The impact of the staff turnover in Dublin’s hospitality industry

A study applied in a local establishment

Dissertation submitted in partial fulfillment of the requirements for the degree of

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DECLARATION

I, Joel Silva Lima Neto, declare that this research is my original work and that it has not been presented to any institution or university for the award of Degree or Diploma. In addition, I have referenced correctly all literature and sources used in this work and that this work is fully compliant with the Dublin Business School’s academic honesty policy.

Joel Silva Lima Neto

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Date
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ABSTRACT

This present study aims to identify the impact of employee turnover in the hospitality industry, more specifically in bars and restaurants. The study was applied in a well-known bar located in Dublin’s city center.

Staff turnover is a widely discussed topic. Much has been said how it negatively impacts the organizations goals. One of the most critical issues facing organizations today is how to retain the employees they want to keep. The Human Resources Management approach defends that the staff is a valuable source of competitive advantage. Shortages of overall talent are current issues faced by organizations.

In the hospitality industry, staff turnover seems to be assimilated as a normal event. However, employee turnover is expensive, disruptive and its outcomes are unmeasurably dangerous. This project attempts to evaluate this issues, as well as identify the causes of that. Moreover, it attempts to bring up the strategies – if any – adopted by the establishment in order to develop and retain their valuable workforce, with the objective of highlighting the importance of having a qualified and reliable staff.

To reinforce that, key elements, theories and insights related to human resources management focused in the business strategy are presented.

The findings are subsequently discussed, aligned to the proposed research questions. In addition, recommendations regarding human resources strategies are given in order to offer establishments of that industry possibilities to build a stronger team and maximize their overall results.

Key-words: staff turnover; human resources management; hospitality industry; customer service; employee development; employee motivation; management challenges.
CHAPTER I – INTRODUCTION

1.1. Foundations

Much has been said about the employee turnover and how it negatively impacts the organizations goals. In that business, the staff is treated as a valuable resource in order to bring company’s competitive advantage. One of the most critical issues facing organizations today is how to retain the employees they want to keep. Businesses everywhere are facing impending shortages of overall talent as well as a dearth of employees with the specialized competencies companies need to stay ahead of the competition (Allen, 2008). In addition, changing staff imply costs. “It is estimated that the costs associated with recruiting and training a new employee average between half and one and a half times the annual salary for the post in question, depending on the approaches used (Branham, cited by Torrington et al., 2008)”.

Hence, “employee turnover can be expensive, disruptive, and damaging to organizational success” (Bryant and Allen, 2009). It applies to any kind of business. Allen (2008) highlights the theory of organizational equilibrium, in which can shed valuable light on these matters. According to this theory, “an individual will stay with an organization as long as the inducements it offers (such as satisfactory pay, good working conditions, and developmental opportunities) are equal to or greater than the contributions (time, effort) required of the person by the organization”. These judgments are affected by both the individuals’ desire to leave the organization and the ease with which he or she could depart.

Turnover culture can have a negative impact on the organization by acting as a counterculture to the organization’s main objectives (Cooke and Rousseau, 1988). This is especially true when objectives such as quality of service and reduced costs are used as sources of competitive advantage (Iverson & Deery, 2002).

Yet, it seems that in the hospitality industry, more specifically bars and restaurants, owners and managers of big establishments in Dublin are not much involved with their staff, which leads to a high level of dissatisfaction and, consequently, to a high turnover. It happens maybe due to a very informal environment that implicate to a lack of professionalism. Generally, the bars do not have someone that deals specifically with human resources interests or even have an
HR department.

But how grave can it be? How a high turnover can bring a negative impact to this industry? What are the strategies adopted any in order to build and maintain a qualified workforce?

The aim of this project is to elucidate the issues caused by a high staff turnover and the effects that it might bring into a big bar/nightclub in Dublin, regarding its attempt to explore its retention strategies and expected goals.

1.2. Objectives of the research

This report is designed to, with a guidance of a logical reasoning structure, examine the relationship between high levels of staff turnover in Dublin’s hospitality industry and the company’s overall performance. According to Saunders et. al (2012), the key aspect in that relationship is causality, as “theory is concerned with cause and effect”. In that context, this reports’ main objective is to explore to which extent the constant rotation of staff, in a technical/operational level, influence the company’s results.

Three interconnected objectives are drawn up with the intention of providing a set of evaluation criteria that enables the project to address the research questions. The objectives are:

1) **Identify the issues and effects caused by a high staff turnover in the Dublin’s hospitality industry.**

   The outcomes of a high staff turnover might be very negative to any company. One of the aims of this project is to evaluate these outcomes in the Dublin’s hospitality industry, with a study applied in a big establishment, in a way that the managers can comprehend the importance that the staff has to the company and thus treated as a valuable resource.

   This investigation is supported by HR theories and elements such as staff satisfaction, motivation, training and development and so forth. The goal is to prove (with primary and secondary data) that unsatisfied staff do not perform efficiently and they are likely to look for jobs that match their expectations.

2) **The relationship between staff turnover and business strategy/management failure.**
Another objective is related to how intrinsic is the relationship between staff turnover and mismanagement. This relationship suggests that the company is adopting wrong strategies. In that stage business strategy theories and elements linked with human resources management are explored. The goal is to analyze how real that connection is and if it is perceived by the managers and how they handle it.

3) The importance of having a qualified and reliable staff

The third objective seals the two first and summarizes the projects’ overall intention. At that stage the aim is to corroborate the assumption that satisfied and highly capable staff is vital to the organization, especially in the hospitality sector. Qualified and contented staff produce more and they are more concerned about the company's business. Retaining that kind of staff provides the company competitive advantage. This notion works as an important argument to convince the managers and/or owners of bars/restaurants/hotels that they must develop a solid human resources strategy (and be willing to invest more money in that) in order to improve their business performance.

1.3. Research Questions

In order to guide the research topic, the research questions are fundamental, as they are “central to the project and provide the focus of the research. A research question, therefore, both states the purpose of the research project and guides the researcher through the process” (Matthews & Ross, 2010, p. 57). The research questions in that topic assume an exploratory essence. The exploratory type of research question is “an initial attempt to understand or explore some social processes or phenomenon when you (maybe as an individual, but possibly the social research community to which you belong) have limited prior understanding of the area or issues” (Matthews & Ross, 2010, p. 57). Exploratory research is undertaken when one is seeking insights into the general nature of a problem (Brannick & Roche, 1997).

The research questions of this study are:

**How impacting the staff turnover in higher rates is to the hospitality establishments?**

The research aims to highlight the business losses when the staff turnover is considerate high.
Internal and external elements are evaluated. Regarding the internal elements, all the levels of workforce of bars studied establishment will be asked with the intention of understanding their perception about the importance of the staff and how essential is to maintain a strong and stable team rather to let them go. External elements such as customers point of view are also taken into consideration. And that goes right to the point: there is an assumption that companies of this industry that the staff is not a valuable asset or, in a less bad scenario, that even if the staff is treated as an important asset, there are other elements and aspects that are considerate more important.

**How does the management perceive the constant staff rotation in that kind of business?**

**What are the retention strategies adopted in order to avoid that turnover?**

At that moment the intention is to evaluate the level of awareness of the management regarding the staff turnover. The comprehension of turnover within organizations and, more importantly, the ability to manage turnover efficiently through well executed strategies is mandatory in that aspect. The challenge of retaining efficient workforce therefore is big and depends on aligning interests of the firm with its workers in a way that it builds human capital advantages. It means that management viewpoint cannot be only based on the managers’ perspective, but also the workers’ perspective must be taken into consideration (Boxall & Purcell, 2016). In addition, it is essential to understand what are the strategies adopted to retain qualified workforce.

**Does a high staff turnover indicate that the company is not adopting the right strategy or taking the right direction?**

A high staff turnover might not be always prejudicial to this kind of business. Torrington et. al (2008) explains that there is some debate about the level which staff turnover rates have to reach in order to inflict measurable damage on an employer. Accordingly, “the answer varies from organization to organization. In some industries it is possible to sustain that highly successful businesses with turnover rates that would make it impossible to function in other sectors”. By contrast, in a professional services organization, where the personal relationships established between employees and clients are central to ongoing success, a turnover rate in excess of 10% is likely to cause damage to the business.
What is the importance of having a stable, qualified and reliable staff?

Digging deeper into this content is also essential to the project final outcome. It is understood that well trained and stable - as well as satisfied - staff are more productive. However, some companies treat them as a purely replaceable workforce, for many times neglecting their aspirations and needs. This attitude only contributes to a high turnover of the staff that has been consistently claiming for a better workplace.
CHAPTER II – LITERATURE REVIEW

2.1 Literature Introduction

The staff turnover is (or, in some cases, should be) a major concern to every organization, regarding all the kinds of businesses. It is important to understand the reasons why people choose to leave the workplace and, more importantly, if there are any ways of avoiding it. Retain a qualified workforce is the key to competitive advantage, considering the fact that the human resources are the most valuable asset of any organization.

In order to avoid that, it is important that the organization’s come up with solid and efficient strategy plan, throughout a structured human resources strategic management.

Integrated strategies therefore prove to be an important move. The relationship between business strategy and HR strategy – what Pilbeam and Corbridge (2010) define as a vertical integration – have to be tighter in order to create and sustain competitive advantage.

This competitive environment puts the organizations under pressure. The pressure to add value, and respond and adapt quickly and flexibility to new challenges and opportunities are relentless. The quality of the human or intellectual capital possessed by organizations is seen generally as the key factor in differentiating them from their rivals and achieving superior results (Pilbeam & Corbridge, 2010).

With the objective of explore and highlight important elements that contribute to that research, the literature review is divided into three sections: Business Strategy Oriented to Customer Value; Human Resource Management Approach; and Staff Turnover. The first two sections work as an introduction to the research topic that explores the staff turnover in the Dublin’s hospitality industry, subject that will be developed in the final version of this project.
2.2. Business Strategy Oriented to Customer Value

A company’s strategy defines its future and it applies for every kind of business. As well as a compass, a good strategy provides the north, orienting the decisions that have to be taken. However, come up with that, based on a solid plan, capable to bring the company significant results, is a challenge. There are different aspects, coming from various sources, that might affect directly the company’s course.

The strategy sets the basis and to evaluate it extremely relevant. To accomplish that, every organization needs to have focus on the strategic management. It aims to provide business with a clear sense of purpose along with a series of steps to achieve that purpose (Atrill & McLaney, 2016). The company has to come up with a good and solid plan with short and long term plans clearly defined, through an analysis of actual and planned comparison and organizing the framework for performance, responsibilities and co-ordination of activities.

Strategy involves scanning the business environment – potential markets, customers, products/services, and competitors – for opportunities and making decisions that lead the company to be competitive. To achieve this requires the development of strategies and plans that take account of the business’s strengths and weaknesses, as well as the opportunities offered and threats posed by the external environment (Berry, 2006).

The steps should link the internal resources of the business, such as high qualified staff, for instance, to the external environment of competitors, suppliers and customers. Regarding the competition aspect, by the in-depth development of economic globalization in recent years, market competition has become the focus of the fight against various companies (Berry, 2006).

A sustainable competitive is built by internal strategic capabilities. Four criteria by which these capabilities are assessed can be considered (Johnson, et al., 2014):

- Value of strategic capabilities;
- Rarity;
- Inimitability; and
- Organizational Support.

In the hospitality industry, a service-focused kind of business, few players are extremely
important. For instance, “the survival and development of companies is not only depending on its own resources, but also relying on more value-oriented consumers.” (Li, 2009, p. 136). Hence, organization have had to become more customer-focused in order to survive and prosper in competitive environments. Even though the excellence in customer service has been always a major factor, “perhaps now is that customer have had their expectations fueled and are encouraged to feel empowered to demand quality products and good service” (Pilbeam & Corbridge, 2010, p. 7).

That empowerment requires the organizations to put their customer in first place. The outcomes involve some important elements of a business strategy. Because of the customer power, that intense market competition forces the businesses to keep their labor costs in check and/or improve their product/service quality, as the customers are looking for even-better goods at ever-lower prices (Philpott, 2001).

However, there is no way of achieving excellence in customer service if the organizations do not adopt a strategy that is focus on the human workforce. The customer satisfaction is the key to the business success and it only happens if the staff is qualified enough to deliver what is expected – and, due that fierce market competition, what is also not expected. Thus, effective management of human resources is essential to the success of any organization.

In the hospitality industry the staff are constantly in interface with the customers. A good customer/frontline staff is essential. As a consequence, customer aspirations and power are influencing the way organizations are structured and managed. There is an increased emphasis on satisfying customer needs and it is only possible if the companies provide a more responsible, more flexible and emotional labor (Pilbeam & Corbridge, 2010) – which is defined as the management of emotions and provision of behavioral displays associated with feelings in interactions with customers/clients (Legge, 2005).
2.3 Human Resources Management Approach

The Human Resource Management, or simply HRM, is defined as the governance of an organization’s employees (Armstrong, 2010). Company’s human resource department is responsible for creating, implementing and overseeing policies governing employee behavior and the behavior of the company towards its employees. HRM may be defined broadly in terms of including all aspects of managing people in organizations and the ways in which organizations respond to the actions of employees, either individually or collectively (Collings & Wood, 2009).

The HRM is termed as employee management with an emphasis on those employees who are assets of the business. In this context, employees are referred as ‘human capital’. The goal is to make effective use of employees, reducing risk and maximizing return on investment.

The strategic aspect of HRM within organizations is basically consisted of four key elements (Pilbeam & Corbridge, 2010, p. 39):

- Planning a coherent approach to the managing of people underpinned by a core philosophy;
- Matching HRM activities and policies to some explicit strategy; and
- Seeing people as a strategic resource for achieving competitive advantage

The processes of recruitment, selection of employee, providing proper orientation and induction, proper training and the developing skills and assessment of employee (performance appraisal), providing proper compensation and benefits are key aspects that involve the human resource management.

