EMPLOYEE RETENTION IN THE TOURISM INDUSTRY OF CHINA AMID POST PANDEMIC TIMES

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ABSTRACT

Purpose: This research investigates employee retention in China's tourism industry, specifically within hotels. It explores the relationships between rewards, job satisfaction, employee engagement, and employee retention.

Methodology: Cross-sectional and questionnaires were distributed online in convenient ways to collect data and enable the respondent to provide their feedback anytime and from anywhere. It was a non-probability sampling where questionnaires were distributed to respondents in the tourism industry. A set of hypotheses arising from a theoretical model of employee retention was tested using SPSS.

Results and Conclusion: Empirical results revealed that all the variables significantly influenced employee retention. The research provides a clinical study on the relationship between employee retention with rewards, job satisfaction and employee engagement in the tourism industry of China, where the findings will benefit the industry and academic field as an additional review or reference for future research.

Implications of research: The study benefits both the tourism industry and academia. Employers can gain a better understanding of areas for improvement in their organizations to enhance performance and meet employee needs. Human resource managers can identify factors that foster employee retention in the tourism sector. Additionally, the study provides insights into workplace culture, policies, and processes.

Originality/Value: This study contributes to the literature by focusing on employee retention in China's tourism industry, shedding light on the critical factors of rewards, job satisfaction, and employee engagement. It serves as a valuable resource for industry practitioners and future researchers seeking to improve employee retention strategies in this sector.

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RETENÇÃO DE FUNCIONÁRIOS NA INDÚSTRIA DE TURISMO DA CHINA EM MEIO A TEMPOS PÓS-PANDEMIA

RESUMO

Finalidade: Esta pesquisa investiga a retenção de funcionários na indústria do turismo da China, especificamente em hotéis. Ele explora as relações entre recompensas, satisfação no trabalho, engajamento e retenção de funcionários.

Método: Os questionários e seções transversais foram distribuídos on-line de maneiras convenientes para coletar dados e permitir que o entrevistado formule seus comentários a qualquer momento e de qualquer lugar. Foi uma amostragem não probabilística onde questionários foram distribuídos aos entrevistados na indústria do turismo. Um conjunto de hipóteses decorrentes de um modelo teórico de retenção de funcionários foi testado usando SPSS.

Resultados e conclusão: Os resultados empíricos revelaram que todas as variáveis influenciaram significativamente a retenção dos funcionários. A pesquisa fornece um estudo clínico sobre a relação entre a retenção de funcionários com recompensas, satisfação no trabalho e envolvimento dos funcionários na indústria.

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Employee Retention in the Tourism Industry of China Amid Post Pandemic Times

INTRODUCTION

Employees are an asset to any organization (Rodrigues & Maria, 2019). Today, many organizations have placed much emphasis on the place of employees as they directly contribute to the overall realization of goals and objectives. According to Rodrigues and Maria (2019), the human side of an organization has become a key area of importance, especially in customer-centric business environments. This is particularly the case as employees are deeply attached to the goals and objectives of the organization (Gagne, 2018). In most cases, an organization...
with unhappy and unempowered employees never realizes the set goals and objectives. Consequently, delivering high service levels (or products) to the customers becomes elusive (Rodrigues and Maria, 2019).

Dechawatanapaisal, (2018) posits that retention of employees is the ability of an organization to keep an employee in and within the organization. Employee retention involves taking the right actions necessary to motivate employees and lure them to stay within the organization for a long time. Therefore, it is an effort that requires planning and organization (Molino, et al. 2020). All actions involving planning and organization of employee retention should generally cater for the employee's diverse needs to stay in the organization. Employee retention, therefore, refers to the continuous process of planned efforts where necessary actions are taken by the organization to retain skilled, well-informed, and capable employees (Dechawatanapaisal, 2018).

According to (Abdullah, et al., 2021), workers may decide to leave an organization when their work (or workplace) does not match their expectations. Interpersonal relationships also determine whether an employee will develop intentions to go or not (Fang, et al. 2018). Where interpersonal relationships in the organization (or department) are intricate, it may be difficult for employees to survive with coworkers and managers (Dechawatanapaisal, 2018; Abdullah, et al., 2021). Employees' intention to leave may also be triggered by an organization's available learning and training opportunities. Where an organization fails to provide opportunities to workers to learn, improving their skills and abilities becomes a challenge (Chiat, 2019). Other aspects that affect employee retention rate are dissatisfaction with work and pay (Fang, et al. 2018), the unattractiveness of the organization, lack of administrative support, job dissatisfaction and motivation, and availability of better options (Abdullah, et al., 2021).

