CHAPTER ONE

1.1 BACKGROUND TO THE STUDY

The workforce or labour force is a group within the organization that is undeniably one of the most important factions that contributes to its success. A business cannot exist without both financial and human capital, (Davis, C.2003). It is the employees who work for the company, performs necessary task to make the company function and are responsible for the profit and growth of the company (Ellis, R, 2000)

Human Resource Managers in organization go through time consuming and expensive process to mobilize workforce for the organization. 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 (Branham 2005, P.3).

Human Resource Managers therefore seek ways to reduce the time and money spent on trying to ensure that people choose not to leave an organization voluntarily in the first place. Labour turnover rates vary in the UK from region and from industry to industry. Results from the CIPD 2003 Survey (2004) indicate that the aggregate rate of labour turnover for the UK was 16 percent.

Geographic variations indicate that labour turnover rates are more likely to occur in regions where unemployment rates are lower and it is easier for employees to find alternative work. The survey also shows that labour turnover rates are highest in the private sector where the aggregate is around 20 percent and lowest in the public sector at around 12 percent. (Torrington et al, 2008).

There are also significant variations between industries and types of jobs. For example, call centre have the highest rate of turnover at over 50 percent, with hotel, catering and leisure showing rates of 45%.

In order to fully understand the retention issues within an organization there is a critical need to identify why people leave. It is useful to analyze the reasons for leaving and to identify the 'push' and 'pull' factors.

Push factors are those less desirable dimension of the job or organization that push people to look for a new employer and may include lower levels of pay, the nature of the supervision, limited potential for progression, lack of training opportunities, limited availability of flexible working or an absence of employee voice mechanisms, etc.

Pull factors, in contrast are the dimensions of the job in other organizations or employers which are attractive and may include a desirable working environment, a more convenient geographical location, extensive range of benefit or an employer of choice brand.

For the employer losing people as a result of such factors, there are two main ways of dealing with it. First, there is a need to be aware of what other employers are offering and to ensure that as far as possible this is matched – or at least that a broadly comparable package of pay and opportunities is offered. The second requirement involves hoping to ensure that employees appreciate what they are currently being given.

Taylor et al (2002) interviewed 200 people who had recently changed employers about why they left their last jobs. They found out that push factors were a great deal more prevalent than pull factors as causes of voluntary resignation.

This revelation is very important and stress the need for managers of organization constantly look out for the challenges in retaining employees and seeking new ways of retaining them so as to reduce the turnover rate.

1.2 STATEMENT OF THE PROBLEM

With Ghana's population around 24 million (Daily graphic, February 4, 2011) and the expansion in the economy with the discovery of oil and gas in commercial quantities, the contribution of the hospitality sector in ensuring the growth and development of Ghana cannot be underestimated.

The hospitality industry which consist of hotels, restaurant, chop bars, rest houses employ thousands of employees who are both skilled and unskilled. This goes a long way in helping to solve the unemployment problem in Ghana. Because of the sheer great number of Ghanaians employed in this sector if it is well structured, and the employees are well paid, and the workers pay their taxes very well, it would also increase the state's revenue.

Recently there has been a boom in the hospitality industry in the country. With the hosting of the African Nations Cup Tournament in Ghana in 2008, many hotels and restaurants sprung up in the cities with Kumasi having its major share of the boom. This study seeks to evaluate the effect of the turnover rate on the socio economic performance of the company and also suggest and recommend effective ways of reducing the employee's turnover rate and retaining employees in the company.

1.3   RESEARCH OBJECTIVES OF THE STUDY

The main objective of the study is to assess whether staff retention is a challenge at Miklin Hotel.

The specific objectives of this research work are:

i.   To identify the factors that lead to the employee's turnover at Miklin Hotel

ii.   To evaluate the employees turnover at Miklin Hotel

iii. To analyze the problems and difficulties faced by the human resource managers of Miklin Hotel in retaining employees.

iv.   To make appropriate recommendations for the study.

1.4   RESEARCH QUESTIONS

The researcher will be guided by some of these research questions to complete the work.

i.   How often do employees leave the organization?

ii.   What are the reasons employees give for leaving the organizations?

iii. What are some of the effects of the employee turnover on the performance of the organization?

iv.   What are the challenges faced by Human Resource Managers of Miklin Hotel in retaining employees?

