In or out?

- An analysis of employee turnover

Abstract

A low employee turnover is a key competitive advantage in the hotel industry in general, and in the luxury segment in particular. However, despite the amount of existing literature on the subject there is no well-recognized model to analyze it. The aim of this study is to evaluate how a luxury hotel company works with, and what the effects are on, employee turnover at one of their resorts. When we reviewed the litterateur we found several factors that were used more frequently than others. Since they were highly related and dependent of each other it fell naturally to divide them into four aspects providing a holistic foundation for our analysis. The research has a qualitative approach and is primarily based on interviews with respondents from different levels in the organization along with written material presented by the company. The result shows that there is a misconception in the organization, as the reality communicated by the hotel does not correspond to the reality perceived by the employees. This leads to dissatisfaction amongst the employees and hence affects the employee turnover in a negative way.

Keywords: Employee turnover, hotel industry, misconception

Authors: Erik von Geijer 21155

Alexander Löwbäck 21320

Tutor: Ingela Sölvell
Examinator: Dag Björkegren
Venue: 27 May 2010,13:15

Discussants: Adel Koubaa & Richard Wessman

Acknowledgement

We would like to thank Dag Björkegren for allowing us to conduct our study abroad and for the informative lectures which gave us the tools to write this thesis.

Further we would like to thank our tutor Ingela Sölvell for invaluable comments and expertise. Without you we would have been lost in the academical-jungle.

Finally, we would like to thank the hotel in Thailand for providing us this opportunity. It was an experience of a life time.

Stockholm 17th of May, 2010

Erik von Geijer & Alexander Löwbäck

Index

1 Introduction	1
1.1 Framing the study	1
1.2 The impact and cost of employee turnover	2
1.3 Purpose of the thesis and research question	
1.4 Delimitations	3
1.5 Definitions	4
1.6 Disposition of the study	4
2. Method	5
2.1 Our process	5
2.2 Case selection	5
2.2 Research method	6
2.3 Research approach	7
2.4 Data gathering	7
2.5 Quality of research	
2.5.1 Investigation challenges overcome	10
3. Theoretical framework	11
3.1 The choice of theory	11
3.2 The link between motivation and employee turnover	11
3.2 Theoretical aspects	12
3.2.1 Opportunities	12
3.2.2 Conditions of work	14
3.2.3 Financial aspects and rewards	14
3.2.4 Policies	15
4 Empirics	17
4.1 Background information on the hotel	17
4.2 Opportunities	17
4.3 Conditions of work	20
4.4 Financial aspects and rewards	21
4.5 Policies	22
5 Analysis	25
5.1 Analysis of Opportunities	25
5.2 Analysis of Conditions of Work	26
5.3 Analysis of Financial incitements and rewards	27

5.4 Analysis of Policies	28
6 Conclusion	
6.1 Answering the research question	30
6.1.1 Conclusions from the aspects	30
6.2.3 General conclusions	31
7. Reflections	32
7.1 Suggestions for further research	32
8. References	33
9. Appendix	36

1 Introduction

1.1 Framing the study

The tourism industry has for the last couple of years been the largest and fastest growing industry in the world¹. The hospitality segment is characterized by high labor intensity, many unskilled workers, low wages and unsocial hours. All of these factors combined result in high employee turnover.² The nature of the hospitality segment is continuously developing; new hotels open and start competing with older ones that must close down if they cannot handle the competition.

The high employee turnover creates several managerial difficulties that ultimately result in unnecessary expenses for the company. The characteristics of the segment and the fact that a lower employee turnover would mean a competitive advantage³ make it a crucial challenge from a management perspective.

Studies on employee turnover indicate that there are many different perspectives to address when analyzing it. Every study has its own set of factors to consider when managing employee turnover, depending on the authors' findings. They all believe their findings are the most important and hence there is no well-recognized employee turnover model or consensus on what factors to use when conducting analysis.⁴

One aspect of employee turnover theory is the recruitment process.⁵ If the right person is employed from the beginning, the probability of him leaving would be lower, hence a lower employee turnover. The recruitment process can be seen as an opportunity for the employer to communicate what the organization can offer the employee. If the organization has well established Human resource (HR) policies it should be possible to form a *psychological contract*⁶ with the employee. Thus the employee would know what to expect when accepting the new job and hence lower his intentions of leaving the organization.

¹ (Tarabanov, 2007)

² (Maroudas, Kyriakidou, & Vacharis, 2008)

³ (Rao, 2010)

⁴ (Brown & Cheng, 1998)

⁵ (Brown & Cheng, 1998)

⁶ An emotional commitment to the organization

However, there is usually a misconception between what the employee expects and the reality. This study will take the most commonly used aspects from employee turnover literature and apply them to a luxury resort company's property in Thailand to see how they work with employee turnover. Due to a request from the company they will hereby be referred as to the hotel, which also means changing the organizations name on specific material gained from the company.

1.2 The impact and cost of employee turnover

While some level of employee turnover is healthy for a company, such as injecting talent or letting go of unsuitable persons, employees leaving the company for various reasons also has a negative side, as demonstrated when the employee turnover rate becomes too high.

There are several aspects to the challenge of employee turnover that make it interesting. When failing to deal with these aspects the consequences will be costs for the organization. There are two main direct costs that are created by employee turnover. First there is the cost of finding and hiring new staff, which includes finding candidates and conduct interviews. Second, there is the cost of training the new employee. Even experienced employees have to learn the new company's culture and how the service is performed at the new hotel since every hotel chain has their own approach.

Another factor concerning employee turnover that is not a direct cost but still critical to organizational success is institutional senility,⁷ which is when the organization lose practices and information when the employee leaves the company. The gap between the old employee leaving the organization and the new employee is fully operational results in an increased workload for the rest of the team.

The impact of employee turnover is essential for the luxury hotel industry to acknowledge in order to provide the excellent service that their customers demand and yet there is no recognized tool for analyzing it.

1.3 Purpose of the thesis and research question

As can be seen above we are interested in how organizations work with employee turnover. Therefore the purpose of the study is to examine how the hotel works with employee turnover.

⁷ (Carley, 1992)

Most previous researchers have focused on analyzing the employee turnover in general, from other industries' points of view or by only focusing on certain factors to test a hypothesis. By using a broad approach and analyzing all of the most important aspects of employee turnover we will find where misconceptions between the employer and the employee can occur. When the misconceptions are identified the organization can address them in order to reduce its employee turnover. This fact is important to recognize by any organization addressing employee turnover.

The guiding research question is:

What are the main reasons for employee turnover in the hotel?

1.4 Delimitations

There is a difference in how gender, age and tenure can affect employee turnover. Male employees have a higher concern for recognition from the company, i.e. employee of the month, than their female counterparts and younger employees were more concerned about benefits and development than older employees.⁸ However, the analysis will not be based on different groups since our purpose is to analyze the employees as one unit.

Limitations will also be made to only employee turnover literature. Many studies also include motivational models but since our purpose is to see how the hotel works with their employee turnover these will be excluded. However, many studies use the fact that motivated employees are less probable to leave the organization. Hence, motivational features will be used indirectly.