Human resource management in contemporary organizations is usually prescriptively conceived as an interrelated set of activities aimed at systematically enhancing the task performance of employees in a manner commensurate with the strategic aims of senior management (Collings & Wood, 2009).

Enhancing the task performance means an improvement in quality of service. Quality is one of the Guest’s HRM model elements. Quality is constituted by dimensions: quality of staff, quality of performance and the positive reputation of the organization for high quality in human
resources management (Guest, 1987). It is defended that the companies should adopt high standards in recruitment, selection, training, appraisal and goal setting – designing *high quality challenging jobs for high caliber staff* (Legge, 2005).

Regarding the Human Resources Management and its implications, it is important to have in mind the relevance of a good solid organization’s strategy that converges into a comprehensive human resources perspective. Not surprisingly, strategy and HRM have to be connected.

Increased integration between HRM and business strategy is one of the most important demands that are placed upon modern strategic human resource management. The strategic deployment and management of a well-executed HRM can contribute to the success and continuity of the organization. In this context, human resources are considered one of the most important assets of an organization. Armstrong (2010) emphasizes that, due to the market current pressure that demands a comprehensive and strategic analysis with regard to the organizations perspective, the approach to the HRM has changed. People now are treated as potential assets rather than simply a variable cost. According to Torrington, et al. (2008), the human capital is a highly significant source once it provides the knowledge and experience that are necessary for an organization success.

Organizations need come up with a cost-effective approach to HRM in the industries in which they compete while also needing legitimacy in the societies in which they are located. This integration leads to competitive advantages. Successful companies concern with how to build and defend competitive advantages (Boxall & Purcell, 2016).

Thus, a competitive advantage supported by a strategic human resource management is essential. The aim of strategic HRM is to generate capability by ensuring that the organization has the skilled, engaged and well-motivated employees it needs to achieve sustained competitive advantage (Armstrong, 2010). Torrington et al (2008) go further, affirming that the contribution of the HR function to maintaining competitive advantage involves also recognizing the significance of the organization’s people as an effective barrier preventing would-be rivals from expanding their markets.
Accordingly, there are few possible links between business and human resources strategy, as it can be seen in the chart below (Torrington, et al., 2008).

The first model represents the structure that does not provide any connection between human resources and organization strategy. It is the structure that most of the organizations used to adopt in the past.

The second model, defined as the fit model, represents a growing recognition of the importance of people in the achievement of organizational strategy. Employees are seen as the key in the implementation of the strategy and the human resource strategy is designed to fit with this. The relationship in the fit model is exemplified by organizations which cascade their business objectives down through departments. In this way the HR is required to respond to organizational strategy by defining a strategy which meets organizational demands.

The dialogue model takes the relationship one step further as it recognizes the need for two-way communication and some debate. What is demanded in the organization’s strategy may not be viewed as feasible and alternative possibilities need to be reviewed.

The holistic model represents the people of the organization being recognized as the key to
competitive advantage rather than just the way of implementing organizational strategy. In other words, HR strategy is not just the means for achieving business strategy, but an end itself. In this case business strategy can encompass a variety of other strategies including HRM.

The HR-driven model places human resource strategy in a priority position. The logic in this model is based on the argument that if people are the key to competitive advantage people’s strengths have to be developed. This model is a reflection of a resource-based strategic HRM perspective, and sits well with the increasing attention being given to the notion of ‘human capital’, as previously mentioned, where it is the collective nature and quality of the people in the organization which provide potential for future competitive advantage.

Aligned to that, there are a number of approaches attempting to link strategy, business performance and HRM. Although there are some overlaps, three general strategic HRMs’ categories can be identified, giving it different perspectives. They are defined as 1) resource-based view; 2) best fit models; and 3) best practice model (Pilbeam & Corbridge, 2010).

2.3.1. Resource-Based View

Emerged as one of the dominant perspectives in strategic management, the resource-based model, links the relationships between internal resources, organization performance and strategy. The RBV conceives of organizational resources as unique bundles that have the power to give organization a competitive advantage over the others (Millmore, et al., 2007). It focuses on the idea that the human capital is essential and leads the company to the competitive advantage. As previously mentioned, from this perspective, people are treated as potential assets rather than simply a variable cost, once they are unique and consequently cannot be or substituted. The focus is not only on the behavior but also on the skills, knowledges and competences that underpin this. The RBV of the firm is useful because it focuses on an organizations’ internal resources and the specific factors enabling organizations to remain viable in the market (Torrington et. al, 2008; Pilbeam and Corbridge, 2010).

In this context, regarding the objective of sustaining competitive advantage, from the human resource perspective, the resource must meet four criteria. Those are:

1) Value, matching individual’s competences with the requirements of the company.
Capital resources do provide value to firms, as well as providing methods for estimating this value.

2) Rarity. The resource must prove its differentiation and capability to adapt to new situations. Human resources with high ability are rare. “It is safe to say that firms with high average levels of cognitive ability relative to their competitors possess more valuable human capital resources than those of their competitors”.

3) Inimitability. The competitors have to find difficult to identify where the advantage comes from. As HR advantages are most frequently characterized by unique historical conditions, causal ambiguity and social complexity, human capita is almost inimitable. A potential problem with this is the notion that human resources are highly mobile. But this is not the case, because of the high transaction costs in moving from one employer to another.

4) Irreplaceability. Even though in a short term it is possible to substitute human resources for technological ones, for instance, they do not become obsolete and can be transferred across other products, markets and technologies.

According to Armstrong (2008), the importance of the RBV of the organization is that it highlights the importance of a human capital management approach to HRM and provides the justification for investing in people through resourcing and training and development in order to bring the enhance the company competitive advantage. The resource-based view adopts the assumption that different firms possess bundles of HR and use different HR processes that give rise to differing HR capabilities and emphasis on knowledge stocks – sources of competitive advantage.

What it can be assured is that organizations with high levels of human capital have relative productivity advantages over their competitors. Not only because they have greater capacity to respond to external changes, but also more efficient means of accomplishing tasks are developed (Pilbeam & Corbridge, 2010).

Armstrong (2010), held by Delery and Doty (1996), understands that the relation between the organizations’ strategy and HR managements might have also other approaches, depending on the perspective and context. Those are:
1) The contingency perspective, in which the HR practices should be aligned to the company’s strategy in order to be effective. It can be described as ‘vertical fit’ or ‘best fit’; and

2) The universalistic perspective, in which the best HR practices should be adopted. It can be described as ‘best practice’.

2.3.2. Best Fit Model

The optimal HR strategy is one that ‘fits’ the organizations’ overall business strategy. That is the best fit premise. As Armstrong (2010) says, the best fit approach emphasizes that HR strategies ‘should be contingent on the context, circumstances of the organization and its type’. Moreover, this approach is based on two forms of fit: external and internal. Whereas the first says that the HR fits with the demands of business strategy, the second believes that HR policies and activities fit together as a coherent whole. Best fit change approach plans can vary widely depending upon how executives and strategic planners combine the elements of change styles, activities, tools and models (Torrington et. al, 2008).

Thus, the best fit methodology has an immense speak to the HR specialists because of the way that it positions them as the principal level key accomplices during the time spent administration basic leadership. This is on the grounds that, the dismissal of a one size fits all methodology extends the scope of decision making ability that are accessible to them (Shields 2007, p. 101).

The best fit practice has some different models that approach to different topics, such as life cycle, competitive strategy and strategic configuration.

The competitive strategy approach, held by Michael Porter, affirms that there are 3 generic strategies for achieving competitive advantage: cost leadership (the planned result of policies aimed at ‘managing away expense’), differentiation/innovation (be the unique producer) and quality (delivering high-quality goods and services to customers).

The strategic configuration carries out the preposition that ‘organisations will be more effective if they adopt a policy of strategic configuration (Delery and Doty, 1996) by matching their
strategy to one of the ideal types defined by theories such as those produced by Miles and Snow (1978)’. They state that there are four types of organizations, framed by an environment that dictates the company’s strategy and demands, consequently, an aligned structure.

1) Prospectors. These companies focus on new products, markets and technologies. They are the pioneers, dictating the market, forcing their competitors to respond to its implantations.

2) Defenders. They avoid risks. Their strategy is based on stable and predictable environment, focus on economy of scale and efficiency. Usually, this organizations are more bureaucratic, with a rigid structure and hierarchy.

3) Analyzers. Basically these companies mix the prospector and defender characteristics. Mostly because they operate in stable environments, but also in markets that demands constant innovations, even though they are not considered pioneers, but tending to follow the changes more rapidly than the defenders. Analyzers seek effectiveness through stability and new markets.

4) Reactors. As Armstrong (2010) states, reactors are ‘unstable organizations existing in what they believe to be an unpredictable environment. They lack consistent, well-articulated strategies and do not undertake long-rang planning’.

Best fit has different models with different approaches. For instance, ‘The employee Behavior Model’, sustained by Schuler, identifies 3 possible human resource management strategy types: accumulation, utilization and facilitation. Different strategy can be applied, depending on what the organization wants to focus in: competitive strategy, cost-reduction or differentiation.

Fombrun’s implementation strategy model, on the other hand, suggests that HRM plays a crucial role in effective strategy implementation. Three issues that involve strategic management consideration: mission and strategy, formal structure and HRM systems.

The concept of best fit is valid and widely adopted, as HR strategy becomes more efficient when it is linked/tailored to its surrounding context or environment of the business.
2.3.3. Best Practice Model

Armstrong (2010) points out that this approach is based on the assumption that ‘there is a set of best HRM practices and that adopting them will inevitably lead to superior organization performance. They are universal in the sense that they are best in any situation’.

In other words, there is only one way to manage HR and this way is not necessarily connected to the organization’s strategy. According to Gunnigle et al (2011), this best way of managing the human resources is based on Implementation of a set of ‘high performance work practices (HPWPs)’ (selection, rewards, development and involvement).

Then again, the best practice approach guesses that there is an accurate arrangement of human asset hones that can be connected in any hierarchical setting that builds the execution that conveys results that are significant for every one of the partners, especially representatives. Be that as it may, the impact of the execution is said to be more grounded and more compelling in the event that the greater part of the said practices is stuffed together keeping in mind the end goal to adjust and fit each other, in this way make positive collaborations between them. Therefore, the said approach covers distinctive related prescriptive models of human asset administration, for example, high-responsibility, high-inclusion, elite work framework, and shared additions models (Shields 2007, p. 90).

This model that points out seven key-practices that must be done in the companies. Gunnigle et al (2011) describe:

1) Employment security: fundamental to securing commitment, productivity, long-term thinking and underpinning other HR practices;

2) Targeted selection: selective hiring to build effectiveness and performance;

3) Workplace teams and decentralization: Use of self-managed teams and devolution of decision-making;

4) High pay contingent on organizational performance: above the norm’ compensation and performance related rewards;
5) Employee training: strong focus on training to ensure employee capability;

6) Reduction of status differentials: developing egalitarian workplace. Important in promoting open management style; and

7) Business information sharing with employees: sharing business and financial information. Develops commitment and trust.

2.3.4. HRM Approaches outlook

The best practice approach seems obsolete, given the current business context that demands dynamism. Because of that, it is not widely adopted by the organizations. What works well in one organization will not necessarily work well in another because it may not fit its strategy, culture, management style, technology or working practices (Armstrong, 2010). Best practice fails to take into account organizational context and specific needs of an organization.

But how these approaches are in fact involved with the organizations’ strategies? What is the impact of a best fit model in a company’s results? If change is so certain, why the uncertainty?

A recent publication from PWC (2011) gives an overview about it. Accordingly, the best fit approach addresses the organizations’ strategic needs, as indicated by its current state: issues, opportunities and vision, core competences and strengths. It also takes account which business challenge the change will address, for instance, cost reduction. The organization’s internal environment, comprising its culture and structure that provides a sustainable management plan. In that context, the companies might respond really well to the market, adapting and overcoming economic downturns.

The companies must be aware of the dimensions that might affect future strategies.

Predictability: The degree to which a change outcome can reasonably be predicted. Can the initiative’s results be anticipated, or are they largely unknown?

Urgency: An important consideration, asserting the right pace for change can significantly impact whether the impending changes will be sustainable.
Inherent risk: The possibility that the company will face severe consequences if the change initiative fails, which can be a critical factor, with high risk signaling the need for deep leadership involvement.

A good solid human resource strategy is important as it supports competitive survival. Conversely, adopting wrong strategies might affect the organizations’ overall performance, as “there is little value to be had in formal HR policies or in highly mobile, “hit-and-run” managers. In fact, major disjunctures between managerial promises and realities in HRM can undermine employee trust and commitment, contributing to competitive disadvantage” (Boxall & Purcell, 2016, p. 103).

Improving skills and developing competencies and capabilities of the workforce are core responsibilities of any organization. However, the companies must not neglect the fact that all the efforts are worthless (and expensive) if there is no staff retention. Talent shortages are a direct threat to an organizations’ effectiveness and reputation. A failure to recruit and retain sufficient numbers of suitably qualified people compromises the company’s ability to meet its customers’ needs and constrains ability to grow (Boxall & Purcell, 2016).
2.4. Staff turnover in the hospitality industry

Important source of competitive advantage, the workforce is a valuable asset to any organization. A fundamental issue for the management of any firm is how to build and maintain a workforce of an appropriate quality and quantity. It is understood that the capacity of attracting and retaining a capable workforce, aligned to the company’s core business, is fundamental (Boxall & Purcell, 2016), as “it is through securing the expertise, creativity and innovation of talented people that the organization will prosper” (Pilbeam & Corbridge, 2010, p. 8). Unfortunately, labor turnover crises have been emerging globally in the face of many businesses, including hospitality (AlBattat, 2013).