1.5   SIGNIFICANCE OF THE STUDY

An organization is as good as its people and nobody can deny the fact that manpower is the greatest asset of a company.   Therefore this research being undertaken by the researcher is significant in the following areas.

i.   To help managers in the hospitality industry comes out with policies and measures that would retain workers in the industry.

ii. To help improve upon the unemployment rate facing the nation by helping employees to stay in their job thereby improving the socio economic status of the employee and the nation.

iii. To add to the body knowledge of employee turnover in the hospitality industry.

iv. To serve as a secondary data for students who may think of writing this topic.

1.6   LIMITATIONS OF THE STUDY

The study was limited by the availability of data of staff turnover since most of these hospitality organizations don't employ professional administrative staff to keep records. Furthermore the study was limited by constraints in administering questionnaire to staff that have left the organization for a long period to find out the reasons for their departure. Moreover since human resource management activities overlap and affect each other, this study was limited to one area which is staff retention with occasional references to other areas like staff motivation, compensation strategies, recruitment, selection and placement.

This project lacks co-operation on the part of management to allow persons outside into the company's affairs. In order to disrupt the process, they might come up with excuses like busyness, unwillingness to share information, lack of confidence in the researcher, etc.

Some of the respondents due to language barrier may fail to understand the questions asked and therefore their responses would not reflect on what is required. This obvious deviation might affect the obvious outcome of the research in the long run.

1.7   SCOPE OF THE STUDY

The study was done at Miklin Hotel with special focus on the management policies towards the welfare of the employees. Employees were captured in the study since they are the main architect who leaves the organization either voluntarily or involuntarily.

Attention was given to special departments of the organization like front desk, food and beverages, administration etc. This is because; departments carry out the main functions and duties of the organization and have been experiencing highest level of employee turnover since the organizations' establishment. The choice was also made because the researcher was familiar with the environment and assumed that the choice was convenient and most appropriate for the necessary feedback within some specified time frame.

1.8 ORGANIZATION OF THE STUDY

To undertake a good research ends with a coherent and chronological arrangement and presentation of the information gathered. This makes accessibility and limitation of the information very easy. Thus, the study on staff retention, a challenge to the hospitality industry: case study of Miklin Hotel will be arranged into five chapters.

Chapter one is the research proposal and contains the introduction, background of the study, problem statement, objectives of the study, research questions, significance of the study; scope of the study and the limitations of the study.

Chapter two reviews the literature of t he study. The chapter therefore looked at the concepts and definitions that authors have already done in the chosen study. In other words, this chapter is the secondary source of information upon which the problem definition and the research work are justified.

Chapter three looked at research methodology. Areas like data collection methods primary data source such as questionnaire, interview based on sample size. Other secondary data such as textbooks, dissertation of past students, internet, magazines and published journals would be used.

Chapter four entailed the research findings, analysis of the data collected from various sources and presentation of result of reports to the questionnaires.

Chapter five is the final and concluding part of the research and this presents summary, conclusion and recommendations on the research topic. The bibliography of books and materials consulted will feature as well as appendices of the research.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Staff retention, employee retention or employee turnover is a much studied phenomenon. There is a vast literature on the causes of voluntary employee turnover dating back to the 1950s.

The hospitality sector is one of the world's fastest growing industries. However a huge problem still exist in attracting and retaining the skilled workforce, affirms Mike Button, JHR director of compass group UK & Ireland. Furthermore Nick Varney, CEO of leisure operator Merlin entertainment, agreed, saying that :"two enduring things in this industry are high staff turnover which affect the ability to deliver a consistent brand experience harming business and the fact that not enough people see our growing industry as somewhere to build their careers" (Druce 2007)

By contrast, Walker points out that staff turnover is not always a bad thing; he argues that some mild turnover can be beneficial because it allows staff to move up the ladder to more senior position, giving them new opportunities. Moreover, it allows the business new blood, in other words, new people, new ideas, enthusiasm and motivation which is beneficial for company to increase productivity (2006).