When discussing employee turnover and how different aspects will make employees commit more to the organization you come close to the psychological aspect of individuals behavior. However this is not something we will analyze further since it is outside our area of studies and we will therefore limit the psychological aspects to a minimum.

Finally we will not include external factors in our study such as cultural differences and the labor market conditions.

_

^{8 (}Maroudas, Kyriakidou, & Vacharis, 2008)

1.5 Definitions

Employee turnover – The percentage of employees that leave the organization, voluntarily and dismissed, during a certain period of time

Hotel industry – Organizations offering hospitality to customers.

Misconception – The difference between communicated- and the perceived reality

1.6 Disposition of the study

After this introduction the method for undertaking the study will be presented. The motivation for choosing this hotel as the research object will be described as well as how the data was gathered.

Then the theoretical framework will be presented. Conceptual literature will be reviewed and the most frequently used factors, which compiled into general aspects, will be used as a foundation for the study. The following chapter contains the empirics outlined after the aspects.

Further the empirics will be analyzed from the point of view of each aspect in order to gain an understanding of how the hotel works with employee turnover. Finally, the conclusion of our findings will be presented and the significance of the results will be discussed as well as suggestions for further research.

2. Method

2.1 Our process

Our areas of interest have always been human resources and employee management. In the hotel industry the employees are important, particularly in the luxury segment. Thus employees are important to recognize and address in order to be successful.

The topic of this study was not given from the beginning. We contacted several hotels and asked them about management difficulties they perceived as the most challenging. When deciding to work for this particular hotel we agreed on the theme "what occupies managers time". However we were still free to choose the precise topic. As mentioned earlier, employee turnover is a universal issue within the hotel industry and a commonly debated subject in literature. Therefore we found the subject appealing and the hotel gave us the liberty to conduct the research as we wished.

We started by making a literature review of employee turnover. This process gave us the basic knowledge about the subject and also insight about what to focus on.

Before approaching the empirical context through interviews, we requested background-reading materials. This made it easier for us to achieve an understanding on how the company works. It also gave us the chance to prepare for the interviews with a set of questions. The data gathering was conducted on site in Thailand.

When the data had been collected we thoroughly reviewed it and wrote the empirics. Using our empirics and theories we were able to conduct our analysis and finally reach some conclusions.

2.2 Case selection

The study object is a hotel in Phuket, Thailand. When choosing a case it is important to find an organization that is a good representative for the study. ¹⁰ The hotel-chain and especially this particular hotel has suffered from high employee turnover but believes that a low turnover is a key competitive advantage in their business. ¹¹ The hotel is an average resort for the hole organization, as well as for the industry. This makes the hotel a good case to study in order to find out how they work with the employee turnover.

⁹ (Brown & Cheng, 1998)

¹⁰ (Siggelkow, 2007)

 $^{^{11}}$ (Reducing turnover, The hotel, 2010)

When studying employee turnover it is important not only to analyze one or a few perspectives but several since it is a multi-dimensional issue.¹² Hence gathering information from a wide range of perspectives becomes important. Furthermore it is crucial to find relevant data when conducting a single-case study.¹³ The hotel provided full access to all the company information, which proved to be invaluable as data became much easier to find.

2.2 Research method

When conducting an academic study there are two main methods, the quantitative and the qualitative.¹⁴

The quantitative approach is used when trying to understand a phenomenon by, for instance, using descriptive numbers. The researcher can control the study by using different data and hence the analysis will become more formal than with a qualitative approach.¹⁵ Hence, the research answer will focus on numbers and frequencies.

The qualitative approach is used when the motive for the study is to gain a deeper understanding of the subject by gathering different kinds of data. This means that the researchers have less control of the research information.¹⁶ In comparison to the quantitative approach the qualitative has its strength in gaining a deeper understanding of complex matters whereas the quantitative, as mentioned above, focuses on statistics in order to find arithmetic answers to a phenomena.¹⁷

To examine and gain an understanding of the factors concerning employee turnover, rather than just observe and measure, a qualitative approach is more suitable, mainly because the research area is complex and not easily understood by numbers and pure statistics. Using the qualitative approach makes it easier to adapt the research based on the new information in comparison with the quantitative approach, since then you already have your set of data. The qualitative approach constantly analyzes the phenomena with new information. By using the qualitative method we achieve a deeper understanding of each factor used to analyze the employee turnover.

¹² (Brown & Cheng, 1998)

¹³ (Siggelkow, 2007)

¹⁴ (Solvang & Holme, 1997)

^{15 (}Solvang & Holme, 1997)

¹⁶ (Solvang & Holme, 1997)

¹⁷ (Andersen, 1998)

2.3 Research approach

As with the different research methods there are different approaches when conducting a study. The two main approaches are the inductive and the deductive approach.¹⁸ The former is based purely on empirics from a single event to create new theory while the latter is based on theories and knowledge that already exists.

This paper will be of the deductive kind since the study is based on conceptual literature and since the empirics will be used along with the theories. To provide the opportunity to continuously review the findings along with the new information gathered the deductive approach is suitable, thus resulting in a deeper understanding of the issue. Working with a deductive approach has the advantage of providing theories as guidance to what information to look for.

2.4 Data gathering

When researching conceptual literature basic databases were used. The keywords were:

Labor turnover, labour turnover, employee turnover, personnel turnover, job commitment and job satisfaction.

And when finding results that were in the area of the hotel industry, the following keywords were used:

Hotel industry, hospitality industry, hotel management.

In order to gain an understanding of the employee turnover at the hotel their policies and practices will be analyzed, which will contribute to the research being fairly complex.

The data has been collected through interviews since they are the best way to obtain information regarding such a complex matter as employee turnover. All interviews and data gathering have been conducted on site, in Phuket, between the 16th of April to the 5th of May.

Who did we interview?		
¹⁸ (Andersen, 1998)		

The interview plan was outlined to gather as much information from the different aspects as possible and thus gain a holistic view of the phenomena. By choosing managers at different levels and several departments a good sense of how the hotel works with the employee turnover was achieved.

Whom to interview was determined by the aspiration to acquire the broadest view possible. The Managing Director of Thailand and the Head of Human Resources on the resort made a list of who they thought would be good respondents for discussing employee turnover. In addition to those interviews more employees were interviewed to fill gaps in the information. Altogether 14 respondents from different levels and areas were interviewed.

The interviews were conducted in a semi-structured way.¹⁹ This approach was chosen in order to avoid the interviews becoming static. Instead they should be more of a conversation and discussion, preventing the risk of asking leading questions and letting the respondents discuss what is important from their perspective.²⁰ Since the theoretical framework was already developed, the kind of questions that needed to be addressed was already known, which made it easier to focus on issues of primary importance.

The employees and managers of the resort were all aware of our arrival and our thesis due to an internal newsletter and could therefore provide us with well thought through discussions. All the interviewees were involved with staff questions in different ways, and were all able to speak for the hotel.

The hotel has a strong focus on doing things their way, which is conducting business with an environmental approach and creating a sense of family in the organization. This will be elaborated further in the empirical section.

They have compiled their way of operating in a manual describing the way the hotel works. The manual contains all their goals, achievement, HR-policies, etc., and is a great source of information for this study. The hotels manual is the company's internal guide on how their employees should act and how the hotel treats them thus it provide us with clear picture of how the company wants to be viewed from an employee perspective.

