

## The Impact of Employee Engagement on Employee Retention in Five Star Hotel in Chennai

Dr.S.N.Soundara Rajan<sup>1</sup> and Mrs.Sasikala Jayaraman<sup>2</sup>

<sup>1</sup>Professor, Saveetha School of Management, 162, Poonamallee High Road, Chennai – 600077 Mobile: 98410 30080 Email: snsrajan@yahoo.com

<sup>2</sup>MBA Graduate, Saveetha School of Management, 162, Poonamallee High Road, Chennai – 600077 Mobile: 8754452815 Email: sasikala.skht@gmail.com

Article Received: 30 April 2018

Article Accepted: 29 July 2018

Article Published: 27 August 2018

### ABSTRACT

Employee engagement relies on trust, integrity, commitment associated communication between an organization and its members. Engaged organizations have vigorous and trustworthy values and believes, with clear evidence of trust and fairness supported mutual respect, wherever two-way guarantees and commitments between employers and workers are understood and consummated. A company desires workers who are loyal and exerting with full dedication to realize the organization's objective. Each organization spends time and invests cash in grooming new workers and create them corporate-ready. The organization is going to be in complete loss, if such workers quit once they're absolutely trained. This study focuses on objective to see the impact of employee engagement on employee retention. The data has been collected from 80 samples through non probability convenient sampling. The tool that has been used is regression analysis to measure the two variables. This study concludes that by showing there is no significant difference between the employee engagement and Gender as well as Department, but there is significant difference between the employee engagement and employee Retention.

Keywords: Engagement Activities, Performance, Awareness level, participation and Retention.

### INTRODUCTION

Employee engagement could be a workplace approach leading to the correct conditions for all members of associate organization to present of their best daily, committed to their organization's goals and values, motivated to contribute to organizational success, with associate increased sense of their own well-being. It's associate approach that will increase the possibilities of business success, causative to organizational and individual performance, productivity and well-being. It will be measured. It varies from poor to nice. It will be nurtured and dramatically increased; it will be lost and thrown away. Worker engagement is regarding positive attitudes and behaviors resulting in improved business outcomes, in an exceedingly means that they trigger and reinforce each other.

It is not possible for a company to survive if its prime performers leave. It's crucial for the management to retain its valuable workers who assume in favor of the organization and add their uttermost. A company desires workers who are loyal and exerting with full dedication to realize the organization's objective. Worker retention isn't simply a matter that may be addressed records and reports. It strictly depends upon however the employers perceive the assorted issues of the staff and the way they assist they resolve their drawback, after they square measure in want. Each organization spends time and invests cash in grooming new workers and create them corporate-ready. The organization are going to be in complete loss, if such workers quit once they're absolutely trained.

#### **Objective of the Study:**

- To study the impact of employee engagement on employee retention.
- To examine HR functions that triggers up employee engagement.
- To study the belongingness of the employee towards the organization.

### ***Scope of the study:***

- This study discusses about how the organization sustains employee engagement with help of communication.
- The study also analyses how employee loyalty contributes to employee engagement.
- The study helps to understand the association of employee engagement with Leadership.

### ***Limitation of the study***

Employee engagement could be a complicated space as individual preferences play such a crucial role within the engagement method. One in every of the constraints of this study was that the info came from surveys crammed out by respondents severally that resulted in a most come back rate. If time constraints weren't such a prominent factor, the researcher may have opted for an in-depth questionnaire with open ended questions to utilize quantitative as well as qualitative analysis to survey the data.

### ***Review Literature***

#### ***Evolution of Employee Engagement***

(Rafferty, Maben, West and Robinson, 2005; Melcrum Publishing, 2005; Ellis and Sorensen, 2007) most hints relate employee engagement to survey houses and consultancies. It is less taken as an academic construct. The notion is relatively new for HRM and seemed in the literatures for about two decades.

(Robinson, Perryman and Hayday, 2004; Rafferty et al., 2005) employee engagement emanates from two concepts that have won academic acknowledgement and have been the subjects of empirical research-Commitment and Organizational Citizen Behavior (OCB). Employee engagement has likenesses to and commonalities with the above two concepts.

Robinson et al. (2004) state that neither compulsion nor OCB replicate adequately 2 options of engagement, and also the degree to that engaged workers are probable to own a section of business alertness.

#### ***Definition of Employee Engagement***

Perrin's Global Workforce Study (2003) uses the definition "employees' willingness and ability to help their company succeed, largely by providing discretionary effort on a sustainable basis."

Gallup as cited by Dernovsek (2008) likens Employee engagement to optimistic employees 'and emotional affection toward the employees leads to employees' commitment.