Nevertheless, high and rampant turnover is endemic in the industry. According to Walker, some businesses can experience 50-100% turnover every year, way above the Best Practice Forums benchmark index of 26.5% (almost exactly the same as the 26.7% international hotel labour turnover benchmark published by Horwath consulting. There is

an alarming figure that reinforces the idea that the hospitality industry possesses one of the highest rates of turnover, amongst all the service industries.

Hemdi and Nasurdin (2006) tells us that the entire world experience high turnover rate according to their research, globally, the turnover rate in the hotel industry is estimated to range from 60% - 300% annually, far higher than the 34.7% reported in the manufacturing industry. Most importantly, they affirm that excessive employee turnover rate is detrimental to organizations. It is evident that it is related direct and indirect: furthermore, it affects morale, productivity, reputation and survival of organizations. That is to say, turnover, when it is high, often means that employees are unhappy with the work or compensation, it can also indicate unsafe or unhealthy conditions, or that too few employees give satisfactory performance (due to unrealistic expectation or poor candidate screening). By contrast, turnover, when it is low, indicate that none of the above is true: employees are satisfied, healthy and safe, and their performance is satisfactory to the employer.

2.2 THE HISTORY OF HOTEL AND RESTAURANT MANAGEMENT

Hotel and Restaurant management are bundled together and known as the hospitality industry. Hospitality comes from the French word ''hospice'' meaning a place of rest for travelers and pilgrims. The history of this industry is long as hospitality providers have been around at least as early as 40 BC. Hospitality has changed dramatically through the years in response to influences such as wars, economic fluctuations (Chandler, 2009).

According to Chandler (2009), the earlier record of the hospitality industry lies with the Romans. Roman men travelled for business and were the first to travel for leisure as well. Once the Roman Empire fell, much of the hospitality industry fell to religious orders such as monasteries who welcomed travelers. With the increase use of the stage coat, English

travelers stayed in inns which were actually private homes that provided a room and meal.

Ibid, (2009), further argues that the renaissance period marked a new era for the hospitality industry with the opening of Hotel de Henry IV in 1788. This was the 1st actual hotel offering 60 beds to weary travelers. During this period, coffee houses also became a popular gathering place for communities.

18th Century - As settlers from all different parts of the world made their way to the new world (the US), places to eat, drink and sleep began appearing throughout the colonies. The French Revolution also motivated many French people to leave their home country and head to the US. This period is what changed and shaped the culinary world as we know it. Escoffier, a world famous chef created the hierarchy of chefs, known as the Brigade system that restaurant kitchens still follows today. (Chandler, 2009).19th Century – During the 19th Century, the explosion of the luxury hotel era began.

Hotels such as the Savoy built in London in 1898 and Delmonico's in New York City catered to the rich and elite. The early 1980's is known as the Grand period of Hotels, since so many large and luxuries ones were built during this time (Chandler, 2009).

This is also the time when modern conveniences were introduced in hotels. In 1880 the Sagamore Hotel on Lake George in New York was the 1st to have electricity in all rooms. The Victoria Hotel in Kansas City offered private bathrooms in each room while the Netherlands Hotel in New York was the 1st to provide a telephone in each room.

20th Century – With the increase and case of travel, the 20th Century brought many changes and advances to the Hospitality industry. Casual dining became popular, and the

introduction of franchising allowed chains like White Castle, TGI Fridays and Chilis to dominate the restaurant scene. No longer were restaurants considered a place for only the rich and elite. Hotels also experienced growth due to mass tourism, higher salaries and more people living longer and being able to enjoy their retirement years. Although the hospitality industry has experienced periods of down turn such as 1991 due to the Gulf War and 2001 due to September 11th the Hospitality Industry remains strong (Chandler, 2009).

2.3   EMPLOYEE TURNOVER

2.3.1   Definition

Turnover can be defined as the cessation of membership in an organization by an individual who received monetary compensation from the organization (Mobley, 1982 in Hemdi, 2006). In other words from a business view, employee turnover is a characteristic that refers to the relative rate at which an employer gains and losses staff.

Many factors play an important role in the employee turnover rate of any company and these can come from both the employer and the employee. Wages, company, employee attendance, job performance, role ambiguity, workload, stress, leadership behaviors, or opportunity for advancement are all factors that play a significant role in employee turnover. However turnover is a process not an event that is related to factors.

