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FACTORS AFFECTING ON EMPLOYEE RETENTION:
A STUDY WITH REFERENCE TO LAYA HOTELS

By

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ABSTRACT

1. Human resources are the life-blood of any organization. One of the main challenges that the organization facing is retention of their employees. Organizations are engaging in designing and implementing various means such as training programmes, career development programmes, educational seminars and proper compensation strategies in order to retain their employees. There is a huge competition in the market because of the development of economy of the country. Accordingly many avenues and opportunities have been opened for the human resources. Securing and retaining skilled employees play an important role for any organization. The reason for that is employees' knowledge and skills are central to companies' ability to be economically competitive in the market. Due to the ever expanding nature of the hotel industry, retaining of experienced employees thus has become even more important.

2. This study investigates the factors affecting on employee retention in the hotel sector in Sri Lanka. The sample consists of 80 middle level civilian employees who are currently working in four hotels of Army owned Laya chain of hotels. The primary data was collected through a questionnaire survey. Descriptive statistics, correlation analysis and multiple regression analysis were utilized as main analyzing techniques. The results of the study indicates that financial motivation is the most significant factor that affect in deciding retention of employees in the hotel sector. Non-financial motivation and career management also are positively influenced on employee retention as per the results. Moreover, there is no much difference identified in the responses as gender wise. There is no considerable variation among the age categories regarding the employee retention. At the same time there is no considerable difference among the experience groups towards employee retention and majority in all experience categories has positive and neutral attitudes towards employee retention. The study reveals that importance of retention strategy which should address employees' dynamic needs to retain effective employees in the hotel sector in Sri Lanka and requirement of better career management plan for an organization.

Key words: Employee retention, career management, financial motivation, Non-financial motivation.