The Relationship between Employee Retention Strategies and Performance: a Test of the Mediating Role of Emotional Skills

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ABSTRACT: This study investigates the relationship between employee retention strategies and performance of employees in the hospitality industry with specific focus on the mediation role of emotional skills. Data were collected from 367 employees through a survey questionnaire, and the research hypotheses were examined using a consistent Partial Least Squares Structural Equation Modeling algorithm and bootstrapping method. The findings indicate that employee retention strategies are positively related to innovation, task and adaptive performance. Additionally, emotional skills mediated the relationship between employee retention strategies and innovation, task and adaptive performance. The results highlight the critical importance of developing retention strategies and emotional skills to help employees improve performance.

KEYWORDS - Emotional skills, Employee Retention Strategies, Employee Performance, Hospitality Industry

I.

INTRODUCTION

In today's competitive business landscape, global corporations continuously seek advantages, and the hospitality and tourism sector has become increasingly valuable to many economies. This industry now plays a crucial role in global economic development, influencing environmental, social, and financial factors (Abbas et al., 2021; Saayman & Africa, 2023). To manage these impacts, key industry players are increasingly implementing corporate sustainability strategies (Awan, Sroufe, & Shahbaz, 2022). Notably, multinational hotel companies employ nearly 200 million people, making the sector one of the largest employers worldwide. The contribution of the hospitality industry to a nation's GDP varies, ranging from approximately 2% in smaller markets to over 10% in larger economies (Ampofo, 2020).

Key success factors in the hospitality sector include employee skills, customer satisfaction, and organizational performance (Ghani et al., 2022). Among these, employee training is particularly crucial for budget hotels, which rely on skilled workers to remain competitive. Investing in training enhances employee capabilities, leading to a more competent and reliable workforce (Piwowar-Sulej, 2021). Well-trained employees are better equipped to implement innovative solutions and improve task efficiency (Kaasinen et al., 2020). Moreover, training strengthens work habits and attitudes, ultimately driving customer satisfaction (Bonfanti, Vigolo, & Yfantidou, 2021).

Emotional skills are particularly valuable in budget hotels, as they improve job performance and reduce burnout (Amissah, Blankson-Stiles-Ocran, & Mensah, 2022). Employees with strong emotional intelligence are more attuned to their own emotions and those of others, enabling them to manage emotional labor effectively (Bavik, 2020). Emotional intelligence is linked to higher job satisfaction and organizational commitment while being negatively associated with employee turnover. Employees who can regulate their emotions are less likely to leave their jobs due to workplace stress, contributing to lower turnover rates and stronger organizational stability (Nakić et al., 2023).

Research has shown that leaders and employees with high emotional intelligence use positive emotions to enhance decision-making, ultimately improving organizational outcomes (Carroll et al., 2023; Ahsan, Zeb, & Arzeen, 2023). Given the challenges of retaining skilled employees in today's business environment, understanding the role of emotional skills in improving organizational performance and employee retention within Ghana's budget hotel sector is essential. Budget hotels face increasing challenges such as labor shortages and rising costs, making effective employee management strategies critical for long-term success (Ahmed et al., 2020). This study explores how emotional skills contribute to employee innovation, task, and adaptive performance, providing insights into strategies that can enhance employee retention and support economic growth in Ghana's hospitality industry. To address this significant research gap, the research questions of this paper are outlined as follows:

1. What is the relationship between:

a.Employee retention strategies and task performance?

b.Employee retention strategies and adaptive performance?

c.Employee retention strategies and innovation?

2.To what extent does emotional skills mediate the relationship between:

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a.Employee retention strategies and innovation?

b.Employee retention strategies and task performance?

c.Employee retention strategies and adaptive performance?

II. CONCEPTUAL REVIEW

Employee retention has gotten more challenging recently and has become a concern in many firms. The number of companies looking for competent, knowledgeable, and talented workers is always expanding, which has increased competition for these workers on the job market and decreased their availability. talent retention has become a significant concern for enterprises all over the world (Yukongdi & Sherstha, 2020). Employee retention was realized as the approach needed by a business to retain trained as well as talented individuals by identifying the elements related with employee retention so as to minimize needless turnover (De Sousa Sabbagha et al., 2018). One of the difficulties HR managers encounter is employee turnover, which is a problem for entrepreneurial firms (Rakhra, 2018).

