



**Impact of Motivation on Employee Retention in Hotel
Industry; Moderating Role of Job satisfaction
(With Special Reference to Star Classified Hotels in North Central
province)**

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ABSTRACT

The hotel industry has been emerging industry throughout the past years in Sri Lanka before the recent Easter attack situation. Hence, the principal challenge in the majority of hotels is to retain employees. Motivation is a primary factor which cause to employee job satisfaction and employee retention. Therefore research aimed on how motivation impact on employee retention with moderating effect of job satisfaction. The data was collected using questionnaires distributed to the employees who were working in the star classified hotels in North Central province in Sri Lanka. The research sample consisted of 120 employees. Simple random sampling and purposive sampling methods are used to choose the sample. Structured equation modeling was used for data analysis in this study. The study performed descriptive analysis of the employee profile as the initial step of this study and then investigated factors to analyze and measure the reliability of them and know the suitability of the questions related to research. Afterward analyzed the relationship between motivation and employee retention, and moderating effect of job satisfaction on the existing relationship between motivation and employee retention. The outcome obtained from the analysis illustrated as a result of hypothesis that motivation has a significant impact on employee motivation and no moderating effect of job satisfaction on existing relationship between motivation and employee retention. As a result of these findings, it was suggested that management of businesses in hotels need to consider the factors which make employee motivation and job satisfaction which is considered as main cause of employee retention.

Key words: Motivation, Job satisfaction, Employee retention, Hotel industry, North Central Province