

# HIGH EMPLOYEE TURNOVER IN HOSPITALITY INDUSTRY: A CRITICAL OVERVIEW

Mr. Ajay Ratewal

Housekeeping Executive, Le Meridien Hotel, Gurugram

Email: [ajayratewal@gmail.com](mailto:ajayratewal@gmail.com)

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**Abstract:** Employees' retention is one of the major concern of hospitality industry. Employees' turnover is not region specific, it has become a barrier in growth of this industry worldwide. The current research paper focuses on the causes of high employee turnover in hospitality industry. The present paper investigate the literature available on similar context. A wide range of secondary data was collected to obtain in depth reasons for the problem. The study suggest many reason behind employees turnover such as less salary, social life is disturbed, long worked hours, incentive and vacations are very limited, late promotion and also some the women feel discriminated in the harsh culture of hotel.

**Keywords:** Hospitality Sector, Employees turnover, Employees retention, Management practices.

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## I. INTRODUCTION

Hospitality sector has firmly hold its ground as an industry at global level. One can find its customers in all regions, religions, states and country. Mohajerani & Miremadi (2012) found that hospitality sector is recognized as one of the major contributor of economy in many countries. Furthermore, hotel business has emerges as one of the section of this industry that provides not only business but jobs also. Hotel employees faces various challenges and some of these are common across all service industry.

The current study focuses on investigation of reasons behind high employee turnover in hotel industry. The various studies shows that employees' turnover is not a problem of one nation but hospitality industry is experiencing it worldwide (Amah, 2009; Kuria, Ondigi and Wanderi, 2012). The similar observation was done by (Rehman & Mubashar, 2017) and said that employee's turnover is the biggest obstacle in the growth of hotel industry. The analysis shows that high employees turnover often impact the business, demoralized other employees and lost its appeal to attract talented employees. Holston-Okae (2018) also stated that high employees turnover not only impact the employees attitude but also lowers the productivity due the gap that is created by an employee who left that the organization. Thus we can say that employees turnover is a critical matters for human resource department (Alonso & O'Neil, 2009; Dickerson, 2009; Cho et al., 2006).

Hospitality has also recognized the challenge of employees' turnover as human resource is the most important asset for any organization (Radenovic et al., 2015). Nel et all (2014) stated that the human capital (experience, talent, knowledge, skills etc.) is unarguably the only sustainable source to beat the competition in any sector. Their study also explain that the only way to put an organization ahead of others is to regard and respect their employees. If an organization pay respect to its human resource then they would work to their full potential for the benefit of the organization.

Hospitality Industry as a part of service industry; always depends on man force and that's why it is a labour intensive industry compared to other industries. The current study also revolves around the human resource working in hospitality industry which affects the profitability, image, productivity and quality. This article tries to find out the employees motive

behind leaving hospitality industry. This study is based on the literature available and data presented by other researchers. The findings of this study would be helpful in addressing the problems and challenges associated with staff retention in hospitality industry across the globe.

## II. REVIEW OF LITERATURE

Now a days, organization are also doing research to find out the causes for employees turnover. There is a cost involved in terms of induction and training when a new employee is hire. Many a time hiring a new employee is more costly than making a cost on retaining old and experienced employee (Özbağ, Ceyhun&Çekmecelioğlu, 2014). The intention of an employees to leave a job is called turnover intention. Such intentions may appear when employee is not happy with his position or post in the company, or his roles in the companies are limited or restricted. He/she sees no future in the same company or in the sector (Karatepe, 2013). Tett and Meyer (1993) stated that turnover intention is the willingness of the employee to leave the organization. From employers' perspective, if an experienced and capable person leave the job then it's definitely a loss to the company. However sometimes it's also present an opportunity for the companies to hire new and better recruit instead of complaining and incapable employee.

