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Factors Affecting the Retention of Operational Employees in 5-star Hotels: A Case Study of Aetas Lumpini Hotel

Khewika Sukiam^{1*}
Patthamon Prasongdee²
Thananya Hompratum³
Chanon Deemongkol⁴
Nareenat Suwannatee⁵
Pannita Ketnook⁶

Faculty of Liberal Arts and Sciences
Kasetsart University, Kamphaeng Saen Campus
Nakhon Pathom, Thailand

*Corresponding author

¹Email: khewikasukiam@gmail.com

Abstract

This research identified factors affecting the retention of operational employees in 5-star hotels as a case study of Aetas Lumpini Hotel. The researchers examined the relationship of personal, internal and external factors with the employee retention at the operational level. Quantitative data were obtained from 60 voluntary hotel-staff respondents via a constructed questionnaire on three types of factors--personal, internal factors and external. The results revealed that the personal factor of *need for success* and the internal factor of *autonomy at work* were at the a very high level, while the external factor of geography was at a moderate level. It was expected that the hotel could use the obtained findings to adjust practices used by the human resource management department in retaining its quality personnel.

Keywords: *Retention, personal factors, internal factors, external factors, Aetas Lumpini Hotel*

1. Introduction

Kasikorn Research Center has reported new entrepreneurs investing in hotel construction since 2017 and the entry by new operators resulted in an increasing number of hotels in the market in Bangkok, Thailand. The competition in the hotel business market has become more intense in the hotel business market. As a result, hotel operators in the market have cautiously expanded their business. The issuance of construction permits for hotels across the country in the first three quarters of 2016 was 1,936 buildings, an increase of 68.51 percent from the first three quarters of 2015, reflecting the competition between hotel operators being intensified. It was found that the government agencies, private sector and international organizations tended to use the hotel business as a venue for various events as well--modifying the role of the hotel business from providing accommodation to hosting exhibits and conferences as well as organizing social events. With such new demands, it is necessary for hotel operators to have efficient human resources in support of different needs of service users. (Kasikorn Research Center, 2017).

Human resources are valuable capital and essential elements for the success of any business organization especially in the hotel industry, which is a large part in the global service industry. Most hotel employees provide services directly to the service users with customer satisfaction as their goal; success and differentiation in quality services depend on the skills, knowledge and competence of service providers. It requires service-minded operational staff and their willingness to provide quality services to impress guests and incoming visitors to different functions and events on hotel premises (Khansamrit, 2018; Prasitthikul, 2018).

The most valuable human resources in the hotel industry should be retained with the organization, consisting of lower level (entry level), a large number of semi-skilled and skilled staff as well as those at the management level (management). The human resource management in the hotel industry is an asset management in that all employees are to carry out their duties systematically while maintaining a continuous relationship with the organization to prevent a shortage of personnel in various types of work. Human resources are like the main raw materials for successful service and are an important part that makes customers satisfied. If each month, quite a number of employees resign, the overall picture throughout the year will end up with the loss of employees with different abilities, and inevitably result in more recruitment costs and time in training new employees to understand their responsibilities on various jobs. New employees need time to adapt themselves to the organization and they might decide to stay or leave if the operating system is not up to their expectation (Rommaneeyakul, 2018; Sarach, 2018; Sombatsri, 2018; Sudsuwanna, 2018). In this regard, the researchers would like to investigate the factors that affect employees' decision to stay or resign as a critical issue on the retention of employees in the hotel business. The investigation on the retention of employees in the hotel business in this study had its focus on a case study of a 5-star hotel in Bangkok—Aetas Lumpini Hotel that required research to support its human resource management department.

2. Objectives to Study

There were two research objectives:

1. To identify factors affecting the retention of operational employees in 5-star hotels as a case study of Aetas Lumpini Hotel.
2. To examine the relationship of the personal, internal and external factors with employees' retention at the operational level.