Robinson et al. (2004) outline worker engagement as "An engaged worker is responsive to business context, and works with colleagues to enhance performance among the duty for the good thing about the organization."

Fernandez (2007) shows the excellence between job satisfaction, the well-known construct in management, and engagement competitive that worker satisfaction isn't identical as worker engagement and since managers cannot

accept worker satisfaction to assist retain the simplest and also the brightest, worker engagement becomes a crucial thought.

(Dernovsek, 2008; Perrin, 2003; Ellis and chemist, 2007; Blessing White, 2008) the worldwide surveys conducted by survey homes and analysis organizations indicate that vital size of workers are disengaged being skeptical of any structure initiative or communication. Endres and Mancheno-Smoak (2008) because the previous expression goes “what you can’t live, you can’t manage”. Thus, there's a demand future researches, to outline engagement in clear terms to avoid interpretation by resulting users giving to the construct totally different meanings.

### ***Drivers of Employee Engagement***

Penna research report (2007) Employers at work has the potential to be valuable way of bringing employees nearer together to the benefit of both where employees as well as employers experience a sense of unit and the space between to be their own and the chance to make an impact.

Penna (2007) researchers have also come about a new model they called “Hierarchy of engagement” which is similar to Maslow’s need hierarchy model. In the bottom line there are basic needs of pay and benefits. When employee satisfied then the employee move towards growth opportunities, the prospect for promotion and then leadership style will be presented to understand the model.

The Blessing White (2006) Strong manager-employee relationship is a key element in the employee engagement and retention plan. Development Dimensions International (DDI, 2005) states that a manager must do five things to create a highly engaged workforce. They are:

1. Align efforts with strategy
2. Empower
3. Promote and encourage teamwork and collaboration
4. Help people grow and develop
5. Provide support and recognition where appropriate

The Towers Perrin Talent Report (2003) identifies the highest 10 work place attributes which is able to end in worker engagement. The highest 3 among the 10 drivers listed by Perrin are: Senior management’s interest in employees’ well-being, difficult work and deciding authority. Vance (2006) according to him, worker engagement is that the impact of individual qualities like information, skills, abilities, nature, attitudes and temperament, structure context which incorporates leadership, physical setting and social setting and HR practices that directly have an effect on the person, method and context elements of job performance. (Blessing White, 2006; Perrin Report, 2003)What happens when organization employees are disengaged? Or likely to be whirling, relaxing and excruciating, have far more hesitations about their organization in relations to customer satisfaction.

Meere (2005) based on the survey conducted by ISR on 360000 employees from 41 companies in the world's 10 economically strong countries finds that both operating margin and net profit margins reduced over a three year period in companies with low engagement, while these measures increased over the specified period in companies with high levels of engagement.

### ***Retention Practices***

(Chaminade, 2007) Retention is an intended step by an organization to generate an environment which engages employees for long term. Hendricks (2006) According to him employees with rare skills are in great demand by the South African government and becoming difficult to source them global level. When these sort of employees are eventually sourced, they turn out to be even harder for government to retain those employees.

(Gerhart, 1990) Existing research has addressed employee turnover from two distinct angles. The labour market perspective concentrates on turnover predictors that are primarily determined by the organization's external environment.

(Morrell, Loan Clarke, & Wilkinson, 2001) In contrast, the psychological perspective focuses on employees within the organizational context and their individual turnover decisions, thus investigating turnover antecedents that are more readily within an organization's immediate control.

(Maertz & Campion, 1998) whether an organization manages to avoid turnover or not will largely depend on the availability of internal retention incentives as well as the organization's propensity and ability to apply them. (Rousseau & Wade-Benzoni, 1994), attractive working conditions can prevent employees from developing negative job approaches in the first place and thus create a longer retention instrument.

(Williams, 1999., Griffeth et al., 1999; Lepak & Snell, 1999) These distinct employment relationships differ in terms of what constitutes functional retention for the organization and will require different retention practices to effectively retain employees. (Delery & Doty, 1996., Guest, 1997) Concealed to the classification of retention practices is the view that packs of HR practices result in more salient outcomes in terms of employee behaviour and organizational performance as it can be assumed that these practices display synergies.

### ***Anticipatory retention identifies in relational employment relationships***

(Koch & McGrath, 1996; Pfeffer, 1998) Organizations will place an important role on retention practices that help to prevent the turnover of their most valuable employees, thus aiming to create a high-retention environment. (Mitchell & Lee, 2001) Outcome of non-work factors such as individuals' interests and community activities may assist a firm to better adapt specific incentives (e.g. compensation plans) to employees' needs which will increase employees' fit with their nonwork environment and, in turn, boost retention.