A key employee retention strategy is respect. It refers to the recognition, esteem, or special treatment given to someone. It plays a crucial role in retaining employees (Reyes, 2020). Everyone deserves respect, a universally accepted concept across academic fields and a key focus of moral philosophy. From a Kantian perspective, respect means valuing a person's inherent dignity (Subramani & Biller-Andorno, 2022). When employees feel respected, they also seek appreciation through rewards. According to Buss, acting respectfully is essential in demonstrating genuine respect for others (Subramani & Biller-Andorno, 2022). Respect is often understood as being treated politely or properly recognized for one's behavior. A culture of respect is essential for organizational success (Spell-Hansson, 2023). Research shows that when employees feel valued and respected, they are more committed to their organizations, actively contribute to their teams, and invest in their professional identities. Respect fosters cooperation, strengthens group identity, and enhances overall effectiveness. Employees who feel respected and valued remain dedicated to achieving company goals, and their rewards—whether intrinsic, extrinsic, or both—become more meaningful (Pandzic & Hadziahmetovic, 2022).

Employees are more likely to maintain good job performance when they receive rewards (Bhatia et al., 2023). Rast & Tourani (2012) found that financial incentives can boost employee loyalty, job satisfaction, and motivation. Non-monetary rewards, such as recognition and career growth opportunities, also enhance gratitude and personal development, leading to higher productivity and commitment. Employee satisfaction depends on both intrinsic and extrinsic rewards. Abu Hassan Asaari et al. (2019) emphasized that both direct and indirect incentives impact employee happiness. An ideal reward system includes financial benefits like salary and promotions, as well as psychological rewards like job satisfaction (Al, Alshurideh, & Alnaser, 2020; Ali et al., 2021). Rewards go beyond respect and recognition—they provide extra motivation for employees to stay with an organization (Mathimaran & Kumar, 2017).

Additionally, Employees want feedback on their performance, and being acknowledged makes them feel valued. The main purpose of employee recognition is to encourage behaviors and strategies that improve performance and contribute to business success. When employees feel appreciated, they tend to be happier and more productive, leading to better organizational performance (Anwar et al., 2021; Augustinus & Halim, 2021).Employee recognition involves appreciating outstanding achievements or exceptional efforts in the workplace. It can take various forms, such as spot bonuses, quarterly or annual bonuses, employee of the year awards, and personal praise. Recognition programs are designed to reinforce positive behaviors and motivate employees to improve their performance (Kariuki & Kiiru, 2021). When implemented effectively, these programs can lead to long-term employee productivity. However, managing recognition properly requires emotional intelligence, which plays a key role in achieving the desired organizational performance.

2.1 Emotional Skills

Relationships at individual and professional level are influenced by emotions on several levels (Stoichkova et al., 2023). Proceedings (2020) indicated that Emotional Intelligence is also known as emotional skills, and is the ability to recognize, evaluate and manage one's own, other people's, and group emotions. Drigas et al., (2023), explained that emotional skills is a set of skills and abilities that a person must train and develop gradually and hierarchically to achieve emotional self-realization. Furthermore, Kotsou et al., (2019) in their study defined, emotional skills as the capacity to recognize, express, comprehend, manage, and use emotions. The ability of non-cognitive talents and competences that affect a person's capacity to cope with pressure and environmental demands is emotional skills. It is also the ability to comprehend oneself and others, connect with others, adapt, and handle stress. It also involves personal, social, and survival abilities (Sudibjo & Sutarji, 2020). Self awareness is an important emotional skill which shows how effectively a person understands and describes their own feelings as well as the reasons behind them. Self-awareness is typically characterized as conscious awareness of one's personality, emotions, thoughts, capabilities, shortcomings, values, motives, and desires. It is a psychological condition in which one's self becomes the center of attention (Drigas et al., 2023).