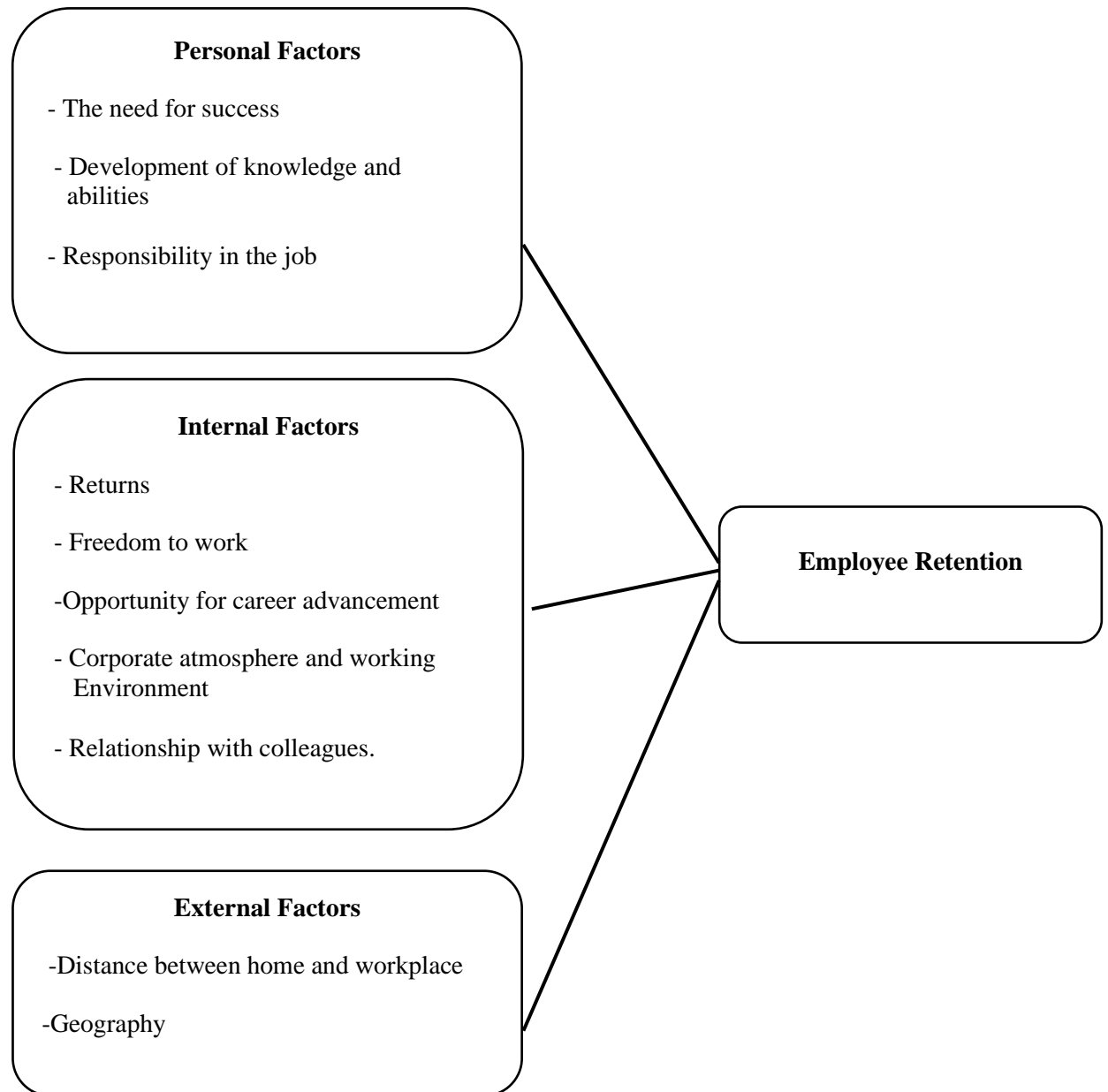
3. Scope of study

The scope of content covered three factors: (1) Personal factors dealing with need for success, knowledge development and job responsibilities; (2) Internal factors concerning freedom in work, opportunity for career advancement, corporate atmosphere, working environment and relationships with colleagues; and (3) External factors involving distance between home and workplace, and geography. The participants to respond to the constructed questionnaire were the personnel at the operational level of Aetas Lumpini Hotel in Bangkok.

4. The Conceptual Framework

The researchers developed a conceptual framework of three factors for the study as shown in Figure 1.

Figure 1: The Conceptual Framework



5. The Method of Study

The researchers constructed a questionnaire comprising the three factors—personal, internal and external, as affecting the retention of employees. The tool was validated by three experts in hospitality business also containing a part on demographic variables of the participating employees. The Item Objective Congruence (IOC) Index was pegged at 0.70 and Cronbach's Alpha reliability at 0.75. The questionnaire response data were collected in late 2022; the obtained data were analyzed for frequency, percentage, mean and standard deviation.

6. Results

The results of the study are reported in Tables 1-4.

Table 1 shows all 60 respondents' demographic variables:

Gender: Male = 20 (33.33%), 40 Female = 40 (66.67%)

Age: 21-25 years = 2 (3.33%), 26-30 years = 30 (50%), 31-35 years = 16 (26.67%),
36-45 years = 8 (13.33%), 41 years or more = 4 (6.67%).