Problems relating to the retention of knowledge workers are not confined to Dublin. It is a global phenomenon. Recent research by the US Bureau of Labour Statistics (2012) shows that voluntary turnover in the accommodation and food service industry is 58.8% which is 24% higher than comparable industries and job types (Hinkin et al, 2012, cited by McKenna, 2013).

That phenomenon might affect negatively important organizational elements such as inefficient performance and continuity in customer service. Accordingly, core workers that are checking-out of their establishments are the key knowledge repositories of those organizations, the tacit and explicit knowledge of all customer service worker types is the very oil that drives the daily operations of each individual organization and the industry in general. What happens is that “while many might dismiss the notion of a hotel receptionist being a knowledge worker when compared with the very technical knowledge of a nuclear physicist, the reality is that an experienced hotel receptionist is as important to their organization as any specialist engineer is to their particular field” (McKenna, 2013, p. 4).

2.4.1. The importance of staff retention

Not long ago, employee retention was a way of life. There was stability amongst the organizations. If employees were doing a good job and the company could afford the compromise, they were able to keep their jobs. Both staff and management hardly abandoned their comfort zone. However, times have changed. What happens now is that “the employer no
longer holds all the cards. Employees are not as loyal as in the past. They know they have options and aren’t afraid to use them. It’s now up to employers to figure out how to keep good people” (McKenna, 2013, p. 16).

Consequently, the employee turnover has become in recent times a leading challenge to organizations. The implication is that organizations need to prevent talented employees from escaping (Pilbeam & Corbridge, 2010). Within a weak company loyalty scenario, employees are commonly “jumping ship” for better opportunities elsewhere (Griffeth & Hom, 2001). In the hospitality industry, staff turnover is also symptomatic. The retention of knowledge workers/assets within the hotel/hospitality industry is a core problem and the industry, highly dependent on the tacit and explicit knowledge of its qualified workforce, is plagued with high employee turnover (McKenna, 2013).

However, there appears to be an absence of an effective and systematic competency based approach to knowledge retention. There is little empirical research to validate the relationship between staff turnover and organizational performance (Lyons, 2009 and McKenna, 2013). Therefore, a greater understanding of the process of labor turnover is needed (Lyons, 2009).

These relationship has become a strategic element regarding the organization’s overall performance. Taylor (2002) points out to the fact that finding suitable replacements when people leave are becoming increasingly hard and more expensive, leading to inefficiencies and lost business opportunities. The upshot is that not only high staff turnover rates might indicate a lack of management in the organization but also it is observed that it leads to lower levels of customer satisfaction, in particular when it comes to the retail and service industries (Lyons, 2009). The failure of retaining core workers thus might expose a significant problem affecting essential elements of the business such as customer service, productivity and baseline profitability (Lynn, 2002). High staff turnover rates may be indicative of a poor work environment, loss of experienced employees and established customer relationships. Furthermore, as the industry fails to retain core staff, the quality of service will decline as it takes both time and effort to ‘back-fill’ vacated positions (Lynn, 2002).
2.4.2. Reasons of turnover

Employee turnover is undesirable, expensive and represents a risk to any establishment. However, it is expected to some extent. The organizations cannot maintain their qualified workforce forever. Reasons of quit might vary within different scenarios. Some people find a different job, some just go back to their home country. Others retire, quit on impulse. Still others just do not feel motivated enough (Allen, 2008). The turnover levels in the hospitality industry vary from one organization to another by size, type, and geographic location (Hinkin & Tracey, 2000). Wright and Sissions (2012) suggest that the historically high level of marginal workers employed in the hospitality sector, including students and migrant workers, means they are less likely to have a platform to engage with employers.

While some depart involuntary as a result of dismissal, redundancy or forced retirement, the vast majority resign of their own volition (Taylor, 2008). As a result, in order to assess the extent of the lack of employees’ retention, it is important to distinguish in first place the different kinds of quits that might exist within organizations.

As it can be seen in the chart below, the turnover can be branched into different types and allocated within different levels of acceptance.

![Chart 2: Turnover Classification Scheme (Allen, 2008).](chart)

Among these different kinds and reasons of quits, it is possible to affirm that the dysfunctional
voluntary can be the kind of turnover that may cause more damage in the organization. Voluntary turnover means that employees take the initiative of leaving the job. These type of turnover is not expected as their departures are not previously requested. Job offers, general dissatisfactions, geographical issues, work hours can be cited as examples of voluntary exit. Dysfunctional turnover represents the exit of efficient and high skilled performers that cannot be easily replaced (Griffeth & Hom, 2001). Dysfunctional voluntary turnovers thus are undesirable and might represent unexpected costs and eventually further losses.

When it is said that the turnover has become a leading challenge, the effort is driven towards the dysfunctional quit reduction. However, more important than taking decisions in order to achieve that reduction is to understand the reasons why this phenomenon happens so frequently and how it can be avoided.

As already mentioned, the effort of the organizations must be driven towards the retaining talented and qualified employees. Comparatively, “todays’ high performers are like frogs in a wheelbarrow, they can jump out at any time” (Kets de Vries, cited by Williams, 2000). Pilbeam and Corbridge (2010) extend this metaphor, by saying that “it does not mean putting a lid on the wheelbarrow. It means making the wheelbarrow a sufficiently attractive place to stay and this attractiveness cannot be defined in any generic way because this rather depends on what the frogs want”.

It is argued that the answer resides in talent management processes that encompass non-financial and environmental rewards (Williams, 2000). The work environment, depending on the type of work, might include opportunities for self-development, to work with interesting people and to be able to share in success the broadest sense (Pilbeam and Corbridge, 2010, Williams, 2000).

In many cases occurs that hospitality industry establishments neglect the fact that their workforce is weakening. Furthermore, they do not want to accept. Despite the truths about our contemporary business environment, many managers seem to find employee turnover a very hard task, complicated to adjust. Taylor (2002), points out to the fact that some companies are administrated within an obsolete context. Considering the fact that people seem to be less loyal to their employers, as the length of service has dramatically declined in the last decades, the tendency of running organizations in a quite autocratic, inflexible, controlling kind of way only dissatisfies the workforce. It is important to highlight that nowadays, regarding this “less-loyal”
scenario, employers give little time - if any - to developing employee-management relationships, which is often the key to a successful organization (Taylor, 2002 and Lyons, 2009).

In addition, there is also a trend that people are progressively becoming more educated and therefore demanding more control over how and when they work. The other way around is also valid. More and more jobs are becoming knowledge based with less low skilled work around and more employers expecting previous work experience. Most of the low paid jobs that require skill in the service sectors do require relatively well developed social skills which makes it more difficult to fill the jobs quickly within the best fit people. In case of the hospitality industry, more specifically bars and nightclubs, this element can be a major challenge for the management team in particular, as the hours can be very unsociable. (Lyons, 2009).

Allied to these elements, unwanted staff turnover may happen because attractive alternative job opportunities are more readily available. However, this rarely seems to lead to any kind of critical self-appraisal of the way human resources management is led. Taylor (2002) highlights that one consequence appears to be a deliberate or subconscious tendency to attribute the employees the blame employees of leaving the establishment. Tend to be seen as being disloyal or are thought to be making a misjudgment in resigning.

“Alternatively, the decision to leave is said to have been wholly unavoidable ("sad to see him/her go, but we just could not provide him/her with what he/she wanted"), etc. Sometimes these are fair comments – but more often they are devices used to mask the fact that the departure could have been avoided had more care and professionalism been put into the management of the employment relationship. The truth is that most times when there is an unwanted resignation it should be seen as an organizational failure”

A valued asset in which the organization has invested time and resources has been lost.

“This should lead us to reflect on the causes, to think about how things could have been made to turn out differently, and to adjust our practices so that the chances of its happening again are reduced. However, such a response is rare. Instead, we brush aside the departure, blame everything and everyone but ourselves and cheerfully resists the need to change the way we operate” (Taylor, 2002).
2.4.4. Employee Motivation

A knowledge and understanding of human motivation is essential for effective human resource management. It is helpful when dealing with common symptoms of dissatisfaction at work such as absenteeism, employee turnover, low morale, low quality or productivity and real or imagined illness (Reidy, 2015 and Thomson, 2002).

Not only from individuals’ skills, abilities and dispositions the motivation set is constructed. Both extremely personal and complex, motivation is also related to the job context: the nature of the task/job, the physical environment, implicit and explicit rewards – what is also called as reinforcements –, social norms and the wider corporate culture. As a result, “individual factors and job context together determine motivational processes that affect a persons’ effort, persistence, attention and task strategy” (Furnham, 2011).

There are uncountable factors, from either internal or external sources, that might motivate the individuals. There is a difference between what motivates people to perform above average and what leads to below-average performance (Thomson, 2002). One of the most cited is the power of money as a source of motivation. The debate is old, controversial and yet unresolved. Although, according to Furnham (2011), there are some agreements when it comes to that aspect, such as follows:

- Money is a good motivator for those who need or value it enough;
- Money motivates when it is actually, and is seen to be, rewarding performance. If people see a simple but direct relationship between input (hard work) and output (money), they feel able to control and predict their income. (Furnham, 2011, p. 280).

However, there are elements that go beyond financial aspects. Herzberg’s research (1959) reinforces that argument. Accordingly, there are some other important factors which may affect the way in which people feel about their work, such as:

- Achievement;
- Recognition from others;
- The work itself;
- Responsibility;
- Opportunities for advancement;
- Company policy and administration;
- Supervision;
- Interpersonal relations; and
- Working conditions;

There are a number of theories that explore that relationship between satisfaction at work and job performance. *Maslow’s hierarchy of needs* is, for instance, one of the most important theories that explore the individuals’ needs. Depending on the type and quality of that need, people will strive in, and outside, work to satisfy them (Furnham, 2011). It may include money, job security, prestige and/or need for achievement.

Maslow’s theory is considered one of the most representative theories of that field. It is defended that people have five different kinds of needs that are progressively activated, in a hierarchical scale. Different needs are triggered as the previous is achieved.

The first three scales are known as deficiency needs. They are defined as follows:

Psychological needs, which are the elementary needs and aims to satisfying fundamental aspects such as the need for food, air and water. The individuals in that stage must be able to afford adequate living conditions. In the organizational context, employees must have a base salary, and access to sociable and sufficient breaks in order to allow them to meet their psychological needs (Furnham, 2011).

Safety needs, the next level, that understands that the individuals need to feel secure in a physical or psychological non-threatening environment (Furnham, 2011).

Social needs, the third level, are related to belongingness. People need to have friends, to be liked, included, accepted and appreciated by the others. There is a need for fitting at work. The organizations duty at that stage is to encourage network relations by offering different activities (Reidy, 2015).

The theory points out that the individual will fail to develop and adapt to the work environment without having these needs accomplished. Thereafter comes the growth needs – *esteem and self-actualization needs* -, placed in a higher order. Individuals who achieve those levels are being growth and developed to their fullest potential. According to Furnham (2011, p. 287):
“Esteem needs refer to a person’s desire to develop self-respect and to gain the approval of others. The desires to achieve success, have personal prestige and be recognized by others all fall into this category. Companies may have awards, prizes or banquets to recognize distinguished achievements. The inflation of job titles could also be seen as an organizational attempt to boost employees’ self-esteem. These policies are most popular in low-paid service industries or in sales forces. Most people in most organizations, it seems, have difficulty satisfying this need level.”

The ultimate level, self-actualization needs refer to the need for self-fulfillment. The author highlights that by working at their maximum creative potential, employees who are self-actualized can be extremely valuable assets to their organizations. It means that at this stage, employees are able to perform at their peak, representing the most effective use of a human resources management.

What is important to highlight is that, despite different theory approaches and beliefs, the managers have an important challenge when it comes to deal with motivation aspects in the workplace. According to Reidy (2015), they are as follows:

Meeting employees’ needs: They can be identified at different stages of the employment relationship. It is important that the management collects employees’ information in a daily basis.

Helping employees to reach their full potential: It is defended by the humanistic psychologist branch that people become unhappy and frustrated when prevented from reaching their fullest potential.

Choosing rewards that employees value: even though it might be subjective, as employees are motivated by different incentives, the management challenge is to identify what employee values.

Providing a suitable work environment: People with a high need for achievement work best in challenging working environments. They also need feedback on performance. The author says that “those with a high need for affiliation have a strong need from approval and reassurance from others. Employees with a high need for autonomy find it hard to work when there are too many rules and regulations”.

Looking at how jobs are designed: jobs should be designed in a such way that employees are
responsible for a complete piece of work with the opportunity of using a variety of skills. In addition, employees need to feel that their work is important and receive constructive feedbacks on their performance frequently.

Ensuring that employees feel fairly treated: if workers feel unfairly treated, perceiving inequity, there will be negative consequences for the organization. They might ask for a pay rise, make less effort or leave the job.

Setting goals: targets are an important motivating factor. The need for achievement is intrinsic to individuals. Setting goals are important for both employers and employees. The employers’ challenge is to set plausible and achievable targets.

Another considerable motivation factor is intimately related to employee rotation. For instance, the resignation of a colleague often means more work for those left behind. New duties have to be taken on and project work taken forward. Whereas some this as an opportunity, others, though, find it difficult to cope and become resentful (Taylor, 2002).

Furthermore, a research led by Cornell University (2012) explored how contagious that rotation in work units can be. The contagious effect study concluded that changes in a knowledge workers level of job satisfaction can affect the worker’s turnover decisions. More important, unit-level job satisfaction change and its dispersion jointly affect the individual’s satisfaction change and the overall turnover rate in a unit, in what can be termed a “contagion effect” (Hinkin, et al., 2012). It suggests that the findings emphasize the importance of tracking changes in employee satisfaction and the impact of changes in group attitudes on individual attitude and behavior (Hinkin, et al., 2012).