_

¹⁹ For the interview guide please see Appendix

²⁰ (Andersen, 1998)

Each quarter the hotel conducts a survey about the employees conditions of work, the responses to which we have been given access. These surveys are valuable as they provide an overall understanding of the employees' perceptions of the hotel.

Finally, we were provided access to the hotels intranet, which included descriptive numbers from the whole company as well as for each individual resort. Even though we only performed the study on one resort, it was good for our understanding if our resort differed from the other the hotels resorts in any aspect and for what reasons. The intranet contained information about everything from what nationalities the guests were to how large the absenteeism was. From this database we could download all the necessary information such as employee surveys and employee turnover statistics.

2.5 Quality of research

When conducting research there are a number of traps one can fall into, therefore reliability and validity are important to keep in mind.²¹ Reliability is conducting the same research a second time and still coming to the same conclusion. This is of course hard when making a qualitative study due to the large involvement of interviews and own observations. However, it also means that you should give a reliable picture of the conditions being studied,²² which is something we believe have succeeded with due to comprehensive interviews with a wide range of employees in different levels and areas. In addition to the fact that we have had full access to company information, which have left us no questions unanswered.

Some of the interviews were pre-booked and suggested by the Head of Human Resources and the Managing Director (MD) for Thailand, which means they could have been chosen in favor of the company and hence be biased. However, being aware of this from the beginning and interviewing employees beyond the pre-booked list provided, we gained a relatively unbiased viewpoint of how practices work at the hotel.

Using different sources of information in the form of interviews, surveys, direct observations, company reports and company material for internal use only, the reliability of the research increases.²³ By using some information gained from interviews and completing it with information from e.g. employee surveys, a more truthful picture of the situation will occur.

²² (Bryman, 2002)

²¹ (Bryman, 2002)

²³ (Bryman, 2002)

The validity of the research is regarding being able to make your research trustworthy. The data and information gathered through different sources are not always what they seem at first, which is something every researcher must be aware of. When analyzing the collected data each interview is discussed and compared to other interviews in order to find a cross section of what might be important. After the initial analysis of the data, the empirics are related to the theories and analyzed in order to answer the research question.

2.5.1 Investigation challenges overcome

Being of another nationality than most employers in the resort results in two problems. The first problem is the language barrier, which to a certain degree limits who you can interview. Using employees with sufficient English skills solved this problem and most of the employees in the upper management team were Europeans with good English skills. The second problem when English is the working language but neither the mother tongue of the interviewee nor the interviewer misunderstandings can more easily arise. These issues were solved by recording all interviews and thus gave us the second chance to interpret, discuss and analyze the answers.

3. Theoretical framework

3.1 The choice of theory

As mentioned before employee turnover should not be seen as a single but rather a multi-dimensional²⁴ event. When conducting the initial research of the employee turnover literature the same conclusion was found, there is no single answer. Every study shows different solutions to the issue depending on the author's theoretical starting-point.

The different factors were then sorted under four aspects, which covers the literature. Each aspect consists of different factors. For instance development and training are both under the aspect opportunities since they are highly related and depend on each other.

The four aspects are:

- Opportunities
- Conditions of work
- Financial aspects and rewards
- HR-Policies

Using these four factors provides a holistic approach to analyze how the hotel is working with employee turnover and hence being able to answer the purpose of the study.

3.2 The link between motivation and employee turnover

As discussed before, motivation and employee turnover have a relation. Motivational aspects contain job satisfaction and job commitment.²⁵ The prior is how satisfied employees are with the current work situation while the latter is how committed they feel to the organization.

Most papers discuss the fact that satisfaction and commitment are evident factors for employee turnover and use this terminology to prove their point.

Chew and Wong show, based on several other studies, that employees who are committed to their organization have less probability of leaving.²⁶ Yang also concludes in his paper that job commitment plays an important role for the employees' turnover intentions. Another conclusion was that job satisfaction is the single most important

²⁴ (Brown & Cheng, 1998)

²⁵ (Jacobsen & Thorsvik, 2008)

²⁶ (Chew & Wong, 2008)

factor to increase the employees' commitment towards their organization.²⁷ Griffeth, Hom and Gaertner did in the year 2000 an update of their earlier paper from 1995 and came to the same conclusion again, that job satisfaction and job commitment were the best predictors when studying employee turnover.²⁸

William Mobely wrote one of few papers with the conclusion that the relationship between job satisfaction and employee turnover is not as strong as earlier thought in 1977. The paper concluded that there were a relationship but it was not as strong as earlier studies showed. Mobely claims that it is not possible to make any conclusions without a more psychological approach and not just rely purely on statistics.²⁹

However, since recent studies almost exclusively use the correlation between job commitment, job satisfaction and employee turnover as a fact, this study will also use this relationship.

3.2 Theoretical aspects

3.2.1 Opportunities

When looking at employee turnover there are several aspects that can be traced back to opportunities provided for the employees. Benson examined the relationship between participation in development activities and attitudes towards the firm. Development activities have a positive effect on employees' attitudes towards the firm, which has been shown in many studies.³⁰ However, to develop the employees' skills might also have a negative effect for the organization if it is not followed by a degree or certificate of some kind. The participants don't find it necessary to develop their skills if a degree is not earned due to the signaling power.³¹

Further, when looking at development, promotion possibilities must also be accounted for. Training not followed by a promotion or a higher salary will result in an increased significance of the employee leaving the organization, since they will look for a better job that matches their new skills.³²

12

²⁷ (Yang, 2008)

²⁸ (Griffeth, Hom, & Gaertner, 2000)

²⁹ (Mobley, 1977)

³⁰ (Benson, 2006)

³¹ Signaling power – if you earn a degree you have a competitive advantage over others since your degree signals higher education etc

³² (Benson, 2006)

The training would thus lower the employee turnover since the firm would be more attractive than its competitors. Hence, it is important to consider development when studying employee turnover and it is also important to investigate the promotion possibilities since these two are strongly correlated.

Steel and Lounsbury take a different perspective on opportunities and find that when there are intraorganizational transfer possibilities an employee with turnover incentives is much more willing to try something else if there is possibility within the organization, since this reduces the uncertainty of searching for a job externally.³³ The same thing occurs with promotion possibilities, why leave the organization if there is a chance of getting promoted?

In contrast, Chew and Wong focus on career mentoring, developing your career as a part of work, had no significant correlation with the employees' intention to leave the organization. Even though the paper concluded that career mentoring did not have a direct effect on employee turnover it was still shown that career mentoring gave a 'psychological' commitment to the organization which could in the long run lead to lower turnover intentions.³⁴

Maroudas, Kyriakidou and Vacharis did a research on employee turnover in the upscale hotel industry in Greece, concluded that personal development was a crucial part of turnover intentions. Through training the employees could feel good about themselves and hence gain a more positive view of the organization.³⁵

Cheng and Brown also found that development and training was one of the aspects that were crucial to employee turnover. The willingness from employers to invest in their employees reduces turnover since the job commitment increases. It is also important to analyze the outcomes of the training by, for example, reading guest comments and finding ways to make the training more effective. The training per se is important, but it must also lead somewhere, otherwise employees might feel that it is unnecessary. By having long-term career paths the employee turnover rate was decreased.³⁶

^{33 (}Steel & Lounsbury, 2009)

^{34 (}Chew & Wong, 2008)

^{35 (}Maroudas, Kyriakidou, & Vacharis, 2008)

³⁶ (Brown & Cheng, 1998)

3.2.2 Conditions of work

As stated in the beginning of this paper, employees in the hotel industry work with low pay and often long and 'unsocial' hours. These characteristics often result in a high employee turnover and since they are not avoidable it is important for the hotels to realize and address the issue.³⁷ Even though conditions in the industry already are tough for the employees, there are circumstances that can deteriorate them.

