and Employee Turnover. Further some data was collected from the Managers of these Hotels through interview. The data so obtained was scanned and analyzed using MS Excel and SPSS Version 16.0

6. Data Analysis And Interpretation

Table 6.1: Reliability Statistic

<table>
<thead>
<tr>
<th>Item</th>
<th>Cronbach's Alpha</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>.948</td>
<td>5</td>
</tr>
<tr>
<td>Turnover</td>
<td>.873</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 6.1 shows the Reliability Statistic. Reliability refers to the consistency or dependability of the measuring instrument. In order to test the reliability of the instrument the Cronbach’s Alpha was applied. This is used to measure the internal consistency of the tools employed to get necessary data from respondents. The result shows that the reliability of the instrument which employed for employees is ranging from 0.873 to 0.948. This implies that the reliability of the instrument is more than the acceptable standard in social science research. The instrument was designed by taking in to consideration the basic questions and all items included in the questionnaires are directly derived from it and was consistent with the objective of the study.

Table 6.2: Correlations

<table>
<thead>
<tr>
<th></th>
<th>Attrition</th>
<th>Job Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attrition</td>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>134</td>
<td>134</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Pearson Correlation</td>
<td>-.907**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>134</td>
<td>134</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

Table 6.2 shows that Pearson correlation between ‘Turnover’ and ‘Job Satisfaction’ which has a value of -0.907 with a significance level of 0.000. Each variable is perfectly correlated with itself and so r = 1 along the diagonal of the table. Turnover is negatively related to Job Satisfaction with a Pearson correlation coefficient of $r = -0.907$. The value shows a strong relation between turnover and job satisfaction (value of r is between -0.5 to -1.0 or +0.5 to +1.0). Further, we can see that the Sig. (2-tailed), shows a figure of 0.000. As the value is less than 0.05 we can conclude that there exists a statistically significant correlation between ‘Turnover’ and ‘Job Satisfaction’, (Paul, 2010). Hence, we can gain confidence that there is a genuine relationship between both the variables. The result signifies that Pearson Correlation (r-value) is -0.907, almost 90%. Thus, increasing in Job Satisfaction will lead to decrease in Employee Turnover.

Table 6.3: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.907*</td>
<td>.823</td>
<td>.822</td>
<td>.26339</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Job Satisfaction_Avg
Simple Regression analysis is used for prediction and forecasting and is a tool for investigating the relationship between the outcome variable (Employee Turnover) and one predictor variable (Job Satisfaction). Table 4.3 shows a very high R value, which shows a strong negative correlation between the outcome and predictor variables. The model summary reports the strength of the relationship between the model and the outcome variable. R Square tells us that about 82% of the variance of employee turnover is explained by the job satisfaction. The Adjusted R attempts to produce a more straightforward value to estimate R Square for the population. Thus, from the table 6.3 it could be seen that the R value is .907 and the R square (coefficient of determination) is 0.823 and the adjusted R square is very close to the R square at .822. The difference between R Square and adjusted R Square is 0.823 - 0.822 = 0.001 or about 0.1%. This indicates that if the model was derived from the population rather than the sample it would account for approximately 0.1% less variance from the outcome.

**Table 6.4: ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>42.647</td>
<td>1</td>
<td>42.647</td>
<td>614.750</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>9.157</td>
<td>132</td>
<td>.069</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>51.804</td>
<td>133</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), JobSatisfaction_Avg
b. Dependent Variable: Turnover_Avg*

Table 6.4, the ANOVA table tests the acceptability of the model from a statistical perspective. The F value of 614.750 obtained from the ANOVA Table indicates that this model is fit and significant at value of (p<0.000). The significance value of the F statistic is less than 0.05, which means that the variation explained by the model is not due to chance. Thus, the ‘F’ value of clearly signifies that there is zero probability for such a large ‘F’ ratio to occur, if the null hypothesis were true, (Field, 2009). Therefore, our regression model significantly predicts the dependent variable better.

**Table 6.5: Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>5.791</td>
<td>.107</td>
<td>.978</td>
<td>54.131</td>
</tr>
<tr>
<td>JobSatisfaction_Avg</td>
<td>-978</td>
<td>.039</td>
<td>-.907</td>
<td>-24.794</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Turnover*

The table 6.5 shows the regression coefficients the ‘B’ value actually represent the contribution of predictor to the model. Whereas, a positive value indicates a positive relationship, a negative value indicates negative relationship. The “t” value of Job Satisfaction_Avg from the table 4.5 is -24.794 units, thus we see that job satisfaction has significant negative effect on employee turnover. To illustrate we can say that a unit increase in JobSatisfaction_Avg will result in decrease of employee turnover by 24.794 units. Hence, employee turnover can be controlled if job satisfaction levels can be increased. Thus the hypothesis Job satisfaction has a significant negative relation with Employee Turnover is tested and validated.
Table 6.6: Mean Score of Job Satisfaction