2.3.2   Types of Turnover

Many studies converge that there are two forms of employee turnover, involuntary turnover and voluntary turnover (Hong, 2007; Iverson, 1999). Involuntary turnover is frequently declined as movements across organizational boundaries, over which the employee is only slightly affected (Price, 1977 in Hong, 2007), the representation forms of withdrawal from an organization often categorize with strategy (e.g. downsizing),

dismissal (e.g. firing), or policy (e.g. compulsory retirement) (Campion 1991 in Hong 2007)

In contrast, voluntary turnover is defined as movement across organizational boundaries, over which the employee is heavily affected.

(Price, 1977 in Inversion, 1999), the representation forms of withdrawal from an organization are often categorized with absenteeism and lateness (Campion, 191 in Inversion, 1999)

Involuntary turnover is most often initiated by organizational changes and institutional constrains, and it is easy to understand the scope and effect for organization.

Alternatively, turnover can also be classed as Internal or External. Internal turnover involves employees leaving their current position in order to take a new position within the same organization.

There are positive and negative aspects of internal turnover such as increased morale from the change of task and supervisor, as well as, project/relational disruption and thus this form of turnover is important to monitor as its external counterpart.

However, internal turnover might be moderated and controlled by typical HR mechanism Such as internal recruitment policy or formal succession planning.

2.4   GENERAL OVERVIEW OF LABOUR TURNOVER

According to Armstrong (2006), analyzing the numbers of people leaving the organization (Labour Turnover or wastage) provides data for use in supply forecasting, so that calculations can be made on the number of people lost who may be replaced. More importantly, however, the analysis of the numbers of leavers and the reasons why they

provides information that will indicate whether any action is required to improve retention rates. It can prompt further investigations to establish underlying causes and identify remedies.

One of the earliest and perhaps most influential integrative models of employee turnover is presented by March and Simon (1958) in their analysis of organizations. The March and Simon Scheme, concerning employment mobility, illustrate their concepts of the major factors affecting perceived desirability of movement. These were job satisfaction and perceived possibility of intra organizational transfer, whiles perceived ease of movement depends on the availability of jobs for which one is qualified. Although the model has contributed to the study of turnover by focusing attention on the need to assess both economic – labour market and behavior variables in studying the employee turnover process, it is criticized for having few direct evaluations of the multiple and sequential determines of turnover. Overall, the March and Simon Model has provided the framework for later turnover process and a valuable catalyst to move beyond simple bivariate relationships between job satisfaction and turnover (Bowen, 1982; Jackofsky, 1984: Jackofsky and Peters, 1983; Mosley, 1982a; 1982b, Price, 1977).

A recent study of turnover by Boxall et al (2003) in New Zealand confirmed the view that motivations for job change is multidimensional and that no one factor will explain. However, over time there have been a number of factors that appear to be consistently content, intentions to remain on the job, and commitment were all negatively related to turnover (i.e. the higher the variable, the lower the turnover).

Indeed, a meta-analysis of some 800 turnover studies conducted by Hom and Griffith, in 1995, and recently updated (Griffiths et al, 2000) confirmed some well established

findings on the causes of turnover. These include; job satisfaction, organizational commitment, comparison of alternative and intention to quit.

Aggregate level economic studies provide consistent and significant evidence of the impact of labour market conditions on turnover rates at an aggregate level. As Mobley et al (1979) pointed out, at an aggregate level the relationship between economic factors such as employment levels or job vacancies and turnover has been well established.

The relationship between alternatives and turnover on an individual level has been researched widely since March and Simon's 1958 seminal work on ease of movement. Much of the subsequent research focused on the link between job satisfactions, perceived alternative opportunities in explaining individual turnover decisions.

The relationship between satisfaction and turnover has consistently been found in many turnover studies

(Lum et al, 1998). Mobley et al (1979) indicated that overall job satisfaction is negatively linked to turnover but explained little variability in turnover.

Griffeth et a. (2000) found that overall job satisfaction modestly predicted turnover. Recent New Zealand study, Boxall et al (2003) found out that the main reason for people leaving their employer was for more interesting work elsewhere. It is generally accepted that the effect of job satisfaction on turnover is less than that of organizational commitment.