Generally, low employee retention rates mean a direct loss of recruitment costs spent on exiting workers (Chiat, 2019). The lost labor endured when an employee leaves the organization and when a replacement is found to translate to lost productivity. New employees also need time to learn the job, which lowers the overall productivity of an organization (Abdullah et al., 2021). Since the assurance of getting better quality employees is not always guaranteed, the organization may be prompted to spend on the selection and training of new workers. Ultimately, this incurs extra costs to the organization, affecting the bottom line, especially when the retention rate is low. Therefore, this empirical study is keen to investigate based on the objectives below:
i. To determine the influence from the employee compensation on employee retention in the Tourism Industry of China.

ii. To determine the influence from the career development on employee retention in the Tourism Industry of China.

iii. To determine the influence from the job satisfaction on employee retention in the Tourism Industry of China.

LITERATURE REVIEW
Employee Retention

Employee retention is at the heart of every organization's success (Khalid & Nawab, 2018). This is why many organizations across industries take quality time to devise best practices and strategies for employee retention. The goals and objectives of employee retention strategies and practices in an organization are twofold (Khalid and Nawab, 2018). Firstly, they help reduce employee turnover. Secondly, they help the organization reduce expenses associated with hiring, recruiting, training, and orientation of new employees.

Generally, employees are an essential asset for an organization (Rodrigues and Maria, 2019). Therefore, for a healthy organization (in the long run), every organization should strive to retain its workers. Despite this being the case, high employee turnover has been a challenge for many organizations across different industries. For example, in the global tourism sector, employee turnover reached 38%, and by 2013, the rates had exceeded 55% (Olubiyi et al., 2019). This is also the trend for other competitive industries such as Information Technology (IT) and Tourism and Hospitality. Employee turnover influences many aspects of the organization. It affects profitability and overall customer satisfaction (Olubiyi et al., 2019). Where the turnover rate is high, aspects such as dynamism and creativity suffer. This means that the idea of retaining top talent in an organization is a vital source of competitive advantage.

The process of employee retention is linked to several organizational attributes (Kalyanamitra, et al. 2020). They include exciting work challenges, career growth and learning avenues, working relationships with great employees, fair employee compensation, and supportive management. Exciting work challenges and career growth significantly impact whether employees will decide to stay or leave their organization. With respect to these attributes, employers should therefore consider as many options as possible in retaining their employees (Kalyanamitra, et al. 2020). As a result, organizations will retain their workers while securing their loyalty and trust without losing sight of set goals and objectives.
Employees generally decide to stay in an organization for several reasons (Aburumman, et al. 2020). In most cases, employee retention is a question of employees motivated enough to stay than leave. Motivation may consist of various tools that lure employees into staying for as long as possible in an organization. Today, many organizations tend to leverage tools such as employee bonuses (Aburumman, et al. 2020). However, payment is not the only go-by tool that can keep employees around. There are other non-cash tools that are even more effective with long-term effects compared to financial incentives. It is essential for employees to perceive that they belong to the organization. Therefore, they need to be connected to the vision and the direction of the organization (Gagne, 2018). More importantly, they need quality ways of working together as a whole hence leading to more collaborations. This way, workers will be more satisfied with not only the organization but also with what they do.

**H1: Employee compensation influence on employee retention**

Effective employee compensation policies must be in place for an organization to keep the best talents for a maximum period (Madau, Nelesh, Phokela et al., 2018). Such policies should boost employees' perceptions of aspects such as productivity, personal well-being, and financial turnover. Generally, employees work for money (Kalyanamitra, et al. 2020). If an organization can provide a reasonable compensation scheme and other inducements to the workers, they will perceive that their effort is valued. As a result, they will stick with the organization for a long time. When examining compensation packages for potential positions, a high salary is the most noticeable and desirable quality. According to an article by Dechawatanapiasal (2018) is it stated "Fair Pay" by Entrepreneurs attracts the employee more besides, employee talent, experience, supply and demand, geography, and worker seniority all play a part in a competitive wage package in the tourism sector. When calculating an employee's salary, all four of these elements should be considered, and the pay should vary based on the job held, the difficulty of the task, and the length of time the worker has worked for the organization. Therefore, the tourism industry employees are more likely to remain with the company for a longer period if they feel that their work is valued.