Fallon (2010) explained the most likely causes of high employees' turnover in hospitality sector. The most likely causes are long working hours, superiors don't pay respect, high job pressure, and amount of work, less fringe benefits, low salary, more physical work and also better opportunity in other sectors. Further we can classify the turnover intentions into two categories. These are avoidable and unavoidable intentions of the employees' turnover. Avoidable intention can be avoided if suitable actions are taken on time. These may arise due to the negligence of the management. Avoidable intentions are due to low wages, work stress, relationship with superiors, working hours and transport facility especially in late night shifts. While the unavoidable intentions are due to some personal reasons of the employee. These intentions may occur due to illness, death in family, family problems, pregnancy and leaving the area.

## III. RESEARCH METHODOLOGY

The primary objective of the research is to identify the causes of high employees' turnover in hospitality sector. The researcher uses the theoretical or conceptual methodology in conducting this research. In this methodology, researcher utilized the published works related to the area of interest to fulfill his/her objective Secondary data was collected from different books, journals, websites, thesis, dissertation, government reports etc. (Petticrew and Roberts, 2005). A critical and comprehensive investigation of study related literature was undertaken. The employees' turnover many include voluntary, involuntary, functional, dysfunctional, avoidable and unavoidable turnover (Griffeth and Hom, 2000). The present study identify the causes of high employees' turnover and explained them non-empirically.

## IV. CAUSES FOR HIGH EMPLOYEES' TURNOVER IN HOSPITALITY SECTOR

The high turnover in any organization adversely affects the competitiveness and profitability of that organization. The loss of human resource is fatal for any organization as it effects the performance of the organization. Therefore it becomes more important to identify the causes of turnover and develop suitable retention strategies. Curran (2012) states that there is no single universally accepted cause of employees leaving an organization.

Ezeudji and Mbane (2017) study shows that high staff turnover in hotel sector is due to low compensation as compared to amount of work, less promotional opportunities, long working hours and no respect. The similar findings were also made such as work pressure and job stress as the reason for turnover intention. Holston-Okae and Mushi (2018) also argue that work environment, job stress, social relationship, compensation, and job satisfaction contribute to employee turnover. Kuria and Ondigi (2012) conducted their research in three to five star hotels in Kenya. The study found that working environment, management style, compensation and other monetary benefits could affects the employees turnover intentions. They also differentiate the caused for leaving an organization as internal causes and external causes. Some of the causes presented by various studies are as follows:

### *Lack of human resource management practices*

Karatepe et al., (2014) discovered flaws in Iranian hotels human resource practices. The findings also suggest that nepotism is also one of the biggest cause behind an employees' turnover intention. Another study by Rok and Mulej (2014) observed that in India also selection criteria and compensation practices has bigger impact on employees' turnover intention. Hospitality organization doesn't invest adequate funds in human capital which produced high turnover and bad reputation about the industry. The study also revealed that enhanced application of human capital management practices would make a large positive impact on hospitality sector.

***Relationship with superior***

Porter, L.W & R.M Steers (1973) stated that supervisory level staff in hotel sector doesn't give proper respect towards their employees'. It also caused decrease in their morals, efficiency and workers feels job stress which eventually leads to job dissatisfaction (Mobley, W.H. 1997). Porter, L.W & R.M Steers (1973) also analyzed that bad supervision and poor work relationship are the main factor behind employees' turnover.

***Organizational culture***

Habib et al. (2014) defined organizational culture as set of beliefs, work style, values and work relationship. Organization culture differentiate an organization from another and enhance employees' commitment towards an organization. Hanaysha (2016) described hospitality organizational culture unique and specific. Karatepe (2013) believed that while recruiting an employee we should check that his career goals and plans align with the organization culture to reduce the chances of him leaving the organization soon.

Organization culture plays an important role in enhancing employees' commitment towards an organization. Khalid and Ishaq (2015) also stated that a worker who is more committed will show loyalty and efficiency in his work. On the other hand employees who lacks commitment will leave their job easily.

