


**EMPLOYEE TURNOVER AND THEIR IMPACT ON THE ORGANIZATIONAL PERFORMANCE OF THE HOSPITALITY INDUSTRIES OF NEPAL**

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ARTICLE INFO	ABSTRACT
<p><b>Article history:</b>  <b>Received:</b> January, 29<sup>th</sup> 2024  <b>Accepted:</b> April, 03<sup>rd</sup> 2024</p>	<p><b>Purpose:</b> The main objective of this research is to determine the effect of employee turnover on the performance of the organization in the hospitality industry in Nepal. Research on employee turnover and performance in the hospitality industry has rarely been found in the Nepalese context. This research tries to explore the effect of employee turnover on the performance of organizations in Nepal.</p>
<p><b>Keywords:</b>            Economic Factors;            Employees Turnover;            Hospitality Industries;            Performance;            Psychological Factor.</p> 	<p><b>Methodology:</b> This research uses descriptive and causal-comparative research design. Three independent variables i.e., psychological, demographic &amp; economic factors, and one moderating variable i.e., employee turnover and organizational performance as dependent variables have been used for the study. Data were collected from the 150 respondents through the open-ended questionnaire. Descriptive and inferential statistics have been used to analyze the information.</p> <p><b>Findings and Conclusion:</b> The study found that there is a positive and significant effect of psychological and demographic factors on the performance of the hospitality industries but economic factor has an insignificant negative effect on the performance of hospitality industries in Nepal.</p> <p><b>Practical and Social Implication of Research:</b> The outcome of the research can apply to the Nepalese hospitality industry effectively. Improvement of the Psychological and social values of employees can reduce employee turnover and it will help to enhance the performance of the hospitality industry in Nepal.</p> <p><b>Originality Value:</b> This research concluded that the author's words like; Economic Factors, demographic factors, and Psychological Factors have a significant positive relation although employee turnover, Hospitality Industries, and Performance have insignificant and negative relations with economic factors. The value of this research is to prepare the plan and policy for the hospitality industries in Nepal to maximize profit with the help of minimizing employee turnover. The study supports financial and economic stability in the organization.</p> <p>Doi: <a href="https://doi.org/10.26668/businessreview/2024.v9i5.4509">https://doi.org/10.26668/businessreview/2024.v9i5.4509</a></p>

**ROTATIVIDADE DE FUNCIONÁRIOS E SEU IMPACTO NO DESEMPENHO ORGANIZACIONAL DOS SETORES DE HOSPITALIDADE DO NEPAL**

**RESUMO**

**Objetivo:** O principal objetivo desta pesquisa é determinar o efeito da rotatividade de funcionários sobre o desempenho da organização no setor hoteleiro do Nepal. Pesquisas sobre rotatividade de funcionários e desempenho no setor de hospitalidade raramente são encontradas no contexto nepalês. Esta pesquisa tenta explorar o efeito da rotatividade de funcionários sobre o desempenho das organizações no Nepal.

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**Metodologia:** Esta pesquisa usa um projeto de pesquisa descritivo e causal-comparativo. Três variáveis independentes, ou seja, fatores psicológicos, demográficos e econômicos, e uma variável moderadora, ou seja, rotatividade de funcionários e desempenho organizacional como variáveis dependentes, foram usadas para o estudo. Os dados foram coletados dos 150 respondentes por meio de um questionário aberto. Estatísticas descritivas e inferenciais foram usadas para analisar as informações.

**Resultados e Conclusões:** O estudo constatou que há um efeito positivo e significativo dos fatores psicológicos e demográficos sobre o desempenho dos setores de hospitalidade, mas o fator econômico tem um efeito negativo insignificante sobre o desempenho dos setores de hospitalidade no Nepal.