**H2: Career development influence on employee retention**

According to Kalyanamitra, et al. (2020), top talents tend to stick with a particular organization if there is room for career development. In this regard, career development has also become a fundamental human resources management practice for retaining employees for as long as possible (Kalyanamitra, et al. 2020). Through career development, employees benefit through the experience of being able to achieve more results on new assignments. On the other
hand, organizations benefit by having capable employees with more skills hence increasing overall productivity (Adeoye & Egwakhe, 2019). Recognizing and responding to the employee’s needs will enable the organization to get the best out of them. Organizations that want to have a strong between with their employees must choose to invest in their development. Researchers from across the world, like Sitati et al. (2016), have examined how career development impacts employees' decisions to quit the tourism industry. The study was done using a survey methodology, with a sample of 213 people chosen at random. Four- and five-star hotels in Kenya hired most participants. The outcomes of the study indicated that while career development opportunities influence employee retention, job choice does not. Wages/salary and possibilities for advancement/career development were shown to be the most influential variables on employee turnover (Mdua et al., 2018). Organizations, in general, have a responsibility regarding the career development of their employees (Al-sharafi, Ezani, and Shah, 2018). Not only will an organization benefit by retaining its workers through career development but it will also improve overall productivity. There are several approaches that an organization can consider in supporting employees' career development. A good example is through career planning and career development programs (Al-sharafi, et al., 2018). An organization's career-centered programs may entail talent management, career development activities, performance appraisal, opportunities for promotion and (or) transfer, and succession.

**H3: Job satisfaction influence with employee retention**

The connection between job satisfaction and retention of employees has received much attention from researchers (Biason, 2020). This is because job satisfaction is a significant concern to the organization, mainly because it has a direct link to productivity, sustainability, and overall organizational efficiency. Job satisfaction is related to the way employees feel about their work and its associated aspects (Adeoye & Egwakhe, 2019). It relates to the degree to which employees love or hate what they do in each work situation. An organization can reach favorable levels of job satisfaction by ensuring that employees are comfortable both physically and psychologically (Al-Ali, Ameen, Isaac et al., 2019). This can be realized through many strategies. However, employee motivation strategies are effective as they keep employees satisfied every day (Biason, 2020). Aspects such as job content and autonomy are vital motivating factors linked to employees' job satisfaction. Where employees have the authority to, for example, participate in decision-making processes, they will be highly motivated to do their best for the organization's sake (Adeoye & Egwakhe, 2019). According to Al-sharafi et al., (2018), training is a major influence of whether employees are satisfied or not. Job
satisfaction is influenced by work-related, social and family, and organizational factors (Rodrigues & Maria, 2019). Increased job satisfaction is associated with occupations demanding greater effort. Empowerment has a positive effect on employee satisfaction, with a bigger effect on employees who interact directly with consumers than on those who do not (Li et al., 2018). Employees that interact directly with consumers are referred to as "customer-facing" personnel. Employees are happier with their occupations if they perceive their peers to be competent and open-minded (Pu & Sang, 2022). Few family-friendly managers exist in the hotel business, preventing employees from participating in family and social activities (Aburumman et al., 2020). Besides, there are certain attributes linked to the overall employee’s job dissatisfaction. Such may include absenteeism, lack of commitment towards work, and declining performance (Al-sharafi et al., 2018). Job satisfaction has been noticed as a mediator between employee’s negative behaviors (such as absenteeism and lack of commitment) and what the organization’s expect. The connection between job satisfaction and retention of employees has received much attention from researchers (Biason, 2020).

Figure 1 illustrates the conceptual framework adopted in this study.

Figure 1. Conceptual framework.

METHODS
Participants

This research used quantitative research methodology to investigate the job retention in the hotel industry of China in a deductive way under the positivism philosophy. The target population for this study was employees in the Tourism Industry of China. According to Textor
(2020), the industry has directly employed around 28.25 million people. Therefore, the target population can be described as the people who are working in the tourism industry of China or the ones who have experience of working in the tourism industry of China. The correct sample size required for the overall population is 384 samples, more than 1000000. The sample size used in this study included 400 employees drawn from the Hotel Industry of China. 400 sets of questionnaires will be distributed to the selected participants in the industry. As illustrated on the table, if the population is 827,200, the sample size to be considered should be 385 or above to retain the z-score probability above 95%. In this case, the author randomly selected 400 samples from the sample population.

Regarding Krejcie and Morgan (1970) sampling size of 384 is required to be statistically relevant for a population of over 1,000,000. To secure the minimum response requirement of 250 sampling sets, the researcher distributed at least 422 sets of questionnaires, as questionnaires collected in less than 250 sets will have resulted in a skewed result in the SPSS system.

Probability random sampling method utilized to collect the data from online survey among the sample population.