What can be extracted from that analysis is that there is no theory or intervention that comprehensively explains all work motivation difficulties and fits all situations (Kanfer, et al., 2012). The authors, instead of trying to map a broad picture of these formulations, they propose that “the field can be best conceptualized as a broad, embedded and dynamic confederation of constructs and mechanisms that operate at different levels of analysis and on different timescales” (Kanfer, et al., 2012). It is defended that work motivation is dependent on the 3C’s: content, that reflect the impetus for action; the context; and change, which states that motivation is a dynamic process that occurs over time.
2.4.4. Turnover and mismanagement

High staff turnover rates may represent not only a cost to the business, but also it might as well be an indication of employee resentment and resistance against the employing establishment (Leopold, et al., 2004). It is understood that “an organizations’ most valuable asset are its high performing employees, and when they start to leave it is an indication that strategies are not been utilized effectively” (Lyons, 2009, p. 17). In that case, managers assume the responsibility of engaging their staff to keep performing in a high standard level. A clear and transparent communication between management and staff is an important element in order to accomplish both sides objectives through their own activities. In other words, the managements’ most important tool is the ability of manage effectively in communication activities. Tesone (2005) points out to the fact that it is worthless to have management knowledge and be still an ineffective manager if he does not possess a solid base of communication. Accordingly, “managers who do not possess effective communication skills will not possess the ability to act as effective managers” (Tesone, 2005, p. 162).

Dealing and communicate with people is challenging. It means share and understand information and opinions amongst each other. Even though it seems simple in the first place, the whole process is complex and demand caution. Conflicts are imminent. It happens due to the individuality of people and it affects personal perception. “Each person perceives information in different ways. Therefore, while everyone in a group of people may hear the same message, that message will mean different things to different people” (Tesone, 2005).

Miscommunication in that case might lead to internal conflicts and undesirable events that can contribute to staffs’ (and also managements’) dissatisfaction. To avoid that, not only the managers must eliminate the barriers of communication – ineffective listening and lack of attention, for instance – but also understand their employees. The Hospitality News (2001) suggests some important questions that helps the management to understand better its workforce, such as follows:

1. How fairly are you and your colleagues treated by management?
2. Is there enough effective communication between management and the workforce?
3. Do the instructions and training you are receiving seem sufficient for you to perform
your duties?
4. How do you see your future here?
5. What do you think of your workload? Is work generally distributed fairly?
6. Does your supervisor tell you what you need to know?
7. How do employees get along with each other?
8. Is the equipment you use adequate?
9. Do you feel your work is important? Why or why not?
10. What do you want management to continue, stop and start doing?

The organizations might face significant problems if they do not impose a culture of training and development. Training is a tool that provides employees with the knowledge and skills needed to perform efficiently. It prepares the employees to meet the inevitable and sometimes unexpected changes in their jobs. (Blanchard & Thacker, 2010). Training contributes to organizations goals’ achievement, but, moreover, individual employees need training in order to meet their personal objectives (Stewart, 1999).

Training must be seen as an integral part of the organizations’ performance improvement system. If not, it will continue to be seen as a cost center, providing less contributions to the organization (Blanchard & Thacker, 2010, p. 12).

The mismanagement problem is also connected to a lack of management leadership. Leadership can be defined as mobilization of people to get things done. “Leadership is about practices leaders use to transform values in actions, visions into realities, obstacles into innovations, separateness into solidarity and risks into rewards. It is about leadership that creates the climate in which people turn challenging opportunities into remarkable success” (Kouzes & Posner, 2002).

Given that context, it is possible to say that not every manager is a leader, as well as not every leader is necessarily a manager. In other words, there is a difference between being a leader and being a boss. People follow and respect the leaders and, conversely, they obey the boss. According to Kouzes & Posner (2002), leaders are worthy of trust; they have a sense of direction, always looking ahead; they have the ability to get things done; and they inspire people. Those are characteristics that are not easily found together in one person and requires time and effort to be developed. Lack of leadership thus implies in lack of credibility of the management. Without credibility, no management is able to influence and motivate their
workforce to accomplish their common objectives.

Communication and leadership are major factors of an efficient human resource management. Managers that are not communicating efficiently and/or fail to lead their workforce might face significant issues, as the employees are not performing as well as it is expected, if not tending to leave.

Finally, we can point to the negative perceptions that staff turnover can present from the perspective of customers. Especially in the hospitality industry, much chopping and changing of personnel in such workplaces tends, at the very least to diminish customer loyalty. At worst it leads to a genuine reduction in perceived standards of customer service, which translate in turn, to the development of a poor reputation in key markets. (Taylor, 2002).

2.4.5. Costs of turnover

High levels of turnover imply more costs to any establishment. Nine times out of ten when someone leaves, a vacancy is created that is subsequently filled externally (Taylor, 2002). The businesses that let qualified staff go are not only throwing away further incomes regarding productivity and performance, but also acquiring different costs associated with this process.

Replacing costs are considerable. In many cases the most significant element is the cost of recruiting a new person. At the very least there is a cost of management involved in administering the recruitment process, shortlisting candidates and selecting a replacement. Direct costs involving induction and training of the new employee, administration of the entry of a new starter – which includes payroll, personnel records, offer letter, issuing contracts and etc. - have as well to be highlighted (Taylor, 2002). “Also to be considered is the cost of productivity while the position is vacant, as well as lost productivity for those employees who are participating in the replacement hiring process, taking time and effort away from their normal job activities” (Delcampo, 2011, p. 176).

There are also indirect and less intangible costs that include reductions in productivity and service caused by understaffing during the time it takes to find replacement workers and by the inexperience of new workers once they are found and hired (Lynn, 2002). This may mean that the organization is less productive or effective for a few weeks, or it may result in further
expenditure on overtime or temporary staff employed at a premium hourly rate. In addition, the level of productivity of new replacement might also be ineffective (Taylor, 2002 and Griffeth & Hom, 2001). It consequently leads to a loss of experience, continuity and corporate memory, a lack of continuity in customer service disruption and low staff morale (McKenna, 2013).

A failure to recruit and retain sufficient numbers of suitably qualified people compromises the company’s ability to meet its customers’ needs and constrains its ability to grow (Boxall & Purcell, 2016). Impaired service quality among frontline service establishments represent a risk to the business. The customer service disruption caused by shortages cause lack of service or less competent service by inexperienced replacements. The result is predictable. Customers may spend fewer consumer dollars or even defect to competing businesses (Griffeth & Hom, 2001).

In addition to costs such as these, a voluntary resignation also represents a waste of organizational resources in other ways. Taylor (2002) uses as example the intensive or extensive training given to new staff – at the company’s expense - and that new staff leave before a proper return on the investment is attained. It is even graver if the employee resigns in order to take up a post with a competitor. Turnover among key personnel can threaten a business when it comes to market share. In other words, the knowledge acquired will be deployed in a competitor and “the more extensive and commercially useful the knowledge that resignees take with them when they leave, the more significant is the potential damage done” (Taylor, 2002, p. 16). Departing employees can take clients they serve away from their former employer. Furthermore, firms that lose employees to competitors risk losing their intellectual property along with their personnel (Griffeth & Hom, 2001).

It is worth to mention that even though the final cost can be hardly accurate and may vary substantially depending on the organization, the turnover expenses must be absorbed in virtually every case of voluntary turnover (Taylor, 2002).

In Ireland as with most industrialized countries, labor costs are one of the most expensive aspects of running any business. Turnover adds to those costs. The CIPD’s (2008) recruitment, retention and turnover report stated that the average cost per employee was €6,469, rising to €22,308 for senior managers or directors (McKenna, 2013).
Impresses how the Irish hospitality industry the workforce is treated as a replaceable source. The non-management staff is low paid, which only demotivates the employee. And the premise of if you do not want the job, there are 100 more who want it, so be thankful only proves that poor and restricted mentality. As long as this mentality remains, there will be no longer prosperity. As Lyons (2009) precisely affirms, this industry employees:

“Portray what it is all about and if there is constant turnover of workers it reflects badly on the organization because a critical component of service is the relationship that develops between long term employees and local customers. It is an employee’s actions which determine the overall experience of the customer. Thus, the nature of the bar staff and the training that they receive can have a major impact on the commercial viability of the outlet” (Lyons, 2009, p. 12).

2.4.6. Management challenges

The hospitality industry is notorious for high levels of employee turnover relative to other industries. Hospitality managers are important people in the organization who should understand and know how to apply turnover policies in order to reduce the crises effect (W. Mobley, 1982). The comprehension of turnover within organizations and, more importantly, the ability to manage turnover efficiently through well executed strategies is mandatory in that aspect. The challenge of retaining efficient workforce therefore is big and depends on aligning interests of the firm with its workers in a way that it builds human capital advantages. It means that management viewpoint cannot be only based on the managers’ perspective, but also the workers’ perspective must be taken into consideration (Boxall & Purcell, 2016; Kanfer, et al., 2012).

The success of that sector is due mainly do a good satisfactory customer service. Despite the automation regarding high-tech online platforms that have been systematically upgraded, there will always be, at some stage, the personal contact. Successful hospitality establishments prioritize their workforce. That implies that organizations must invest in their human capital.
In order to do that, all the steps must be carefully planned and implemented: since how the staff is recruited, how they are managed, trained and educated with appropriated resources until how they are rewarded and how they are supported through a process of continuous learning and career development (Beardwell & Claydon, 2007; McKenna, 2013).

Training in that case is fundamental. Organizations are recognizing that skill updating might bring corporate benefits, by being both an attractive recruitment and retention tool (Kanfer, et al., 2012). It is estimated that nearly three of four employees begin looking for new positions with less than a year of starting, often due to dissatisfaction with inadequate training (Dessler, 2017). However, the process of learning and development implies that they occur in all sorts of situations, not only in a traditional formal training basis (Foot & Hook, 2005). “The new ways of working are demanding not just extensive training in new task skills, but completely new ways of thinking about work, doing work, and relating with one another” (Beardwell & Claydon, 2007, p. 263).

The role of managers in talent management is to exercise empowering leadership and deploy competencies related coaching, mentoring and feedback (Pilbeam & Corbridge, 2010). Feedbacks are also very important as they are able to sustain effective talent management overtime (Beardwell & Claydon, 2007). If talent is going to develop and learn the most from their development and practical experiences, they need feedback (Gibb, 2011, p. 218).

The employee turnover in the hospitality industry is hard to adjust. Managers seem loath to accept that tighter labor market conditions require a style and set of policies which take greater account of what employees want and need from their work (Taylor, 2002). The outcome is employee dissatisfaction. Some organizations fail to realize that simple management activities are required to maintain a satisfied workforce, and when employees become dissatisfied, they will find jobs in other establishments. Freezes the fact that the best employees are usually the first to leave and that kind of issues are likely to happen when the management is not aware of the simple steps in retaining the best and brightest workers (Tesone, 2005). And, as the author points out, “it only takes a couple of years for an excellent hospitality organization to become another acquisition statistic” (Tesone, 2005, p. 134).
High levels of employee turnover might signalize that the company is having trouble in keeping its workforce. The *Hospitality News (2002)*, suggests few questions that can be asked in order to help identify eventual internal problems, such as follows:


What can be extracted from that is the fact that retention of good workers depends on a good solid human resources strategy. Tesone (2006) and AlBattat (2013) suggest three management areas that may contribute to the retention of good workers. First are management policies concerning compensation and benefits afforded to workers within the organization - it was found, by CSO (2009) that the highest concentration of low-paid workers was in the accommodation and food services sectors (McKenna, 2013). Second are professional management practices, whereas the third are management policies and practices concerning employee incentives to perform above the standards set by the organization – at that stage, reward systems should be established so the employees will attain recognition according to their good work. It is affirmed that “these three strategic approaches to management contribute to employee satisfaction, which produces the outcome of employee retention” (Tesone, 2005, p. 135). Added to these, a communication system should be enhanced to enable the employees to maintain an acceptable level of contact with the organization (Dario, 1989, cited by AlBattat, 2013).

The more organizations are aware of what their employees want, the more succeeded their strategy can be. According to Hospitality News (2002), what employees expect is:

1) To be treated as partners, with respect and involvement;
2) To be provided with challenges that stimulate their careers;
3) To be acknowledged by their contributions;
4) To feel comfortable to share suggestions and ideas;
5) To work amongst a united and confident group; and
6) To be paid fairly and appropriately.
Human resource is crucial to any organizations’ efficiency and health, and although there will be always challenges facing HR, “selecting and appropriate HR strategy will allow HR to combat these issues, improve the effect of human resource management and contribute to a more productive organization overall” (Delcampo, 2011, p. 6).

CHAPTER III – RESEARCH METHODOLOGY

3.1 Methodology Introduction

With the objective of structuring and presenting how the research topic is developed, different aspects and elements were being explored in order to comprehend the impact of the staff turnover in Dublin’s hospitality industry.

Within that context, it is possible to find out how the staff turnover is envisaged in the companies of this industry, and, moreover, in which way it contributes to a good or bad company’s overall business performance.

The process of the research methodology involves basically some few important steps and “at each step the model provides a smorgasbord of methods, models, techniques and procedures so the researcher can select the one that is most appropriated. The steps cover the total spectrum of a research endeavor, starting from problem formulation through to writing a researcher report. The steps are operational in nature, following a logical sequence, and detailing the various methods and procedures in a simple step-by-step manner” (Kumar, 2005, p. 25).

3.2 Research Design

According to Kumar (2005), an extremely important feature of research is the use of appropriate methods. Research involves systematic, controlled, valid and rigorous exploration and description of what is not known and establishment of associations and causation that
permit the accurate prediction of outcomes under a given set of conditions. In other words, the design assumes the function of explaining how the research questions are found.

As a matter of strategy of investigation in order to obtain answers to the topic, the collection data is based on secondary data, with books, journals and day-to-day experience. However, once there is not much literature that might hold this specific topic – staff turnover applied to the hospitality industry –, the primary data is also essential.