Johnson did a research based on the hotel industry in the UK with the conclusions that if managers would look more to the condition of work, employee turnover could be lowered. The work conditions investigated were occupancy level, staff/room ratio and overtime. A common problem within the hotel industry is that they are understaffed which, eventually leads to a higher workload for the staff. With a higher workload the employee turnover will also increase. For a hotel it sometimes happens that the occupancy level increases, which forces employees to work harder in order to manage more guests. ³⁸

To overcome this the organization must work with a proactive instead of a reactive approach to control employee turnover. The management must be aware of fluctuations in occupancy and have a clear vision on how to handle it. ³⁹

Steel and Lounsbury are stating that work stress has a high correlation with how the jobrelated perceptions might be. When exposed to a larger workload the perceptions become negative and when the perceptions become negative there is a higher possibility that employees turnover intentions increase.⁴⁰

3.2.3 Financial aspects and rewards

In the study made by Lounsbury and Steel, job rewards were one of the most frequent aspects. When an employee feels appreciated for his performance and receives an award, for instance a cash prize or a bonus, the employee will become more committed to the organization.⁴¹ But money is not the sole motivator; other things like diplomas or trophies make employees feel appreciated. Even though one study showed that money was far more valued the thought of getting a prize creates a sense of belonging.⁴²

³⁹ (Johnson, 1985)

³⁷ (Maroudas, Kyriakidou, & Vacharis, 2008)

³⁸ (Johnson, 1985)

^{40 (}Steel & Lounsbury, 2009)

^{41 (}Steel & Lounsbury, 2009)

^{42 (}Maroudas, Kyriakidou, & Vacharis, 2008)

Chang and Brown found in their study the importance of remuneration, especially if "discrepancy existed between expected and [the] associated value". In that case employees feel unappreciated, which results in a lower commitment to the organization. The conclusion is that if employees are not compensated as they expect, it has a direct negative effect on employee turnover.⁴⁴

Another important dimension suggested by Maroudas, Kyriakidou and Vacharis is financial incentives. If the compensation has no logical meaning or the employees feel that they work for nothing, the intentions of leaving increases. However, if there is a financial rewarding system that makes sense to the employees their commitment to the organization will become stronger.⁴⁵

3.2.4 Policies

Cheng and Brown write in their paper that the hotel industry is represented by its employees. Therefore, it should be natural to have a Human Resource function that continuously works with the employees in order to improve the organization and help achieve its objectives in the most efficient way. Orientation and socialization comes naturally with the recruitment process, which should enhance new employees to be introduced to the organization as fast and smooth as possible.⁴⁶

Cheng and Brown's findings show the importance of orientation and socialization support, which is also supported by Yang's finding in his paper on employee turnover. Yang points out that employee turnover can be reduced if there is a reduction in newcomers' intentions to leave. This finding is based on the author's research where he found the first four weeks of a new job to be the most crucial and the most common timeframe for new employees to quit. This is due to the newcomer's expectations not being met. However, Yang asserts that with organizational socialization, these intentions of quitting may be reduced. This practice is based on reducing emotional vulnerability, which is achieved by making the bonds between new employees and existing employees strong from the start. Further it is important to make sure the newcomer adjust to the culture and surroundings fast.⁴⁷

-

⁴³ (Brown & Cheng, 1998)p 148

^{44 (}Brown & Cheng, 1998)

^{45 (}Maroudas, Kyriakidou, & Vacharis, 2008)

⁴⁶ (Brown & Cheng, 1998)

⁴⁷ (Yang, 2008)

The paper by Chew and Wong has come to the same conclusion. In their study they use *Social exchange theory* to analyze perceived organizational support. The theory assumes that the employees build general beliefs on how the organization will appreciate their efforts as well as beliefs on how the organization will take care of them. According to Chew and Wong organizational support is dependent on how the organization offers benefits in line with the employees' requirements, e.g. service training and development.⁴⁸

Cox, Zagelmeyer and Marchington discuss how organizations can help their employees. They write that EIP (Employee Involvement and Participation) is a crucial and well-researched area. However, the paper considers the expression *embeddedness* as the depth and breadth of the EIP. Most of the quantitative studies analyzing employee involvement and participation don't consider the embedded factor, which may have an impact on the outcome of the prior studies. The results show that with a higher level of involvement and participation, higher embeddedness results, the employees will be more committed and their job satisfaction will increase.⁴⁹

_

^{48 (}Chew & Wong, 2008)

^{49 (}Cox, Zagelmeyer, & Marchington, 2006)

4 Empirics

4.1 Background information on the hotel

The hotel is a prominent luxury resort company with properties in the Maldives, Thailand and other various countries. They operate both their own resorts as well as manage other resorts under the hotels brand. The brand consists of several co- brands, for example one consists only of luxury villas and spas, designated to deliver a unique spa experience.⁵⁰

The hotel has a strong focus on their own philosophy, which permeates the whole company in regards to both customers and employees. The philosophy stands for trying to have a environmental and sustainable approach they have towards business, employees and customers.⁵¹ From a business perspective their properties are extremely well thought through from an environmental point of view and they engage in activities outside the business such as cleaning public beaches. Employees learn how to act sustainable from continuously being educated in the area internally in order to perform a better service to the guest but also since the hotel wants to change their employees' attitudes. The guests experience the philosophy in a number ways, the two most important being all the organic products and learning about their sustainability.⁵²

The hotel is a relatively new company within the Luxury hotel segment, founded almost a decade years ago, in comparison to their competitors, such as Four Seasons and Mandarin Oriental, both with over 50 years of experience.⁵³

4.2 Opportunities

The hotel offers both temporary and permanent internal transfer possibilities to their employees. This aims to attract new employees as well as stimulate and develop present employees.⁵⁴

Although most new employees have relevant experience for the position they are always trained to do their job in the hotels way, which is different from many other companies in the industry.⁵⁵ This includes learning about the philosophy and how to use it as a

⁵⁰ (The hotel - Development Services, 2009)

⁵¹ (The hotel - Learning & Development, 2010)

^{52 (}The hotel - Development Services, 2009)

⁵³ (Interview, 2010)

⁵⁴ (The hotel - Learning & Development, 2010)

⁵⁵ (Interview, 2010)

foundation when working. In regard to the total amount of training this introduction constitutes for the majority.⁵⁶

One of the major problems that arise from employee turnover is that they have to start from the beginning and train a new person to become part of the hotels concept. New employees start with a four-day intensive introduction training course but the process before they are actually fully operational normally takes several months.⁵⁷

