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Employee Turnover Intention And Its Impact On Organizational Performance In The Hospitality Industry

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Abstract: This study explores the phenomenon of employee turnover intention and its impact on organizational performance. Turnover intention, defined as an employee's conscious and deliberate willfulness to leave the organization, poses a significant challenge for organizations striving to retain talent and ensure operational efficiency. The research examines key influencing factors, including job satisfaction, organizational commitment, work environment, and career development opportunities. A structured questionnaire was administered to a randomly selected sample of 191 employees, and data were analyzed using SPSS software. Drawing on both qualitative and quantitative data, the study reveals that high turnover intentions can lead to reduced productivity, increased recruitment and training costs, and lower employee morale. The findings underscore the need for strategic human resource practices to mitigate turnover risks and foster workforce stability. The study concludes with practical recommendations for improving employee retention and sustaining organizational performance.

Keywords: Employee Turnover Intention, Organizational Performance, Human Resource Practices.

1. INTRODUCTION

Employee turnover intention represents the cognitive inclination of an employee to voluntarily leave an organization. While some turnover is inevitable, excessive attrition disrupts organizational functioning, increases costs, and weakens team dynamics. In the hospitality industry, where service quality is paramount, high turnover can impair customer satisfaction and brand reputation. This research explores the underlying causes of turnover intention and its impact on organization performances.

Employee turnover intention refers to an employee's self-stated likelihood or intent to leave their current job or organization within a certain timeframe. It is a crucial psychological precursor to actual turnover behaviour. While not all intentions result in departure, a strong correlation exists between turnover intention and actual resignations. Turnover intention is often used by organizations as an early warning sign to identify potential retention issues and to devise strategies to reduce actual turnover. Turnover intention, as opposed to actual turnover, is a crucial predictive metric. By understanding the factors that lead employees to consider leaving, organizations can proactively address root causes and improve retention. While turnover is a natural part of any organization, high levels of turnover intention can indicate underlying systemic issues that require attention.

2. NEED OF THE STUDY

The need of the study is to understand the factors that drive employees to leave the organization such as job satisfaction, work environment, leadership style and compensation, and other related aspects. This research will provide the how managing employee turnover effectively that can contribute to achieving organizational goals, improving productivity, and maintaining a competitive edge in the market.

2. OBJECTIVE OF THE STUDY

- To identify the key factors influencing turnover intention of employees in the organization.
- To study the extent of employee engagement practices on employee turnover intention.
- To know the impact of organization related factors on turnover intention and their subsequent impact on organizational performance.
- To analyse the various strategies that can be used in minimizing the employee turnover intention

4. REVIEW OF LITERATURE

Thrun (2024) links organizational commitment and workplace enjoyment to lower turnover by enhancing employee performance and satisfaction. Baltonado (2024) emphasizes the roles of employee engagement, job satisfaction, and structured reward systems in shaping turnover intention, while noting that gender and marital status do not moderate these relationships. Rehman (2024) highlights the importance of HR analytics in identifying dissatisfaction drivers and fostering organizational commitment to proactively manage retention.

Auyon (2024) presents a broad overview of individual and organizational factors influencing turnover across industries, calling for the development of universally effective retention strategies. Rehman and Thrun (2023) reinforce the use of HR analytics in enhancing workplace satisfaction and organizational commitment, leading to improved performance and reduced turnover risk. Srivastava and Suri (2023) propose a novel conceptual framework based on social exchange theory, identifying perceived organizational support as a key mediator between job crafting and turnover intention.

5. RESEARCH METHODOLOGY

The study uses a descriptive research design to examine the employee turnover intention and its impact of organizational performance. A sample size of 191 employees was selected using convenience sampling from a total population of 400. Data collection follows quantitative methods, and since the data is not normally distributed, non-parametric tools were applied for analysis.

6. DATA ANALYSIS AND INTERPRETATION

S.NO	CATEGORIES	SUB-CATEGORIES	NO. OF RESPONDENTS	PERCENTAGE %
1.	AGE	20 – 25	50	26
		26 – 30	60	32
		31 – 35	29	15
		36 – 40	25	13
		Above 40	27	14

2.	GENDER	Male	99	52
		Female	92	48
3.	EDUCATIONAL QUALIFICATION	HSLC	37	19
		DEGREE (UG/PG)	107	56
		OTHERS	47	25
4.	EXPERIENCE (in years)	0 – 5	38	20
		5 – 10	61	32
		10 – 15	55	28
		15 – 20	22	12
		Above 20	15	8
5.	INCOME	10,000 – 20,000	28	15
		20,000 – 30,000	68	35
		30,000 – 40,000	54	28
		40,000 – 50,000	26	14
		Above 50,000	15	8

7. STATISTICAL TOOL

7.1 CORRELATION:

(NULL HYPOTHESIS) H0: There is no significant difference between the employee's job dissatisfaction towards turnover intention.

(ALTERNATIVE HYPOTHESIS) H1: There is a significant difference between the employee's job dissatisfaction towards turnover intention.