## ***Research Methodology***

### ***Sampling Design***

For the study, the researcher chose hospitality industry which does not have a standard workman position and the respondents are not possibly available most of the time and also due to the time constrain for collecting the information inside the organization the researcher used Non – probability convenient sampling method to collect the data from the respondents.

### ***Sample Size***

The participants in this study were 80 employees working in different departments. The purpose of choosing different departments is to cover the employees of different work nature and to get the information from the major operating units in the organizations. This study investigates the existence and current level of employee engagement at the accord metropolitan hotel, Chennai.

### ***Questionnaire Design***

These five-point Likert scale was selected as the response mode for the questionnaire. For each of the measurements the respondents are asked to tell whether and how strong they agree or disagree with the suggestion that is made. This is done by choosing a number given on a five- point scale. The responses can then be given scores e.g. from 1 to 5 as was done in this research. Then the scores can be summed for each of the respondents in order to give attitudinal score for each question.

## ***DATA COLLECTION:***

### ***PRIMARY DATA***

Primary data was collected both survey method by distributing questionnaires to hospital employees. The questionnaires were carefully designed by taking into account the parameters of my study.

### ***KIND OF RESEARCH***

The researcher done by Empirical research.

This kind of research has the primary objective of development of insights into the problem.

Its studies the main area where the problem lies also tries to evaluate some appropriate courses of action.

### ***TOOLS OF ANALYSIS***

The data collected from both the sources is analyses and interpreted in the systematic manner with the help of statistical tool like percentage analysis and SPSS tool.

## ***DATA ANALYSIS***

***Table 1. Profile of respondents & their responses on Employee Engagement Activities.***

S.No.	Parameters	No. of Respondents	%		
1	Gender				
	<ul style="list-style-type: none"> <li>• Male</li> <li>• Female</li> </ul>	56 24	70 30		
2	Department				
	<ul style="list-style-type: none"> <li>• F&amp;B production</li> <li>• F&amp;B Service</li> <li>• House Keeping</li> <li>• Sales &amp; Marketing</li> <li>• Security</li> <li>• Human Resource</li> <li>• Finance</li> </ul>	15 15 14 3 5 2 11	19 19 17 4 6 2 14		
	3	Age			
		<ul style="list-style-type: none"> <li>• Age between 20 and 25</li> <li>• Age between 26 and 30</li> <li>• Age between 31 and 35</li> <li>• Age between 36 and 40</li> <li>• Age Greater than 40</li> </ul>	19 33 24 2 2	24 41 30 2 3	
		4	Level of Feeling energetic at work		
			Agree	40	50
			Strongly Agree	20	25
	Neither Agree nor Disagree	20	25		
5	Is Your Job inspiring				
	Agree	25	31		
	Strongly Agree	24	30		
	Neither Agree nor Disagree	31	39		
6	Sense of Fulfilment after completing the work				
	Agree	32	40		
	Strongly Agree	29	36		
	Neither Agree nor Disagree	19	24		
7	Are you happy to be a part of this organization				
	Agree	23	29		
	Strongly Agree	25	31		
	Neither Agree nor Disagree	32	40		
8	Willing to accept all sort of challenges at work				

	Agree	21	26
	Strongly Agree	33	41
	Neither Agree nor Disagree	26	33
9	Satisfied with the recognition by the organization		
	Agree	21	26
	Strongly Agree	30	38
	Neither Agree nor Disagree	29	36
10	Sense of belonging with the organization		
	Agree	26	32
	Strongly Agree	26	33
	Neither Agree nor Disagree	28	35
11	Concerned about the image of the organization		
	Agree	25	31
	Strongly Agree	30	38
	Neither Agree nor Disagree	25	31
12	willingness to recommend the company to potential new employees		
	Agree	29	36
	Strongly Agree	20	35
	Neither Agree nor Disagree	31	39
13	Often thinking about quitting the current job as soon as possible		
	Disagree	42	53
	Strongly Disagree	38	47
14	Planning to join new job as soon as possible		
	Disagree	32	40
	Strongly Disagree	48	60
15	Looking for a job in another organization		
	Disagree	34	43
	Strongly Disagree	46	57
16	Wish to stay in this organization in the near future		
	Agree	29	36
	Strongly Agree	20	25
	Neither Agree nor Disagree	31	39
17	Wish to leave the organization in near future		
	Disagree	32	40

	Strongly Disagree	48	60
18	The Relationship between me and my manager is a source of stress for me		
	Disagree	40	50
	Strongly Disagree	40	50
19	I have a mind set of "being here and now" when am at work		
	Disagree	28	35
	Strongly Disagree	52	65