**Implicações Práticas e Sociais da Pesquisa:** O resultado da pesquisa pode ser aplicado ao setor de hospitalidade do Nepal de forma eficaz. A melhoria dos valores psicológicos e sociais dos funcionários pode reduzir a rotatividade de funcionários e ajudará a melhorar o desempenho do setor de hospitalidade no Nepal.

**Valor de Originalidade:** Esta pesquisa concluiu que as palavras do autor, como fatores econômicos, fatores demográficos e fatores psicológicos, têm uma relação positiva significativa, embora a rotatividade de funcionários, o setor de hospitalidade e o desempenho tenham relações insignificantes e negativas com os fatores econômicos. O valor desta pesquisa é preparar o plano e a política para que os setores de hospitalidade no Nepal maximizem o lucro com a ajuda da minimização da rotatividade de funcionários. O estudo apoia a estabilidade financeira e econômica da organização.

**Palavras-chave:** Fatores Econômicos, Rotatividade de Funcionários, Indústrias de Hospitalidade, Desempenho, Fator Psicológico.

## ROTACIÓN DE PERSONAL Y SU IMPACTO EN EL RENDIMIENTO ORGANIZATIVO DE LAS INDUSTRIAS HOTELERAS DE NEPAL

### RESUMEN

**Propósito:** El objetivo principal de esta investigación es determinar el efecto de la rotación de empleados en el rendimiento de la organización en la industria hostelera de Nepal. Rara vez se han realizado investigaciones sobre la rotación de personal y el rendimiento en el sector de la hostelería en el contexto nepalí. Esta investigación trata de explorar el efecto de la rotación de empleados en el rendimiento de las organizaciones en Nepal.

**Metodología:** Esta investigación utiliza un diseño descriptivo y causal-comparativo. Para el estudio se han utilizado tres variables independientes (factores psicológicos, demográficos y económicos) y una variable moderadora (rotación de personal y rendimiento de la organización) como variables dependientes. Se recogieron datos de 150 encuestados mediante un cuestionario abierto. Para analizar la información se han utilizado estadísticas descriptivas e inferenciales.

**Resultados y Conclusiones:** El estudio concluye que existe un efecto positivo y significativo de los factores psicológicos y demográficos en el rendimiento de las industrias de la hospitalidad, pero el factor económico tiene un efecto negativo insignificante en el rendimiento de las industrias de la hospitalidad en Nepal.

**Implicaciones Prácticas y Sociales de la Investigación:** Los resultados de la investigación pueden aplicarse eficazmente a la industria hostelera nepalesa. La mejora de los valores psicológicos y sociales de los empleados puede reducir la rotación de personal y contribuirá a mejorar el rendimiento de la hostelería en Nepal.

**Valor de Originalidad:** Esta investigación concluyó que las palabras del autor como; Factores Económicos, factores demográficos, y Factores Psicológicos tienen una relación positiva significativa aunque la rotación de empleados, Industrias de Hospitalidad, y el Rendimiento tienen relaciones insignificantes y negativas con los factores económicos. El valor de esta investigación es preparar el plan y la política para las industrias de la hospitalidad en Nepal para maximizar el beneficio con la ayuda de minimizar la rotación de personal. El estudio apoya la estabilidad financiera y económica de la organización.

**Palabras clave:** Factores Económicos, Rotación de Personal, Hostelería, Rendimiento, Factor Psicológico.

## 1 INTRODUCTION

There is a vital and delicate bond between the company and its workers. It is in many respects a relationship of cooperation in which both sides bring what the other person wishes

or needs to the table. But, certain aspects, such as workplace culture and partner satisfaction, also impair long-term corporate-employee partnerships, which, in turn, it affect whether or not employees decide to continue with or leave an organization (Soojin Kim et al., 2017). Employee turnover has historically been thought to cause significant casualties for organizations, owing to the reduction of physical and social resources and structural instability. In reality, a great number of researchers have found a negative linear link between revenue, earnings, efficiency, satisfaction with customers, and added value in many measures of organizational success (De Winne et al., 2019).

