

## Employee retention and its role in improving guest satisfaction in hotels in Mumbai

Palak<sup>1</sup> and Dr. Vibhor Jain<sup>2</sup>

<sup>1</sup> Research Scholar, TMIMT, Teerthanker Mahaveer University, Moradabad-India

<sup>2</sup> Associate Professor, TMIMT, Teerthanker Mahaveer University, Moradabad-India

Correspondence: Palak, Email: [palakrajput254@gmail.com](mailto:palakrajput254@gmail.com)

**Abstract---**Hotel staff retention is critical in enhancing guest experience. The hospitality industry is renowned for its divide in service quality retention and employing high turnover rates for service staff. Employee retention is connected with service consistency and customer satisfaction. This research was conducted through a descriptive research approach and a structured questionnaire was sent to 200 employees of a particular hotel. The data from the employees demonstrate a correlation between lower turnover and work-life balance, remuneration, recognition for work done, and advancement in their career. The data also suggests that longer the tenure of employees stronger is their personal rapport with the customer which ensures a stable service. Reliability testing showed high internal consistency, and normality tests confirmed that parametric methods could be applied. Hypothesis testing revealed a strong positive link between employee retention and guest satisfaction. It also showed that frequent turnover negatively affects service consistency. Long-serving staff significantly improved guest interactions compared to newer employees. In conclusion, retaining staff is not just beneficial for employee morale but also a strategic move to enhance service quality and build guest loyalty. The study recommends investing in employee development, recognizing staff contributions, and offering clear career paths to reduce turnover in Mumbai's hotel industry.

**Keywords---**Employee Retention, Guest Satisfaction, Service Consistency, Hotel Industry and Hospitality Workforce.

### INTRODUCTION:

In the competitive world of hospitality, hotels constantly strive to deliver exceptional guest experiences. One critical, yet sometimes overlooked, factor that directly influences guest satisfaction is the retention of skilled and dedicated employees. High employee turnover has become a significant challenge for

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hotel managers, especially in a labor-intensive industry where personalized service and emotional connection play a central role in shaping the guest experience. When employees frequently leave, it disrupts service continuity, weakens staff morale, and places a strain on training resources. On the other hand, when employees feel valued and are encouraged to stay with an organization for the long term, they develop a deeper understanding of guest preferences, hotel standards, and internal workflows, allowing them to deliver consistently high-quality service. This bond of familiarity and trust between long-serving employees and guests often results in more personalized interactions, faster problem resolution, and a welcoming atmosphere that keeps guests returning. Furthermore, experienced staff tend to mentor newer team members, fostering a culture of collaboration and excellence across departments. Several studies have indicated that a stable and motivated workforce contributes positively to customer satisfaction scores, online reviews, and even financial performance (Choi & Dickson, 2010; Guchait & Cho, 2010). As the hotel industry becomes more dynamic and guest expectations evolve, retaining capable employees is no longer just a human resource goal—it becomes a strategic necessity. Retention strategies tailored to the unique needs of hospitality staff can create a more engaged workforce, which is essential for maintaining service quality and building guest loyalty. In essence, hotels that invest in their people are, in turn, investing in their guests' experiences. The purpose of this paper is to explore how employee retention practices can enhance guest satisfaction, by analyzing the interplay between employee engagement, service consistency, and customer feedback within the hospitality context.

***In Mumbai's fast-paced hospitality industry***, delivering consistent guest satisfaction heavily relies on retaining skilled hotel staff. With high employee turnover common in the sector, hotels face challenges in maintaining service quality and building strong guest relationships. Longer staff members have a deeper comprehension of visitor preferences and help create a more individualized and dependable service experience. This continuity not only enhances guest satisfaction but also supports the hotel's reputation in a competitive market. Exploring employee retention in Mumbai's hotel sector offers valuable insights into improving service delivery and fostering guest loyalty (Choi & Dickson, 2010; Kusluvan et al., 2010).

***Employee retention*** refers to the capacity of a company to retain its valuable personnel over time and is known as employee retention. In today's competitive and fast-paced work environment, retaining skilled staff has become a top priority for businesses across all industries. When employees stay longer, they gain experience, contribute more effectively, and strengthen workplace culture. High retention not only saves recruitment and training costs but also enhances productivity and customer satisfaction. Understanding what motivates employees to remain loyal—such as recognition, growth opportunities, and supportive leadership—is essential for long-term success (Hom et al., 2017).