**ANOVA TEST 1:**

**ANALYSIS BETWEEN EMPLOYEE ENGAGEMENT AND GENDER OF THE HOTEL EMPLOYEES.**

**NULL HYPOTHESIS:** There is no significant relationship between Employee Engagement and Gender.

**ALTERNATIVE HYPOTHESIS:** There is a significant relationship between Employee Engagement and Gender.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.182	1	.182	.327	.569 <sup>b</sup>
	Residual	43.490	78	.558		
	Total	43.672	79			

a. Dependent Variable: EngageActivity

b. Predictors: (Constant), What is your gender

**INTERPRETATION**

In the above ANOVA, presents the information about the whole model. This table includes the sum of squares, degrees of freedom, mean squares, the F-value and the observed significance value. When we will look at the Sig. value which will help us in determining if our condition means were relatively the same or if they were significantly different from one another. For factor one the sig. value is .569 which is more than our mean value of .05. Because of this, we can conclude that there is no statistically significant difference between employee engagement and employee retention.

**ANOVA TEST 2:**

**ANALYSIS BETWEEN EMPLOYEE ENGAGEMENT AND DEPARTMENT OF THE HOTEL EMPLOYEES.**

**NULL HYPOTHESIS:** There is no significant relationship between Employee Engagement and Department.



**ALTERNATIVE HYPOTHESIS:** There is a significant relationship between Employee Engagement and Department.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.112	1	.112	.201	.655 <sup>b</sup>
	Residual	43.560	78	.558		
	Total	43.672	79			

a. Dependent Variable: EngageActivity

b. Predictors: (Constant), What is your department

### INTERPRETATION

In the above ANOVA, presents the information about the whole model. This table includes the sum of squares, degrees of freedom, mean squares, the F-value and the observed significance value. When we will look at the Sig. value which will help us in determining if our condition means were relatively the same or if they were significantly different from one another. For factor one the sig. value is .655 which is more than our mean value of .05. Because of this, we can conclude that there is no statistically significant difference between employee engagement and employee retention.

### ANOVA TEST 3:

#### **ANALYSIS BETWEEN EMPLOYEE ENGAGEMENT AND EMPLOYEE RETENTION OF THE HOTEL EMPLOYEES.**

**NULL HYPOTHESIS:** There is no significant relationship between Employee Engagement and Employee Retention.

**ALTERNATIVE HYPOTHESIS:** There is a significant relationship between Employee Engagement and Employee Retention.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.522	1	.522	14.305	.000 <sup>b</sup>
	Residual	2.848	78	.037		
	Total	3.370	79			

a. Dependent Variable: Retention

b. Predictors: (Constant), Engagement

### INTERPRETATION

In the above ANOVA, presents the information about the whole model. This table includes the sum of squares, degrees of freedom, mean squares, the F-value and the observed significance value. When we will look at the Sig. value which will help us in determining if our condition means were relatively the same or if they were significantly different from one another. For factor one the sig. value is .000 which is less than our mean value of .05. Because of

this, we can conclude that there is a statistically significant difference between employee engagement and employee retention.

## FINDINGS

- According to the survey and the Regression Analysis, we can conclude that there is a statistically significant difference between employee engagement and employee retention.
- According to the survey and the Regression Analysis, we can conclude that there is no statistically significant difference between employee engagement and employee retention.
- According to the survey and the Regression Analysis, we can conclude that there is no statistically significant difference between employee engagement and Gender.

## SUGGESTIONS

- Giving adequate breaks and Rest time to employees is necessary to boost their performance and improve their retention level.
- Communicating the information to employees only through notice board will not be sufficient, employees should also be trained to use technology to update themselves and get the information.
- The supervisor should give adequate support to all the employees fairly and equally.
- Employees should use effective use of suggestion box to improvise both employees and organization growth.

## CONCLUSION

- Nearly 69% i.e., Majority of employees is Agreeing that employee engagement has an impact on employee retention.
- It is possible to retain the employees of the organization with proper implementation on employee's engagement activities.
- Employees with high involvement will also give their best performance to improve themselves as well as the organization.
- We can conclude it by stating that there is a statistically positive impact of employee engagement on employee retention in the organization.

## BIBLIOGRAPHY

1. Blessing White. (2006). Employee Engagement Report 2006 Blessing White, Inc. Princeton, New Jersey.
2. Clifton, James K. (2008). Engaging your employees: Six keys to understanding the new workplace. 2002 SHRM Foundation Thought Leaders Remarks. Society for Human Resource Management.
3. Coffman C. (2000). Is Your Company Bleeding Talent? How to become a true "employer of choice". The Gallup Management Journal, 2000. The Gallup Organization, Princeton, NJ.