The data was collected via the distribution of a questionnaire to the respondent to answer through the internet. Questionnaires were converted into digital form and uploaded to google form/monkey survey for the ease of respondents to respond at any time and from anywhere. The questionnaire employed in this study was divided into three sections, separated by Part (A) demographic profile, (B) employee retention as the dependent variables, and followed by (C) independent variables, which include compensation, career development and job satisfaction. The study focused on measuring items in the questionnaire with a Likert Scale from 1-5 points (from strongly disagree =1 to strongly agree =5) to gauge the responses. Table 1 shows the summary of the questionnaire design for the study.

<table>
<thead>
<tr>
<th>Section</th>
<th>Variable</th>
<th>Item</th>
<th>Source</th>
<th>Adopted/Adapted</th>
<th>Why</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Demographic Profile</td>
<td>2</td>
<td>(Yaddanapudi &amp; Yaddanapudi, 2019)</td>
<td>Adopted</td>
<td>Demographic profiles such as age, gender, and education level associated with the influence factors have a direct relationship with the phenomenon.</td>
</tr>
<tr>
<td>B</td>
<td>Employee Retention (Dependent Variable)</td>
<td>5</td>
<td>(Yaddanapudi &amp; Yaddanapudi, 2019)</td>
<td>Adopted</td>
<td>The section is designed to study how the factors significant influence employee retention.</td>
</tr>
</tbody>
</table>
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Data Analysis

Table 2 highlights the response rate of 87%. A total of 400 sets of questionnaires were distributed with 29 sets of them spoilt due to data skewness. Therefore, 349 sets of data are being analyzed for the research.

Descriptive Statistics

Table 3 concluded the demographic section, which covers age, gender, education distribution and income distribution. It turns out that nearly half of the respondents (n = 160) are in the "21-30" age. Afterwards, 25.2% (n = 88) are in the "below 20" age group, and 16.3% (n = 57) are in the "41 to 50" year old age group, all of whom took part in the online survey.

It turns out that nearly half of the respondents are in the "21-30" age (45.8%). Afterwards, 25.2% are in the "below 20" age group, and 16.3% are in the "41 to 50" year old age group, all of whom took part in the online survey. Male led the profile where they took up half of the scale, 77.4%, while the female group was 22.6%. According to the result, there were 35.2% bachelor level respondents followed by 33.5% of high school level respondents. The total number of postgraduates was recorded as 19.8% followed by 11.2% respondents who have...
PhD or higher-level education background. In terms of income distribution those who have 50000 to 100000 CNY income per year occupied 37% followed by 32.4% of below 50000 annual income respondents. There were respectively 19.8% respondents who have 100000 to 200000 annual income or above.

Table 3. Demographic profile of respondents.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Frequency (n=337)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Distribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under 20 years old</td>
<td>88</td>
<td>25.2%</td>
</tr>
<tr>
<td>21 to 30 years old</td>
<td>160</td>
<td>45.8%</td>
</tr>
<tr>
<td>31 to 40 years old</td>
<td>36</td>
<td>10.3%</td>
</tr>
<tr>
<td>41 to 50 years old</td>
<td>57</td>
<td>16.3%</td>
</tr>
<tr>
<td>more than 50 years old</td>
<td>8</td>
<td>2.3%</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>270</td>
<td>77.4%</td>
</tr>
<tr>
<td>Female</td>
<td>79</td>
<td>22.6%</td>
</tr>
<tr>
<td><strong>Education Distribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school and below</td>
<td>117</td>
<td>33.5%</td>
</tr>
<tr>
<td>Bachelor</td>
<td>123</td>
<td>35.2%</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>69</td>
<td>19.8%</td>
</tr>
<tr>
<td>PhD or Higher</td>
<td>39</td>
<td>11.2%</td>
</tr>
<tr>
<td>RM14,000 and above</td>
<td>61</td>
<td>18.1%</td>
</tr>
<tr>
<td><strong>Income Distribution</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below 50,000</td>
<td>113</td>
<td>32.4%</td>
</tr>
<tr>
<td>50,000 to 100,000</td>
<td>129</td>
<td>37.0%</td>
</tr>
<tr>
<td>10,000 to 200,000</td>
<td>69</td>
<td>19.8%</td>
</tr>
<tr>
<td>Above 200,00</td>
<td>38</td>
<td>10.9%</td>
</tr>
</tbody>
</table>