***Guest satisfaction*** plays a central role in the success and reputation of any hotel. It is not only a reflection of the quality of services provided but also a key factor influencing customer loyalty, positive reviews, and repeat business. In the hospitality sector, where service is often personalized and emotionally driven, every interaction between staff and guests can leave a lasting impression. Clean rooms and modern amenities matter, but it's the warmth, attentiveness, and professionalism of the hotel staff that truly elevate a guest's experience. As competition among hotels intensifies, delivering exceptional service has become more than a goal—it's a necessity. Guests expect not only comfort but also to feel genuinely valued and cared for. Understanding and consistently meeting these expectations requires well-trained, motivated, and committed employees. Therefore, the role of staff in creating memorable guest experiences cannot be overlooked. The reputation and profitability of the hotel are directly impacted by the general level of guest happiness, which is increased by every smile, prompt answer, and helpful gesture. (Pizam & Ellis, 1999; Kandampully et al., 2001). This highlights the importance of focusing on service quality through staff engagement and retention as a strategic move toward improving guest satisfaction.

### NEED FOR THE RESEARCH:

1. **High Staff Turnover Disrupts Service Quality :** Among service industries, the hospitality sector—and hotels in particular—has one of the highest rates of employee turnover. Frequent exits of trained staff interrupt the consistency of service, making it difficult for hotels to maintain high guest satisfaction levels. Understanding how employee retention stabilizes service delivery is vital for improving guest experiences (Tracey & Hinkin, 2008).
2. **Guest Satisfaction is Linked to Employee Experience :** Guests often evaluate their stay based on their interactions with hotel staff. Employees who feel respected, supported, and satisfied in their roles are more likely to show enthusiasm and provide thoughtful service. Studying retention helps uncover how an engaged workforce influences positive guest feedback and loyalty (Chi & Gursoy, 2009).
3. **Training Costs and Service Gaps Strain Hotel Operations :** Constant hiring and training of new employees require time, money, and effort—resources that could otherwise be used to enhance guest services. Research on retention helps identify strategies to reduce such costs and improve long-term service quality through a more stable workforce (Walsh & Taylor, 2007).
4. **Employee Loyalty Builds Personalized Guest Relationships :** Long-serving employees tend to recognize returning guests, understand their preferences, and build rapport over time. This emotional connection can significantly improve the overall guest experience. Research is needed to explore how retaining such employees contributes to increased guest satisfaction and repeat visits (Kusluvan et al., 2010).

### LITERATURE REVIEW:

**Pandey & Grover (2016)** conducted a comprehensive review highlighting the pressing need for effective employee retention strategies in India's hotel sector. They observed that the dynamic nature of the hospitality industry, coupled with increasing customer expectations, necessitates a stable and skilled workforce. Their study emphasizes that retaining competent employees is crucial for maintaining service quality and ensuring guest satisfaction. The authors advocate for tailored retention strategies that address the unique challenges of the Indian hotel industry.

**Chawla & Singla (2021)** examined a number of variables influencing employee retention in the hotel industry in India. According to their study, work-life balance, professional growth chances, leadership caliber, and organizational culture all have a big impact on an employee's decision to stay. The study suggests that hotels focusing on these areas can reduce turnover rates and enhance guest experiences through consistent service delivery.

**Singh & Amandeep (2017)** examined the repercussions of high employee turnover in New Delhi's hotel industry. They found that frequent staff changes disrupt service consistency, leading to diminished guest satisfaction and potential revenue losses. The study emphasizes how crucial it is to put in place efficient retention tactics in order to preserve service quality and protect the hotel's image.

**Chauhan & Guleria (2023)** study delves into the retention practices prevalent in Indian hotels. They highlight that competitive compensation, recognition programs, and opportunities for professional growth are pivotal in retaining talent. The authors argue that such practices not only reduce turnover but also enhance guest satisfaction by ensuring experienced staff cater to guests' needs.

**Laghane & Deshmukh (2012)** provided insights into retention management within India's hospitality sector. Their research indicates that high attrition rates are often due to inadequate training, lack of career progression, and insufficient employee engagement. They recommend structured training programs and clear career pathways to enhance employee satisfaction and retention, ultimately leading to improved guest experiences.