Employee turnover happens as employees exit their existing jobs and new staff are recruited. When workers leave an organization, they have to do extra work before another employee is hired, which impacts the institution's efficiency. The expensive and disruptive replacement of workers who have quit the organization. The turnover of employees is an important component of the organization (Ogony, 2017). Employee turnover is a key issue in management and organizational research. Even so, much work was placed on taking account of the causes. In this respect, some researchers implicitly assume that the turnover of employees is a negative thing to prevent. Recently in a public management study, the issue of whether turnover influences efficiency constitutes the underlying presumption of several studies (Wynen et al., 2019).

In case companies invest more in retention costs than they can, small modes of employee turnover rates support the company by not maintaining those forms of voluntary leaks strategically; organizations, with other corporate missions and priorities, can make effective use of saved retention costs. However, if turnover is too high, the costs overweight its advantages and hamper organizational success (An, 2019). The main objective of this study is to investigate the impact of the turnover of employees on performance in the hospitality industry. This research arrangement enables this particular topic to be examined. The study would then show the effect on organizational efficiency based on the determinants of employee turnover.

### 1.1 VOLUNTARY TURNOVER

An employee's voluntary departure from a company is referred to as a voluntary turnover. Employees who voluntarily quit their jobs do so because they want to advance in their careers or find better jobs elsewhere (Atongdem & Combat 2019). As an extra illustration of

voluntary turnover, functional and dysfunctional turnovers may be compared and contrasted. In companies, functional turnovers occur when workers depart because they are unable to achieve the needed performance criteria, whereas dysfunctional turnovers arise when engaged employees who satisfy the requisite performance requirements depart the organization. Turnover problems have long plagued the management of organizations due to the detrimental impact they have on their overall performance. Avoidable turnovers and unavoidable turnovers are the two types of dysfunctional turnovers (Alony, 2015).

## 1.2 INVOLUNTARY TURNOVER

Involuntary turnover is further subdivided into avoidable and unavoidable turnover. Avoidable turnover is defined as turnover that might have been avoided by specific organizational actions, such as a salary rise or a new work assignment. Unavoidable turnover is defined as turnover that occurs due to unavoidable reasons. For example, an employee's death or a spouse's move (Iqbal, 2010).

## 1.3 CAUSES OF EMPLOYEE TURNOVER

Mobley (1986), excessive employee turnover can be ascribed to poor salaries, unappealing working conditions, or a high proportion of casual or seasonal labor. Furthermore, high turnover may be linked to a high degree of skill demand, where workers are compelled to switch companies in a pay "merry-go-round." There are various causes of employee turnover and some of the causes as mentioned by the previous researcher are listed below:

## 1.4 INEFFECTIVE COMMUNICATION

Charles (1981), communication is one of the variables that contribute to employee turnover. He reported an on-the-ground investigation of a big Midwest transportation company. Researchers from the University of Iowa conducted the research. Poor communication between management and blue-collar workers, according to the research, contributes to increased job turnover. The truck plant was chosen because its yearly employee turnover rate was 123 percent. The researchers revealed that a major percentage of the drivers' discontent with their

work originated from their separation from management, as well as management's perception of drivers as second-class citizens, through interviews.

### 1.5 REMUNERATION

Robbins (2003), the traditional goals of any payment system are to recruit, retain, and inspire people. Staff turnover is caused by a variety of factors, one of which is poor compensation. Employees that are dissatisfied with their pay usually depart for brighter pastures. Furthermore, the working environment, motivation, recognition, and opportunities for advancement must all be possible. Even if the employee pays a lesser income, a person may still quit if he or she is satisfied with their current position. Employees are enticed to stay in the short term by cash incentives, but they require possibilities for advancement in the long run.