There are several kinds of training within the hotel. However, depending on the employee's level they will receive different sorts of training. The lower levels are for instance trained in communication, service and English while the higher levels are trained in leadership and motivation. Nevertheless some employees in the highest management express the lack of corporate training. More than 60 percent of the employees at the resort rate their initial training as good or better for learning how the organization works.⁵⁸

The high individual performance program (HIPO:s) aim to develop high potential employees at lower levels as well as middle levels and develop them to be ready to take the next step.⁵⁹

The HIPO-program is also a part of the internal transfer possibilities. HIPO:s will participate in cross training on other resorts in other parts of the world. From an organizational point of view it is fairly easy to be transferred, but reality implies another reality. Sometimes it is also used by managers as a way of transfer away employees that doesn't live up to managers' expectations.⁶⁰

Development is a factor that the hotel believes is important and recognize and they would like to offer even more training but ultimately it is a budget matter. To keep track of employee development each has a personal "My development plan" (MDP), which is reviewed every year. The employee's current status, future goals as well as what to improve are documented in the MDP, thereby enhancing development.⁶¹

' (Inte

⁵⁶ (Interview, 2010)

⁵⁷ (Interview, 2010)

^{58 (}The hotel - HR department, 2010)

⁵⁹ (Interview, 2010)

^{60 (}Interview, 2010)

^{61 (}Interview, 2010)

Especially during the low season (May – October) there are a lot of training initiatives for the employees. This is also a good way of keeping the employees busy since there is not much work to be performed in the resort.⁶²

The hotel emphasizes that they are a progressive organization already in their manual, which is given to all new employees. Further they state that learning is something taken into account when they consider employees for promotion.⁶³

Most of the training is outsourced at the moment but they intend to do more internally and to get a better overview of what training is available a catalogue is being created.⁶⁴ There is a training team that overlooks the whole of the training training operations and ensures its consistency, but local training teams in the resorts perform the actual training, partly due to the cultural differences. The supervising training team, as it is right now, has to travel around and update the local teams since there is no system in place. 65 Employees at the resort feel that they have received proper training from the organization to do their job well.66

At the hotel everyone that is hardworking and performing well can be promoted, however everyone can't get promoted because there has to be an opportunity open and you have to show evidence of extremely good skills to reach a manager position. It is also important that the employee is committed to the organization and its beliefs in order to become promoted. Most times, if there is an opportunity your superior will ask you if you would like to take it rather than you applying for it.⁶⁷

Internal recruitment is an objective within the organization and during the last two years more employees than positions available have been trained to take the next step and become promoted.⁶⁸

The hotel has established a thorough succession plan for all of their employees and encourage their managers to look for their "crown prince", successor, in order to make an efficient transaction when they themselves become promoted.⁶⁹

⁶² (Interview, 2010)

^{63 (}The hotel - Learning & Development, 2010)

^{64 (}Interview, 2010)

^{65 (}Interview, 2010)

^{66 (}The hotel - HR department, 2010)

^{67 (}Interview, 2010)

^{68 (}Interview, 2010)

^{69 (}Interview, 2010)

4.3 Conditions of work

The hotel is a dynamic and constantly improving company that is always coming up with new ideas. At the moment they have over 1500 best practices, which is a steadily increasing number. Many employees leave the resort for properties with a clear set of standards instead of a continuously improving company.⁷⁰

In addition to new incentives increasing the workload, they have become seen as an "evil monster" in the company since there are too many. This has become a problem as new incentives are facing resistance. A simple thing such as giving cold towels to the guest could become a big issue since there is a resistance from the beginning.⁷¹

All employees beneath higher management positions work five days a week and are allowed to take 7 days off the first year in addition to the 14 days of public holiday. However, in general there are 'unsocial' hours in the industry and some employees cannot work under these conditions and instead look for work elsewhere.⁷²

The resort is in need of an extensive renovation and according to industry standards it should have been completed several years ago. The hotel has planned to carry out the renovation for a long time but nevertheless it has been postponed due to the financial crisis. Many of the employees feels stressed about this since they think it means that their job will disappear which creates stress among the employees.⁷³

The hotel tries to use an open door policy.⁷⁴ The management works hard to create family feeling, however they do not always succeed. In order to motivate their employees as well as enhance team spirit the departments have outside activities. Furthermore they try to brainstorm how to improve procedures at the department level as a whole group rather than only amongst managers, making everyone feeling involved.⁷⁵

The hotel has a history of micro management where superior managers are interrupting their subordinate managers and interfere in their decisions. Further, the leaders do not

⁷⁰ (Interview, 2010)

⁷¹ (Interview, 2010)

⁷² (Interview, 2010)

⁷³ (Interview, 2010)

^{74 (}The hotel - Talent Office, 2010)

⁷⁵ (Interview, 2010)

always work aligned with the company's core values⁷⁶ even though it is stated that they should.⁷⁷

4.4 Financial aspects and rewards

The hotel has average salaries for the industry,⁷⁸ however many other new hotels offer a guaranteed minimum service charge while the hotel has a floating service charge. The service charge is important for the employees since it can double their salary. It is based on a percentage paid by the customers on top of the actual price of the food or beverage they purchase. The nature of the hotel industry is of constant change with new hotels continuously opening while other close, which means that there are always hotels that guarantee service charges.⁷⁹

One of the two most common reasons for employees to leave the company is that they are offered a higher total salary elsewhere, the other one being a higher position. Even just a minor increase in salary is many times enough reason to leave. From an organizational point of view, employees salaries represent 24 percent of their costs and this percentage is becoming a larger part of the costs for every year.⁸⁰

Communicate all benefits at every opportunity including advertisements, internal notice boards etc. so Hosts have a full picture of their total package⁸¹

Above is a statement from an internal document although many employees do not realize that the hotel has good benefits that most other companies do not offer. Examples of benefits are life insurance and medical care for the employees.⁸²

The hotel has several monetary awards such as host of the month and host of the year. Further, they also have a yearly bonus of 30 percent of the monthly salary that every employee will be awarded if the employee doesn't receive a low score on the yearly evaluation. If a guest comments on how good one of the staff has been that employee will receive a small bonus.⁸³ *The moment of truth* scheme will give the employee the equal of 20 percent of the monthly salary if they do something extraordinarily honest, such as

21

⁷⁶ (Interview, 2010)

^{77 (}The hotel - Talent Office, 2010)

⁷⁸ (Interview, 2010)

⁷⁹ (Interview, 2010)

^{80 (}Interview, 2010)

^{81 (}The hotel - Talent Office, 2010, s. 3)

^{82 (}Interview, 2010)

^{83 (}Interview, 2010)

returning a wallet untouched to its rightful owner.⁸⁴ The employees can also name 2-3 colleagues they believe have made an extraordinary performance this period. The employee receiving the best comments is rewarded.⁸⁵

Other financial incentives the hotel has is the provident fund, which is money you collect when you retire or leave the company. The hotel will match employee savings every month and send them to a third party. Depending on when you leave you will receive a higher percentage of these funds and after four years you will receive 100 percent. The hotel also have a profit sharing scheme where they offer rewards if the resort is performing better than expected financially. The percentage above a certain profit will be split amongst the employees.⁸⁶