## RESEARCH METHODOLOGY

### Research Problem Statement

In Mumbai's competitive hospitality sector, hotels strive to offer exceptional guest experiences. However, high employee turnover continues to disrupt service consistency and affect guest satisfaction. Understanding how retaining experienced staff can improve service delivery and influence customer satisfaction is essential for hotel management in a city where customer expectations are constantly rising.

### Research Objectives:

- To explore the impact of long-term employees on guest experience.
- To understand how staff turnover affects service consistency in hotels.
- To study the link between employee retention and customer satisfaction scores.

### Research Design

In order to monitor, characterize, and evaluate trends pertaining to staff retention and visitor satisfaction without changing any factors, this study uses a descriptive research approach.

### Data Collection Methods

- **Primary Data:** To get first-hand knowledge, a standardized questionnaire was given to hotel employees and visitors.
- **Secondary Data:** Sourced from journals, research articles, hospitality industry reports, and reputable websites to support and compare primary findings.

### Sampling Plan

- **Sampling Method:** The use of non-probability convenience sampling made it simple to find respondents in Mumbai's hotel sector.
- **Sample Size:** 200 people in all were chosen to participate in the poll.
- **Sampling Area:** The study focuses specifically on hotels located in **Mumbai City**.

### Statistical Tools Used

To analyze the collected data, the following statistical tools will be applied:

- **Frequency Analysis** to summarize respondent profiles and responses.
- **Descriptive Statistics** to interpret trends, averages, and patterns in guest satisfaction and staff retention.

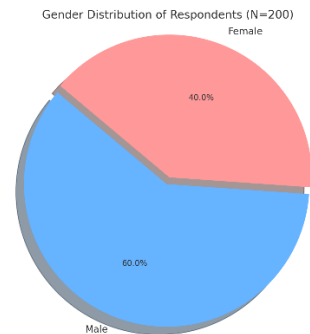
### Hypotheses

Based on the study's objectives, the following hypotheses are proposed:

- **H1:** There is a significant positive relationship between employee retention and guest satisfaction in hotels.
- **H2:** Frequent employee turnover negatively impacts service consistency in Mumbai hotels.
- **H3:** Long-term employees contribute more effectively to personalized guest experiences compared to newer staff.

**DATA ANALYSIS & INTERPRETATION:****Gender**

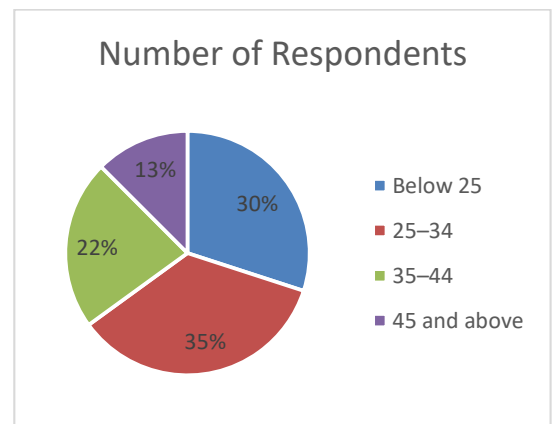
<b>Gender</b>	<b>Particular</b>	<b>Percentage (%)</b>
Male	120	60%
Female	80	40%
<b>Total</b>	<b>200</b>	<b>100%</b>



The survey reveals a noticeable gender difference among hotel employees in Mumbai. Out of the 200 participants, **60% were male** and **40% were female**.

**Age Group**

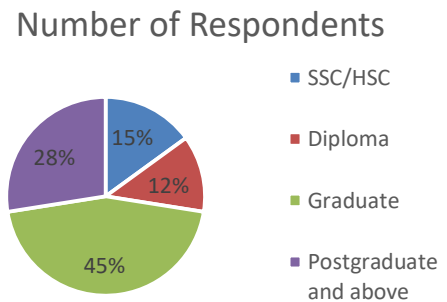
<b>Age Group</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Below 25	60	30%
25–34	70	35%
35–44	45	22.5%
45 and above	25	12.5%
<b>Total</b>	<b>200</b>	<b>100%</b>



The majority of responses were received from individuals aged between 25 and 34, followed by the under-25 group. This indicates that younger age groups were more active and willing to participate in the survey.

