

## **A Study of Employee Satisfaction Perception in Accommodation Sector in Odisha**

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**ABSTRACT:** *The State of Odisha has witnessed unprecedented growth in hotel industry in the recent past. Although there is an exponential growth in the number of hotels in the State, the rate or employee turnover is increasing each year which in turn is affecting the employee satisfaction. Thus, the key to retain employees in an organisation is employee satisfaction which is considered to be a vital component for organisational success. The present study employs four variables viz., job security, occupational stress, motivation and salary & benefits in relation to employee satisfaction in accommodation sector in Odisha. A sample size of 125 employees' responses across different accommodation units in Odisha were collected through a structured questionnaire. Multiple regression analysis was carried out to study the correlation between the four independent variable and dependent variable. The findings of the study suggest that there is a significant positive correlation between job security, occupational stress, motivation and salary & benefits and employee satisfaction. Based on the analysis of the study, appropriate approaches to improve employee satisfaction in accommodation sector were suggested for a mutual-beneficial relationship between the employees and employers.*

**Keywords:** *Employee Satisfaction, Job Security, Occupational Stress, Motivation and Salary & Benefits.*

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### **I. INTRODUCTION**

Accommodation sector provides accommodation to guests as well as the consumption of food and beverages facilities. Hotel services can be categorised into 'tangible' and 'intangible'. The tangible and the intangible elements of hotel are magnified by the human element – the employees who upon interaction with the guests create the first good impression (Page, S.J. and Connell, J.,2006).

The hotel provides services directly to its guests and customers and it is the employee who meet and contact the guests on a daily basis. The difference between a hotel industry and a manufacturing industry is the difference in the services offered (Paul R. Dittmer and Gerald G. Griffin, 2000).

In manufacturing industry the producer produces the goods and is never in direct contact with the guest, whereas in case of hotel the operations are carried out by the human resources or human capital whether it is back office or front of the house. Hence, the accommodation sector is also known as people oriented or labour intensive sector.

One of the most important product of a hotel is its service and it does not happen of its own. It is team effort that demands constant attention, supervision and training. To offer quality service, the hotel management need to take care of employee satisfaction first because employee is the one who faces the customer first and their satisfaction will affect the quality of service rendered. In this regard, employees are the life-blood and the most valuable asset the organisation has. Hence, employee satisfaction is of utmost importance as it can affect the service quality and in turn affect customer satisfaction in the accommodation sector organisation's overall functioning and growth.

Due to cut-throat competition amongst the hotels, the issue of employee satisfaction has become relevant both for research and practice. The importance of the study on employee satisfaction is gaining prominence along with the significance of retaining productive employees.

### **II. LITERATURE REVIEW**

#### **Employee Satisfaction**

In the views of Kilic & Selvi (2009) job satisfaction is nothing but, the kind of happiness an employee derives from his job. Zeffane, Mohamad E, Ibrahim and Rashid Al Mehairi (2008) found that, a satisfied employee performs better in his job. According to Newsham et al (2009) it is mutually beneficial to both the organization and individual if employees are satisfied in their job. A study conducted by Ali Mohamad Mosadeghrad Rad (2009) showed that, due to high level of job dissatisfaction turnover, absenteeism amongst the employee increases. "Job Satisfaction is especially important in service offering tourist establishments" Aksu, A. Ve Aktaş A. (2005).