4.5 Policies

Many applicants for an open position base their selection of job mainly on the property's appearance, in this case an exclusive luxury resort by the ocean in Thailand. Resorts in general are quite remote, as is the case for nearly all the hotels resorts, which makes it necessary to live on the resort as an employee.⁸⁷

Since many of the resorts are at remote locations, canteens and housing for the employees are offered and the hotel tries to offer the best circumstances possible for their employees. They acknowledge that one key success factor is to invest in the employees. The hotel tries to keep their employees happy by having a social environment that keeps them engaged, motivated and satisfied. They achieve this by having pleasant accommodations, a first-class canteen that exceeds employees' expectations or having a bar. However, almost 47 percent of the employees state that they don't appreciate the canteen. However, almost 47 percent of the employees state that

The hotel has evaluation meetings with new staff after 30, 60 and 90 days in order to supervise and follow up on the introduction phase. In addition to that they conduct an

86 (Interview, 2010)

^{84 (}The hotel - Learning & Development, 2010)

^{85 (}Interview, 2010)

^{87 (}Interview, 2010)

^{88 (}Interview, 2010)

^{89 (}The hotel - Talent Office, 2010)

^{90 (}The hotel - HR department, 2010)

evaluation with all employees every six months to see how they are progressing and what the hotel can do to enhance their progression.⁹¹

The hotel allows their employees to have seven nights free at any resort where they can bring their family or spouse. While staying, the party is offered food and beverage at heavily discounted prices. Of course, this is with some restrictions.⁹²

The *host satisfaction survey*, which is conducted every six months, gathers the employees' opinions and comments. Every comment is given an action plan and is assigned to an employee to be responsible for its progress. Further, they execute an *internal host questionnaire* every month where the employees make comments on each department, to find what the employees want to improve.⁹³

The hotel has fairly thorough job descriptions for every position within the company and have stated a large amount of standards to be met. For instance, they have standards and descriptions about how to act towards their guests in specific situations. Another manager states that the hotel has a work descriptions rather than objectives to work towards. One manager says that there are clear guidelines about what the employees are expected to do but that he finds it important to allow them to "shine". 95

The hotel trains their employees to become more independent and take more responsibility and they try to empower their hosts by authorizing them to spend a certain amount of money, as they wish, on their guests if dissatisfaction occurs because of a mistake from their side.⁹⁶

Further, if an employee, regardless of level, comes up with a more efficient way of doing something it often gets applied. The management team is open to hear new ideas and it gives the employee the opportunity to affect how their job is performed. This is known as the *NIBI* initiative (New Idea, Better Idea) and they state in the initiation guide for their employees that they actively work with empowering them.⁹⁷ All employees have

⁹¹ (Interview, 2010)

^{92 (}Interview, 2010)

^{93 (}Interview, 2010)

^{94 (}Interview, 2010)

^{95 (}Interview, 2010)

^{96 (}The hotel - Learning & Development, 2010)

^{97 (}The hotel - Learning & Development, 2010)

access to an idea box to enhance this process and they are monetary rewarded for good ideas.98

Top management at the resort finds it important to as often as possible recognize good performance and show their appreciation about it.99

⁹⁸ (Interview, 2010) ⁹⁹ (Interview, 2010)

5 Analysis

5.1 Analysis of Opportunities

Internal transfers can be beneficial for both the company and the employee. For the company it enhances information flow between properties and ideas being shared and for the employee he gains new knowledge and thus feels stimulated by the new experience. However, internal transfers are expensive and are therefore not as common as the management wants and as the employees initially believe. Further, there are some negative aspects of the program to consider. Regarding permanent transfers there is evidence of some managers using the program as an easy way to transfer employees they are not satisfied with, rather than be dismissed the person will stay in the organization even though he might not be suitable. Temporarily transferred employees might like the new property more and express a wish to stay. If they are allowed to stay, there is extra work in finding their successors and if the employee in question is not allowed dismay will occur.

One of the main reasons for employees leaving the company is a better position elsewhere. The MDPs provide information on and set goals for the employees. As a result an employee aiming for a promotion knows what training he needs and when he has received that training, he expects to be promoted. However there might not be a position available for him, which results in frustration and eventually a resignation.¹⁰¹

The hotel has a certain amount of mandatory training and in addition they offer voluntary training to employees asking for it, which adds up to a higher degree of total training than the industry average. Not only does the training improve staff and hence the service, it also motivates the employees to do a better job. On the contrary, employees receiving no training or training that does not meet their expectations become unmotivated since they do not feel that the organization wants to invest in them.¹⁰² However, as written in the *hosts satisfaction survey*, employees feel that they have been given access to proper training and hence there is no need to improve the training from a employee turnover perspective.¹⁰³

^{100 (}Steel & Lounsbury, 2009)

^{101 (}Benson, 2006)

^{102 (}Maroudas, Kyriakidou, & Vacharis, 2008)

^{103 (}Maroudas, Kyriakidou, & Vacharis, 2008)

Providing too much training to the employees without promotion opportunities to match makes employees frustrated as well as attractive for a higher position elsewhere. This is, in essence training employees for other hotels and hence wasting resources.

The fact that the organizational training team continuously has to visit the resorts and update the local training teams hurts the quality of the training, especially since the hotel is continually developing new initiatives that need to be implemented in the training.

As a superior, developing succession plans for subordinates and finding the "crown prince" can be a useful tool to organization and enhance internal recruitment. Nevertheless it is important to realize that an employee can perform well at a current position but does not have the necessary skills to succeed in a higher position. If this is not realized the wrong successor will be chosen, which will result in a negative stigma for the succession planning program. Hence, external applicants with the right skills and experience will be considered instead and the internal recruitment will suffer along with promotion possibilities. Thus employees feel side-stepped and it increases their intentions to leave. 104

5.2 Analysis of Conditions of Work

The fact that the hotel is a dynamic and constantly improving company results in a considerably larger workload for the employees than in many other companies in the industry since they continuously have to adapt to the latest standard or practice initiated by the upper management. When systems are not in place the resort does not run smoothly. That is the reason why employees leave for more mature properties where systems are in place and things run more smoothly. Employees feel resistance towards new ideas, as there are too many appearing. This has become an unnecessary issue in the company, leading to dissatisfaction amongst the employees. Of further concern is that the majority of the "new ideas" actually come from other resorts where they are already in practice and are not new initiatives from the management. The management is simply trying to multiply successful ideas within the company but they fail to communicate where the idea come from and how it was successfully implemented previously. When the upper management is not dealing with the fact that there is to many initiatives, stress for the employees may be the result and hence affect turnover negative.