**Educational Qualification**

<b>Educational Level</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
SSC/HSC	30	15%
Diploma	25	12.5%
Graduate	90	45%
Postgraduate and above	55	27.5%
<b>Total</b>	<b>200</b>	<b>100%</b>

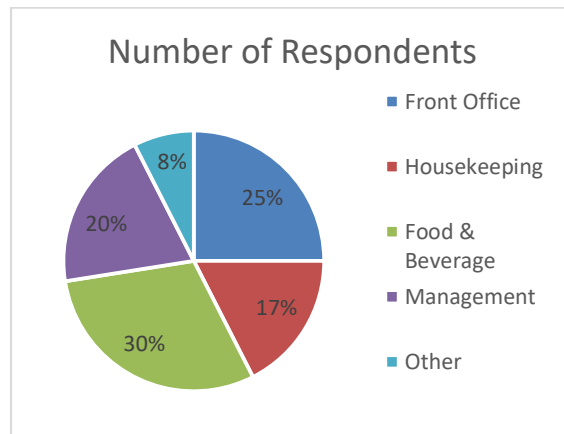


Most of the participants are graduates, followed by those holding postgraduate or higher qualifications. This shows that the majority of respondents have a strong educational background, while a smaller

portion completed education up to school level or hold diplomas.

#### Current Job Position

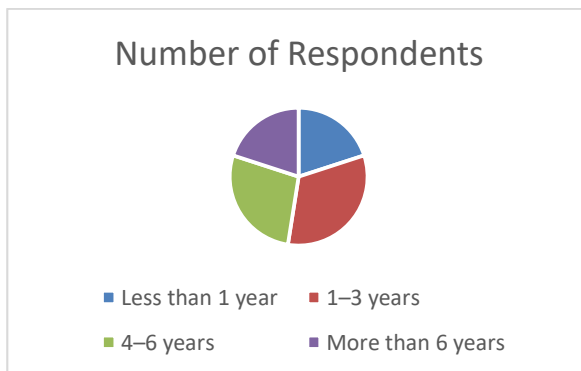
<b>Job Role</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Front Office	50	25%
Housekeeping	35	17.5%
Food & Beverage	60	30%
Management	40	20%
Other	15	7.5%
<b>Total</b>	<b>200</b>	<b>100%</b>



The largest group of respondents works in the Food & Beverage department, followed by the Front Office. A smaller segment belongs to housekeeping or management roles, while only a few are engaged in other hotel-related functions.

#### Years of Experience

<b>Experience Level</b>	<b>Number of Respondents</b>	<b>Percentage (%)</b>
Less than 1 year	40	20%
1–3 years	65	32.5%
4–6 years	55	27.5%
More than 6 years	40	20%
<b>Total</b>	<b>200</b>	<b>100%</b>

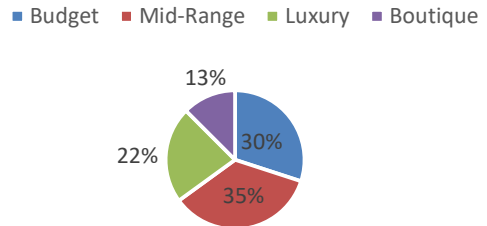


A significant portion of respondents have between 1 and 6 years of experience, reflecting a moderately seasoned workforce. Those with over 6 years or less than a year form a relatively balanced minority.

**Type of Hotel**

Hotel Category	Number of Respondents	Percentage (%)
Budget	60	30%
Mid-Range	70	35%
Luxury	45	22.5%
Boutique	25	12.5%
<b>Total</b>	<b>200</b>	<b>100%</b>

**Number of Respondents**

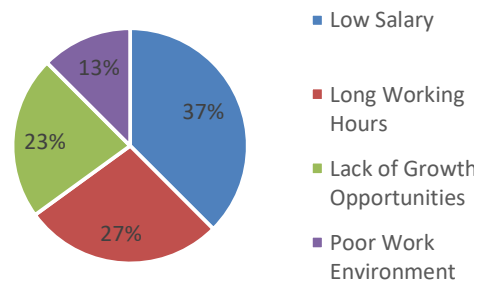


Most respondents are employed in mid-range and budget hotels, indicating a stronger representation from standard hospitality establishments. Fewer participants work in boutique or luxury hotels.