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Nature of work</th>
<th>Pay</th>
<th>Supervision</th>
<th>Promotion</th>
<th>Co-workers</th>
<th>Mean Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Star (Hotel A)</td>
<td>2.90</td>
<td>3.28</td>
<td>2.88</td>
<td>3.17</td>
<td>2.94</td>
<td>3.03</td>
</tr>
<tr>
<td>3 Star (Hotel B)</td>
<td>2.22</td>
<td>2.16</td>
<td>2.83</td>
<td>2.43</td>
<td>3.05</td>
<td>2.53</td>
</tr>
<tr>
<td>2 Star (Hotel C)</td>
<td>1.67</td>
<td>1.65</td>
<td>1.70</td>
<td>1.69</td>
<td>2.03</td>
<td>1.74</td>
</tr>
</tbody>
</table>

Table 6.6, depicts the mean values of all the selected hotels, which is obtained by adding the mean values of each parameter and then dividing it by five (factors of job satisfaction which is five). It can be seen that Hotel A has the highest mean scores for all the Job Satisfaction factors except for relationship with co-workers which is high for Hotel B. Hotel C scores very low on all job satisfaction factors. According to the Job Satisfaction mean values, the rankings of the hotels is; Hotel A (3.03), Hotel B (2.53) and Hotel C (1.74).

Table 6.7: Scale Statistics

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Mean</th>
<th>Standard deviation</th>
<th>Coefficient of Variance</th>
<th>Ranking of Hotel (Best Hotel to Work)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Star Hotel</td>
<td>16.8776</td>
<td>1.75382</td>
<td>0.103</td>
<td>1</td>
</tr>
<tr>
<td>3 Star Hotel</td>
<td>11.8795</td>
<td>1.43895</td>
<td>0.121</td>
<td>2</td>
</tr>
<tr>
<td>2 Star Hotel</td>
<td>10.1720</td>
<td>2.54312</td>
<td>0.250</td>
<td>3</td>
</tr>
</tbody>
</table>

The mean score of Hotel A (taking into consideration the means values of all the factors that lead to job satisfaction) is high which indicates that the Job Satisfaction of the employees is also high. However, to statistically prove it the Coefficient of Variation is used as it represents the ratio of the standard deviation to the mean, and it is a useful statistic for comparing the degree of variation from one data series to another, even if the means are drastically different from each other. Table 4.9 gives the values of the Coefficient of Variance for all the hotels. The values are arrived by dividing the Standard Deviation by the Mean and are expressed as percentage:

Calculation of CV for each Hotel:

For Hotel A, CV = \( \frac{1.75382 \times 100}{1.75382} = 10.3\% \)

For Hotel B, CV = \( \frac{1.43895 \times 100}{11.8795} = 12.1\% \)

For Hotel C, CV = \( \frac{2.54312 \times 100}{10.1720} = 25\% \)

According to the Coefficient of Variation, the lower the ratio of standard deviation to mean, the better is the job satisfaction of the employees in the hotel. From the above table Hotel A has a CV of 10.3%, Hotel B, 12.1% and Hotel C 25%. This means that Hotel A is the best hotel to work as this hotel has employees who have higher Job Satisfaction Levels amongst other hotels. We can also see that the rankings of hotels according to their mean score and according to coefficient of variance are same and hence are statistically proved.
From the figure 6.1, it can be seen that the intention to quit the present organization by contractual employees is 57% and for the permanent employees it is 43%. This shows that the factors that are responsible for job satisfaction is very low for contractual employees.

From the figure 6.2, it can be seen that the percentage for the intention to quit the present organization by female employees is 34% as against 66% for male employees.

From the figure 6.3, it can be seen that the intention to quit the present organization by frontline employees is 57%, supervisors is 29%, and managers is 14%.
From the figure 6.3, it can be seen that the percentage for the intention to quit the present organization is 57% for frontline, 29% for supervisors and 14% for managers.

7. Results And Conclusion

- Job satisfaction and employee turnover show a very high negative correlation, which means that they are inversely related to each other.
- The job satisfaction levels of the operational employees who are the point of contact with the guest most of the times, is very low.
- Contractual employees are very much important for the hotel industry as they take the most of the physical work load, have a very low job satisfaction level and their intention to quit their present organization is very high.
- Hotel B and Hotel C have the highest percentage of contractual employees than Hotel A. Thus, we can say that Hotel B and Hotel C rely more on contractual employees in order to bring down the employee costs.
- The satisfaction level of female employee is high and has the lowest intention to quit the organization than male employees.
- The turnover intention of frontline employees is highest across hotels than supervisors and is the least for managers.
- The facilities across hotels for contractual employees are alarming, Hotel A provides uniforms and on duty meals to them, for the other two hotels apart from using the washroom, they fail to provide any facilities at the workplace.
- The job satisfaction level of Hotel A is the highest and is the lowest for Hotel C. Hotel A is considered to be the best amongst hotel to work. However, the mean values predict that it has a moderate to low job satisfaction level as compared to the other hotels chosen for the study.
- Hotel A and Hotel B have almost equal scores on Satisfaction with supervision as one of the parameters for measuring the total job satisfaction levels.

8. Recommendations

- All the hotels need to incorporate HR strategies to raise the levels of employee job satisfaction. From the mean scores it is evident that pay and promotion are the factors that have to be considered to increase commitment and satisfaction in order to control turnover.
- All hotels need to relook at their strategies regarding contractual employees. There are a good number of such employees in each hotel and their satisfaction levels are very low. These employees also perform essential services in the hotel which could lead to problems that may affect the profitability of the hotel.
- In general all Managers must look at making the salaries, wages and benefits not just competitive between themselves but according to increase in living costs.

9. References