105

_

^{104 (}Steel & Lounsbury, 2009)

¹⁰⁵ (Johnson, 1985)

Compared to other companies in the industry, the hotel offers their employees healthier working hours. Almost all competitors demands a six-day working week while the hotel only demand a five days working week. Hence the employees gain a higher quality of life and thus it is not a source of dissatisfaction. ¹⁰⁶

The issue of resort renovation affects all employees. This results in low level of job security and hence a factor of stress for the employees since they are aware of the renovation plans but not the timeframe. Further it has also resulted in employee dissatisfaction since they don't enjoy working in an old resort when the competitors have brand new ones. To compound the problem, many jobs will be affected. Being stressed affects conditions of work in a negative way with the outcome of a higher employee turnover rate.¹⁰⁷

When managers' micromanage, which is common in the organization, confusion among the employees will occur and this is an important issue to address. When the leaders are not working in ways consistent with the organization's core values they are setting a bad example, which will spread down the organization and increase the employees misconceptions, leading to higher employee turnover. 108

If applicants choose to apply for a job at the hotel based on what the hotel presents about their working conditions, a misconception most likely occurs between what the applicants think and the reality that the hotel can offer. If the perception of the work doesn't match the reality, dissatisfaction will occur among employees.¹⁰⁹

5.3 Analysis of Financial incitements and rewards

The foundation of employment is salary, which makes it exceptionally important for the employees and the hotel has an average salary for the industry. Since they apply a floating service charge on top of the salary while other resorts guarantee a minimum, employees does not always understand why the hotel does not guarantee a service charge. When something doesn't make sense to an employee with economic reasoning employee turnover intentions may increase and since it is a considerable part of the total salary it should be realized that is an important issue.

^{106 (}Maroudas, Kyriakidou, & Vacharis, 2008)

¹⁰⁷ (Johnson, 1985)

^{108 (}Steel & Lounsbury, 2009)

^{109 (}Steel & Lounsbury, 2009)

¹¹⁰ (Interview, 2010)

^{111 (}Brown & Cheng, 1998)

There is a problem to be acknowledged regarding the guaranteed service charge. If the resort's operations are not profitable it is most likely due to a low occupation rate. Since resorts in general are located in relatively remote places, it is only the guests staying at the resort that spend money in the bars and restaurants. If the occupation rate is too low there will not be enough guests contributing to the guaranteed minimum service charge and hence the resort will end up in an even larger economical loss covering it for its employees.

The hotel has several different bonuses, both individual and as a group depending on the resorts result. All of these add up to a possible higher total salary. However, as we found out while collecting empirics one of the main reasons for employees leaving the company is a higher total salary elsewhere. At the same time, most employees are not aware of the bonuses the hotel offers them on top of their salary and service charge and hence they are not aware of their actual total salary. When benchmarking their own salary against that offered by other organizations they believe their salary is lower and thus their intentions to leave will increase. 112

5.4 Analysis of Policies

In most cases, working on the resort also requires the employee to live there during the week, due to its remote location. Thus, factors such as housing become important for satisfaction as it comprises a considerable part of the employee's life outside of work. Superior living conditions for the employees could be a competitive advantage since it increases the probability of retaining them. Investing in the employees make them feel appreciated and hence they become more committed to the company. 113 However, as seen in the empirics the reality does not correspond to the hotels policies to offer their employees a pleasant environment. This is a basic condition for making employees feel satisfied and cared for, and if not their turnover intentions increases. 114

The opportunity to bring your family to the resorts is another evidence of how they care about their employees and invest in their social life. 115

The fact that the hotel works with evaluating meetings and department competitions ensures the employees organizational socialization, which reduces their intentions to leave.116

^{112 (}Brown & Cheng, 1998)

^{113 (}Brown & Cheng, 1998)

^{114 (}Chew & Wong, 2008)

^{115 (}Brown & Cheng, 1998)

The detailed job description is not appreciated by the employees and gives them the feeling of not being trusted to do their job, especially since much of it is common sense. At the same time the hotel trains their employees to become more independent and have initiatives such as the guest complaint ownership in order to provide their employees with the feeling of trust. In addition to that they have the NIBI-initiative and being a continuously developing organization gives the employees opportunities to influence the organization.

A consequence of embedded and more independent employees is less work for the managers supervising their subordinates. Consequently, the hotel works against their own purpose of establishing the feeling of trust when they continue to use these job descriptions.

With the NIBI-initiative employees receive feedback on their creativity and analytical ability from the upper management and a successful incentive results in an award. Thus they can show what they are capable of and be recognized. The rewards and hence the recognition from the *internal host questionnaire* is on the other hand based on your colleagues opinion of how well you are performing. It is colleagues that actually see what is going on and not the supervisors who, most of the time, are only present at certain moments. The *internal host questionnaire* avoids the issue of employees being *eye servants* when their supervisor is around this however there is always an inevitable bias when rewarding and recognizing employees.

Most managers in the hotel works with recognizing their employees, awarding them for a job well performed or new initiatives taken, which makes the employees feel that they are recognized and appreciated which reduces employee turnover.¹¹⁷

^{116 (}Yang, 2008)

¹¹⁷ (Yang, 2008)

6 Conclusion

6.1 Answering the research question

This study has been aiming to answer the following research question:

What are the main reasons for employee turnover in the hotel?

When answering the question the analysis was divided into four different aspects. Each aspect is important and contributing to finding out how the hotel is working with employee turnover. Below the conclusions made from the aspects will be presented and then some general conclusions will be made for the hotel.

6.1.1 Conclusions from the aspects

The hotel communicates internal transfer possibilities to their employees, however in reality it is not common, which leads to misconception between employees and the organization. Hence, the way they communicate their internal transfer possibilities leads to higher employee turnover. Further they have good training and development practices where employees feel that they improve themselves, which alone reduces employee turnover. But since they do not combine development with suitable promotions it counteracts with the reduction.

Key positions are promoted on an ad-hoc basis. When an unsuitable employees is promoted it may result in resignation or dismiss and thus increased employee turnover.

The hotel fails to communicate the "bigger" picture to their employees regarding new incentives. This results in resistance, due to increased workload and hence workstress which ultimately leads to higher employee turnover. By actively focus on improving work conditions, such as a five-day working week, the hotel has demonstrably increased their employees quality of life and thus employee turnover is reduced. Furthermore, they offer favorable benefits and bonuses. Since they do not communicate these forms of compensation properly, however, the employees do not use them as a benchmark when comparing with other resorts. Therefore, employees are left with the perception of a lower total salary and employee turnover is affected in a negative way.

The hotel tries to deliver a pleasant environment for their employees. However, employees do not experience the environment to be sufficient enough. Due to the fact

that employees have to live at the resort it is an important issue for them. Since expectations are not met employee turnover is increased.

Trying to empower employees at work has a positive effect on employee turnover, but there is a contradiction at the hotel between having a highly detailed work description and training employees to be more independent. The result is contra productive for employee turnover and the embeddedness effect diminishes. Organizational socialization efforts from the hotel, in the form of the NIBI-program and evaluation meetings, have proven to decrease employee turnover.

6.2.3 General conclusions

The reality the hotel communicates is not always the same as the employees perceive. This results in a misconception that eventually will lead to an increase in employee turnover.

The hotel believes that most of the systems are in place, however this in not always the case. The lack of functioning systems results in misconceptions since there is no transparency in the organization. Hence the hotel does not realize that the perceived reality is not in line with the communicated.

As seen in theories it is crucial to make the employees understand what to expect to avoid misconceptions. At the moment there are misconceptions and it is not until the hotel can deliver the reality to both new and current employees they will be able to reduce their employee turnover.

7. Reflections

It may not be possible to draw general conclusions of the result on the hotel industry. However, conclusions can be made within the organization at large. Despite cultural differences between countries the hotel has a strong concept that impregnates the whole organization and thus this study should be applicable to any of their resorts.