### **Job Security**

James(2012) has defined job security as “the assurance in employee’s job continuity due to the general economic conditions in the country”. Many findings suggest that, job security reduces employee performance Ichino and Riphahn (2005). Similarly, Engellandt and Riphahn (2005) suggested that, temporary employee performances are better than permanent ones. Burchell, (1999) studied that, the relationship between employees and employers become worse due to job insecurity. Factors which play a major role in determining individual’s services and influence their personal job security are employee agreement, collective bargaining agreement, labour legislation and personal factors like qualification, work experience etc. Adebayo, and Lucky, (2012)

### **Occupational Stress**

According to Caplan, Cobb, French, Harrison and Pinneau (1975), Perrewe and Anthony (1990), Bohleand Quinlan (2000) , Smith ( 2003) work related ill health is caused due to occupational stress which affect both psychological and physical wellbeing. According to Caplan, Cobb, French, Harrison and Pinneau (1975), Perrewea , Anthony (1990), Spector (2003) work output reduces due to occupational stress and also add to employee turnover, absenteeism, accidents at work place and employee performance. Schwer, Mejza and Grun Rehune (2010) indicated that, pressure within the work place may lead to conflict among the workers. Choi Khuruzzaman, Wan & Salmaih (2011) found that labour turnover is caused due to stress at work place which in turn have a financial impact. Taplin & Winterson (2007) work stress leads to depression in the long-run.

### **Motivation**

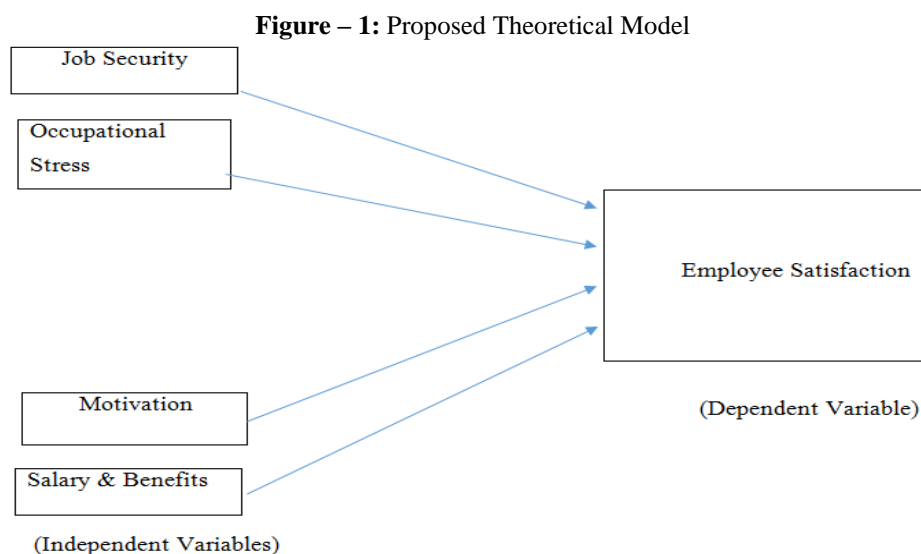
According to Honore (2009) the important factors that have an effect on employee motivation are better pay, recognition, job security, good work environment, career growth, employee involvement, personal loyalty to employees and being supportive. Manzoor (2012) suggested that, management need to be cordial to motivate workers to accomplish their work to best of their abilities. Albattat & Som (2013) pointed out that, better the manager understands the employee, the more effectual they canbe while making use of some motivational methods.

### **Salary and benefit**

The organizations are not using the salary and benefit policy strategically to boost the morale, decrease turnover and to reach the goal in the organization,Davies, Taylor, Savery, (2001). In the view of Kusluvan (2003) one of the important factor for discord between employees and employer is unfair distribution of pay. He further stated that, it is very important to follow an efficient system of assessing jobs so that salaries and wages can be impartially distributed amongst the employees. According to Phillips and Connell (2003) there is an increase turnover of employees within the hospitality sector. This arises when an employee has an alternative opportunity which are more lucrative.

### **Research Framework**

In order to know the veracity of the relationship between the dependent variable (employee satisfaction) and independent variables (job security, occupational stress, motivation and salary & benefits) four hypotheses were developed. Figure -1 illustrates the proposed theoretical model.



**Objective of the Study**

The objective of this study is to investigate the relationship between job security, occupational stress, motivation and salary & benefits and employee satisfaction in the accommodation sector.