### 1.6 LACK OF RECOGNITION

Soojin et al. (2017) study on the relationship between organization-employee relationship quality and employee turnover intention, workers who have positive organization-employee relationship quality are less likely to have turnover intention. Furthermore, their research found that oppressive corporate culture is an indicator of employee turnover intention. As a result, it may be a dimension of the turnover society. Moreover, the study of An (2019) teaches public administrators an important lesson about strategic management and staff recruiting and retention: all forms of turnover are not uniformly negative, and therefore turnover should be handled (rather than minimized) depending on its form.

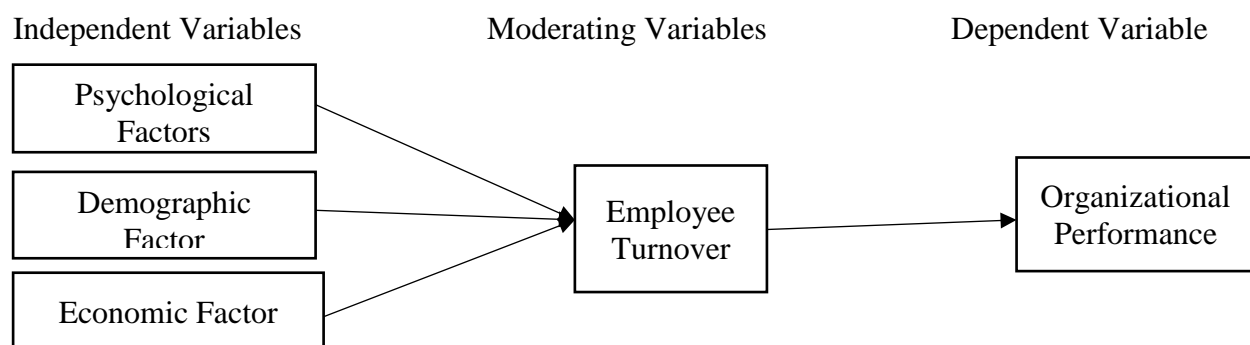
Lecturer et al. (2019) entails recognizing essential elements such as the nature of the work, the compensation package, the impact on supervisors, career growth opportunities, and relationships with supervisors, peers, and coworkers. Further in the study conducted in the context of Nepal by Poudel (2018), the results of the research showed that Nepal could improve its hospitality industry by increasing the production of qualified manpower with the necessary training, education, and experience at different levels, either by producing entrepreneurs who are leading innovative businesses or by helping them form their required crews. For both existing and upcoming businesses in Nepal's tourism and hospitality sector, the researcher found it to be a very productive and fertile ground that would allow them to not only be perpetually profitable but also to be equally competitive with innovative and technologically advanced businesses.

Turnover intention is defined as a person's behavioral attitude toward leaving a company (Awang et al., 2013), and it is a significant determinant of subsequent turnover. The success of the hotel business is mainly dependent on staff recruitment, management, and retention. Furthermore, the seasonal character of the hotel business contributes significantly to the high turnover rates (Faldetta et al., 2013). Even though hotel managers frequently recruit and fire staff based on seasonal changes, managers are unaware of the labor-versus-demand notion and, as a result, are unprepared to synchronize labor to demand (Faldetta et al., 2013). Customization, managed services, marketing, and social media use may all have an impact on the turnover rate. A key necessity for industry leaders is to adopt improved management practices that would aid in the retention of the most valued, well-trained personnel, successfully assisting the industry in competing in the hospitality market (Brown et al., 2015).

## 2 CONCEPTUAL FRAMEWORK

**Figure 1**

*Conceptual framework*



### 2.1 ORGANIZATION PERFORMANCE

Organizational performance refers to the work done by the organization or its accomplishment. For this study, organization performance is compared to the impact provided by employee turnover in private organizations.

