The Impact of Work Life Balance on Job Satisfaction and Employee Retention of Operational Level Staff in the Hotel Industry

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Abstract

This research paper examines how work-life balance impacts job satisfaction and employee retention among operational level staff in the hotel industry. In the hotel industry, where staff members provide services to clients, maintaining high-quality and stable services is crucial for maintaining competitiveness. Effective employee retention is a key aspect of hotel human resource management, as it not only improves organizational performance but also reduces personnel costs. Achieving work-life balance poses significant challenges in the hotel industry, where work is demanding and often involves long hours and irregular schedules. Employees are a vital asset to hospitality organizations as they are central to the business's functioning and success. The lack of work-life balance can have a negative impact on performance, job satisfaction, turnover rates, health, organizational loyalty, and career longevity. Consequently, organizations prioritize work-life balance practices to maximize employee potential. This paper reviews existing literature, collects primary data through surveys and interviews, and employs statistical analysis to explore the relationship between work-life balance, job satisfaction, and employee retention. The study focuses on interns who have completed between half and one year of an internship at a tourist hotel and are about to graduate/complete their college. The findings of this study will assist hotel managers and human resource professionals in developing effective strategies to enhance work-life balance, improve job satisfaction, and increase employee retention rates among operational level staff. Retaining these employees within the organization can minimize training and recruitment costs, ultimately reducing the effort required to recruit new talent. The research results demonstrate that work-life balance, and job satisfaction have significant positive effects on employee retention. The study also emphasizes that a culture of work-life balance within the organization, rather than the mere availability of work-life balance practices, is the primary determinant of job satisfaction.

Keywords: work-life balance, job satisfaction, employee retention, hotel industry, operational level staff

1. Introduction

Since the early 1990s, researchers have regularly used work-life balance and job satisfaction as predictors of job and life happiness. The majority of studies have examined the direct and indirect effects of work-life balance (such as autonomy and work-life conflicts) on job satisfaction (Grolleau et al., 2022; MasMachuca et al., 2016). Some studies have specifically focused on work-life balance among women or female professionals with multiple roles (Dickson et al., 2021).

Human resource management (HRM) has always focused on attracting and retaining talent. In the hotel industry, which relies heavily on labor, high employee turnover rates pose a constant and challenging obstacle for hotel HRM. Low retention rates increase organizational costs and compromise competitive advantage. Therefore, enhancing employees' organizational commitment and boosting top employee retention are major

tasks for today's hospitality industry. Internships have become a significant source of labor for entry-level positions in the industry due to staff shortages. Research has shown that internships provide hands-on experience, improve professional competence, and increase employment opportunities for students, while also reducing hotel labor costs and burden.

Hotel interns typically handle frontline service jobs that involve frequent customer interaction and the management of various customer needs. The hospitality industry, compared to other service industries, experiences more intensive customer interaction. Some studies have revealed that students who have completed off-campus internships or graduated often choose to switch career paths rather than staying in the hospitality industry. Quality-oriented tourist hotels prioritize staff quality because it affects service quality, hotel profitability, and customer satisfaction.

The current era's technological advancements and societal changes continue to evolve (Astuti et al., 2021; Kaplan et al., 2021). These changes also apply to the generational shift happening in the workforce today. There are two distinct generations involved in the world of work: Generation X and Generation Y. Generation X comprises employees over 35 years old, while Generation Y dominates the workforce and falls within the 21-35 year age range (Bento et al., 2018; Lissitsa & Laor, 2021). Each generation has its own characteristics. Generation X tends to work towards economic and career stability and independence, while Generation Y, also known as Millennials, is characterized by their thirst for new challenges, curiosity, dynamism, and optimization of their potential (Betz, 2019; Dhanapal et al., 2015).

In comparison to earlier generations, Millennials value a better work-life balance (Gabrielova & Buchko, 2021; Majmundar et al., 2021). They are more inclined to work flexibly or prioritize achieving a balance between work and life (Cirillo et al., 2021; Tang et al., 2020). In recent years, studies on individual and organizational outcomes have gained significant attention, particularly during the pandemic. Employee turnover intention has become a crucial concern for organizational decision-makers. A high turnover rate reflects various issues within an organization, often related to personal

factors, the environment, or the organization itself. Job satisfaction issues, including work-life balance and job autonomy, are often cited as the main reasons for employees leaving their jobs (Charoensukmongkol, 2022; Sang et al., 2021).

Job autonomy refers to the extent to which employees have freedom in carrying out their responsibilities, allowing for flexibility and innovation (Fisher et al., 2009; Mas-Machuca et al., 2016). It has been found to have a positive impact on work-life balance. Job satisfaction is defined as the extent to which employees feel satisfied or accomplished in their work, based on their values and needs (Davidescu et al., 2020; Yuliandi & Tahir, 2019). Work-life balance plays a significant role in achieving satisfaction in all life domains, and its imbalance can lead to stress, non-constructive work attitudes, and burnout (Dickson et al., 2021; Tziner et al., 2015).

