An Empirical Study on Labor Stability Management in the Hotel Industry in the North Central Province (NCP) in Sri Lanka

By

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ABSTRACT

The Hotel industry is mainly labor intensive with people oriented business. Quality of the service is the key factor that governs this success. A large number of talented skills are required for the smooth functioning of this industry. High labor turnover rate is a common problem in the hotel industry in the North Central Province (NCP). Furthermore, labor productivity is an important concept, which could be affected by labor turnover because high labor turnover rate could result in losses in skills and could results in disruptions to various operations of the industry. These losses may be reduced by greater emphasis on Labor Stability Management (LSM). Hence LSM is a proper technique, which should be adopted by the hotel industry in handling situations with high labor turnover. Such a situation prompted the undertaking of this study. Hence the main objective of this study is to explore the nature and extent of LSM in the hotel industry in the NCP. In addition, determining factors affecting labor stability in the hotel industry in the NCP, the study of the influence of hotel categorization on labor stability and assist the hotel industry to develop strategies to maintain favorable labor stability in the NCP are the specific objectives of this study.

Both primary and secondary data were used in the study. Secondary data was extracted from various documents that are related to the topic. Primary data was gathered through a field survey, using questionnaires directed to 170 workers and 58 managers. Workers' sample was selected through stratified random sampling method. Managers' sample was selected through purposive sampling method. Analytical techniques such as averages, percentages, measures of central tendencies, correlation and multiple regression analysis and T – Testing including student t- testing were employed in data analysis.

Findings indicated that LSM in the hotel industry in the NCP is mediocre. However there is a tendency for unfavorable LSM in the hotel industry in the NCP. Although

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the empirical findings revealed that LSM in the hotel industry are such, it varied within hotel categories in the area. But LSM in classified hotels is higher than that in unclassified hotels. Two identified major variables pertaining to LSM; "workers' ability" and "job satisfaction" is mediocre and these are highly relevant in determining labor stability in both hotel categories. Further it reveals that Man Power Planning cannot completely avert poor labor stability but has a small affect on it. Remuneration package also affects the improvement of labor stability in the hotels in the NCP. By contrast most of factors pertaining to LSM were more favorable in classified hotels than in unclassified hotels. It is possible to conclude that workers' ability is high in classified hotels while it is mediocre in unclassified hotels. Basically training and orientation is highly relevant with improvement of workers' ability in both hotel categories while recruitment & selection is an additional variable in unclassified hotels.

Similarly, workers' job satisfaction is moderately satisfactory in the hotels in the NCP. However Job satisfaction is higher and more uniform in classified hotels while it is low in unclassified hotels. Basically motivation, remuneration and LMR contribute in a high degree with job satisfaction in both hotel categories while leader behavior is an additional variable in unclassified hotels.