## 2.2 PSYCHOLOGICAL FACTORS

Psychological variables pertain to an employee's mental process and behavior, such as expectations, work satisfaction, organizational commitment, and job engagement or affectivity (Hunde, 2019). Psychological factors then further include the following factors:

## 2.3 JOB SATISFACTION

Job satisfaction is the situation where workers are happy with their positions in terms of tasks and responsibilities, there is no reason for them to leave the company; instead, they work harder and contribute to the company's success. When the assessment is complete, it indicates whether or not the work is satisfactory to the employee. Workers' feelings regarding their employment, aspects of their occupations, and work conditions culminate in a pleasant psychological response called job satisfaction (Balogun & Olowodunoye, 2012).

## 2.4 JOB INSECURITY

Likewise, Job insecurity is the situation where any employee wishes for a sense of safety and protection at work. They just want to believe that the job they have last for a long time, as this guarantees a steady salary. When monthly table revenue is guaranteed, turnover is minimized and organizational efficiency is increased.

## 2.5 DEMOGRAPHIC FACTORS

For study and analysis on turnover, demographic data are employed. An individual's age and level of experience are the two most important demographic variables. But for the study the following demographic factors are a special concern for this study:

## 2.6 AGE

Many organizations place a high value on age. Any of the positions have age requirements. Roles performed by young workers, for example, vary from those performed by older employees. When an employee reaches a certain age, he or she is obliged to retire.

## 2.7 DEATH

The loss of life often results in a decrease in the number of workers in a company so, it could also be the reason for employee turnover.

## 2.8 LEVEL OF EXPERIENCE

Level of experience refers to the period that one has worked in a certain area of the work. It helps to know and differentiate the one with the experienced and not experienced.

## 2.9 ECONOMIC FACTORS

Employee turnover is influenced by socio-economic variables such as economic development level, labor market conditions, employment structure, work possibilities, property investment, transportation and communication, housing, education and medical facilities, living costs, quality of life, etc.(Mamun & Hasan, 2017).For further analysis of this study the main focus on the economic factors under this are listed below:

## 2.10 SALARY

The sum of money an employee earns would have a significant impact on whether or not he stays with the firm. An employee who is happy with his pay is more likely to be with the employer for a long time, and vice versa. The employee turnover directly effects on the total salary payable for the hospitality industries.

## 2.11 EXTERNAL OPPORTUNITIES

Employees would be compelled to seek gainful employment in terms of salaries, working conditions, and benefits at other firms. Employees working for long run in the same institution can get the external opportunity like, training facility and fringe benefits etc.



### 3 RELIABILITY AND VALIDITY

Sekaran (2009), the dependability coefficient is better the closer it is to 1.0, and they are values. 80 is regarded as an excellent score. Reliability values above.70 are regarded as satisfactory, while those below.60 are regarded as bad.

**Table 1**

*Reliability of Data*

Statements	No. of item	Cronbach's alfa
Psychological Factors	6	0.683
Demographic factors	3	0.708
Economic Factors	4	0.756
Employee Turnover	3	0.813
Organizational Performance	6	0.840

Table 1 represents the reliability test of the variables under the factors such as psychological factors, economic factors, demographic factors, employee turnover, and finally organizational performance. Cronbach's alfa of 0.813 and 0.840 is shown in the table and this indicates very strong reliability for the scale used. The scale used is very reliable and there are 3 and 6 items for the scale used in the employee turnover and organizational performance respectively. Similarly, Cronbach's alfa of 0.708, 0.756, and 0.683 is shown in the table and this indicated strong reliability for the scale used. The scale used is reliable and there are 3, 4, and 6 items for the scale used respectively.