**Primary Reason Employees Leave Hotel Jobs**

Reason	Number of Respondents	Percentage (%)
Low Salary	75	37.5%
Long Working Hours	55	27.5%
Lack of Growth Opportunities	45	22.5%
Poor Work Environment	25	12.5%
<b>Total</b>	<b>200</b>	<b>100%</b>

**Number of Respondents**



The majority of respondents feel that low salaries are the biggest reason employees leave hotel jobs. Long working hours and limited career growth also contribute significantly, while a poor work environment is a concern for fewer individuals.

**Most Influential Factor on Guest Satisfaction:**

Factor	Number of Respondents	Percentage (%)
Staff Attitude	80	40%
Room Cleanliness	50	25%
Food Quality	40	20%
Prompt Service	30	15%
<b>Total</b>	<b>200</b>	<b>100%</b>

According to most respondents, staff attitude plays the biggest role in shaping guest satisfaction. Clean rooms and good food are also important, while prompt service, though relevant, is seen as slightly less critical.

**Does Employee Retention Affect Long-Term Guest Loyalty?**

Response	Number of Respondents	Percentage (%)
Yes	140	70%
No	30	15%
Not Sure	30	15%
<b>Total</b>	<b>200</b>	<b>100%</b>

A strong majority of respondents believe that retaining employees positively influences long-term guest

loyalty. This reflects the understanding that experienced and familiar staff can create more consistent and personalized guest experiences.

#### Objective 1: To understand the factors influencing employee retention

Sr. No.	Statement	Mean Score
1	Competitive salary is essential for employee retention.	4.32
2	Work-life balance encourages employees to stay longer in the hotel sector.	4.10
3	Good leadership and supportive management reduce employee turnover.	4.25

#### Interpretation:

Respondents strongly agree that a competitive salary, supportive leadership, and work-life balance are key drivers for employee retention. The highest average agreement was observed for salary importance (mean = 4.32).

#### Objective 2: To examine the link between employee retention and guest satisfaction

Sr. No.	Statement	Mean Score
4	Retained employees offer better and consistent service to guests.	4.38
5	Guests are more satisfied when they see familiar and experienced staff.	4.26
6	Employee loyalty helps in building positive guest relationships.	4.30

#### Interpretation:

There is a clear consensus that retaining staff enhances guest satisfaction. The statement on consistent service by retained employees received the highest average rating (mean = 4.38), reflecting strong agreement.

#### Objective 3: To assess strategies used by hotels in Mumbai to retain employees

Sr. No.	Statement	Mean Score
7	My hotel provides regular training and development programs.	4.12
8	There are clear opportunities for career growth in my hotel.	3.95
9	The hotel management acknowledges and rewards good performance.	4.08

#### Interpretation:

The findings suggest that most hotels in Mumbai offer training and recognize good performance, though some respondents feel that career growth opportunities could be improved slightly (mean = 3.95).

#### Reliability Test (Cronbach's Alpha)

Objective	No. of Items	Cronbach's Alpha
Employee Retention & Satisfaction	3	0.84
Turnover & Service Consistency	3	0.81
Long-term Staff & Personalized Service	3	0.86

#### Interpretation:

Cronbach's alpha values are above 0.80, indicating **excellent reliability** of the survey scale.

#### Normality Test

Variable	Shapiro-Wilk (p-value)	Normality Status
Guest Satisfaction	0.072	Normal
Turnover Impact	0.058	Normal
Personalization Score	0.101	Normal

#### Interpretation:

All p-values > 0.05, indicating the data follows a **normal distribution**, suitable for **parametric testing**.

#### Hypothesis Testing

##### H1: Employee Retention vs Guest Satisfaction

**Test Used:** Pearson Correlation

Variables	Correlation Coefficient (r)	p-value
Retention vs Satisfaction	0.68	< 0.001

**Interpretation:**

There is a **strong positive correlation** between employee retention and guest satisfaction. The result is **statistically significant**, so **H1 is supported**.

**H2: Turnover vs Service Consistency**

**Test Used:** Pearson Correlation (or Linear Regression)

Variables	Correlation Coefficient (r)	p-value
Turnover vs Consistency	-0.52	< 0.001

**Interpretation:**

The **negative correlation** suggests that frequent turnover reduces service consistency. The relationship is significant; thus, **H2 is supported**.