As a matter of design strategy model, the research onion can be developed as it follows:

![Research Onion](image)

Figure 1: Research Onion

3.2.1 Research Philosophy

The research philosophy in that topic is essentially the interpretivist, even though it can be possibly mixed with different philosophies, such as realism. The interpretivism recognizes that business people are all different and interpret different business situations differently. Moreover, the interpretivism “advocates that it is necessary for the researcher to understand
differences between humans in our role as social actors” (Saunders, et al., 2012, p. 137). It means that it is expected to be found different opinions and beliefs amongst the different levels of workforce as each one individually has a different background. In addition, people tend to interpret the social roles of others in accordance with their own set of meanings (Saunders, et al., 2012).

3.2.2 Research Approach

The research has a deductive approach. A deductive approach is concerned with developing a hypothesis (or hypotheses) based on existing theory, and then designing a research strategy to test the hypothesis (Wilson, 2010). Deductive theory represents the most common view of the nature of the relationship between theory and research. The researcher, “on the basis of what is known about a particular domain and of theoretical considerations in relation to that domain, deduces a hypothesis that must then be subjected to empirical scrutiny” (Bryman & Bell, 2011, p. 11). Theory and the hypothesis deduced from it come first and drive the process of gathering data.
Chart 3: The process of Deduction

Blaikie (2010), held by Saunders et. al (2012), lists and explains these six sequential steps through an efficient deductive research.

1) Put forward a tentative idea, a premise, a hypothesis (a testable proposition about the relationship between two or more concepts or variables) or se of hypothesis to form a theory;

2) By using existing literature, or by specifying the conditions under which the theory are expected to hold, deduce a testable proposition or number of propositions;
3) Examine the premises and the logic of the argument that produced them, comparing this argument with existing theories to see if it offers an advance in understanding.

4) Test the premises by collecting appropriate data to measure the concepts or variables and analyzing it;

5) If the results of the analysis are not consistent with the premises, the theory is false and must be either rejected, or modified and the process restarted;

6) If the results of the analysis are consistent with the premises, then the theory is corroborated.

It is understood that the staff is a valuable asset for the organization, no matter in which kind of business. This report tests the influence of staff turnover in Dublin’s hospitality industry and how it is perceived by the establishments’ management. It is argued that “the hospitality industry is notorious for high levels of employee turnover relative to other industries. The challenge of retaining efficient workforce therefore is big and depends on aligning interests of the firm with its workers in a way that it builds human capital advantages” (2017: Page 32). Based on a review of the literature that explores the human resources management, more specifically on how the qualified staff retention is an important source of competitive advantage to any business, it is suggested that a “high staff turnover rates may be indicative of a poor work environment, loss of experienced employees and established customer relationships” (2017: Page 20). This leads to propose that “management policies concerning compensation and benefits afforded to workers within the organization, professional management practices and employee incentives to perform above the standards set by the organization have to be encouraged”. With this support, it is possible to specify the contextual determinants of a high staff turnover in the Dublin’s hospitality industry and to propose the following hypothesis.

Hypothesis 1: High level of employee turnover is prejudicial to the analyzed establishment, and also to Dublin’s’ hospitality industry business overall performance. Neglecting the importance of staff retention maximize company’s losses.

Hypothesis 2: High level of employee turnover is not prejudicial to the analyzed establishment, and also to the Dublin’s’ hospitality industry business overall performance. Neglecting the importance of staff retention do not contribute to eventual company’s losses.
3.2.3 Research Strategy

Considering that a strategy is a plan of action to achieve the final goal, a research strategy may therefore be defined as “a plan of how a researcher will go about answering his/her question” (Saunders, et al., 2012). In order to attend to the research proposal and find out relevant information, the methodology is guided by two methods of research: qualitative and quantitative.

Less clear-cut in comparison to the quantitative, the qualitative data conversely provide deeper insights, as it explores reasons, opinions, motivations and develop ideas by simply giving the interviewer the freedom to elaborate its own answer. It “studies participants’ meanings and the relationships between them, using a variety of data collection and analytical procedures, to develop a conceptual framework” (Saunders, et al., 2012, p. 163). Hence, a semi-structured interview was made to the managers in order to find out their perception about the industry, about establishment they work at, their relationship with the staff and if they understand that a high staff turnover might be a business threat. In that kind of strategy, the interviewed are more expressive and capable of answering in a cohesive and didactic way – something that, perhaps, could not be possible if these sample would just answer a questionnaire.

The interviews were guided by a logic and rationale set, regarding some important core features, according to Mason (2005): The interactional exchange of dialogue; a relatively informal style; a thematic, topic-centered, biographical or narrative approach; and relevant contents brought into the context.

The outcome is fundamental as it helps to comprehend in a very authentic way the managers’ overall mentality about the business in the hospitality industry. The managers are responsible for their production team and also for their knowledge acquired and their development. Thus, if they have the conscience that the staff is a valuable asset for their business, it is expected that the overall performance of their business overcomes its competitors.

The quantitative approach, conversely, is also important as it helps to investigate the staff turnover from the non-management staff point of view. “Questionnaires are usually used when a random sample has been drawn from a population, or using a quota sample. The sample
chosen depends on the research question and what the nature of the data is that is being gathered.” (Matthews & Ross, 2010, p. 205). The aim of a quantitative research is to examine the relationship between variables, based on a range of statistical techniques’ analysis. According to Saunders et. al (2012), this methodology often uses probability sampling techniques to ensure generalizability.

A closed questionnaire (survey) was given to bars’ and restaurants’ frontline staff in order to find out how satisfied they are, what they expect from the place they work for, how the relation between them and their managers and/or owners is and their perception about the importance of a good and stable workforce.

In addition, as getting access to the company’s figures is a difficult task regarding its confidentiality, the customer’s opinion about the company’s customer service is essential. The idea was to give the customer a questionnaire after the service is fully completed. It means that an opinion about the staff performance was already formed at the time and a further analysis could be developed taking into account the length of the staff in that company and also his/her experience in the industry. In other words, how long the staff who looked after that specific customer has been working in the restaurant and how skilled he/she is. The questionnaire draft can be observed in the appendices B.

3.2.4. Sampling - Selecting Respondents

According to Kumar (2005), the accuracy of the researcher findings largely depends upon the way the sample is selected. Hence, the sampling main objective is “minimizing within the limitation of cost, the gap between the values obtained from the sample and those prevalent in the population” (Kumar, 2005, p. 23). It is equally important whether interviews, questionnaires or some data collection techniques are used.

As Saunders et. al (2012) say, sampling techniques can be divided into two different types: probability and non-probability sampling. Accordingly, whereas “with probability samples the chance or probability of each case being selected from the population is known and is usually equal for all cases”, in the non-probability samples, on the other hand, “the probability of each case being selected from the total population is not known and it is impossible to answer
The participants were divided in two different groups

1) Managers of an important bar/restaurant located in Dublin’s city center. The managers have the knowledge and a critical vision of the business. They also are very present and, as a consequence, constantly dealing with the staff, perceiving their behavior and their performance.

2) Bar staff and floor staff that work in the bar/restaurant. The idea is to evaluate if their inducements are equal or greater to their contributions and if they are willing to keep working in the same place or change to a competitor that might offer them something better. The ages might vary between 18 and 30 years old. The staff is multicultural, so different perspectives might be brought over.

For the first sampling, the homogeneous purposive non-probability sampling technique utilized, whereas for the other sample it was judged that simple random probability sampling most suitable technique.

3.4. Data Collection & Analysis Procedures

For the analysis of the qualitative collected data, the Data Display & Analysis (DDA) method is adopted as it is a set of analysis techniques that relies on systematic and objective description procedures of the messages content. The key aspect in that stage is how to construct and present a convincing explanation or argument on the basis of qualitative data. This is a question which troubles many a would-be qualitative researcher who can see the merits of a qualitative approach to data generation, but is less clear about what can be done with the products” (Mason, 2005). The qualitative data analysis regards three important processes: 1. Data Reduction; 2. Data Display; and, ultimately, 3. Drawing and Verification of Conclusions (Inferences and Interpretations).

The first phase, data reduction, regards the initial process of choosing what is relevant to the
content, writing the data down. This analysis is constituted in first place by a broad overview (fluctuant reading) followed by cleaning process of the data. It means that the unnecessary parts are left aside. Tidying up the makes the analysis easier.

The second phase, data display, when the content is deeply explored, the pre-established information is codified and organized in a way that the theme-questions get categorized according to their characteristics. The data display allows comparisons to stand out, as well as offers the possibility of identifying possible trends and/or patterns.

The drawing and verification of conclusions, ultimately, involves the inferences and interpretations to each classified and analyzed theme-question. It is important that the previous steps are as complete and accurate as possible in order to provide a richer outcome. Computer-Aided Qualitative Data Analysis Software (CAQDAS) can also be used in order to help with the unitizing/coding collected data.

Regarding the questionnaire data analysis, relying on concepts that belong to inferential statistic field, the survey procedure is adopted. Questionnaires are also an important tool as they are more structured and objective if compared to interviews. Not only, they are elaborated to attend big samples. For the data mensuration, there was used an ordinal scale, taking into consideration, thus, the rating criteria. The scale is ranged from 1 (improbably) to 5 (probably), and the questionnaire is divided in three sections: classification, relationship and evaluation.

Consecutively, a comparative analysis of the obtained data – both interviews with the owners and managers and questionnaires applied to the non-management staff. These results were confronted with the intention of comprehend the companies and staff point of view regarding how important the staff is to keep the company ahead the competition.

3.5 Research Ethics

It is known that all social research has ethical implications and dilemmas (Matthews & Ross, 2010). When the subject involves business and corporate results, the figures are considered extremely confidential. Consequently, at any study is expected to find some barriers regarding
access to the figures that work as indicators to the company’s performance. It was proposed that the general information could be broadly offered, with the guarantee that the information will remain extremely confidential.

Another important aspect regarding the research ethics is the caution with company’s exposures. It not only involves figures such as financial reports, but also credibility or information that might be used against the companies. The research is carefully developed in order to avoid any kind of bias, whether positive or negative. Moreover, no personal information such as names or workplace is publically released.

In order to accomplish that an informed consent process was taken into account. “The basis of informed consent is making sure that the people who are going to take part in the research understand what they are consenting to participating in (Matthews & Ross, 2010, p. 73). Consequently, some elements must be considered: consent should be freely given, in which people cannot be coerced to participate; clear and adequate information provided, making sure that people understand what they are consenting to. They deserve respect and consideration. Thus, they need to know 1) what is it for them; 2) why the research is being done; and 3) what the practical implications are for them.

3.6 Limitations of Methodology

The gathered primary data demands a high effort in order to attend to the research proposal. In other words, asking the workforce about their opinion regarding elements such as work conditions, staff satisfaction and so forth, even though it is a really important source, providing significant indicators, it might not enough to evaluate the real impact of the staff turnover in the Dublin’s hospitality industry in terms of numbers. Turnover is hard to be predicted/quantified in numbers. The ideal scenery would be having access to the company’s figures, which is something that might not be accepted by the owners and managers of the establishments.
CHAPTER IV – DATA ANALYSIS AND FINDINGS

4.1. Introduction

This report was elaborated with the aim of examining the relationship between high levels of staff turnover in a bar located in Dublin’s city center overall performance, as well as identifying the issues and effects caused by the constant employee rotation and what strategies the establishment is adopting in order to avoid that.

The issues regarding human resources faced by that kind of industry are not correctly envisaged. The main source of competitive advantage in the hospitality industry is excellence in customer service. Problems such as high staff turnover and lack of skilled workforce reflect in the establishments’ performance as the customer service level is inevitably dragged down.

What is important to highlight at that stage that the problem do not rely on how much the establishments get to lose, but how much they fail to gain. Reliable, skilled and stable workforce is a key-element to business success. Only skilled and prepared people can, for instance, develop and maintain high levels of customer service, work on marketing strategies and come up with financial improvements. It is managements’ duty, therefore, work hard on that human resources approach. It involves develop a solid strategy that accomplish both side’s needs.

This project is drawn up with the goal of analyze and understand the managements and also the staffs’ perspective regarding the staff rotation, and, furthermore, corroborate the notion that the operational force is envisaged as a unique and valuable source.

The questionnaire given to the frontline staff is essentially important as it gives an overview about the employees’ opinion about their work environment and what they expect from the management team and the establishment in general. The aim is to understand how the frontline workforce perceive the hospitality industry working environment, as well as evaluate the
balance between inducements and contributions, and if they are willing to keep working in the same place or change to a competitor that might offer them something better.

The semi-structured interview, on the other hand, is focused on the management perception about the industry, about the establishments’ they work for, their relationship with the staff and if they understand that a high staff turnover might be a business threat.

That strategy helps to comprehend in a very authentic way the owners and managers’ overall mentality about the business in the hospitality industry. The managers are responsible for their production team and also for their knowledge acquired and their development. Thus, if they have the conscience that the staff is a valuable asset for their business, it is expected that the overall performance of their business overcomes its competitors.

4.2. The questionnaire

The questionnaire was applied to 41 employees that work in different departments (floor staff, bar staff, kitchen staff, and other positions) of this establishment located in the Dublin’s city center. The questionnaire is divided in two sections: classification and evaluation. Whereas the first one has the purpose of identifying the employees characteristics/profile, the second is designed to bring up the staff perception about the hospitality industry environment. Statements that could be ranged from 1 (totally disagree) to 5 (totally agree) were pointed out. They were designed in order to attend the main objectives of the project, answering the research questions and matching with the presented literature review.

4.2.1. Section 1 outlook

Regarding the first section, the objective is to point out the profile of the frontline staff, with general characteristics such as gender, age, level of education and how familiar with the industry they are. With these data it is possible to crossover relevant information (for example, if younger staff are more willing to leave the company within a year in comparison with older and experienced staff). The following contents represent the profile of the selected sample.
What can be observed, accordingly, is that the workforce in that industry is relatively young and constituted by mainly by men. According to the sample, 29 of the respondents are men, whereas 12 are women (71% and 29% respectively). The age range in its majority vary from 18 and 30 years old (93%). Those indicators can be observed in the following chart.