### 4 METHODOLOGY

This study aims to investigate the impact of employee turnover on the performance of organizations in the hospitality industry in Nepal. The goal of the study is to identify the factors that affect organizational performance of the hospitality business located in Kathmandu Valley and how they relate to employee turnover in private businesses. The research is based on descriptive and causal comparative research design. A primary source of information is used to find the effect of employee turnover on performance. Open-ended questionnaires were distributed to 150 respondents including single-response, multiple choice, rating, ranking, and Likert scale questions. The questionnaire included personal details and research questions. The questions have been divided into 3 sections to collect the information as possible from all the respondents. Overall, the questionnaire had 28 questions in total where 5 questions (single

response and multiple choice) were regarding demographic factors, 21 questions (Likert scale) were regarding series of statements about the topic and 2 questions (ranking and rating) were about views and preference regarding social media. In this study, the Likert scale used was a five-point scale where 5 is strongly agreed, 4 is agreed, 3 is neutral, 2 disagrees and 1 strongly disagrees. Descriptive as well as inferential statistics have been used to interpret and analyze the available data. Data were analyzed using Excel and SPSS version 23.

## 5 MODEL

The regression equation is based on the following model to examine the effect and fundamental connection functions:

$$Y = \beta_0 + \beta X_i + \varepsilon_i \quad (1)$$

Here

Y represents the dependent variable;

$\beta_0$  is the constant;

$\beta$  represents the coefficient of explanatory variables;

$X_i$  is the vector of explanatory variables, and

$\varepsilon_i$  is the error term.

Adapting the basic model, the following equations is estimated as follows:

$$ET_i = \beta_0 + \beta_1 PF_i + \beta_2 DF_i + \beta_3 EF_i + \varepsilon_i \quad (2)$$

$$OP_i = \beta_0 + \beta_1 ET_i + \varepsilon_i \quad (3)$$

Where,

$ET_i$  = Employee Turnover

$PF_i$  = Psychological Factors

$DF_i$  = Demographic Factors

$EF_i$  = Economic Factors

$OP_i$  = Organization Performance

$\beta_0$  is the intercept (constant);

$\beta_1$ ,  $\beta_2$ , and  $\beta_3$  represent the corresponding slope which addresses the impact coefficients and  $\varepsilon_i$  represents the error term.

## 6 RESULT

A questionnaire using a five-point Likert scale rating system was used to collect data for the study, with responses ranging from 1-Strongly Agree, 2- Agree, 3- Neutral, 4-Disagree, and 5-Strongly Disagree. Every opinion statement was created with five distinct variables in mind, four of which are independent and one of which is dependent. This segment deals with the summary statistics, which provides the data in one table. This table includes the number of observations, the mean and standard deviation of collected data. The variable column indicates which variable is being described. There are altogether 22 variables, which include the dependent variable and independent variables.

**Table 2**

### *Descriptive Statistics of the Respondents*

Variables	Statements	Mean	S, D.
Psychological Factors	Work stress because of huge workloads	2.17	1.048
	The unclear goal of the organization	3.12	1.192
	Unclear descriptions of work	2.27	1.111
	Work boredom	2.31	.983
	Lacking engagement and decision-making involvement	2.90	1.225
	Failure to recognize better performers	2.47	1.085
Economic Factors	Inadequate wages and benefits	2.05	.873
	Lack of training and opportunities for professional growth	2.83	1.155
	Unsatisfied Working Conditions	2.42	1.131
	Alternative high-income jobs availability	2.29	.936
Demographic Factors	Specified ages for some of the roles	2.43	.923
	Age limit is necessary for an organization	2.86	.990
	Young age employee is more agile	2.65	1.135
Employee Turnover	I'll likely be seeking new employment soon.	2.93	1.130
	I frequently assume I'll give up this employment in near future.	2.76	1.314
	I frequently envision working in another job	2.73	1.331
	When new employees move in it results in too much waste of resources.	2.45	.894
Organizational Performance	High turnover of employees reduces productivity at work.	2.47	1.028
	Decreased supply of services	2.47	1.028
	Employees are not committed to deadlines due to high workforce turnover.	2.97	1.190
	Effect on the reputation of the organization in its marketplace.	2.63	1.213
	High personnel turnover leads to a decrease in product quality	3.03	1.158
	Valid N (listwise)		