Furthermore, Yin and Yang's (2002) analysis revealed that internal environment factors such as stress resulting from staffing shortages, leadership styles, supervisory intensions,

advancement opportunities and inflexible administrative policies were significantly related to turnover.

Despite a wealth of research, there appear to be few characteristics that meaningfully predict turnover, the exceptions being age and tenure. Age is found to be negatively related to turnover (that is, the older a person, the less likely they are to leave an organization). However, age alone it contributes little of the variability in turn over and as age is linked to many factors, alone it contributes little to the understanding of turnover behavior.

Where a workforce is dominated by a particular age group, it makes sense to manage the workers in a way with which they feel comfortable. Organizational performance as well as turnover rates improves as a result.

Research conducted on the link between dissatisfaction with pay and voluntary turnover appears to be inconclusive. Mobley et al (1979) concluded that results from studies on the role of pay in turnover were mixed but often there was no relationship between pay and turnover. Meanwhile Campion (1991) cited in Tang (2000) suggests that most important reason for voluntary turnover is higher wages (1991) cited in tang (2000) suggests that most important reason for voluntary turnover is higher wages (Career opportunity). Martin (2003) investigating the determinants of labour turnover for the UK indicated that, there is an inverse relationship between relative wages and turnover (that is, establishments with higher relative pay had lower turnover).

Griffiths et al (2000) noted pay and pay related variables have a modest effect on turnover. Their analysis also included studies that examined the relationship between pay, a person's performances and turnover. They concluded that when high performers are insufficiently rewarded, they leave. They cite findings from Milkovich and Newman

(1999) that where collective reward programmes replace individual incentives, their introduction may lead to higher turnover among high performers.

2.5 FACTORS CONTRIBUTING TO TURNOVER

Turnover studies have highlighted the relationship between turnover and a range of other factors.

2.5.1 Organizational Size

Kirshenbaum and Mano-Negrin (1999) indicated that turnover is affected by organizational size with size being the key mediator of an organizations internal labour market. They suggest that organizational size impacts on turnover primarily through wage rates but also through career progressive path. Developed internal organizational labour market produce lower departure rate since promotion opportunities have a strong negative influence on departures for career related reasons.

2.5.2 Unionization

Martin (2003) looked at the effect of unions on labour turnover and found clear evidence that union is associated with lower turnover. He suggested that lower turnover is a result of the ability of unions to secure better conditions thus increasing the attractiveness for workers staying in their current job. According to Martin (2003) the relationship between lower turnover and unionization has been well established by researchers using both industry – level and individual data.

2.5.3 Influence of Co-workers

A 2002 study by Kirshenbaum and Weisberg of 477 employees in 15 firms examined employees' job destination choices as part of the turnover process. They found that co-workers intention have a major significant on all destination options the more positive the

perceptions of their co-workers desire to leave, the more employees themselves wanted to leave.

2.6 COMMON REASONS FOR TURNOVER

Taylor et al, (2002) interviewed 200 people who had recently changed employers about why they left their previous job. They found that push factors (insufficient development opportunities, boredom, ineffective supervision, poor levels of employee involvement and straight forward personality clashes) were a deal more prevalent than pull factors (salary level or rival employers, employees leaving in order to improve living standards, career development) as causes of voluntary resignation. Very few people appear to leave job in which they are broadly happy in search of something even better.

Instead dissatisfied employees seek alternatives because they no longer enjoy working for their current employer.

Interestingly, the study found relatively few examples of people leaving for financial reasons. Indeed more of the interviewees took pay cuts in order to move from one job to another than that rise was their pay rise was their principal reason for switching employers factors are:

- Dissatisfaction with the conditions of work, especially hours.
- A perception that was both being given sufficient career development opportunities.
- A bad relationship with their immediate supervisor.

2.7 CONSEQUENCES OF EMPLOYEE TURNOVER

High turnover can be a serious obstacle to productivity, quality and profitability at firms of all sizes. As mentioned before, turnover has direct and indirect costs that have to be taken into account in order to measure the impact that it has over the companies.