**Hypotheses**

The hypotheses for the study are as follows:

H1: There is a significant relationship between job security and employee satisfaction in the accommodation sector

H2: There is a significant relationship between occupational stress and employee satisfaction in the accommodation sector

H3: There is a significant relationship between motivation and employee satisfaction in the accommodation sector

H4: There is a significant relationship between salary & benefits and employee satisfaction in the accommodation sector

**III. METHODOLOGY**

**Population & Procedure**

The target population comprised the employees from various three stars and five stars hotels in Odisha. 175 numbers of structured questionnaires were distributed to staffs of various departments of the selected hotels. The respondents were educated on how to fill up the questionnaires and were requested to give their opinions and feelings in particular on the questions relating to the variables taken under the study and in general about their bonding with the hotel.

**Research Design**

The technique adopted for this study is quantitative research method. This method is about the study of large samples and making generalisation from these samples to broader group beyond these samples. Methods such as descriptive and explanatory studies were used.

**Data Analysis**

A total of 175 number of structured questionnaires were distributed to the respondents out of which 148 number of questionnaire were finally collected. From this, 23 numbers were considered unusable as it was assumed that either the respondents were not serious or not willing to complete the questionnaires for the survey. Hence, only 125 usable set of questionnaires were used for the analysis of data with a response rate of 84.45 per cent. Section ‘A’ consisted of the demographic data of the respondents such as gender, age, marital status, education, length of occupation and monthly income. Whereas, Section ‘B’ comprises the four independent variables viz., job security, occupational stress, motivation and salary & benefits and their relationship with employee satisfaction the independent variable in the accommodation sector. Each variable comprises five to twelve questions and the respondents were required to provide their rating on their perception using a 5 point Likert Scale with measurement ranging from 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree. To test the veracity of the relationship between independent variables and dependent variable, Pearson Correlation and Multiple Regression Analysis were carried out using SPSS package.

**Reliability Test**

Using Cronbach’s alpha reliability analysis, the items were tested for the consistency reliability. The table I presents the value of each construct. The results revealed that the alpha coefficient for the five items is .07 indicating that the construct have internal consistency.

**Table:1** Cronbach’s Alpha Reliability Test

<b>Construct</b>	<b>Alpha Coefficient</b>	<b>Number of items</b>
Job Security	0.779	10
Occupational Stress	0.798	10
Motivation	0.876	10
Salary & Benefits	0.766	10
Employee Satisfaction	0.841	10

**Descriptive Statistics**

**Pearson Correlation**

The table II present the correlation matrix between dependent variable and independent variables. The findings from this analysis are compared against the hypotheses .

**Table: 2** Means, Standard Deviations and Correlation Matrix

Variables	Mean	SD	Job Security	Occupational Stress	Motivation	Salary & Benefits	Employee Satisfaction
Job Security	3.76	0.71	1.00				
Occupational Stress	3.61	0.53	0.311**	1.00			
Motivation	3.55	0.66	0.570**	0.080	1.00		
Salary & Benefits	3.81	0.68	0.610**	0.077	0.261**	1.00	
Employee Satisfaction	3.72	0.73	0.659**	0.380**	0.444**	0.536**	1.00

Note: Correlation is significant \*\*0.01 (2-tailed)

The table - 2, shows the correlation matrix indicates that the independent variables (job security, occupational stress, motivation and salary & benefits) were positively correlated with employee satisfaction. Job security attained the highest positive correlation with salary & benefits in the second and motivation in the third. Occupational stress attained poor positive correlation with employee satisfaction. The result revealed the perceptions of respondents who view salary & benefits is positively correlated with employee satisfaction. Hence rise in salary & benefits will improve employee satisfaction. Similarly, respondents also viewed motivation is positively correlated with employee satisfaction. Therefore, when employee motivation increases, their satisfaction level also increases. Finally, the correlation between occupational stress and employee satisfaction posed the poorest correlation stressing that respondents gave little consideration for work stress at the workplace. Thus, hypotheses H1, H2, H3 and H4 were supported.