A self-controlled individual can effectively manage their emotions, especially under workplace pressure. Negative emotions such as irritation, anxiety, sadness, or stress are common in the hospitality industry. According to Stoichkova et al. (2023), emotional forecasting and regulation are essential tools for managing these feelings. This aligns with previous research indicating that emotional self-awareness involves recognizing both one's own strengths and weaknesses, as well as those of others, through empathy. Individuals who develop competencies in this area—such as accurate self-assessment, emotional self-awareness, and self-confidence—benefit by understanding their own and others' abilities and limitations. They also take responsibility for mistakes and strive for continuous improvement (Strugar Jelača et al., 2022). When emotions are properly identified and regulated, both self-management and the management of others become more effective in a business environment. Thus, the ability to recognize, react to, and manipulate emotional information without necessarily understanding it, as well as the capacity to comprehend and regulate emotions without necessarily recognizing or fully experiencing feelings, are all examples of emotional skills.

2.2 Employee Performance

Employee performance is one of the most important components in achieving financial success for organizations, and job completion may be a major source of personal fulfillment, therefore performance is crucial for both organizations and employees (Duong & Nguyen, 2023). Thus, if productive human resources are available, organizational goals can be accomplished. The efficient use of these resources is a crucial component in increasing capacity and making the most of relatively scarce sources as propounded by Ekhsan et al., (2019). Performance has been described in terms of actions or behaviors connected to an organization's objectives (Abubakar et al., 2019),Salah, 2023; Awang et al, 2021). These objectives are frequently determined by the organization's mission as well as assessments of the actions taken by managers or other higher-ups. Employee performance helps improve organizational operations generally, especially in terms of productivity and efficiency (Abualoush et al., 2018). Additionally, employee performance, also reflects the financial or non-financial consequences of the individual that are strongly tied to the effectiveness and success of the firm (Bataineh, 2019). Eventually according to a study by Li et al.,(2023) it found out that, giving workers more freedom and power to make decisions for themselves, implies employers may encourage productivity. For employee's performance, task performance, contextual performance.

Adaptive performance is employees' ability to manage crises, learn rapidly, and solve new challenges become necessary competencies when the environment grows more tumultuous posited by AlAbri et al, (2022). (Charbonnier-Voirin & Roussel, 2012). According to Sadikin et al., (2023) using adaptive techniques can offer flexibility in handling change, boost employee satisfaction, improve workforce quality, raise productivity, and provide businesses a competitive edge. (Huntsman, et al., 2021; Park, & Park, 2019) has gotten a lot of attention as a means to better understand the dynamic nature of employee performance in today's fast-paced corporate environment.

Hitherto adaptive performance is a person's capacity to modify their conduct in response to a shifting environment or the requirements of a novel circumstance or occurrence. Insofar as new technologies and the restructuring of businesses in reaction to financial crises mean that employees increasingly need to be able to adapt to changing work systems and responsibilities, adaptive performance has become of considerable interest and relevance for companies (Gorostiaga et al., 2022). Six aspects of adaptive performance were initially identified following a thorough literature assessment. They are: solving problems creatively; dealing with ambiguous or unexpected work situations; mastering tasks, technical tools, and work procedures; maintaining adaptive interpersonal relationships; displaying cultural adaptability; and displaying physical adaptability(Park et al., 2020). People who have adaptive expertise are not only skilled at finding answers to everyday issues, but also have a deeper comprehension of how and why those solutions work. In addition to procedural knowledge, they also have conceptual understanding regarding the "why" of how things operate (Pelgrim et al., 2022).

Task performance are those essential actions and conduct that are necessary and directly advance the objectives of the organization. It entails accomplishing business goals, making potent sales pitches, and varying between jobs within the same company. Role performance actions also directly or indirectly affect an individual's or an organization's performance (Kalia & Bhardwaj, 2019). Task performance is the efficiency with which a worker completes tasks that support the technical core of the organization, either directly by performing a portion of its technological process or indirectly by providing it with the resources or services it requires (Hetland et al., 2022). Thus, it refers to an employee's efficiency in carrying out his or her primary duties or role-based obligations, whereas workplace deviance refers to voluntary actions taken by employees with the potential to harm a company or its stakeholders or violate their legitimate interests (Singh,2019). Employee performance can be divided into two categories: task performance while acting within the role, and contextual performance while acting outside the role. Task performance is as the results and actions that help a company reach its goals (Bhardwaj & Kalia, 2021).