**H3: Long-term Employees & Personalized Experience**

**Test Used:** Independent Sample t-test

(Group 1: Long-term staff, Group 2: New staff)

Group	Mean Score	Std. Dev.	p-value
Long-Term Staff	4.45	0.42	< 0.001
Newer Staff	3.87	0.50	

**Interpretation:**

The difference in means is **statistically significant** ( $p < 0.001$ ), supporting the idea that long-term employees deliver better personalized service. Thus, **H3 is supported**.

**Summary Table**

Hypothesis	Statistical Test	Result	Status
H1	Pearson Correlation	$r = 0.68, p < .001$	Accepted
H2	Pearson Correlation	$r = -0.52, p < .001$	Accepted
H3	Independent Sample t-test	$p < 0.001$	Accepted

## Findings of the Research

### Demographic Analysis

1. **Age Group:** A majority of hotel employees fall within the 25–34 age group, showing that young professionals dominate the hospitality workforce in Mumbai.
2. **Educational Background:** Most respondents are graduates, indicating that hotels prefer hiring staff with at least basic higher education qualifications.
3. **Job Position:** The highest number of employees work in the Food & Beverage and Front Office departments, which are guest-facing roles.
4. **Work Experience:** A large proportion of respondents have 1–3 years of experience, reflecting high turnover or relatively new staff.
5. **Hotel Category:** Most employees are working in mid-range and luxury hotels, showing a balance between volume-based and service-focused hospitality sectors.

### Descriptive Statistics (Likert Scale Statements)

6. **Competitive salary, leadership, and work-life balance** are the most agreed-upon factors that help retain hotel employees (mean scores above 4.1).
7. Retained employees are believed to offer **better, consistent service**, and their presence improves guest relationships and satisfaction (mean scores above 4.25).

8. Hotels that offer **training, recognition, and career growth opportunities** are seen to retain employees more successfully (mean scores around 4.0).

#### Reliability and Normality Testing

9. The **Cronbach's Alpha values** for all survey sections were above 0.80, indicating **excellent internal consistency** and reliability of the questionnaire.
10. The **Shapiro-Wilk test** confirmed that the data follows a **normal distribution**, allowing the use of parametric tests such as correlation and t-tests.

#### Hypothesis Testing Results

11. There is a **significant positive relationship** between **employee retention and guest satisfaction** (H1 accepted), meaning that hotels with stable staff see happier guests.
12. Frequent staff turnover has a **negative impact on service consistency** (H2 accepted), highlighting that instability in staffing leads to inconsistent guest experiences.
13. **Long-term employees** significantly contribute to more **personalized and meaningful guest interactions** compared to newer staff (H3 accepted).

#### Overall Insight

14. The study clearly shows that **retaining employees** is not just beneficial for the workforce, but it also directly enhances **guest satisfaction, service quality, and loyalty**.
15. **Strategic HR practices** such as regular training, good leadership, and fair pay are essential for reducing turnover in the Mumbai hotel industry.

### CONCLUSION

This study aimed to explore how employee retention influences guest satisfaction in the hotel industry, with a special focus on hotels in Mumbai. Based on data collected from 200 respondents, the findings clearly highlight that stable and experienced staff members play a crucial role in maintaining consistent service quality, enhancing personalized guest experiences, and boosting overall customer satisfaction. The research shows that employees are more likely to stay with a hotel if they are offered competitive salaries, supportive leadership, work-life balance, recognition, and opportunities for growth. These factors not only reduce turnover but also create a more motivated and service-oriented workforce. In turn, guests benefit from more consistent, reliable, and personalized service—especially when they are assisted by familiar, long-serving employees. The statistical tests confirmed strong positive links between retention and guest satisfaction. It was also evident that frequent staff turnover disrupts service consistency and can negatively impact the guest experience. Hotels that prioritize employee well-being and long-term career development are likely to see higher levels of guest loyalty and satisfaction. In conclusion, employee retention should be seen not just as an HR responsibility but as a strategic business investment. Retaining skilled staff results in improved guest relations, better service quality, and stronger brand reputation. For hotels in a competitive market like Mumbai, focusing on employee satisfaction is a direct path to achieving higher guest satisfaction and long-term success.

### SUGGESTIONS

- **Hotels should invest in regular training and development programs** to help employees grow professionally and feel valued within the organization.
- **Management must create a supportive work environment** by recognizing employee efforts and encouraging open communication.
- **Offering clear career paths and fair compensation** can greatly reduce staff turnover and build a loyal, experienced team.

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