



An Impact of Employee Commitment and Organizational Climate on Employee Job Satisfaction and Retention in Star Hotels in Coimbatore District

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Abstract: *In the competitive world, the hotel has become a rapidly growing industry. It has created more job opportunities and developed infrastructure. The inspiring growth of Foreign Tourist Arrivals (FTAs) shows that India still has a huge untapped potential in tourism. In this study we look into the impact of organizational climate and employee commitment on job satisfaction and employee retention. The structural equation model (SEM) is carried out to identify the importance of climate and its effects on the commitment level of employees, and assess the employee's job satisfaction and employee retention in the hotel industry. It explores how employee commitment and organization climate help them get job satisfaction and us predict the employee turnover.*

Keywords: *Employee Commitment, Foreign Tourist Arrivals, Hotel Industry, Job Satisfaction, and Organizational Climate.*

I. INTRODUCTION

In the present scenario, the organizations or industries are facing a lot of challenges than ever before. Organizational climate is consistently challenged by the increasing variety of changes impacting organizations nowadays. If these changes are not adopted properly by an organization, it may affect the behaviour and perception of people employed in it, leading to reduced motivation and worker satisfaction, enhanced turnover and absence, which will ultimately result in the decline of the organization's performance. Work commitment is the fuel that pushes workers to try for excellence. Pundits of organizational psychology consider work commitment the second most typically-studied job perspective. The organizational climate involves employees' attitude and experience. It describes the organizational terms with respect to both behaviour and outcome and the internal environment.

Coimbatore is the third largest city in Tamil Nadu. It is situated along the western boundary of the state close to

Kerala. It is also famous for the manufacture of textile, motor pump sets and assorted engineering goods. The city has gained popularity as a Medical Tourism hub given the presence of several multi-specialty hospitals. In 2011/12 the city saw the entry of four branded hotels (600 rooms) positioned in the upscale and mid-market space. According to the Federation of Hotels and Restaurants Association (FHRA) the average occupancy rates rose to 75% in 2018.

II. LITERATURE REVIEW

Farzinfarabod et al. (2013), talk of the impact of organizational communication on job satisfaction and organization commitment in Iran. The employees get job satisfaction from better communication from supervisor, working environment and commitment to the job. These variables help the employees to get financial and non-financial rewards from the organization.

Christian Vandenberghe et al. (2015) their study represents that normative commitment escorts to lesser well being and abridged performance of employees. Employees' loyalty is the sense of commitment to the organization. The implication for the study was employees' normative commitment functioning are highlighted in the organization.

AbdurrahimEmhan et al. (2014) have studied the effect of learning capacity arising out of turnover intention and organizational commitment in Turkey. There is a significant relationship among turnover intention, organization commitment and learning capacity. Learning capacity is a mediating effect in the turnover intention and organizational commitment.

Hsieh, Apostolopoulos, & Sönmez (2016) explain working conditions and the well-being of hotel housekeepers in Latina. This study finds out how the hotel housekeeping employees manage their work conditions and health issues. The hotel should evaluate the occupational hazards and the lack of access to healthcare service.

The findings of the study reveal that housekeepers face physical, chemical, and social hazards leading to musculoskeletal injuries. The recommendation is to introduce multilevel healthcare service to the employees to encourage a healthier working environment.

Vikneswaran Nair et al. (2014) have investigated the relationship between rewards and job satisfactions among frontline employees and examined the types of rewards that promote job satisfaction.

Manuscript published on 30 September 2019

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The financial and non-financial rewards are significantly associated with job satisfaction. Establishing well-balanced reward systems boosts employee performance and job satisfaction and improves the service quality in the hotels.

AzzatMohd et al. (2014) suggest that the employees' training and compensation influence service and organizational citizenship behaviours. From this finding, the HRM practices (training and compensation) are adopted to extract the social oriented organizational citizenship behaviour; it improves the service quality of the employees.

The above reviews have found that a high level of employee attrition in the hotel industry in many countries has resulted in increased costs.

So, the above mentioned factors help to retain the employees in the industry, and the most experienced employees show their high level of commitment to their organization.

In this connection, organizational climate dimensions positively influence the employees' relationship in the hotel industry. Modernization of star hotels and the offer of various benefits to the employees tempt the employees to move to greener pasture. The reviews reveal that these factors are to be subjected to further analysis, and the model can be handy to predict employee turnover.

III. STATEMENT OF THE PROBLEM

In 2018, Bureau of Labour Statistics revealed that employee attrition rate was 73.8 percent in the hotel industry. The hotel industry needs to improve the customer experience. At the same time, the HR experts want to avoid the high attrition rate in the industry for better employee experience. There is a need to develop a model consisting of organizational climate and employee commitment that will improve job satisfaction and employee retention.

IV. OBJECTIVE OF THE STUDY

- Impact of employee commitment and organizational climate on employee job satisfaction and retention in star hotels in Coimbatore district.

V. RESEARCH METHODOLOGY AND DESIGN

The study was done by using quantitative and qualitative research methods by primary data according to the objectives of the study. In order to carry out the research, the information was collected from the people working in Star hotels in Coimbatore using questionnaires.

The researcher has taken Probability Sampling. For this study Stratified Random sampling procedure was used. Each taluk was considered to be a Stratum for the research work. From the Strata, the researcher collected the data randomly from the assigned respondents.

Three, Four and Five Star hotel employees were respondents for the instrument. The employees working in the hotel industry (Front office, Housekeeping, Food and Beverage service, Human Resource Manager, Marketing Manager, Finance Manager and other workers) were the respondents for the research work. The questionnaires were distributed after a briefing to be collected from the respondents for the vital data. 900 questionnaires were distributed to the particular respondents, and only 663 returned them providing the data. Cronbach's alpha reliability

coefficient value was estimated to be 0.736. The collected data have been analyzed by employing Structural Equation Model.