2.3 Theoretical Foundation and Hypothesis Development

The theory of Social Exchange emphasizes voluntary activity performed with the hope of gaining something from another person based on a relationship of mutual benefit. According to the theory, a firm is more likely to see a better return on investment when it acknowledges and invests in talent. This hypothesis says that when employees are content with the work environment supplied to them, they are more likely to be retained for a longer period of time (Baharin & Hanafi, 2018). According to the theoretical underpinnings of this study, when businesses invest in employees, they respond by showing greater empathy for the goals of the business and reciprocating with actions that are advantageous to the business (Jawaad et al., 2019). Therefore, effective employee retention strategies will increase employee task and adaptive performance.

Scholars and practitioners alike recognize the critical role of customer-contact employees in successful service operations (Nart et al., 2019). Due to the high cost of labor turnover, which can result in 150% of an employee's yearly income, staff retention is a major human resource objective in many organizations. Furthermore, the hospitality industry has long been plagued by excessive turnover, which is still on the rise (Book et al., 2019), with overall turnover in the hospitality and leisure industry. As a result, there is still a focus on factors with both positive and negative consequences (Bamfo et al., 2018). It requires significant emotional skills of organizational members.

Firms, particularly hotel corporations worldwide, struggle with Employee Retention (ERS). Furthermore, for a business to achieve its goals, it depends on how well it is able to deploy ERS in conjunction with its HRM strategy as cited in the study by Selvi and Aiswarya (2023). It involves making an effort to persuade employees to work for the business for as long as possible (Hassan, 2022). They are the ones who boost the output of the company in both quality and quantity. Because of demographic and market changes that have led to a more confident and demanding workforce, firms must be competitive and work harder to suit their needs in order to keep their employees' loyalty (Proceedings, 2020). People are a crucial resource for every organization, according to (Al et al. 2020), and a company's success or failure is frequently correlated with its ability to recruit, retain, and pay talented and productive personnel. For all these to be systematically planned and executed it requires specific skills to achieve such phenomena (Hanelt et al., 2021).

Emotional skills are crucial to coordinate the relationship between employee retention strategies so as to exhibit the factors to provide customer satisfaction to eventually lead to sustainable performance. The ability of employees to give excellent customer service ensures a favorable impact on the organization's performance. Hence it is very crucial for the hospitality organizations to embrace emotional intelligence in the management of their operations especially the human resource, so that their employees are retained and become brands for the organization, so as to provide services to enhance the organization's performance in terms of improvement in goods and services, returns on investments and sustainability in the market (Al et al., 2020).

2.4 Empirical Review

2.4.1 Employee Retention Strategies and Performance

In 2020, Al et al. Maintained that employee retention strategies impact performance, through human resource management strategies, particularly those linked to the effect of staff retention and organizational performance. Similarly, Ontita and Muigai Kinyua (2020) discovered that human resource management strategies, which included metrics like staff productivity and retention, had an impact on both organizational, operational and financial success

Capability of Personnel that is employees' talents, technical know-how, and capacity to handle the customer's perspective during employee-customer service exchanges are all examples of personnel competence. During client interactions, the employee seeks to understand the customer's needs and takes appropriate steps to meet them. Employees understand the customer's perspective visually (what a customer sees and perceives), intellectually (what a customer thinks), and emotionally (what a customer feels) employees understand what a consumer feels. Customer service personnel's client orientation has a substantial impact on customer retention and satisfaction (Darzi & Bhat, 2018).