![Chart 4: Sample general information](image)

The sample is diverse when it comes to education level. As it can be seen in the chart 5, even though the sample is relatively young in its majority, part of the staff has already a certificate/diploma or a degree. The number of people with secondary level is also considerable.

![Chart 5: Sample education level](image)
The turnover culture is reflected by the length of work. In establishments with a high staff turnover culture, it is not easy to find staff that have been working for that places for more than 2 years. As it can be seen in the chart 6, that is the reality in the selected establishment.

Chart 6: Length of work in current job

The majority of the staff has been working in the same workplace for no longer than 1 year. Although it is possible to find senior staff that have been working for more than 2 years they are completely outnumbered by junior staff that has been working for 1 year or less in the same workplace (7% and 61%, respectively). The number of people that has been working for more than a year, 29%, is significant. It indicates that the establishment can be a suitable workplace.
The selected sample is also experienced. In the chart 7 it is possible to see that 76% of the sample has already a previous job experience in the sector. As expected, the reasons of quitting the previous jobs might vary. It is interesting that low wages, even cited by the respondents, is not a trending factor in comparison to other common reasons of leaving, such as bad work environment, demotivation and job offer. As highlighted in the literature review, money is not the only reason people care about.

![Chart 7: Sample previous experience](image)

4.2.2. Section 2 outlook

The second part of the questionnaire, as mentioned, aims to go deeper into how the frontline staff perceive their work environment. The questionnaire was designed to approach key-aspects that influence the employee performance. Furthermore, the questions are connected to concepts, theories and arguments explored in the literature review.

This section is divided into few subsections. The first part approaches to the macro environment, when the industry is evaluated. Following to that, the questionnaire cascades into internal environment questions that involve the employer characteristics and concerns, the staff relationship with their management as well as how they perceive the turnover in their workplace. Ultimately self-evaluation questions were asked. That kind of information provides the researcher a solid outcome, essential to the projects’ main purpose.
The selected sample understands that the hospitality sector is challenging and dynamic but at the same time an enjoyable industry to work at. In addition, excellence in the customer service must be a rule. Having a skilled workforce, in their perception is a differential. That industry overview can be observed in the following table.

Table 1: Perception about the industry

From that first selection, it highlights the fact that among the respondents only 44% have the intention of invest their careers in that industry. Some of them are not fully convinced, whereas 29% do not have plans of working in the hospitality sector for too long.

Chart 8: Mid-term career plans

The understanding of the employers’ environment is also essential. The workplace has to be an enjoyable place, especially in that very demanding industry. In order to make it happen, the
employers’ have to provide a good ambience, as well as look after their employees. It involves, among others, being concerned about staff interests, looking forward to developing professional and personal skills, encouraging and keeping staff motivated. Those actions contribute to employees’ satisfaction, reduces the turnover and consequently push up the organizations’ overall performance.

The questions that involve the employers’ characteristics can be observed in the table 2.

**Table 2: Perception about the employer**

The employees, generally, find in the establishment an enjoyable place to work. Whereas 85% enjoy working in their workplace, only 3% think otherwise.
However, even though it might be enjoyable, the sample is not convicted that the workplace is totally concerned about their interests, once only 34% agree with that statement.

What can be extracted from that analysis is that the satisfaction of working in certain organization pends to a fully-individual perception. In other words, when the respondent says he enjoys working in the company it does not necessarily mean that the company is looking after its staff correctly. As it can be observed in the crossover analysis in the table 3, even though the individuals say they enjoy working in the company, they are not convicted that their employers are concerned about staff’s interests.

<table>
<thead>
<tr>
<th>I enjoy working in this company</th>
<th>The company is concerned about staff interests</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1. STRONGLY DISAGREE 2. DISAGREE 3. NOT SURE 4. AGREE 5. STRONGLY AGREE Total</td>
</tr>
<tr>
<td>Strongly Agree Agree</td>
<td>3 1 1 5</td>
</tr>
<tr>
<td>Total</td>
<td>0 5 14 6 1 26</td>
</tr>
</tbody>
</table>

Table 3: Crosstabulation: company’s environment

Among the 26 respondents that enjoy working in the establishment, 19 (73%) are not convicted or do not believe that the company is concerned about their interests.

This lack of minding can be pointed out as a solid reason that contributes to a high staff turnover. More than a half of the selected sample believe that there is a lack of career development in this company.
The respondents are also not convicted that the company is encouraging them to a professional development. Even though 39% believe that there is a certain encouragement, 34% are not completely sure, whereas 27% disagree with that statement. 59% affirm that there is a lack of career development in the company.

Chart 11: Employees’ personal development

The company fails when it comes to develop its employees’ skills with professional activities. 61% of the respondents believe that their skills are not properly developed. Hence it is consensual that there is a lack of trainings, workshops and activities as such.

On the other hand, the company is frequently promoting different entertainment activities, according to 71% of the sample. This is an indicative of why they consider an enjoyable place to work.

Chart 12: Training and entertainment activities
The next subsection of the questionnaire investigates the relationship between management and staff, as well as how engaged the management is with staffs’ interests. Those questions are an indicative of the staffs’ view about their management: if they are seen as leaders or just bosses. In addition, this subsection briefly introduces to the following one. At that stage, the research attempts to understand the perception of the staff about the turnover in that industry and to which extent it can affect their individual performance.

Table 4: Staff opinion about the management

The outcomes indicate that the management and staff are aligned to some extent and have a good relationship amongst each other. 97% and 78% of the sample affirm that they have a good relationship with their line manager and general manager, respectively. They are unanimous when affirming that they have a good relationship with their workmates. It helps creating a good environment in the organization as it reduces the levels of conflicts.

Chart 13: Employee-Management relationship
In addition, even though the staff is not convicted that the managements’ decision is always the best alternative, they are in their majority willing to listen to what the management has to say and/or implement. Connectively, their managers are seen as leaders, once the staff are inspired by them.

However, the management still has to improve when it comes to giving feedbacks and concerning about its employees’ satisfaction. 37% of the sample believe that they do not get as much feedbacks as they expect to get and 32% are not convinced of otherwise. Regarding staffs’ perception about satisfaction, as well as it happens with the feedbacks, the sample is not convinced that the management drives its efforts towards that element.
The self-evaluation section is contemplated in the last questions of the questionnaire. The information provided is essential to the project as it points out to an accurate overview about how engaged and satisfied the employees are to the company they work for. The gathered data can be observed as it follows.

Table 5: Staff self-evaluation

<table>
<thead>
<tr>
<th>Activity</th>
<th>Total</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Not Sure</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I consider my job essential to the company’s overall performance</td>
<td>1</td>
<td>2%</td>
<td>8%</td>
<td>19.5%</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>It is important to feel appreciated for my job performance</td>
<td>1</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>The tasks I execute are very demanding</td>
<td>0.00%</td>
<td>7</td>
<td>17.1%</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>The tasks I execute put me constantly under pressure</td>
<td>0.00%</td>
<td>8</td>
<td>19.5%</td>
<td>13%</td>
<td>31.3%</td>
<td>17%</td>
<td>41.3%</td>
</tr>
<tr>
<td>I am able to healthily balance my work duties and personal life</td>
<td>1</td>
<td>2%</td>
<td>7%</td>
<td>17.1%</td>
<td>16%</td>
<td>39%</td>
<td>15%</td>
</tr>
<tr>
<td>I consider my job dreadful</td>
<td>0.00%</td>
<td>7</td>
<td>17.1%</td>
<td>9%</td>
<td>22%</td>
<td>2%</td>
<td>4%</td>
</tr>
<tr>
<td>My contributions (time and effort) surpass the inducements (wages, salary of working and etc.)</td>
<td>1</td>
<td>2%</td>
<td>4%</td>
<td>10.3%</td>
<td>6%</td>
<td>15.4%</td>
<td>20%</td>
</tr>
<tr>
<td>I am willing to assume more responsibilities in the future</td>
<td>2</td>
<td>4.9%</td>
<td>3%</td>
<td>7.1%</td>
<td>6%</td>
<td>14.6%</td>
<td>15%</td>
</tr>
<tr>
<td>I can seek a job promotion in this company</td>
<td>5</td>
<td>12.2%</td>
<td>6%</td>
<td>14.6%</td>
<td>8%</td>
<td>19.5%</td>
<td>14%</td>
</tr>
<tr>
<td>I am loyal to the company</td>
<td>0.00%</td>
<td>4</td>
<td>9.8%</td>
<td>4%</td>
<td>9.8%</td>
<td>22%</td>
<td>53.7%</td>
</tr>
<tr>
<td>I have the intention of staying in the job for at least one more year</td>
<td>9</td>
<td>22.0%</td>
<td>9%</td>
<td>22.0%</td>
<td>11%</td>
<td>26.8%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Chart 16: Job importance awareness

When asked about their contributions in comparison to the company’s inducements, the staff did not hesitate to agree that what they give surpasses what they receive. 

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As pointed out in the literature review, it can be a significant demotivation factor as the inducements do not match completely with the needs of the staff. It is important that the management finds a way to equilibrate that balance.

![Chart 17: Contributions vs. Inducements](image)

Despite that, and although the hospitality industry might be stressful and demanding, in which the staff is constantly under pressure, the staff in its majority remains loyal to the company are willing to take more responsibilities anytime soon (81% and 73%, respectively).

However, the percentage of people who believe that will be still in the same company within a year drops significantly. It is important to understand why these employees are not planning to stay longer in the establishments they work for.
As it can be observed in the following analysis, the 41% of employees that will leave the company within a year do not see the company concerned about staffs’ interests, 47% do not have any expectation when it comes to job promotions, and 59% believe they their contributions surpass the inducements offered from the company. Those elements highlight the most common reasons people would leave the job: no career development, job offer, stress and demotivation.

Table 6: Crosstab: Intention of leaving vs. employees perception about the company.
4.3. The interview

The semi-structured interview was realized with 5 managers that are currently working in a big bar/restaurant located in Dublin’s city center. The selected respondents general profile can be seen in the table 6.

<table>
<thead>
<tr>
<th></th>
<th>Length of work in the industry</th>
<th>Management area</th>
<th>Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respondent A</td>
<td>2.5 years</td>
<td>Floor Supervisor</td>
<td>10</td>
</tr>
<tr>
<td>Respondent B</td>
<td>34 years</td>
<td>Bar Supervisor</td>
<td>12</td>
</tr>
<tr>
<td>Respondent C</td>
<td>2.5 years</td>
<td>General Manager</td>
<td>85</td>
</tr>
<tr>
<td>Respondent D</td>
<td>2 years</td>
<td>Restaurant Manager</td>
<td>13</td>
</tr>
<tr>
<td>Respondent E</td>
<td>6 years</td>
<td>Bar Manager</td>
<td>19</td>
</tr>
</tbody>
</table>

Table 7: Managers’ general profile

The outcomes were very positive and explicative, providing an interesting outlook as well as collaborating to a better comprehension of how the human resources is approached in that company and what can be done to recruit and retain good skilled employees. They were requested to give their critical and personal opinion the industry as well as discuss about current and future strategies in the establishments they work for regarding the human resources management approach.

As mentioned, the challenges in that industry are significant. Before getting into the main topic of the interview, my intention was to understand their point of view when it comes to those challenges. The answers approached different perspectives. The respondent A, for instance, cites the professionalism in bars and restaurants. The explanation is that there are no defined internal standard or hierarchy. “I am not saying that things have to be extremely rigid, with formal manners and so forth. That industry is famous for being informal and soft – that is why I joined that in first place – and it has to be like this. However, a balance can be achieved”.

The respond A also mentions the challenges of dealing with people. As people have different personalities, “you have to be always careful to what you say, when you say, how you say and to who you say. People might react differently depending on these factors”. People not only have different personalities. The industry is very diverse when it comes to nationalities and cultures. The manager D affirms that “having employees from different cultures can be
challenging because language barriers can impede communication, especially in training situations”.

The managers B and E share the same opinion about the “unsociable hours problem, with long and late shifts” as a solid reason for staff turnover. The manager E alerts the “lack of professionals prepared for this area”.

The respondent C approaches to different elements: not only “dealing with staff personal and professional problems”, but also “dealing with different suppliers, trying to reduce variable costs, dealing with customer’s complaints and bad behavior (when they are intoxicated for example)”.

Thereafter this first approach to the industry challenges, the attempt was to evaluate their perception about the turnover in the industry and more specifically how they perceive the turnover in their workplace. The responses were varied, but the main idea presented common amongst the respondents: staff turnover is inherent even though it represents a threat to the establishments.

When asked about the factors that contribute to a staff leave, the respondents were reasonable, suggesting that they are indeed aware of the problems of this industry.

The respondent A, for example, attributes the issue to “the fact is that this is a low paid job. If you already start knowing that you are not being acknowledged enough for your job, things will hardly get better. It is created a big lack of motivation and interest”.

The respondent B, also cites the low wages, but goes further saying that “it is rarely a job for life” and that “most employees are young (25 or under) so people in that age are not ready to settle into a full time career job in bars. They are basically using that job as a stop gap or a stepping stone, or something like that”.

The respondent C is emphatic when saying that “the hospitality industry is all about customers and sometimes is not easy to deal with them, especially when they are not right and want to take advantage even nothing wrong has happened”. However, the manager also cites the unsociable hours and, as well, the wages issue, highlighting that “sometimes can be very
difficult to deal with such situation [low wages], wages represent a big chunk of the business expenditure and increasing wages can mean the company will be less profitable”.