***Salary and Compensation***

Salary or pay is some monetary value given in exchange of the services provided by the employee in an organization (Shaw, J.D, J.E.Delery,G.D.Jenkins&N.Gupta, 1998). Salary has an important element for employees' retention, satisfaction and high quality work.

Jung & Yoon (2015) stated that fair compensation helps in enhancing job engagement and lower down the employees' turnover rate. The study also finds that high turnover was experienced where compensation is not equitable to the similar sector or similar job in other sectors. This unfairness brings the feeling of exploitation which ultimately results in making a decision to leave the organization. The unequal payment also disturb the organization culture and results in strikes, less efficiency, lock down etc. Compensation in form of monetary rewards are highly accepted hospitality industry as hospitality job at lower level fetch low salaries and benefits Nasurdin et al., (2015).

***Career development***

Zopiatis, Constanti, and Theocharous (2014a) stated that majority of the workers specially in hospitality sector do not regard their job in the organization for long lasting, but instead a temporary arrangement or a stepping stone. There also seems to be organizations at fault, as instead of promoting deserved candidate internally, they prefer to hire new employees which also results in leaving the job. Chan et al., (2016) also stated that promoted staff have less intention to leave their job since they believed that their work is recognized. This also implies that workers sees promotions as they are valued and they are less likely to make a decision to leave that organization (Chan and Mai, 2015).

***Job Engagement***

Nel et al., (2011) described engagement as a tool to motivation. It fetch positive results for both the employees and employers. Poor engagement and commitment could result in high employees' turnover. It is believed that if the employees are shown cooperation by the employers, they begin to show more enthusiasm and efficiency. It is further connected to employees' turnover as they are more likely to serve that organization for long time (Raub and Robert, 2013). Further it was also found that high engagement in job results in low employees' turnover.

***Relationship with Managers***

Cappelli (1992) said that work place is second home of an employee and there is a relationship between its managers and its employees. Managers or management can influence the decision of employees to stay or leave an organization. The amount of time employees spend in an organization creates a relationship between management and employees (Dailey, R.C & D.J. Kirk, 1992). Managers could create a positive environment by being fair and treat them equal, being reasonable, supportive and listen to their problems and understand. This support could lead them to stay in the same organization for a long time even some people retire but do not leave their organization (Gomez-Mieja, L.R & D.B.Balkin, 1992).

**Work Environment**

Working environment is an important factor in encouraging employees to come to work. Positive working environment also inspire them to sustain them. Scott (2016) in his study found that hospitality managers have greatest control and influence on the organization. Managers are also the one who create and controls the job environment of an organization. Managers and owners of hospitality organizations should continuously work to improve the working environment. This is also connected to organizations' image, customers' satisfaction, profitability and customers' loyalty.

**V. CONCLUSION AND RECOMMENDATIONS**

The present paper sought to find out the reasons behind high employee turnover in hospitality industry. It is evident from the review of literature that hospitality industry is experiencing high employee turnover globally and find it difficult to retain their experienced and skilled employees. Organization staff is the backbone of any company or organization and they need to be retained with the organization to get ahead from competition. Other companies are always in search of experienced and talented people. So an organization should give enough reason to motivate and remain with present employer.

For reducing employees' turnover, management should come forward to develop suitable retention strategy. But before we need to understand the reason of the employees to leave an organization. The employee turnover causes may be different from one organization to another. Some of the common reasons for high employee turnover in hospitality industry are: low salary, compensation, harsh working environment, long working hours, poor working relationship with superiors, low job engagement, less chances of promotion etc.

After finding the causes management should develop effective human resource practices which include recruitment of candidate with career goals, value and plans which matches the goal of that organization. Employees should be given compensation and salary which can also be linked to their performance to recognize their work. Management should draft a policy for the employees to get timely bonus and promotions. Employees should be given challenging work to keep them engaged and sometimes organize events, sports, shows etc. These retention strategy would help hospitality organization to reduce employee turnover.

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