Saayman and Africa (2023)'s comparative study emphasized, immediate interventions that include a balance mix between the compensation strategies, salary packages, and improved working environment to incentivize employees. This will allow for an efficient and smooth operation of activities in hotels while also ensuring that employees are delighted and settled. Likewise, Ghani et al., (2022), suggested that four factors—a sustainable, positive work environment; sustainable growth opportunities; sustainable, effective communication; and sustainable effective recruitment and selection practices—are related to employees' levels of satisfaction and, consequently, their retention rate.

2.4.2 Emotional Skills and Performance

Ekeke and Nwokaego (2022) explored the connection between employees' emotional skills and customer retention in a selected group of hotels. Findings indicate that employee service remains one of the most critical factors in achieving organizational success. Emotionally stable employees are better equipped to connect with hotel guests and deliver exceptional service. The study further highlights that when customer

expectations are met, satisfaction increases, ultimately fostering loyalty to the hotel brand. These insights have significant implications for hotel managers aiming to enhance staff performance by promoting emotional stability (Azam, 2023). The recommendations include: regular assessment, promotion considerations and supportive Leadership (Talukder & Galang, 2021). By prioritizing these strategies, organizations can create a more emotionally resilient workforce, leading to improved customer satisfaction and brand loyalty.

2.5 Mediating Role of Emotional Skills

In 2022, Alwali and Alwali conducted a mixed method study of 355 respondents in Small and Medium Enterprises (SME) and found that emotional intelligence plays a crucial role in business success and employee job satisfaction. Thus, employees with higher emotional intelligence tend to be more satisfied with their jobs, which in turn enhances overall business performance. Similary, Dhoopar et al. (2022)'s analyses of 390 responses of teaching and non-teaching staff at various higher education institutions (HEIs) in India showed that emotional intelligence (EI) partially mediates the relationship between organizational regulations (OReg) and employee performance (EP). It also found that employees with higher EI positively influence OReg, leading to improved workplace performance. Soriano-Vázquez et al. (2023) underscored the predictive ability of emotional intelligence in conflict management, in their study of 208 nurses.

On the bases of the conceptual and empirical review, the research hypothesized that:

H1: There is a significant relationship between employee retention strategies and adaptive performance

H2: There is a significant relationship between employee retention strategies and task performance

H3: There is a significant relationship between employee retention strategies and innovation

H4: Emotional skills mediates the relationship between employee retention strategies and adaptive performance

H5: Emotional skills mediates the relationship between employee retention strategies and task performance

H6: Emotional skills mediates the relationship between employee retention strategies and innovation.

III. METHODOLOGY

The study used an explanatory research approach with a cross-sectional survey design. It focused on hospitality industry employees who interact with customers, including frontline staff, managers, and support staff. To reduce common method bias, the questionnaires were distributed in two phases. The first questionnaire, sent on February 8, 2024, collected data on participants' demographics and employee retention strategies. Out of 450 distributed, 350 were returned, achieving a 77.8% response rate. The second questionnaire, administered on March 11, 2024, measured emotional skills and performance. Out of 450 distributed questionnaires, 355 were returned, with an 86.7% response rate. After careful screening, responses with missing data or inconsistent patterns were removed, resulting in 367 valid responses. Among the participants, 60.4% were female, while 39.6% were female. In terms of education, the majority of employees held technical or other first university degrees (46.7%), followed by those with a master's degree (31.5%). The average age of participants was 28.7 years, with an average employment tenure of 6.5 years.

IV. RESULTS

Table 1 presents the results of the confirmatory factor analysis conducted on the constructs used in the study, including employee retention strategy, emotional skills, task performance, adaptive performance, and innovation. The factor loadings for each item are all above the acceptable threshold of 0.7, indicating a strong relationship between the items and their respective constructs (Hair et al., 2021). The Cronbach's Alpha values for all constructs range from 0.786 to 0.842, showing good internal consistency reliability. The Composite Reliability (CR) values are also above the recommended threshold of 0.7, (Hair et al., 2017) and the Average Variance Extracted (AVE) values exceed 0.5 (Hair et al., 2012). This suggests that the measurement model is reliable and valid for further analysis.