Organizations that prioritize work-life balance are preferred by potential employees and gain a reputation as employers of choice (Inegbedion et al., 2020; Sergeeva & Kortantamer, 2021). A person's good reflection of work-life balance (WLB) relates to their daily achievement and enjoyment in each of the four quadrants of life: work, family, friends, and self.

This study aims to examine the impact of work life balance on job satisfaction & employee retention of operational level staff in the hotel industry. Additionally, the researchers investigate whether work-life balance moderates the effect of job satisfaction on intention to stay. Ultimately, this study aims to provide human resource departments with valuable information to retain operational level employees.

2. Review Of Literature
2.1 Work Life Balance
Agha et al (2017) stated that work-life balance involves actively seeking the right equilibrium between work and personal life, and experiencing a sense of comfort regarding work commitment and family. According to the research findings, when personal life interferes with work or vice versa, it negatively affects job satisfaction. In the context of Millennials, work-life balance emerges as a priority in their lives (Kumar and Velmurugan, 2018). Both organizations and employees have shown specific attention to achieving balance between personal life and work, as highlighted by Kalliath and

Brough (2008). Numerous studies have also supported the significance of work-life balance.

Millennials tend to prioritize family over their careers, indicating a shift in orientation compared to previous generations. Instead of working in environments with extensive regulations, Millennials prefer workplaces that offer flexibility (Kaifi et al, 2012). Extensive research has emphasized the importance of work-life balance for Millennials. Buzza (2017) explained that although Millennials consider money important, work-life balance holds equal if not greater significance in their work lives. In an organization, maintaining a balanced condition between work and personal life leads to increased productivity for both employees and the organization itself (Garg and Yajuverdi, 2016). Kumar and Velmurugan (2018) highlighted that organizations can facilitate work-life balance through measures such as flexible working schedules, telecommuting facilities, and family-friendly work environments. Employees who perceive proper facilitation in these areas are more likely to remain with the organization. Additionally, the company's image is shaped as one that supports employee welfare, making it an attractive choice for the future workforce.

2.2 Job Satisfaction

Imran et al. (2014) conducted research that establishes job satisfaction as the feeling or opinion of somebody within the organization or company about their job. Thiagaraj and Thangaswamy (2017) defined job satisfaction as a pleasurable emotional condition resulting from someone's evaluation of their job performance and achievements. The degree of job satisfaction is influenced by various factors, including personal factors (age, education, and work experience), job factors (type of work, required skills, responsibilities, and job status), as well as management-related factors such as salary, working environment, benefits, security, and promotion opportunities.

Employees' satisfaction with their job holds significant importance within an organization. Employees with a high degree of job satisfaction tend to demonstrate greater loyalty and stay committed to the organization, even during challenging times. Inda (2016) emphasized the substantial impact of job satisfaction on employee retention within an organization, even when considering factors such as a facilitating work environment, competitive salary, and other variables. Similarly, Javed and Balouch (2014) conducted research that revealed employees' intention to leave the organization when their job satisfaction reaches its lowest point.

Furthermore, job satisfaction extends beyond employee retention and influences other aspects such as employee productivity and organizational performance, both financially and non-financially. Organizations with high levels of job satisfaction strive to retain their top talent to minimize investments in replacing senior employees, including recruitment costs, training expenses, and third-party recruitment fees, thus enabling them to remain competitive in the market.

2.3 Employee Retention

Priya (2019) defined employee retention as the act of ensuring that personnel choose to continue their association or employment with the company for an extended period or until the completion of a project. Organizations face the significant challenge of not only managing these resources but also retaining them. Securing and retaining skilled employees play a crucial role in any organization as their knowledge and skills are essential for the company's economic competitiveness. Kumar and Mathimaran (2017) emphasized the importance of successful employee retention for an organization's strength, growth, and revenue. Retaining talented employees within a group is a major task faced by employers today. In the current era of cut-throat competition, every organization strives to provide the best services to its employees. Retaining human resources has become one of the most challenging tasks in today's business world due to the competition for scarce skills. Attracting and retaining quality employees is considered the most significant challenge in organizations. Baskaran, Mahadi, Woo, and Yaakop (2020) further defined employee retention as the organization's effort to create and maintain a work environment that motivates employees to stay. Employee retention is crucial as it offers many benefits to the company. Nowadays, many companies focus on employee retention policies that address their employees' needs, improve work satisfaction, and encourage them to stay with the organization for an extended period.

Ali, Hussain, and Rahman (2020) identified several characteristics of employee retention. They stated that creating a physically comfortable and socially enhancing fun atmosphere in the firm increases employees' commitment to stay. Appropriate scheduling and working hours also contribute to employee retention. Providing opportunities for employees to learn, grow, and enhance their careers is another crucial factor that influences their intent to stay. Empowering employees through increased responsibility and recognition is considered a key determinant of retention. Other factors such as good leadership, quality management, favorable working conditions, and work-life balance also contribute to successful employee retention. It is important to recognize that different personalities have different demands and expectations from the organization, so there is no one-size-fits-all retention strategy. Industries should consider these factors as means to reduce turnover and improve retention. On the other hand, Msengeti and Obwogi (2015) noted that employers can pursue positive turnover by focusing on retaining only those employees whom they consider to be high performers.