### Multiple Regression Analysis & Test of Significance

To analyse whether there is a statistically significant relationship between the dependent variable and independent variables, multiple regression analysis was carried out (Hair et al., 2006). The four independent variables taken under the study are job security, occupational stress, motivation and salary & benefits and the dependent variable is employee satisfaction. The result in table -3 shows that, job security (B= 0.276) has the strongest impact on employee satisfaction which is significant at 0.05 level followed by salary & benefits (B= 0.264) while motivation (B= 0.187) has a moderate impact on employee satisfaction. Occupational stress (B= 0.082) has the weakest impact on employee satisfaction. The F- value of 27.316 is significant at 0.05 level, R Square of 0.387 indicates that 38.7 per cent of variation in employee satisfaction is explained by the independent variables job security, occupational stress, motivation and salary & benefits. While, 61.3 per cent of the changes in employee satisfaction are explained by other factors.

**Table: 3** Multiple Regression Analysis

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Standard Error	Beta		
1 (constant)	0.610	0.278		2.298	0.020
Job Security	0.276	0.044	0.377	5.548	0.000
Occupational Stress	0.082	0.056	0.110	0.111	0.040
Motivation	0.187	0.064	0.153	2.261	0.022
Salary & Benefits	0.264	0.029	0.219	3.747	0.027
R Square		0.387			
Adjusted R Square		0.379			
Sig. F		0.000a			
F- value		27.316			

a Dependent Variable – Employee Satisfaction

### Limitation of the Study

Although the result provide new insights to the researcher, there were some limitations as well. The present study was conducted only in a few three stars and four stars hotels in the State of Odisha with a sample size of 125 respondents. Hence, extensive researches need to be undertaken to study employee satisfaction patterns in other states with larger samples to represent accurately the whole populations' attitude towards employee satisfaction in accommodation sector.

#### **IV. SUGGESTIONS/RECOMMENDATIONS**

Based on the findings of the study, following recommendations were suggested:

- The study identified that job security is the most important variable as far as the employee satisfaction is concerned in accommodation sector. Feelings of job insecurity can have a significant impact on employee engagement which in turn will have a negative bearing on employee performance. Hence, it is suggested that the management should take necessary steps to proactively communicate with their employees about their performance, empowering them, recognising their good work and creating conducive environment to make them feel a sense of belongingness.
- The findings suggested that salary & benefits is also an important determinant of employee satisfaction. Hence, to retain performers, the management need to suitably compensate with competitive pay package and provide the scope for variable pay.
- The findings revealed that motivation is one of the key factors for improving employee satisfaction. Thus, it is suggested to the management that apart from good pay package and other benefits, the employees need to be provided with ample opportunities for their career growth such as regular in-house training programmes to boost their morale, providing a collaborative work environment fostering teamwork.
- Finally, the findings suggested that occupational stress is also an indicator of employee dissatisfaction in the organisation. The management is therefore suggested to combat the issues by providing the employees with flex-work timings, recreational facilities, etc for their well-being.

#### **V. CONCLUSION**

Study employed Pearson Correlation to examine the strength of relationship amongst the independent variables viz., job security, occupational stress, motivation and salary & benefits and between dependent variable i.e., employee satisfaction. The findings of the study revealed that all the variables had a significant positive correlation with each other with job security as an important determinant with the highest mean value. The proposed approach can be replicated in other similar service sector organisations. The findings of this study provides ample scope for improvement and a competitive edge to service organisation who have the drive to enhance employee satisfaction and retain their prospective employees. Employee is the key in any progressive organisation looking to increase their productivity. If the employees are really taken care of and their concerns are addressed timely, it will have a far more positive impact as employees will have a sense of belongingness and commitment towards the organisation.

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