Table 2 examines the discriminant validity of the constructs using both the Fornell-Larcker criterion and the Heterotrait-Monotrait (HTMT) ratio. The Fornell-Larcker criterion indicates that the square roots of the AVE for each construct are greater than the inter-construct correlations, confirming discriminant validity. For instance, the AVE for adaptive performance is 0.823, which is higher than its correlations with other constructs, such as employee retention strategy at 0.637 and emotional skills at 0.559. Additionally, the HTMT ratios are all below the 0.85 threshold, further supporting the discriminant validity of the constructs (Henseler et al., 2015).

The results from Table 3 shows that Employee Retention Strategies positively and significantly correlate with emotional skills (r=.670, p<.01), adaptive performance (r=.121, p<.05), task performance (r=.318, p<.01), and innovation (r=.169, p<.05). Similarly, the results of the study revealed that innovation positively and significantly correlate with adaptive performance (r=.196, p<.01), task performance (r=.361, p<.01), and innovation (r=.117, p<.05).

After confirming that the study's measurement model met all psychometric criteria, the structural model was evaluated by examining the size and significance of the path coefficients, as depicted in Figure 2. The bootstrapping procedure with 5,000 resample was utilised. Employee retention strategy accounts for 26.6%

of the variance in emotional skills. In addition, employee retention strategy and emotional skills combined accounts for 47.7%, 57.9%, and 13.2% of the variance in adaptive performance, task performance, and innovation respectively. The values, as shown in Table 4, provide insight into the predictive relevance of the model for each endogenous construct. The Q2 values as presented in Table 4 for emotional skills (.253), adaptive performance (.399), task performance (0.492), and innovation (.020) indicate that the model has good predictive relevance. In this study, the SRMR value is .016, which is below the recommended threshold of .07 (Bagozzi and Yi, 2012).

	<u>sis among stud</u> Items	Factor Loadings	Cronbach Alpha	Composite Reliability (CR)	
Employee retention strategy			0.786	0.862	0.609
	ERS1	0.743			
	ERS2	0.769			
	ERS3	0.822			
Emotional skills	ERS4	0.787	0.817	0.872	0.577
Emotional skins	ES1	0.777	0.817	0.872	0.377
	ES1 ES2	0.744			
	ES3	0.771			
	ES4	0.772			
	ES5	0.735			
Task performance			0.839	0.886	0.609
	TP1	0.714			
	TP2	0.793			
	TP3	0.801			
	TP4	0.764			
A danting nonformanas	TP5	0.825	0.842	0.894	0.678
Adaptive performance	AP1	0.760	0.842	0.894	0.078
	AP2	0.839			
	AP3	0.837			
	AP4	0.854			
Innovation			0.798	0.879	0.708
	IN1	0.789			
	IN2	0.891			
	IN3	0.841			
Source: Field Study (2025)					
Table 2: Discriminant validity test					
		1	2	3 4	5
Fornell-Larcker criterion					
1 Adaptive performance		0.823	}		
2 Employee retention strategy		0.637	0.781		
3 Emotional skills		0.559	0.516	0.760	
4 Innovation		-0.00			.841
5 Task performance		0.698			0.083 0.780
Heterotrait-monotrait ratio (HTM	IT) - Matrix				
1 Adaptive performance					
2 Employee retention strategy		0.774	Ļ		
3 Emotional skills		0.670			
4 Innovation		0.107		0.236	
					192
5 Task performance Source: Field Study (2025)		0.021	0.059	0.727 0	0.182

Source: Field Study (2025)

Table 3: Correlation among study's construct							
		1	2	3	4	5	
1	Employee retention strategies	-					
2	Emotional skills	$.670^{**}$	-				
3	Adaptive performance	.121*	.196**	-			
4	Task performance	.318**	.361**	$.375^{**}$	-		
5	Innovation	.169*	$.117^{*}$	$.479^{**}$	$.470^{**}$	-	