Research has shown that the impact of turnover on an organization cannot be fully understood if there is no attempt to quantify the costs. The more complex approaches to costing turnover give a more accurate and higher estimate of the cost. Such approaches often take into account the costs associated with lost productivity and the effect on morale of the remaining work force.

The UK Chartered Institute of Personnel and Development (CIPD) suggests that because of the difficulties involved in estimating and quantifying some of the indirect cost, many organizations prefer to take a 'not less than' approach in attempting to cost turnover.

The CIPD suggest that the major turnover costs are:

- Administration of the resignation (including exit interview)

- Recruitment costs (including advertising)

- Selection costs

- Costs of cover (temporary employees or overtime) during the vacancy period

- Administration of recruitment and selection process

2.8 UNDERSTANDING TURNOVER

The academic literature (Dalton et al cited in Abelson 1987) suggests that differentiating avoidable and unavoidable turnover (from the organizations point of view) can help organizations to understand voluntary turnover more fully. Avoidable reasons include employees leaving to find better pay or working conditions elsewhere, problems with

management or leaving for better career opportunities. Unavoidable reasons-which are beyond control include for example, an employee having to move because of relocation by a spouse or leaving to fulfill family or caring responsibilities.

If an organization can identify that much of its voluntary turnover is unavoidable it may profit better from initiatives that seek to manage turnover after the event rather than expend resources on implementing preventative measures.

On the other hand, if the bulk of turnover is avoidable this offers the potential for targeted interventions. However, if managers assume the turnover problem to be largely unavoidable, they may fail to recognize turnover as a symptom of underlying problems within the organization.

2.8.1   Labour Market Issues

Another step towards understanding turnover within an organization is to whether retention difficulties are caused by internal or external factors. While the role of labour market conditions on causing turnover may preclude the use of targeted human resource strategies, this information may be useful in analyzing the extent turnover is due to outside factors.

However, although tight labour markets affect an employer's ability to attract and retain staff, looking outwards at the local market cannot be a substitute for understanding what is going on within the organization (IDS, 2000)

2.9   MEASURING TURNOVER

When deciding what kind of measures to put in place in order to improve staff retention generally or the retention of particular individuals, organizations need to balance the costs involved against those that are incurred as a direct result of voluntary resignations.

Although it is difficult to cost turnover accurately it is possible to reach a fair estimate by taking into account the range of express involved in replacing one individual with another.

The UK Chartered Institute of Personnel and Development (CIPD 2004) suggests that it is important employees have an understanding of their rates of labour turnover and how they affect the organizations effectiveness. Depending on the size of the business, understanding the levels of turnover across occupations, locations and particular groups of employees (such as identified high performers) can help inform a comprehensive retention strategy. By understanding the nature of the turnover problem can decide whether to adopt targeted retention initiatives, for example at particular sites or groups of employees or to mange overall levels so that there is sufficient labour.

2.9.1   Vacancy Rate

Another approach is to place greater vacancies that need to be filled. The vacancy rate is based on the number of positions an organization actively wishes to recruit as a percentage of the number of overall employees.

2.9.2   Census Method

The Census method is an analysis of leavers over a reasonably short period of time often over a year. This is done by estimating the percentage of leavers with differing length of

over a year. The length of completed service of leavers is summarized by using a histogram.

2.10   Staff Retention Strategies

For many years, numerous strategies have been created in order to decrease turnover rates in companies.

Torrington et al, (2008) found that answers to the question of how best to retain staff is to provide them with a better deal, in the broadest senses, than they perceive they would get by working for alternative employers. Terms and conditions play a significant role, but other factors are often more important.

2.10.1   Pay as Retention Strategy

There is some debate in the retention literature about the extent to which raising pay levels reduce staff turnover. On the hand there is evidence to show that, on average, employers who offer the most attractive reward packages, have lower attrition rates than those who pay poorly (Gomez-Mejia and Balkin 1992, pp. 292-4) an assumption which leads many organizations to use pay rates as their prime weapon in retaining staff (Capelli 2000, PP. 105-6, IRS 2000B, P.9).

On the other hand, there is questionnaire – based evidence which suggests that pay is a good deal less important than other factors in a decision to quit one's job (Bevan et al 1997, P. 25, Hiltrop 1999, P. 424). The consensus among researchers specializing in retention issues is that pay has a role to play as a satisfier, but that it will not usually have an effect when other factors are pushing an individual towards quitting.

