A Study of the Impact of Rewards Management on Operational Level Employees' Performance in Hospitality Industry in Sri Lanka (With Special Reference to Three, Four, and Five Star Hotels in Central Province)

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Abstract

Today unfortunately, all over the world, the employee turnover rate in the hospitality industry is very high in Sri Lanka Hoteliers are complaining about the labor turnover ratio in Sri Lankan hotels also being unbelievably high. Rewards have much impact on hotel employees, which increase the level of job satisfaction and job performance (Tahir et al, 2019) and retain well performing employees for long-term. This is more desirable in the hospitality industry in Sri Lanka because the industry is highly standardized and the rewards are competitive tool to optimize employee performance and it determines quality of the service. Most of the organizations in the hotel industry are unable to identify the types of rewards which are best affected to enhance employees" performance. This study was conducted to investigate the relationship between rewards (financial and non-financial) and operational level employees" performance and it is impact. The researcher has selected thirteen numbers of three, four and five-star hotels in Central Province which are registered under the SLTDA. The data was collected from 121 numbers of operational level employees and 13 number of supervisors those who are currently employed in those hotels. Simple random sampling method was used as a sampling technique. The data was collected by using self-administrated questionnaire which was filled by respondents in the sample and interview was utilized for collecting data from supervisors in their hotels. Three hypotheses were assumed and had been tested in this research. Descriptive statistics, correlation and regression analysis techniques were used to analyze the data with the support of SPSS 22 version. Descriptive statistics has presented existing level of rewards management and operational level employees" performance. Correlation analysis has exposed strong positive relationship between of rewards management and operational level employees"" performance. Since the study found the non-financial rewards highly impact on the operational level employees" performance than the financial rewards. The recommendation was thus made for the hotels to change their reward management and policies in order to align the reward management practices according to their respective correlation to employee performance. The researcher recommended for hoteliers to establish the combination of various strategies that would optimize employee performance.

Keywords: employee' performance, Rewards Management, Three, Four- and five-star