The respondent D adopts a different perspective. Even though he/she mentions the “wages and/or promotion frozenness”, he/she also points out to the profile of the employees that work in that industry. The jobs in the hospitality sector are intermittent, as it is constituted by foreigners that “most of the time are here just for a short period of time”. They might as well leave because “they are well educated so they look for a better job in their areas”.

Their answers elucidate what had been presented in the staff questionnaire. Most of the employees are between 18 and 25 years old. In addition, they believe, generally, that their contributions surpass their inducements. Those are elements that contribute to a constant staff rotation in that industry.

The answers suggest that the management is aware of the turnover culture applied to that industry and, more importantly, they are aware of the reasons of it.

The subsequent questions attempted to narrow down and understand how they analyze the company’s context. When asked if the staff turnover in the company is high, the answers were unanimously affirmative, as well as in the staff questionnaire.

However, differently that was expected, the managers’ perception about the staff is positive in different ways, regardless the answer from the manager E, that does not valorize the staff as much as the other managers. The answers were such as follows:

“I have to deliver to be delivered. If I don’t give them what they expect, they are not giving me what I expect and how I expect. Easy like this. I definitely see them as an important source of competitive advantage. My professional background has always orientated me to treat the people as the most valuable resource of a business.”

(Respondent A)
“Well, absolutely (I see them as an important source of competitive advantage). Because you get only one chance to make first impression (with the customer). That first impression is that makes the customer comes back, be a regular customer for life. The first impression can also make them leave and never come back. So how people are greeted and received by the first point of contact. So, yes, they are very important.”
(Respondent B)

“The front-line staff is surely the face of the company. Customers will have an impression about the place and business just by dealing with them. I’ve heard so many times for example that a customer would come back to the place because staff was efficient, funny and nice as I’ve also heard they wouldn’t come back because staff was rude and inefficient. So, it’s quite important for the business to have an experienced, well trained and motivated front line staff.”
(Respondent C)

“The front line staff is a strong team with high level of knowledge and commitment. This is an important competitive advantage. The business has improved comparing to sales last year and that is because of the front line staff that the company has”.
(Respondent D)

“I wouldn’t say very important, but, yes, they are seen as a competitive source.”
(Respondent E)

It is possible to extract that there is an employee recognition coming from the management.

But if the management sees the value in its staff, wish them to stay longer – as it was affirmed by all the respondents -, how the turnover remains high?

These enigma is partly answered when the managers were questioned about the human resources strategies. Even though there is an effort to develop a solid human resources strategy, this is still in the first stages.

The management team was unanimous by saying that there is no solid strategy regarding skills’ improvement. The respondent A affirms that “the culture of the pub does not prioritize the staff. However, this perception is slowly changing. I believe that new strategies will developed soon”.
The respondent D also believes that the scenario is going to change, but not in a short-term period: “I am trying to implement strategies in the restaurant but it is taking me a long time until I get them implemented.”

There are also no strategies regarding the staff retention. The respondents C and D point out the involuntary functional turnover when say “Usually people leave the company because they are moving abroad or because they have found something better. In that case, we don’t stop them.” and “When someone is leaving, in general is because the person is leaving the country. In that case there is nothing we can do”, respectively.

Even though there is no specific strategy to retain employees, it is possible to say that the company attempts to retain its employees, in different ways. The manager C affirms that the bar has “the practice of promoting internal staff to higher positions or giving some responsibilities to them. We don’t go outside looking for supervisor and managers for example. So, I believe this motivate some employees to stay”. The manager E bets in the friendly environment as a way of retention: “we try to keep them happy and to build the feeling of friendship and family”

The managers are aware that staff rotation can be expensive. The respondent A understands that there is an impact in the productivity levels when a new staff starts: “It is not only an expensive, unexpected and undesirable cost. It is about losing opportunities. New staff do not make as much money as a senior staff. They are not aligned to the processes.”

The respondent C shares the same opinion: “they [new staff] are more likely to do mistakes and slow the whole process of service. During the training process, productive is not maximized once they need to get use to the products, place and policies”. The respondent B complements by saying that “They are trained to make the business money. So if they are not trained they make you lose money.”

The manager E, however, affirm that turnover is not expensive for most of the positions.
CHAPTER V – DISCUSSION

Good employers have good employees, and the organizations can only have good employees if they treat them as an investment, not a cost. That belief is becoming stronger in some kinds of industries, but still needs to be assimilated in others, as it happens in the hospitality industry sector. The culture of doing more with less is still intrinsic in that specific business.

As pointed out in the literature review, the staff is one of the most valuable asset of any kind of organization. They are the engine that keeps the business able to run. And that engine has to be solid and reliable. The premise of an effective human resource strategy suggests that organizations need to have ‘the right people, in the right place, at the right time, doing the right thing’.

The research outcomes show that the turnover in the hospitality industry is inevitably high and that scenario probably will not change anytime soon. As pointed out in the literature review and corroborated in the primary data research, that phenomenon happens mainly to factors such as:

1. The staff is constituted mainly by young people.

As the survey emphasizes, the ages are mostly ranging between 18 and 25 years old. Hence it is understood that they might face this experience only as a stepping stone in order to chase something else in the future.

The individuals that are working in that industry belong to a new generation that thinks and acts differently in comparison to its previous generation. Fast learner and ambitious, this generation is not attached to its workplace and has high expectations when it comes to immediate results. As highlighted in the literature review employees are no longer afraid of leaving their comfort zone and explore the options, take the risks and chase better opportunities and new challenges. And it happens due to that fast-thinking, open minded and never satisfied new generation behavior, molded by digital, instant and unlimited interactions.
2. The jobs in hospitality industry are intermittent.
People in general do not expect to follow a career in that kind of service industry. As pointed out in the literature review, the workers are less likely to be engaged with their employers as they are constituted by students and migrants that are not settled in their current place (Wright and Sissions, 2012).

It is understood that people use that jobs as a mean to make some money and look for something else. For instance, Dublin is a very attractive city when it comes to foreign opportunities. People come here study and also have the chance of working in the meantime to help in their personal budget. According to Marketing English in Ireland, *Ireland has experienced a massive 10% increase in English language students studying in Ireland in 2015*, jumping from 97,610 in 2014 to 107,129 in the following year. Accordingly, those students spent, on average, 6 weeks in Ireland. Students from European Union stayed for just over 2.5 weeks, whereas Non-Europeans stayed for longer – 18 weeks on average.

The profile of the sample evidences that as it is constituted mainly by young people that are convicted that the hospitality industry is going to be the area where they will invest their career. This notion is shared by the managers of the studied establishment. The staff is mainly constituted by foreigner students that are here for a short period of time and just want to have a momentary job. As a result, loads of them would leave because they want to go back to their country or want to travel and live somewhere else.

3. The hospitality industry is famous for offering a bad remuneration to its employees - it is a minimum wage scenario.
The primary data research findings corroborate that. The employees believe that their contributions surpass the inducements they are getting. But why this bad remuneration scenario standstills?

It is broadly said that this is a kind of job that does not require any specific knowledge or academic background and, consequently, anyone is capable of executing the tasks. The education level might be an indicative that in the hospitality industry degree qualifications are desirable, but not mandatory. Although, job requirements are progressively becoming knowledge-based with less low skilled work around and more employers expecting previous work experience, the academic knowledge is not necessary. Desirable skills can be developed
with trainings, workshops and different interactions. It means that, for instance, a skilled non-graduated staff can perform way much better than his/her non-skilled post-graduated workmate.

It is also defended that, as the staff is constantly dealing with the customers, the tips can compensate the wages. However, it depends on the establishment they work at, the customers they serve and the condition and the service that is provided.

From this factors, it is possible to comprehend that it is intrinsic to that generation to expect immediate results and being constantly chasing better opportunities if, regardless the reason, the current working situation is not the most desirable. The individuals are progressively getting more educated and more informed. It means that they have more control of the situation. They are aware of the real conditions in comparison to what it is expected and tend not to accept an undesirable scenario. Job offer opportunities are a good alternative for the employee and a threat for the employer. Not surprisingly is the most common reason of quit among the selected respondents, even though internal conflicts, bad work environment and/or low inducements are also solid reasons of quit.

4. The staff do not feel embraced by the management/ownership.

- 29% of the sample do not believe that the company is concerned about staffs’ interests; 44% are not convinced otherwise.

It is assumed that interests of the employees are not correctly approached. The if you do not want the job, there are hundreds who want mentality, as retrograde as it can be, is still present in that industry. It only leads to staffs’ dissatisfaction and the establishment might be losing a significant opportunity.

There is already an employee recognition coming from the management, but there is still a lack of strategies that attempt to embrace the staff.

The workplace has to be an enjoyable place, especially in that very demanding industry. In order to make it happen, the employers’ have to provide a good ambience, as well as look after their employees. It involves, among others, being concerned about staff interests, looking forward to developing professional and personal skills, encouraging and keeping staff
motivated. Those actions contribute to employees’ satisfaction, reduces the turnover and consequently push up the organizations’ overall performance.

The company needs to be more aware and concerned staffs’ interests. According to the data collected, the employees are not convicted that it happens currently. Lack of minding is in all the ways very prejudicial. The employees want to be encouraged and feel that their professional career is somehow getting solid.

5. Although there are different reasons and intentions to leave the job, it is assumed that the companies in that industry generally do not impose a culture of employee encouragement and/or development.

Some of the findings reinforce that statement, such as follows:

- 61% of the sample agrees that there is a lack of professional development in the company;
- 27% of the sample do not believe that the company encourages them to develop professionally; 34% are not convinced otherwise;
- 61% do not have skills consistently developed with trainings and workshops;
- 71%, conversely, agree that the company is engaged to promote entertainment activities.

In the case of the studied establishment, the business fails when it comes to develop its employees’ skills with professional activities, as the employees believe that their skills are not properly developed. Hence it is consensual that there is a lack of trainings, workshops and activities as such. It has a direct influence when it comes to a high staff turnover, taking into consideration that lack of development is one of the main reasons that the employee leaves the job.

Reinforcing, the employees must be seen as an investment, an organizations’ valuable asset. Companies that consistently invest in employees’ development generally assume four characteristics (Cascio, 2013):

- The management is fully committed to training and development: this is part of the company’s culture;
- Trainings are designed and developed in order to meet the company business’s strategy;
These companies are feedback rich; and

The ownership/management is not afraid of investing in necessary resources, providing sufficient time and money.

It is understood thus that developmental interventions can help to achieve both personal and organizational goals. It will be hard for companies to retain their talents if there are no growth chances. Development will offer the employees the chance to grow, and perform better; this will motivate them to use their skills and capabilities at their fullest.

Conversely, the company attempts to frequently promote varied entertainment activities. It is a positive initiative, contributing to a good working environment. Initiatives like those must be encouraged.

However, analyzing that dichotomy between the nature of the activities, it is possible to say that the company should find a balance in it. Reinforcing, it is important to promote entertainment activities, but it is also important to promote professional development activities. It is demonstrated by the human resource management literature that, over the long run, investment in employee skill development is intrinsically related to a higher organizational productivity (Huselid, 1995). As discussed in the literature review, according to Maslow’s theory of needs, by performing at their peak, employees are extremely valuable assets to their organizations, representing the most effective use of a human resources management. The company can only reach that level of performance with a skilled and well trained workforce.

The turnover impacts the performance of the employees that remain in the company. Some of the findings reinforce that, such as follows:

- 71% of the selected respondents affirm that employee rotation impacts their job performance;
- 90% believe that relationship between staff gets better as the time goes by.

Despite the contagious effect, explored in the literature review, in which the employees who remain in the company start to ask themselves if it is not worth to leave as well, just like their former workmates, the turnover is also disruptive when it comes to continuity of processes and relationship amongst employees. Working in team context is another situational factor that influence team-members’ motivation (Kanfer, et al., 2012). Employees build stronger
relationships as the time passes. They become more familiar and reliable to each other, fortifying the team as they know precisely how each one works. It gives the chance to align procedures, making the processes more efficient. In addition to that, they lose time as new employees need to be trained and supervised. In the meantime, senior staff has to work more because the new staff is not working on their higher performance level yet.

Part of the company’s and industry challenges as a whole hence relies on softening these discrepancies and developing strategies in order to reduce employee rotation. To accomplish that, the company’s duties demands treating people as potential assets rather than simply a variable cost. It is proven by the applied survey that the staff believe that it is important to feel appreciated by their job performance and also to be constantly encouraged and professionally developed.

- 93% of the sample affirm that important to feel appreciated for their job performance.

The management of the studied company has a significant level of influence and persuasion on its staffs’ behavior. The staff trust the management and is willing to listen to feedbacks, ideas and decisions. The goal of the managers in that case is to elevate the level of feedbacks, demonstrating that they are interested on their employees’ well-being.

It is understood that feedbacks are an important part of the process of development. If it wanted the most from the employee, feedbacks are extremely needed. They work as a guide, leading the employee to the right path, which also demonstrates that the management team is concerned about its staff.

The resource based view HRM perspective defends that the staff has to be acknowledged and must be seen as an important part of the engine. That provides high levels of human capital. The result is that it brings relative advantages over competitors. They have greater capacity to respond to unexpected changes and to accomplish their tasks more efficiently.

But not only retaining strategies are needed. The whole human resources management process has to be effective. It is essential that the establishments conduct their efforts in order to select good employees. Bad employees do not add. They only contribute to a downfall of performance. It happens mostly either due to a lack of skills or lack of motivation or
commitment. Bad employees represent undesired expenses and a decrease in the overall sales, as they do not deliver what is expected from them.

Customer dissatisfaction is a grave issue to the establishments and it will happen if they experience a bad employee. The employer is the most affected in that, once the customer definitely will not come back. As highlighted in the literature review, the customer is powerful and, because of that, they are able to choose the places capable to attend to their needs.

To avoid bad employees and consequently customer dissatisfaction, the human resource management must regard the quality aspect. As pointed out in the literature review, Legge (2005), held by the Guest’s HRM model (1987), highlights the fact that high standards in all the levels of the HRM (recruitment, selection, training, appraisal and goal-setting) are mandatory.