	Mean	Std. Deviation	N
Age	2.58	1.374	191
Job Dissatisfaction	3.40	1.256	191

		Age	Job Dissatisfaction
Spearman's rho	Age	1.000	.046
	Correlation Coefficient		
	Sig. (2-tailed)	.	.531
	N	191	191
	Job Dissatisfaction	.046	1.000
	Correlation Coefficient		
	Sig. (2-tailed)	.531	.
	N	191	191

INFERENCE :

From the above test, it is inferred that the correlation method was used to examine the relationship between age and job dissatisfaction. It is observed that the variables are positively correlated, as the correlation coefficient is greater than 0. However, since the p-value is greater than 0.05 ($p = 0.531$), the result is not statistically significant. Therefore, the null hypothesis is accepted, and the alternative hypothesis is rejected.

7.2 KOLMOGOROV SMIRNOV TEST (K-S TEST)

NULL HYPOTHESIS (H0): There is no significant difference between the income and daily basis engagement

ALTERNATIVE HYPOTHESIS (H1): There is a significant difference between the income and daily basis engagement

		income	Daily basis
N		191	191
Normal Parameters	Mean	2.64	2.45
	Std. Deviation	1.128	1.263
Most Extreme Differences	Absolute	.219	.226
	Positive	.219	.226
	Negative	-.137	-.126
Kolmogorov-Smirnov Z		3.021	3.118
Asymp. Sig. (2-tailed)		.000	.000

CONCLUSION:

From the above test it is inferred that the Kolmogorov-Smirnov (K-S) Test was conducted on the sample data. The p-values for both variables (Income and Daily Basis) are 0.000, which are less than 0.05 ($p < 0.05$). Therefore, the null hypothesis is rejected.

7.3 MANN WHITNEY U TEST

H0 (Null Hypothesis): There is no significant difference between the mean ranks of gender with resolving workplace issues to reduce turnover.

H1 (Alternative Hypothesis): There is no significant difference between the mean ranks of gender with resolving workplace issues to reduce turnover.

Test Statistics

	Addressing workplace issues
Mann-Whitney U	4016.500
Wilcoxon W	10457.500
Z	-1.072
Asymp. Sig. (2-tailed)	.284

a. Grouping Variable: gender

CONCLUSION:

From the above test, it is inferred that the Mann–Whitney U Test was conducted on the sample data. The p-value (0.284) is greater than 0.05, which indicates that the result is not statistically significant. Therefore, the null hypothesis is accepted. Hence, there is no significant difference between the mean ranks of gender with respect to addressing workplace issues to reduce the turnover.

8. SUMMARY OF FINDINGS

- 32 % of the respondents are fall in 26 – 30 age group.
- 52 % of the respondents are Male.
- 75 % of the respondents are belong to DEGREE (UG / PG)
- 36 % of the respondents earn between ₹ 20,000 - ₹ 30,000 income range.
- 32 % of the respondents are relatively new to the organization which is 6 to 12 months.
- 29 % of the respondents are somewhat satisfied with their current roles, indicated a moderate level of satisfaction.
- 60 % of the respondents think work stress leads to turnover intentions.
- The correlation analysis revealed a positive but statistically insignificant relationship between age and job dissatisfaction. As a result, the null hypothesis is accepted, and the alternative hypothesis is rejected.
- 30 % of the respondents feel that while opportunities do exist, there is room for improvement in the organization.
- 32 % of the respondents identifying as moderately engaged in workplace on daily basis.
- The Kolmogorov-Smirnov (K-S) test showed that both Income and Daily Basis variables have indicating non-normal distribution. Hence, the null hypothesis is rejected, and non-parametric tests are deemed more suitable for further analysis.
- 34% of the respondents believe that these employee engagement practices as a significant factor in their decision to stay or leave the organization.
- 38 % of the respondents indicated that recent structural and technological changes as a factor increasing their intention to leave the organization.
- 36 % of the respondents stated that workplace conflicts, camaraderie, and management policies somewhat influence me to stay in the organization.
- 25 % of the respondents reported that disruptions in team cohesion affect them to a small extent to influence employee intention to leave their job.
- The Mann–Whitney U Test indicating no statistically significant difference. Therefore, the null hypothesis is accepted, suggesting that gender does not significantly influence efforts to address workplace issues to reduce turnover.

.9. SUGGESTIONS

- It is suggested that Understand the root causes of moderate job satisfaction.
- Implement job enrichment, flexible work arrangements, and enhanced benefits.
- Addressing job satisfaction increases satisfaction, reduces turnover, and improves performance.
- Boost engagement with regular feedback, recognition, and growth opportunities.
- Conduct surveys or focus groups to identify motivators and areas for improvement.
- Implement recognition, reward systems, and improve communication.

10. CONCLUSION

Employee turnover intention is a critical factor that directly influences organizational performance. The findings highlight that factors such as job dissatisfaction, work stress, workplace conflicts, and changes within the organization contribute significantly to employees' intentions to leave. When turnover rates are high, the organization faces several challenges, including increased recruitment and training costs, loss of experienced talent, and a disruption in team dynamics. These factors can create a ripple effect, lowering morale and diminishing overall productivity.

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