Source: Authors own work

Reliability Test

The reliability analysis and factor analysis using SPSS (26.0) were performed to test measurements' reliability and validity. Daoud (2017) stated that the purpose of a reliability test is to determine the questionnaire's resilience and assess the computation stability and internal consistency in light of the data acquired for the study. Cronbach’s Alpha is likely probably the most widely used metric for determining the internal consistency of scale items where the value of 0.7 – 0.9 indicates an excellent and acceptable value. The reliability measurement of turnover intention and turnover intention by items with Cronbach’s Alpha value between 0.0.937 – 0.944(see Table 4), where the data show as highly reliable and meeting the rule of thumb. Overall, the value has met the minimum requirement of being above 0.7 with confirmation to proceed for further analysis as it is proven that the collected data is adequate, positively relatable and fit for the research.
Table 4. Reliability analysis results.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation</td>
<td>0.944</td>
</tr>
<tr>
<td>Career Development</td>
<td>0.951</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.937</td>
</tr>
</tbody>
</table>

Source: Authors own work

Table 5 Pearson Correlation analysis

<table>
<thead>
<tr>
<th>Construct</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Compensation</td>
<td>0.626</td>
</tr>
<tr>
<td>Career Development</td>
<td>0.625</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>0.715</td>
</tr>
</tbody>
</table>

Source: Authors own work

DISCUSSION

Hypothesis 1 is accepted based on the testing result, and it is proved that compensation does have a significant relationship with employee retention in tourism industry of China, with a p-value below 0.05. Individuals respond appropriately to relevant organizational interventions in terms of monetary rewards through a range of organizational behaviors such as commitment and strong organizational citizenship behavior (Park, et al., 2018). This finding is consistent with the postulation of social exchange theory which assumes that an employee will be favorably disposed to applicable organizational tasks and functions the person perceives fairness and parity in his/her pay structure. Aligning with the findings from Adom (2018); Chiekezie et al (2017); Lozie (2017); Nzewi et al (2015), the current focus on entry-level employees of banks in Nigeria brings additional perspective on the central role of compensation in retaining employees.

Based on the research findings, hypothesis 2 is accepted as there is a significant relationship between career development and turnover retention among Gen Y tourism industry of China, with a p-value below 0.05. The finding of this study is consistent with the literature evidence from many of the previous studies in terms of conceptualization and empirical evidence. From the perspective of conceptualization, this finding aligns with the results from Kakui et al (2014); Opadeyi and Akpan (2021) that career development is the systematic method of planning, training, developing and mentoring employees to align their career aspirations with organizational priorities and goals. Accordingly, there is a significant
connection between career development and employee retention such that employees will be favourably disposed to remain with an organization where career development is prioritized.

Hypothesis 3 was accepted as there is a significant relationship between job satisfaction and turnover retention among in tourism industry of China, with a p-value below 0.05. These results align with the literature review in chapter 2 that several studies have confirmed the link between job satisfaction and the likelihood of leaving the organization (Friesen et al., 2018; Li, Sawhney, & Tortorella, 2019). The employee believes that when his job provides him with undesired financial, emotional, or intellectual benefits, he may withdraw from his job, resulting in absenteeism and poor performance (Cherif, 2020).

LIMITATION /FUTURE RESEARCH AND CONCLUSION

This research quantitatively looked at what the factors are and how they affect the job retention at workplace in the context of hotel enterprises in China. From the past literature, the author identified factors and constructed a conceptual framework to demonstrate the hypothesis. The author further discussed the methodology used for this research and how the design of research can answer the research questions at the end of the paper. From the results, we understand all the factors (compensation, job satisfaction, career development) have a positive relationship to the job retention and their impact to the retention is significant.

However, this limitation is almost negligible. First, this research only aims at the hotel enterprises rather than the companies in other industries. Second, the male respondents were over 70% of the total respondents. In this case, there might be a bias from the answers of different genders. Thus, in the future, scholars could separate the attitude of different respondents based on their genders and also other socio-demographic characteristics to determine if they have significant differences in their opinion to the job retention in hotel industry of China. Due to the emphasis of the study on China's hotel industry, the findings cannot be generalized to other industries, such as China's banking sector, manufacturing sector, or insurance industry. To determine whether incentive management strategies influence staff retention in other Chinese industries, more study may be conducted.

The research's conclusions provide further information for the literature evaluation and, hopefully, will be useful for future research analysis. These research results showed a significant positive correlation between employee income, career development, and job satisfaction and China's employee retention in the travel and tourism sector. These findings provide a body of information that closes the gap in the literature and provides a foundation for
future scholarly investigations that take mediating factors into account when influencing turnover intention. The goal of this study is to increase employee commitment by focusing on employee retention in China's tourist business. It offers insights and understanding analysis on topics including employee salary, career advancement, and job happiness. organization will have a clearer grasp of what employees need and want, as well as where areas need development to boost organizational performance.

REFERENCES