4. Chaminade B (2007). A retention checklist: how do you rate, [www.humanresourcesmagazine.co.au](http://www.humanresourcesmagazine.co.au). Accessed, 28 November, 2007.
5. Carsten, J. M., & Spector, P. E. (1987). Unemployment, job satisfaction, and employee turnover: A meta-analytic test of the Muchinsky model. *Journal of Applied Psychology*, 72(3), 374-381.
6. Dernovsek D. (2008). Creating highly engaged and committed employee starts at the top and ends at the bottomline *Credit Union Magazine*, May 2008. Credit Union National Association, Inc.
7. Delery, J. E., & Doty, D. H. (1996). Modes of theorizing in strategic human resource management: Tests of universalistic, contingency, and configurationally performance predictions. *Academy of Management Journal*, 39(4), 802-835.
8. Ellis C. M., and Sorensen A. (2007). *Assessing Employee Engagement: The Key to Improving Productivity*. Perspectives, vol .15, Issue 1 The Segal Group, Inc.
9. Fernandez. C.P. (2007). Employee engagement. *Journal of Public Health Management and Practice*.
10. Gerhart, B. (1990). Voluntary turnover and alternative job opportunities. *Journal of Applied Psychology*, 75(5), 467-476.
11. Guest, D. E. (1997). Human resource management and performance: A review and research agenda. *International Journal of Human Resource Management*, 8(3), 263-276.
12. Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A meta-analysis of antecedents and correlates of employee turnover: Update, moderator tests, and research implications for the next millennium. *Journal of Management*, 26(3), 463-488.
13. Hendricks S (2006). Recruitment & retention of appropriately skilled people for the public service to meet the challenges of a developmental state. Conference of senior managers of the Free State Provincial government, local authorities, state agencies & the business sector. 29 – 31 August.
14. Julia Christensen Hughes Evelina Rog, (2008), "Talent management", *International Journal of Contemporary Hospitality Management*, Vol. 20 Iss 7 pp. 743 - 757.
15. Macey W.H and Schneider B. (2008). The Meaning of Employee Engagement. *Industrial and Organizational Psychology*, 1 (2008), 3-30.
16. Maertz, C. P., & Campion, M. A. (1998). 25 years of voluntary turnover research: A review and critique. In C. L. Cooper, & I. T. Robertson (Eds.), *International Review of Industrial and Organizational Psychology*, Vol. 13 (pp. 49-81). New York: Wiley.
17. Meere M. (2005). High cost of disengaged employees Victoria: Swinburne University of Technology.
18. Mehta, D., & Mehta, N. K. (2013). Employee engagement: A literature review. *Economia. Seria Management*, 16(2), 208-215.
19. Mitchell, T. R., & Lee, T. W. (2001). The unfolding model of voluntary turnover and job embeddedness: Foundations for a comprehensive theory of attachment. In B. M. Staw, & R. I. Sutton (Eds.), *Research in Organizational Behavior*, Vol. 23 (pp. 189-246). Greenwich, CT: JAI Press.

20. Morrell, K., Loan-Clarke, J., & Wilkinson, A. (2001). Unweaving leaving: The use of models in the management of employee turnover. *International Journal of Management Reviews*, 3(3), 219-244.
21. Heintzman R., and Marson B. (2005). People, service and trust: Links in a public sector service value chain. *International Review of Administrative Studies*, Vol 7 (4) December 2005, pp 549-575.
22. Holtom, B. C., Mitchell, T. R., Lee, T. W., & Inderrieden, E. J. (2005). Shocks as causes of turnover: What they are and how organizations can manage them. *Human Resource Management*, 44(3), 337-352
23. Perrin T. (2003). *Working Today: Understanding What Drives Employee Engagement*.
24. Penna (2007). *Meaning at Work Research Report*.
25. Rafferty A. M., Maben J., West E., and Robinson D. (2005). What makes a good employer? Issue Paper 3 International Council of Nurses Geneva.
26. Robinson D., Perryman S., and Hayday S. (2004). *The Drivers of Employee Engagement Report 408*, Institute for Employment Studies, UK.
27. Rousseau, D. M., & Wade-Benzoni, K. A. (1994). Linking strategy and human resource practice: How employee and customer contracts are created. *Human Resource Management*, 33(3), 463-489.
28. Vance R. J. (2006). *Employee Engagement and Commitment* SHRM Foundation, USA.