VI. FINDINGS

The model fit was used to analyze job satisfaction and employee retention with respect to the organizational climate and employee commitment among the star hotel employees. The model showed the Chi square value as 19.181, showing that the study acquired enough sample size and the particular model was correct.

H_0 : "Job Satisfaction and retention do not influence factors relating to the organizational climate and employees' commitment".

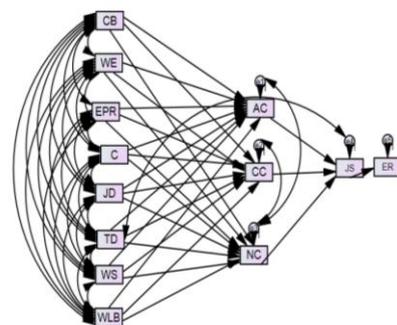


Figure: 1 Structural Equation Model (SEM) for Organizational Climate and Employee Commitment in Star Hotels

Affective commitment and employee participation and rewards have the negative estimated value -.058. It shows that employee participation and rewards will decrease without the variable of affective commitment in the industry.

Also affective commitment and work life balance have the negative estimated value -.004, and the probability is not significant at 5% level.

Table No: - 1 Variables in the Structural Equation Model Analysis

Variables	Estimate	S.E.	C.R.	P
AC <--- WE	.121	.038	3.190	.001
AC <--- EPR	-.058	.040	-1.450	.147
AC <--- C	.140	.052	2.663	.008
AC <--- JD	.098	.041	2.367	.018
AC <--- TD	.191	.040	4.753	***
AC <--- WS	.282	.041	6.816	***
AC <--- WLB	-.004	.035	-.105	.917
CC <--- WE	.178	.038	4.720	***
CC <--- EPR	-.229	.039	-5.808	***
CC <--- C	.153	.052	2.937	.003
CC <--- JD	.194	.041	4.730	***
CC <--- TD	.158	.040	3.967	***
CC <--- WS	-.190	.041	-4.610	***
CC <--- WLB	.222	.035	6.381	***
NC <--- WLB	.087	.031	2.833	.005
NC <--- WS	.174	.036	4.802	***

NC	<---	TD	.130	.035	3.721	***
NC	<---	JD	.052	.036	1.454	.146
NC	<---	C	.097	.046	2.118	.034
NC	<---	EPR	-.101	.035	-2.897	.004
NC	<---	WE	.246	.033	7.412	***
NC	<---	CB	.188	.034	5.582	***
CC	<---	CB	.371	.038	9.663	***
AC	<---	CB	.148	.039	3.823	***
JS	<---	AC	.016	.010	1.601	.109
JS	<---	NC	.015	.011	1.356	.175
JS	<---	CC	.017	.010	1.835	.067
ER	<---	JS	.633	.024	26.863	***

Source: Primary data

The coefficient quality value of job satisfaction and affective commitment is .016 and the normative commitment estimated value of job satisfaction .015 with continuous commitment .017. So, the positive values should increase the job satisfaction quality in the hotel industry.

Finally, the Employee Retention coefficient quality of 0.633 represents the fractional effect of Job Satisfaction among employees of star hotels. The positive effect of the Employee Retention quality would increase by 0.633 for every unit increase in Job Satisfaction, and this coefficient value is significant at 5 percent level.

Table No: - 2 Model Fit Summary

Variable	Value	Suggested value
Chi-Square value	19.181	---
Chi-Square/P-value	0	< 5 percent (Hair et al., 1998)
GFI	0.998	>0.90 (Hu and Bentler, 1999)
AGFI	0.989	>0.90 (Hair et al., 2006)
CFI	0.963	> 0.90 (Daire et al., 2008)
RMR	0.001	< 0.08 (Hair et al.)
RMSEA	0	< 0.08 (Hair et al.)

From the above table it is found that Chi-square degrees of freedom value is 0.000, which is less than 0.05 indicating a perfect fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value are greater than 0.9, which represents a good fit. The calculated value CFI (Comparative Fit Index) value is 0.963, which means that it is a perfect fit, and also it is found that RMR (Root Mean Square Residuals) value is 0.001 and RMSEA (Root Mean Square Error of Approximation) value 0.000, which is less than 0.08 indicating that it is a perfect fit. Hence, the alternative hypothesis is accepted indicating that the model is a good fit.

VII. SUGGESTIONS AND CONCLUSION

The research suggests that most of the employees quit after gaining a year of experience for a better pay and perks in other hotels. The trained employees are valuable for an organization and it should retain those employees giving better pay and non-financial benefits. On the other hand,

employees expect improved market rate compensation and benefits. Scheduled training programs and healthier worker-supervisor relationship factors also help the employees to stick to the organization.

Employee commitment, compensation and benefits, employee participation and rewards, training and development, worker-supervisor relationship and job design with team work are some of the factors that contribute to the employees' job satisfaction. The organization should provide a suitable working environment (Working Space, Sitting Arrangement, Proper Ventilation and separate rest rooms) to the employees.

The industry should feed its vision and organization culture to them providing a good working environment. If the hotels consider the Flexi working time in the working place, it could help employees strike at the work life balance. The study also revealed a significant relationship between job satisfaction and employee retention variables it indicates that organizational climate and employee commitment help to the mediating variable as job satisfaction and mediating variable retain the employees in the same industry.

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An Impact of Employee Commitment and Organizational Climate on Employee Job Satisfaction and Retention in Star Hotels in Coimbatore District

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