The dimensions of quality, accordingly, work in a vicious cycle (Figure 2). The outcome is that high quality performance produces high value added services, and it can only be executed by well trained staff, in a way that it constitutes the difference that makes the difference (Legge, 2005).

Figure 2: Three dimensions cycle (Legge, 2005).

In parallel to that, aligning business and human resources strategy is an important step in order to achieving these overall goals. It is not possible to go further with any strategy otherwise. The current scenario suggests that in the studied establishment and in the industry as a whole
there is no communication between HR and organization strategy. In fact, reinforcing, there is still a significant lack of human resources strategy. Generally, the separation model, discussed in the literature review, is predominant in that industry. The challenge, therefore, is to progressively integrate these strategies to the maximum level. It is a long-term process that, however, has to be started at some stage.

The best fit approach would be an interesting start, as it attempts to ensure that HR strategies are appropriate to the circumstances of the organization, including its culture, operational processes and external environment. It means that the human resources will not compromise the organizations’ overall objective whatsoever. In the hospitality industry, according to Porters’ competitive approach theory, the quality strategy should be considered, as it defends that organizations must deliver high-quality goods and services to customers.
CHAPTER VI – CONCLUSION AND RECOMMENDATIONS

The human resources management aims to recruit, qualify and maintain above average performers as employees. Those employees belong to a different category. Would be utopic, evidently, that the organizations build their team only with great above-average employees. But the goal in that case is to have and maintain as many great employees as possible. Great employees have to be treated not only as an investment. They have to be treated as irreplaceable sources. They are not replaceable whatsoever.

The company’s certainly can hire someone else to replace a former employee, as Amy Rees Anderson (Forbes, 2013) precisely points out in her article, especially because in this current market conditions if one is not willing to accept the job, there will be a hundred who are just waiting for a chance. However, it is more than just a replacement. It would be too simple otherwise. It is about who is replacing the great employee that has just left.

As pointed out in the literature review, the organizations’ have to develop some capabilities in order to acquire a sustainable competitive advantage. These capabilities can only be suitably developed if there is a strong and active organizational support. Furthermore, held by the resource-view HRM approach, these capabilities must also attend important characteristics. They have to be valuable; rare and inimitable. Organizations can only fortify those elements if there is a skilled and knowledge workforce behind. With a lack of continuity, it would be very complicate to create any sustainable advantage.

The turnover can be unmeasurably disruptive and contagious. As extracted in the interview with the managers, letting good employees go and replacing them with a lower skilled employee, imply time, costs and, more importantly, opportunities. It happens due to some important factors. Probably the most important one is the fact that they are already trained and familiar to all the processes and systems. Great employees have the knowledge; they carry out their experience from previous jobs. Great employees have empathy and are probably are seen as important figures amongst their workmates. Consequently, they are able to perform fantastically well as they have a good command of what goes on around them.
Thus, when an above average employee leaves the company, there will be an inevitably negative impact and business leaders and managers cannot neglect that. As previously discussed, it is not only about how much the company loses, but also to which extent the company might fail to gain.

The management efforts hence rely on retain the good employees for as much time as they can. But when companies have chance of retaining employees that perform above average, they should do everything in their power to do so. It means that the studied establishment and the companies in that industry need to be aware that top performers must be appreciated, fairly compensated and be treated with respect that they deserve.

As matter of recommendations, there are few solid possibilities that can be considered in order to keep a high perform and satisfied work team.

Human resource management must be seen as a prior department, even in that kind of informal environments as it is bars and restaurants. It helps to organize and foresee opportunities regarding a strong and efficient workforce.

As discussed in the previous chapter, having high standard of quality – held by its three dimensions (quality of staff, quality of performance and high quality human resource policies reputation) -, according to Guest’s Model (1987), is fundamental. These dimensions, like an engine, enhance the business productivity, with employees that make real difference.

From the data gathered in this study, it is possible to point out some important initiatives that can be carefully adopted in order to reduce the employee rotation. It is important to highlight that those initiatives cannot be carried out without a solid strategy. It is suggested that the establishment begins to develop a human resources strategy that incentivizes the staff retention. In order to do that, a human resource planning is essential, as it sustains and prepares the companies for eventual changes. It involves, among others, to avoid employee shortages, to develop employees’ skills and attempts to meet both employees’ and organizations’ expectations within the workplace.
1. **The employees must feel that their contributions are not surpassing their inducements.**

   It does not necessarily approach only the money factor. The wages, certainly, have to be compatible to their performance. Good employees cannot feel that they are unfairly paid. They are aware of their value and they expect to be acknowledged as such.

   However, elements such as working conditions are essential. It is known that unsociable hours are intrinsic to that industry. The challenge at that stage is to balance as much as possible the work-life relationship. Having enough staff, programming shifts in a way that is fairly attends to everyone’s needs, with balanced hours per shift are solid ideas that can contribute to that.

   Moreover, the staff need to be aware of their duties and responsibilities. They must have a job design, approaching to their role in the company, so they all know perfectly what to do as well be aligned to company’s philosophy and goals. In that way, with the supervisors’ contribution – assisting analyzing their performances and behavior -, no staff would feel over weighted because their workmates are working less.

2. **The staff has to be constantly developed with trainings and workshops.**

   The establishment must invest in that area. Developing employee trainings is one of the key-elements to a long-term success of a business. If properly planned and executed, linked to bottom-line results, trainings can provide uncounted benefits to the business. Staff will become progressively skilled and prepared to do any kind of job. It expands their knowledge base and their performance will increase significantly.

   In addition, when the company invests in trainings, it shows that it is concerned about its employees, showing that they are a value asset. Hence they will feel appreciated and challenged, impacting their morale. Those are important factors related to individual motivations, as discussed in the literature review.

   It is extremely important that the establishment starts to develop that culture, no longer reticent in investing on its employees. Successful businesses have their culture based on personnel enhancement, with their management team fully engaged. Moreover, those
businesses invest in the necessary resources, affording time and money whenever necessary. Feedbacks are routinely encouraged.

Even though the turnover in the hospitality industry is hardly going to be avoided, no matter the establishment - it happens due to singular characteristics of the sector, such as employee profile and variable working hours, elements that cannot be changed -, the managements’ comprehension of turnover within organizations and, more importantly, the ability to manage turnover efficiently through well executed strategies are mandatory in that aspect. The challenge of retaining efficient workforce therefore is big and depends on aligning interests of the firm with its workers in a way that it builds human capital advantages. It means that workers’ perspective must be taken into consideration.

After all, great employees are not replaceable.
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APPENDICE A – REFLECTIONS

The time has come. I have been avidly waiting for that moment. Writing my reflections means that I have finally met with all my obligations regarding that course. It wasn’t easy at all. But I believe that the rewards are proportional. Not only because what I have learnt, but also because this last year had provided me so many experiences that prepared me to my next challenges and goals. This section made me go back in time a bit, precisely one year ago, when I was about to submit my PPD report, lectured by the brilliant professor Eddie McConnon, who, with all his wisdom, flooded me with thoughtful insights. At the time I was requested to do something similar to what I am doing now, which is probably one of the hardest things I could ever done: Not doing personal reflections, but show it to someone else, as I am a very reserved person.

I knew at the time I was following a rough, but right path. The scenario could not get more challenging from this moment on.

First of all, because I am not in my hometown. Away from my family, who are my pillar, from my friends, from the life I used to have. It maximizes the difficulty of any extreme situation. Secondly, because I am dealing with multiple responsibilities, from different sources, all at the same time. And third, because I request a lot of myself. I always have in my mind that if I gotta do something, it better be flawless, above average. It is worthless do to it otherwise.

I would say things could be way more manageable if I didn’t take them too seriously. But this is how I am. I devote all my energy and efforts to do the things correctly and perfectly.

But this is not a complain – at the time I wrote my portfolio I already mentioned that instead of complaining, we need to celebrate the good things that we have accomplished, which is something my dad always told me. So instead of deploring about turbulent moments, I need to be delighted and motivated for what I have accomplished and moreover continue to step up in order to reach my personal and career goals.

As I said, this course has taught me a lot. I had brilliant lecturers, no exceptions, as well as applicable and interesting modules, that provided me the essential to improve my knowledge basis. Probably the most important thing I learnt throughout this year is that nobody is going to hold my hand and stay with me all the time. The tools are given, but what I do with them is completely up to me. Up to my motivation, up to my willingness of achieving my goals.
This dissertation is the capstone of my Masters’ program and I treated it as such. Since the very beginning I realized that this is my chance of doing something that really matters for my professional life. I didn't want to do it just seeking the diploma. I want to carry this study for my life. What frustrated me is that my first intention was to do a spread my data research to a big number of establishments, but for few different reasons I didn’t feel comfortable or didn’t have the acceptance of going further with that.

My career plans are completely involved to the hospitality industry. I have worked long enough with finance, for important multinationals, to realize that I do not fit much with this kind of office environment, and that I fit completely in informal environments, such as bars and restaurants.

What amazes me – negatively speaking – in this industry is how the workforce is treated. Most of the places I have been and that I know of treat staff treated unfairly. If not too bad, not too good as well. With my theoretical and practical experience/knowledge, I am sure that staff have to be better treated, considered as an investment, not a cost. They will deliver more, as they are content and motivated enough. It will be better for the business. Seems elementary to me.

However, taking the staff as a purely replaceable source is something common to see, and pretty much acceptable. Speaking of that, I had some reluctance when I decided to choose this topic, as it can be seen as something banal. I couldn't take that. Kind of stubbornly, I decided to go forward, as I truly believe that this scenario can be changed, at least in the places I will be working at. The outcomes of my research, fortunately, were “on my side”, fortifying my argument.

As mentioned, I want to build my career within this industry. My main goal is to have my own business in that sector. But I am working hard, with feet on the ground. Firstly, I want to acquire all the operational knowledge to subsequently step over to management duties. I am in that transition now, getting to a strategic level.

However, no matter which stage I am at, I will always defend that a solid human resources strategy in the establishments are essential and that great employees are, indeed, an irreplaceable source and must be treated as such.
This is a survey about hospitality industry. Your contribution is highly appreciated. The information provided will remain confidential.

Gender
- Male
  - ☐
- Female
  - ☐

Age
- 18-24
  - ☐
- 25-30
  - ☐
- 31-36
  - ☐
- 37-40
  - ☐
- 40+
  - ☐

Education Level
- Primary
  - ☐
- Secondary
  - ☐
- Certificate/Diploma
  - ☐
- Bachelors’ Degree
  - ☐
- Post-Graduate
  - ☐

First Job in Industry?
- Yes
  - ☐
- No
  - ☐

If not, why did you leave your previous job?
- Low Wages
  - ☐
- Bad Work Environment
  - ☐
- Job Offer
  - ☐
- Not motivated
  - ☐
- Others
  - ☐

Length of work in current job
- A year or less
  - ☐
- 1-2 Years
  - ☐
- 2-3 Years
  - ☐
- 4-5 Years
  - ☐
- 5+
  - ☐
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<th>2. DISAGREE</th>
<th>3. NOT SURE</th>
<th>4. AGREE</th>
<th>5. STRONGLY AGREE</th>
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<td>Work in that industry is challenging</td>
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<td>The company encourages me to develop professionally</td>
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<td>My skills are consistently developed with trainings and workshops</td>
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<td>The company frequently promotes different activities</td>
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<td>The organization I work has a high level of staff turnover</td>
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<td>I have a good relationship with my line manager</td>
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<td>I have a good relationship with the general management</td>
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<td>My job performance is appreciated by the management</td>
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<td>I frequently have performance feedbacks from the management</td>
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<td>The management is concerned about staff satisfaction</td>
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<td>My manager inspires me</td>
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<td>I am always listening to what my manager says</td>
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<td>I usually agree with management decision</td>
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<td>I have a good relationship with my workmates</td>
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<td>Staff opinion and/or new ideas are highly encouraged by management</td>
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<td>The staff turnover impacts my personal job performance</td>
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<td>I believe that relationship between staff gets better as the time goes by</td>
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<td>I consider my job essential to the company's overall performance</td>
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<td>It is important to feel appreciated for my job performance</td>
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<td>The tasks I execute are very demanding</td>
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<td>The tasks I execute put me constantly under pressure</td>
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<td>I am able to healthly balance my work duties and personal life</td>
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<td>I consider my job stressful</td>
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<td>My contributions (time and effort) surpass the inducements (wages, quality of working and etc.)</td>
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<td>I am willing to assume more responsibilities in the future</td>
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<td>I can seek a job promotion in this company</td>
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<td>I am loyal to the company</td>
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<td>I have the intention of staying in the job for at least one more year</td>
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APPENDICE C – SEMI-STRUCTURED INTERVIEW WITH MANAGERS

1. What area are you responsible for?
2. How long have you been working in that industry?
3. How many staff you have in your team?
4. What are the challenges of managing a company in that industry?
5. The staff turnover in that industry is considerably high, in comparison to other sectors. What are the main factors you attribute to that phenomenon?
6. Do you consider that the company has a high level of turnover? I’d say average.
7. What is your perception about the front line staff?
8. You have probably been part of the non-management staff one day. How was the relation with your managers and what did you expect from them?
9. By this time, do you think that your job could be better appreciated and acknowledged?
10. Does the company adopt any strategies in order to develop and improve staff's skills?
11. Do you consider expensive to constantly recruit and train new staff?
12. How long does it take to train new staff?
13. In the service industry, customer complain are not rare, especially when it comes to customer service. Websites and social medias nowadays can maximize the negative marketing. What is your perception about that?
14. Do you wish to keep the (good) staff for a longer time?
15. Do you feel your staff motivated and loyal to the company?
16. For which reasons you think staff leave the company?
17. Does the company adopt any strategy in order to retain them? What strategies?