Cultural difference between Sweden and the respondents' countries may be a source of misunderstandings. To what extent have the respondents answered with an objective point of view due to the cultural differences? How much affect did the fact that we interviewed employees at lower level as well as top management affect our interviews? All these issues could have an effect on the answers presented to us. However, these concerns are hard to control and are therefore not considered in the study even though previous studies show that there may be differences.

It would be interesting to see if and how the organization can improve the communication towards the applicants depending on gender, age, tenure and ethnicity.

7.1 Suggestions for further research

This study has not considered differences between groups within the organization, which would be interesting to do. Perhaps the organization can improve the communication towards applicants and current employees depending on gender, age, tenure or ethnicity, and hence reduce the employee turnover.

Our research has examined internal factors but there are also external factors to be considered. Even though they cannot be affected by the organization, they are nevertheless affecting employee turnover. For instance, external factors such as the current labor market and the domestic economic situation represent possible extra dimension to review when examining employee turnover.

When conducting this study we, on several occasions, came close to the psychological aspect of employee turnover. Suggestions for further studies could be to elaborate this aspect by applying a deeper psychological understanding when working with employee turnover.

8. References

Internal documents

The hotel - HR department. (2010). Host satisfaction Survey. Bangkok: The hotel - HR Departments internal document

The hotel - Learning & Development. (2010). *The Hotels Way.* Bangkok: The hotel – Learning & Developments internal document

The hotel - Talent Office. (2010). Reducing Turnover (ss. 1-3). Bangkok: The hotel - Talent Offices internal document

Other references

Andersen, I. (1998). Den uppenbara verkligheten: Val av samhällsvetenskaplig metod. Lund: Studentlitteratur.

Benson, G. S. (2006). Employee development, commitment and intention to turnover: a test of 'employability' policies in action. *Human Resource Management Journal, Vol 18 no 2*, 173 - 192.

Brown, A., & Cheng, A. (1998). HRM strategies and labour turnover in the hotel industry: A comperative study of Australia and Singapore. *The International Journal of Human Resource Management, Vol 9 no 1*, 136 - 154.

Bryman, A. (2002). Samhällsvetenskapliga metoder. Malmö: Liber.

Carley, K. (1992). Organizational learning and personnel turnover. *Organization Science*, Vol 3 no 1, 20 - 46.

Chew, Y. T., & Wong, S. K. (2008). Effects of Career Mentoring Experience and Percieved Organizational Support on Employee Commitment and Intentions to Leave: A Study among Hotel Workers in Malaysia. *International Journal of Management*, Vol 25 no 3, 692 - 700.

Cox, A., Marchington, M. & Zagelmeyer, S. (2006). Embedding employee involvement and participa tion at work. *Human Resource Management Journal, Vol 16 no 3*, 250 - 267.

Griffeth, R. W., Hom, P. W., & Gaertner, S. (2000). A Meta-Analysis of Antecendents and Correlates of Employee Turnover: Update, Moderator Tests, and Research Implications for the Next Millennium. *Journal of Management, Vol 26 no 3*, 463 - 488.

Johnson, K. (1985). Labour Turnover in Hotels - Revisited. Service Industries Journal, Vol 5 no 2, 135 - 152.

Maroudas, L., Kyriakidou, O., & Vacharis, A. (2008). Employees motivation in the luxury hotel industry: the perceived effectiveness of human-resoruce practices. *Managing Leisure Vol* 13 (July - October), 258 - 271.

Mobley, W. H. (1977). Intermediate Linkages in the Relationship Between Job Satisfaction and Employee Turnover. *Journal of Applied Psychology*, 237 - 240.

Siggelkow, N. (2007). Persuasion with case studies. *Academy of Management Journal*, Vol 50 no 1, 20 - 24.

The hotel - Development Services. (July 2009). *The hotel - About us.* Available from the hotels homepage, Latest available at: 2010-04-19

Solvang, B. K., & Holme, I. M. (1997). Forskningsmetodik: Om kvalitativa och kvantitativa metoder. (B. Nilsson, Translater.) Lund: Studentlitteratur.

Steel, R. P., & Lounsbury, J. W. (2009). Turnover process models: Review and synthesis of a conceptual literature. *Human Resource Management Review*, Vol 19 no 4, 271 - 282.

Tarabanov, I. (den 30 October 2007). *Tourism Is The Largest Industry In The World*. Available from Travel Web Dir: http://www.travelwebdir.com/travelarticles/Tourism-Is-The-Largest-Industry-In-The-World-1540.html, Latest available at 2010-04-27

Yang, J.-T. (2008). Effect on newcomer socialisation on organisational commitment, job satisfaction, and turnover intention in the hotel industry. *The Service Industries Journal, Vol 28 no 4*, 429 - 443.

Interviews

Group Director of Learning & Development When: 2010-05-04

Where: HQ, Bangkok

Interviewed by: Erik von Geijer Alexander Löwbäck

Corporate Trainer When: 2010-04-27

Where: The property in Phuket

Interviewed by: Erik von Geijer Alexander Löwbäck

Room Division Manager When: 2010-04-20

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

General Manager When: 2010-04-27

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Area Director of HR When: 2010-04-19

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

COO When: 2010-05-04

Where: HQ, Bangkok

Interviewed by: Erik von Geijer and Alexander Löwbäck

Social & Environmental conscience When: 2010-04-20

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Financial Controller When: 2010-04-26

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Managing Director, Thailand When: 2010-05-02

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Head of Food & Beverage When: 2010-05-04

Where: HQ, Bangkok

Interviewed by: Erik von Geijer and Alexander Löwbäck

Chief Talent Officer When: 2010-05-04

Where: HQ, Bangkok

Interviewed by: Erik von Geijer and Alexander Löwbäck

Director of Food & Beverage When: 2010-04-22

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Training director When: 2010-04-27

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

Head of Sales When: 2010-04-21

Where: The property in Phuket

Interviewed by: Erik von Geijer and Alexander Löwbäck

9. Appendix

Interview guide

- 1. Could you please tell us about your background? (Studies, previous employees and locations etc)
- 2. What is the biggest difference between working for the hotel and your previous employers from a employee perspective?
- 3. What do you think about the total salary (salary, bonuses and benefits)? And compared to other companies you have worked for?
- 4. What would you like to change/improve at the hotel?
- 5. What is your opinion about promotion possibilities in the company? What does it take to become promoted? (Training, evidence of exceptional work performance etc)
- 6. Do you feel that you can affect how you do your job?
- 7. Is there detailed descriptions about what you are expected to do or can you work freely towards a target?
- 8. What are the rewards after finishing a training program
- 9. What are the most common reasons for people leaving the organization?
- 10. What are the most common reasons for people to apply to the organization?
- 11. What do you think about your work conditions? (Hours, canteen, housing etc)
- 12. Do you feel that the resort sometimes is understaffed resulting in more job for you?
- 13. Do you experience stress at work and if so why?
- 14. Do you feel recognized by the hotel when you do a good job?
- 15. Do you feel supported by the hotel?
- 16. Did it take long until you felt like a part of the hotels "family"? And what initiatives are that to improve this sense?