Note: Survey report, 2023

Table 2 shows that in the section on the psychological factors the mean deviation of the questions asked under this heading is below average i.e., below the point of 2.5. as for this

research the strongly agree is given 1 point rating scale the mean value is less than the average value is considered as the respondents are mainly upon the agreeable side of the responses more. Further, only in the psychological section, we can see that total of six questions were asked under his heading and the lowest mean value was of the statement “work stress because of huge workloads” i.e., 2.17 which means that most of the responses have agreed upon this statement. Likewise, the agreed-upon the statement among the listed were: the unclear description of the work (mean= 2.27 and S. D. = 1.111), work boredom (mean= 2.31 and S.D. = 0.983), lacking engagement of the employees in the decision-making (mean= 2.90 and S. D. = 1.225).

Then for the economic factor section, we can see that the least mean value of the responses was of the inadequate wages and benefits (mean= 2.05); which means that the majority of the respondents strongly agreed that inadequate payment was one of the major factors for employee turnover. The other statement that was most agreed upon was then the alternative high-income job availability (mean= 2.29 and S.D. = 0.936) and that of the statement unsatisfied working condition was mean= 2.42 and S.D. = 1.131. Also, in the demographic factor section, it can be seen that the mean value of the demographic factor was below the average the least value of the mean among this heading was of the statement specified ages for some of the roles and that was 2.43 and followed by young age employee are more agile and that is 2.65. This means that most of the respondents also think that demographic factors also have an impact on employee turnover.

## 7 CORRELATION ANALYSIS

**Table 3**

*Interpreting the R-value for Inter Correlations R-value*

R-Value	Relationship
Above 0.70	Very Strong Relationship
0.50 - 0.69	Strong Relationship
0.30 – 0.49	Moderate Strong Relationship
0.10 – 0.29	Low Relationship
0.01 – 0.09	Very Low Relationship

Note: Survey report, 2023

Table 3 shows the correlation between psychological factors, Economical factors, Demographic factors, and Employee Turnover. The psychological factor has a significant relationship with the economic factor demographic factor and employee turnover with 0.721, 0.654, and 0.738 respectively. Results show that the relation of a psychological factor with an

economical factor and employee turnover is very strong as its  $r$  value is more than 0.70. Similarly, Economic factors have a significant relationship with demographic factors and employee turnover with 0.559 and 0.520 values respectively. Likewise, the demographic factor has a significant relationship with employee turnover with 0.577.

As the results show the R-value of all variables is between 0 to 1 it can be concluded that all of the variables implemented for this study are more or less significantly related to each other. The research's validity was established by working with a supervisor and an expert regularly, with the test items being standardized through a pilot test.

**Table 4**

*Pearson Inter-Correlation between the Variable*

Variables	Correlation	PS	EC	DM	ET
PS	Pearson Correlation Sig. (2-tailed)	1			
EC	Pearson Correlation Sig. (2-tailed)	.721** 0.000	1		
DM	Pearson Correlation Sig. (2-tailed)	.654** 0.000	.559** 0.000	1	
ET	Pearson Correlation Sig. (2-tailed)	.738** 0.000	.520** 0.000	.577** 0.000	1

\*\*Correlation is significant at 0.01 level significant.

The connections between employee turnover and organization performance are further investigated for further analysis of the obtained information. Pearson correlation analysis is also performed between these variables, and the results are shown in Table 4.

Employee turnover has a significant positive association with organizational performance, with a value of 0.613. Because the R values of all variables in this study range from 0 to 1, it can be inferred that all of the variables included in this study are more or less significantly connected.

**Table 5**

*Relationship between Employee Turnover and Organization Performance*

Variables	Correlation	ET	OP
ET	Pearson Correlation Sig. (2-tailed)	1 0.000	
OP	Pearson Correlation Sig. (2-tailed)	.613** 0.000	1

\*\*Correlation is significant at 0.01 level significant.