Marital Status: Single = 42 (70%), Married = 10 (16.67%), Divorced = 2 (3.33%),
Separate = 6 (10%)

Level of Education: Secondary = 14 (23.33%), Vocational/Diploma = 18 (30%),
Bachelor's = 28 (46.67%)

Monthly Income: Less than 10,000 baht = 10 (16.66%), 10,000-20,000 baht = 20 (33.33%),
20,001-30,000 baht = 26 (43.33%), 30,001-40,000 = 2 (3.33%),
40,001-50,000 baht = 2 (3.33%)

Table 1: Demographic Variables of Respondents

Items	Frequency of Responses	Percentage
Gender.		
Male	20	33.33
Female	40	66.67
Total	60	100
Age		
21 – 25 years.	2	3.33
26 – 30 years.	30	50.00
31 – 35 years.	16	26.67
36 – 40 years.	8	13.33
41 years or older	4	6.67
Total	60	100
Marital Status		
Single.	42	70.00
Married.	10	16.67
Divorced.	2	3.33
Separated.	6	10.00
Other	0	0.00
(please specify).....		
Total	60	100
Education Level		
Secondary school	14	23.33
Diploma	18	30.00
Bachelor	28	46.67
Master	0	0
Dotorate	0	0
Total	60	100
Monthly income		
Less than 10,000 baht	10	16.66
10,000-20,000 baht	20	33.33
20,001-30,000 baht	26	43.33
30,001-40,000 baht	2	3.33
40,001-50,000 baht	2	3.33
More than 50,000 baht	0	0.00

Items	Frequency of Responses	Percentage
Total	60	100

Table 2 reports the overall picture of the personal factors at a high level with an average of 4.01, which could be separated into individual items as follows: *the need for success* was at a high level with an average of 4.17, followed by *responsibility in the job* at a high level with an average of 4.10, and finally, *development of knowledge and abilities* was at a high level with an average of 3.76.

Table 2: Analysis of Personal Factors

Personal Factors	\bar{X}	S.D.	Interpreted Results
1. Need for success	4.17	.71	high level
2. Development of knowledge and abilities	3.76	.79	high level
3. Responsibility in the job	4.10	.69	high level
Total	4.01	.73	high level

Table 3 displays the overview of the internal factors at a high level with an average of 3.92, which could be separated into individual items as follows: *freedom to work* was at a high level with an average of 4.31, followed by *returns* at a high level with an average of 4.00, *opportunity for career advancement* at a high level with an average of 3.81. The factor on *corporate atmosphere and working environment* was at a high level with an average of 3.80 and finally, the factor on *relationship with colleagues* was at a high level with an average of 3.70.

Table 3: Analysis of Internal Factors

Internal Factors	\bar{X}	S.D.	Interpreted Results
1. Returns	4.00	.66	high level
2. Freedom to work	4.31	.59	high level
3. Opportunity for career advancement	3.81	.69	high level
4. Corporate atmosphere and working environment	3.80	.72	high level
5. Relationship with colleagues	3.70	.87	high level
Total	3.92	.71	high level

Table 4 reveals that the overall picture of external factors at a moderate level with an average of 3.57, which could be separated into individual items as follows: the distance between home and workplace was at a moderate level with an average of 3.52, and the factor on geography was at a moderate level with an average of 3.76.

Table 4: Analysis of External Factors

External Factors	\bar{X}	S.D.	Interpreted Results
1. Distance between home and workplace	3.52	.87	moderate
2. Geography	3.61	.087	moderate
Total	3.57	.87	moderate

7. Discussion

The obtained findings on three interrelated factors--personal, internal and external--affecting the retention rate of the operational staff at Aetas Lumpini Hotel can be discussed as follows:

7.1 Personal Factors

The need for success was found at a high level; this point corresponded with the study by Dispao (2014) who identified factors affecting organizational commitment of employees at Mae Fah Luang Chiang Rai Airport that *the need for success* affected organizational engagement at a high level. The in-depth interview data in the present study pointed to most employees wanting to improve their work efficiency to be more competent at work.

As for the factor of *knowledge development*, it was found that the overall picture was at a high level. This point was different from the research finding reported earlier by Khantakam (2012) in that among the factors affecting organizational commitment and performance of private vocational college teachers in the central region, *knowledge development* did not affect their commitment to the organization. The in-depth interview data in the present study revealed that the organization should promote the development of knowledge and competency for employees, support the exchange of knowledge among colleagues particularly the work and methods the employees are responsible for, and provide training for a variety of skills to perform well on given tasks.