2.4 Relationship between Work Life Balance, Job Satisfaction & Employee Retention

Recent research has highlighted the significance of work-life balance in attracting and retaining talent. Work-life balance refers to employees achieving equilibrium between their work, home, and other life roles. It entails experiencing satisfactory outcomes in all areas of life, which necessitates an equitable distribution of personal resources such as energy, time, and commitment. If employees face excessive responsibilities, pressures, or obligations at work, coupled with long working hours and uneven resource allocation, it can adversely impact their quality of life, leading to physical and mental strain. Consequently, organizational management must prioritize the employee mentality of work-life balance. Greenhaus and Beutell (1985) have identified work-life imbalances as contributors to reduced productivity, low morale, tardiness, absenteeism, and potentially higher employee turnover. Conversely, maintaining a healthy balance between work and personal life benefits both the company and its employees in the long term. Hayman's (2005) study defines work-life balance as the psychological satisfaction of individuals and its comprehensive enhancement of self-efficacy. Work-life balance exhibits a negative correlation with overtime work and the number of working hours, with the imbalance between work and life having a detrimental effect on employee willingness to stay and work productivity (Lyness et al.). Organizational commitment and growth play a critical role in an individual's career advancement, fulfilling societal obligations, social responsibilities, and allocating time for the well-being of society. Simultaneously, personal commitment to self-development and maintaining good health are essential for a peaceful life. Mismanagement of personal, societal, and organizational commitments can result in serious consequences in each domain. While definitions and explanations may vary, work-life balance generally pertains to maintaining a sense of harmony and equilibrium in life. Malone and Issa (2012) have identified an individual's level of organizational commitment as a reliable predictor of employee turnover, with work-life balance exerting a decisive impact on overall job satisfaction, organizational commitment, and the willingness to remain in a position. Poor work-life balance adversely affects employees' health, well-being, and organizational performance, leading to higher levels of stress and increased turnover intentions. Thus, employees' ability to achieve work-life balance with organizational support fosters higher job engagement, increased commitment, improved job performance, and a good employee retention rate.

2.5 Theoretical Framework

Based on the elaboration in Literature Review, the developed theoretical framework is as follows:
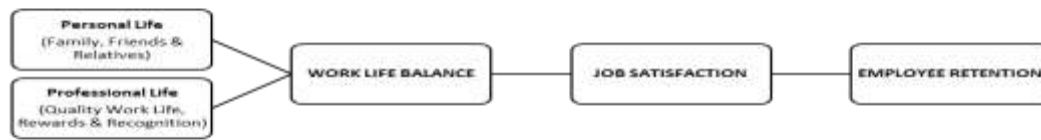
3. Research Design/ Methodology

The research design for this study will employ a qualitative approach to explore the impact of work-life balance on job satisfaction and employee retention in the operational level of the hotel industry. A qualitative research design allows for an in-depth exploration of participants' experiences, perceptions, and attitudes towards work-life balance, job satisfaction, and employee retention. The data were collected through interviews, observations, relevant documents & records. Thematic analysis were employed to analyze the qualitative data collected from interviews, observations, and documents. The analysis involves identifying recurring themes, patterns, and meanings within the data. The data were categorized to develop a comprehensive understanding of the impact of work-life balance on job satisfaction and employee retention.

4. Result & Discussion

These findings have important implications for various stakeholders, including businesses and academics. For businesses like hotels, it is crucial to consider policies and strategies that can effectively retain Millennial employees. Some potential measures to consider are implementing flexible work arrangements, such as working from home, offering birthday leave and paternity leave. Quality work life i.e. Equilibrium between Personal life & Professional life positively influences Work life balance which leads to Job satisfaction and ultimately increases the employee retention rate in the Hotels. The implications for managers are that interns' perception of Quality work life can impact their intention to stay with the organization. Therefore, when a hotel aligns its goals, welfare, vision, and work environment with the interns' needs, it can elicit a higher level of organizational commitment from them. This suggests that interns with higher organizational commitment are more likely to stay and work for their hotels. Consequently, hotels should prioritize comprehensive education and training, value intern development, establish a rotation system, foster organizational solidarity among interns, and cultivate a positive brand image to enhance organizational commitment and promote retention. Furthermore, work life balance was found to have a significant and positive influence on employee retention, consistent with studies by Robinson et al. and Tang et al. The managerial implication is that interns' perception of job satisfaction affects their intention to stay, and when a hotel's goals, welfare, vision, and work environment closely align with employees' needs, interns are more inclined to stay after completing their internship. Therefore, hotels should implement effective policies that enhance interns' identification with the organization, as it leads to higher organizational commitment and greater intention to stay. Improving work–life balance enhances interns' satisfaction with their self-efficacy and service quality, subsequently boosting organizational commitment and willingness to stay. For managers, this finding highlights the importance of offering a good work–life balance to interns, which not only fosters their identification with the hotel but also improves productivity and job satisfaction. This approach facilitates interns' acceptance of various hotel policies, ultimately strengthening their organizational commitment and intention to stay.

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