**, * significant at the 0.01 and 0.05 respectively.

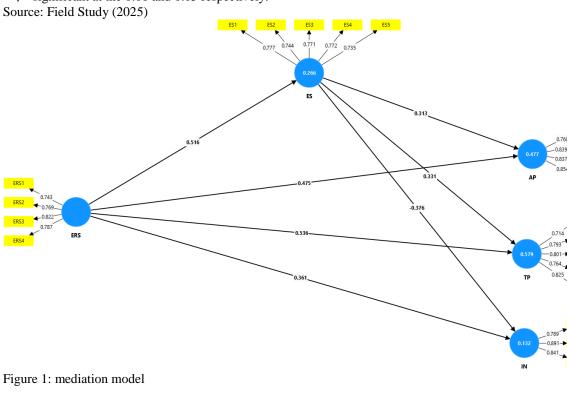


Table 4: Result of hypotheses testing

		Sample	Standard				
	Original	mean	deviation	T statistics	Р		
	sample (O)	(M)	(STDEV)	(O/STDEV)	values		
$\text{ERS} \rightarrow \text{AP}$	0.475	0.473	0.067	7.124	0.000	Supported	
$\text{ERS} \rightarrow \text{TP}$	0.536	0.533	0.063	8.479	0.000	Supported	
$\text{ERS} \rightarrow \text{IN}$	0.361	0.363	0.060	5.966	0.000	Supported	
$\text{ERS} \rightarrow \text{ES}$	0.516	0.520	0.052	10.017	0.000		
$\text{ES} \rightarrow \text{AP}$	0.313	0.317	0.062	5.016	0.000		
$ES \rightarrow IN$	-0.376	-0.383	0.049	7.605	0.000		
$ES \rightarrow TP$	0.331	0.334	0.060	5.515	0.000		
Mediating effect							
$\text{ERS} \rightarrow \text{ES} \rightarrow \text{IN}$	-0.194	-0.200	0.036	5.445	0.000	Supported	
$\text{ERS} \rightarrow \text{ES} \rightarrow \text{TP}$	0.171	0.174	0.038	4.529	0.000	Supported	
$\text{ERS} \rightarrow \text{ES} \rightarrow \text{AP}$	0.162	0.166	0.038	4.204	0.000	Supported	
Stoner-Geisser Q^2							
Emotional skills		0.253					
Adaptive performance		0.399					
Task performance		0.492					
Innovation		0.020					
SRMR		0.016					
Source: Field Study (2025)							

Source: Field Study (2025)

Hypotheses Testing

Table 4 presents the results of the hypotheses. The results show that employee retention strategy significantly predicts adaptive performance (AP) ($\beta = .475$, t = 7.124, p<.001), task performance ($\beta = .536$, t = 8.479,

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p<.001), and innovation ($\beta = .361$, t = 5.966, p<.001), indicating support for H1, H2, and 3. The mediating effects further reveal that Emotional Skills (ES) mediate the relationship between Employee Retention Strategies (ERS) and Task Performance (TP) with a mediating effect of ($\beta = .171$, t = 4.529, p<.001), Innovation ($\beta = -.194$, t = 5.445, p<.001), and adaptive performance ($\beta = .162$, t = 4.204, p<.001), indicating support for H4, H5, and H6.

The findings suggest that employee retention strategies of the hospitality industry increases the performance of employees, and employees' emotional skills intervenes positively in these relationships. Applying Social Exchange Theory (SET) emphasizes the benefits employees in an employment relationship consider in maintaining their membership. Similarly, the study found that emotional skills mediates the impact of employee retention strategies, increasing its positive effects. This highlights the essential role of personal resources in improving performance in the hospitality industry, lessening the impact of the demands of the job, ultimately improving employee performance. Employee retention strategies and emotional skills play a key role in enhancing performance. Understanding these interactions allows organizations to develop policies and practices that will improve performance.

V. CONCLUSION

The relationship between employee retention strategies, task performance, adaptive performance, and innovation are synergistic. Emotional skills mediated the relationship of employee retention strategies and task performance, adaptive performance and innovation. Hence, management should improve retention strategies by rewarding, respecting, and recognizing employee performance. Management should train employees on self-awareness and self-management to increase employee performance in the hospitality industry.

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