The factor of *job responsibility* was found in the overall picture at a high level. Dispao (2014) who studied factors affecting organizational commitment of employees at Mae Fah Luang Chiang Rai Airport also identified job responsibility as affecting organizational commitment at a high level. Similarly, Klongchoengsan (2013) studied job satisfaction in terms of motivation factors affecting employee dedication to the organization at SCG Building Materials Company, Limited, and found *job responsibility* as impacting employees' dedication to the organization. The questionnaire data in the present study pointed to the overall aspect of success in demand at a high level and the interview in-depth responses revealed that most employees had a clear scope of duties, opportunity to take on appropriate job responsibilities, and autonomy or abilities to plan and proceed at work without tight supervision

7.2 Internal Factors

The return/ reward factor was perceived at a high level by the employees under study; this point corresponded with the study by Aphibansri (2015) who examined the influence of human resource management on organizational commitment of the operational staff in the hotel business in three provinces—Mukdahan, Nakhon Phanom, and Nong Khai. The results of the study showed that *the returns* influenced the organization's commitment. Rakshue (2015) also found a similar result--studied the existence of craftsmen in small and medium enterprises and found *the rewards* affecting the retention of craftsmen in the MMC Industrial Estate. Ratnuam (2013) reported the relationship between organizational commitment and quality of working life of personnel of the Office of Promotion and Continuing Education, Prince of Songkla University at a high level. Khantakam (2012) also found a similar finding in that private vocational college teachers in the central region of Thailand perceived *the return* as affecting organization engagement and operational efficiency at a high level. Laohawiroj (2012) added that the staff of Kusumarn Subdistrict Municipality considered morale affecting their performance. The present study found *the return/ reward* had a moderate effect on the employees' work morale and the in-depth interviews found that salary/ welfare/ rewards/ bonuses must be appropriate to retain employees.

The researchers found the factor on *freedom of work* at a high level. Such a finding corresponded with the studies by Rakshue (2015) and Kongthon (2016) who asserted that *work autonomy* influenced organizational commitment at a high level. However, Janyasawatsri (2013) reported that work autonomy had a moderate influence on organizational commitment in the university context. The present study's interview data affirmed that the participating respondents valued independent work as well as shared roles when using new technologies at work.

As for *career advancement opportunities*, the participating respondents put them at a high level. Khantakam (2012) and Dispao (2014) earlier shared such a viewpoint in that private vocational college teachers in the central region of Thailand and university employees highly valued career opportunities offered by their organizations. In addition, Laohawiroj (2012) asserted that *career advancement opportunities* affected morale in the workplace. The present study's interview data signified opportunities for advancement, support from supervisors and colleagues, the positive work environment, and employees' involvement in various activities of the organization.

The factor on *organizational atmosphere and working environment* was perceived by the participating respondents at a high level in the present study. Khantakam (2012) and Janyasawatsri (2013) found similar results in that the studied employees in vocational college and universities perceived the *organizational atmosphere and work environment* as affecting organizational engagement as well as willingness to stay on the job. However, Laohawiroj (2012) emphasized the morale of the employees at Kusuman Subdistrict Municipality as affected by the working environment. To the interviewed participants in the present study, various environments within the organization, if appropriately equipped with modern and safe equipment should be able to satisfy workers to a great extent.

The factor on *relations with colleagues* was perceived at a high level by the participating respondents under study. This point was supported by three earlier studies--Khantakam (2012), Laohawiroj (2012) and Rakshue (2015)--in that the *relationships with colleagues* affected the retention of craftsmen, municipality employees, and vocational college/university teachers. Such positive relationships among employees accounted for work morale, organizational commitment, performance efficiency, and engagement with the organization. The obtained interview data in the present study pointed to the significance of the personal factors rendering good cooperation among colleagues in their operations, respect and willingness to listen and exchange information in work operations.

7.3 External Factors

The researchers found the factors of *distance between home and workplace* and *geography* perceived by the participating respondents at a moderate level. Such findings could be taken as the standpoint of employees that good jobs can attract them and they perhaps might be willing to relocate themselves for desired employment.

8. Recommendations and Suggestions

In this study, the researchers identified three factors—personal, internal, external—as affecting the retention of the operational staff in a five-star hotel under study. From the obtained results, seven individual items under the three factors accounted for what hotels should take into consideration: (i) the need for success, (ii) knowledge development, (iii) job responsibility, (iv) the return/ reward scheme, (v) career advancement opportunities, (vi) organizational atmosphere and working environment, and (vii) relations with colleagues. It is important for the human resource management department of a hotel to plan, set a relevant policy and implement the human resource development activities to retain quality employees to provide good services and in turn avoid unnecessarily high cost in recruiting and retraining new employees. Future research could focus on these individual factor items in support of efficiency in the hotel human resource management.

9. The Authors

Khewika Sukiam and the other five co-authors are lecturers in the BA Program in Tourism Innovation Program, Faculty of Liberal Arts and Sciences, Kasetsart University at Kamphaeng Saen Campus, Nakhon Pathom, Thailand. Currently, the authors have been working on the new department in service industry and language innovation. They share their research interest in the areas of community activities, human resource development, competencies in the hospitality industry, and language innovation.

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