Note: Survey report, 2023

## 8 REGRESSION MODELING

To explore employee turnover from an empirical perspective, XYZ researched to see what influence employee turnover had on an organization's performance. Researchers hope that this study help to improve the awareness of hotel employees and their opinions on employee turnover in the sector. Employee turnover has two main effects on the hotel industry: a poor level of coordination, a low level of visitor satisfaction, and a low rate of guest arrival.

**Table 6**

*Regression among the Variables.*

Model	B	Std. Error	Beta	t	Sig
(Constant)	11.464	0.214		11.237	.000
Psychological factor	.915	.121	.665	7.561	.000
Economic factor	-.076	.108	-.057	-.708	.480
Demographic factor	.207	.087	.174	2.371	.019

Dependent Variable: Employee Turnover

Table 6 shows that the constant value is 11.464 where the effect of the psychological factor and Demographic factor on Employee turnover is positive with 0.915 and 0.207 respectively. It reveals that a 1 unit increase in psychological and demographical factors leads to an increase in turnover by 0.915 and 0.207 points respectively. Similarly, the economic factor does not affect employee turnover as it does not have a significant relationship to employee turnover.

**Table 7**

*Regression between Employee Turnover and Organization Performance*

Model	B	Std. Error	Beta	t	Sig
(Constant)	17.979	0.326		12.061	.000
Employee Turnover	-.407	.043	-.613	-9.444	.000

Dependent variable: Organization Performance

Table 7. show the contribution of employee turnover on organization performance. The table reveals the constant value of 17.979 where the effect of Employee turnover is negative which -0.407 is. It shows that one unit increase in employee turnover leads to a decrease in organization performance by 0.407 points.

## 9 RESULT OF HYPOTHESIS

**Table 8**

*Summary of Hypothesis Testing*

Hypothesized Relationship	Correlation Analysis		Regression Analysis		Conclusion
	Correlation	Significance	Beta value	Significance	
H1:PS---ET	0.738	0.00	0.915	0.000	Accepted
H2:EC---ET	0.520	0.00	-0.076	0.480	Rejected
H3:DM---ET	0.577	0.00	0.207	0.019	Accepted
H4:ET---OP	0.613	0.00	0.407	0.000	Accepted

The statement "work stress due to large workloads" had the lowest mean value (2.17), indicating that the majority of respondents agreed with this assertion. Similarly, in the demographic factor section, the mean value of the demographic component was lower than the average. 2.43 was the lowest value of the mean for this heading, followed by 2.65 for the assertion that younger employees are more agile.

Most respondents also believe that demographic variables influence employee turnover. With a mean score of 2.93, this statement indicates that most employees are not actively looking for work right now, but that they may have considered quitting the company at some point in the future. This means that some people disagreed with what was given. The last part on organizational performance revealed that its mean value was higher than the national average. There are two statements in this case: Employee turnover decreases the supply of services, and high employee turnover affects productivity at work, both of which have a mean value of 2.47 below the average.

## 10 CONCLUSION AND DISCUSSION

Employee turnover occurs when employees leave their current employment and new employees are hired. When employees leave a company, they must perform extra work until another employee is hired, which reduces the efficiency of the organization. Employee turnover is a critical factor in determining an organization's performance. In management and organizational studies, employee turnover is a major concern. Despite this, significant effort was expended in determining the causes. In this regard, some academics implicitly believe that staff turnover is a bad thing to avoid. The question of whether turnover affects efficiency, which is the underlying premise of numerous types of research, was just recently raised in a public management study.

A conceptual framework for organizational performance and employee turnover is formulated based on the purpose of the study as well as the previous studies on this concern area. Here in this study employee turnover is an independent variable whereas organizational performance is the dependent variable. Employee turnover has elements like psychological factors, economic factors, and demographic factors. In total 150 employees in the service, the industry was taken into account for the study. Data were collected with a structured questionnaire and each hypothesis was separately assessed, analyzed, and evaluated with the help of a statistical tool like MS Excel and SPSS.

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