Raising pay levels may thus in greater job satisfaction where people are already happy with their work, but will not deter unhappy employees from leaving. Sturges and Guest (1999), in their study of leaving decisions in the field of graduate employment, summed up their findings as follows; as far as they are concerned, while challenging work will compensate for pay, pay will never compensate for having to do boring (Sturges and Guest 1999, P.19).

Recent research findings thus appear to confirm with the views expressed by Herzberg (1996) that pay is a hygiene factor rather than a motivator. This means that it can be a cause of dissatisfaction at work, but not of positive job satisfaction.

There is potentially more to be gained from enhancing benefits packages, because these are less easily imitated or matched by competitors. Where particular benefits, such as staff discounts, holiday entitlements or private healthcare schemes, are appreciated by staff, they are more likely to have a positive effect on staff turnover than simply paying higher base wages. Potentially the same is true of pension schemes, which are associated with relatively high levels of staff retention. However, the research evidence suggests that except for older employees who have completed many years of service, most pension schemes are not sufficiently valued by staff to cause them to stay in a job with which they are dissatisfied (Taylor, 2000).

2.10.2 Managing Expectations

For some years research evidence has strongly suggested that employers benefits from ensuring that potential employees gain 'realistic job preview' before they take up a job offer. The purpose is to make sure that new staff enter an organization with their eyes wide open and do not find that the job fails to meet their expectations. A major cause of

job dissatisfaction and hence of high staff turnover, is the experience of having ones high hopes of new employment dashed by the realizations that it is not going to be as enjoyable or stimulating as anticipated. Several researchers have drawn attention to the importance of these processes in reducing high turnover during early months of employment (Wanous 1992, PP.53-87, Hom and Griffiths 1995, PP. 193-203).

2.10.3 Induction

Another process often credited with the reduction of turnover early in the employment relationship is the presence of effective and timely induction. It is very easy to overlook in the rush to get people into key posts quickly and it is often carried out badly, but it is essential if avoidable early turnover is to be kept to a minimum. Gregg and Wadsworth (1999), show in their analysis of 870,000 workers starting new jobs in 19992 that as many as 17 percent had left within three months and 42% within 12 months. A good number of these departures were due either to poorly managed expectations or ineffective induction

According to Torrington et al, (2008) induction has a number of distinct purposes , all of which are concerned with preparing new employees to work as affectively as soon as is possible in their new jobs. First, it plays an important part in helping new starters to adjust emotionally to the new workplace. It gives an opportunity to ensure that they understand where things are, who to ask when unsure about what to do and how their role fits into the organization generally.

Torrington et al, (2008), further argues that induction provides a forum in which basic information about the organization can be transmitted. This may include material about the organizations purpose, its mission statement and the key issues it faces. More generally a corporate induction provides suitable occasion to talk about health and safety

regulations, fire evacuation procedures and organizations policies concerning matters like the use of telephones for private purpose.

Third, induction processes can be used to convey to new starters important cultural messages about what the organization expects and what employees can expect in return. It thus forms an important stage in the establishment of the psychological contract, leaving new employees clear about what they need to do to advance their own prospects in the organizations. (ibid, 2008)

2.10.4   Family Friendly HR Practices

Labour force survey statistics show that between 5 percent and 10 percent of employees leave their jobs for family or personal reasons (IRS, 1999, P. 6), while Hom Griffeth (1995. P.252) quote American research indicating that 33 percent of women quit jobs to devote more time to their families – a response given by only one percent of men. To these figures can be added those quoted by Gregg and Wadsworth (1999, P. 166) which show average job tenure among women with children, in the UK to be over a year shorter than that of women without children and almost two years shorter than that of men. These indicate that there is a good business case, particularly where staff retention is high on the agenda, for considering ways in which employment can be made more family friendly.

As a result of legislate under the Working Time Regulations in 1998, the employment relations act 1999, the employment act 2002 and the work and family's act 2006, UK employers are now obliged by law or provide the following as a minimum floor or rights.

- Nine months leave for all employers paid according to a formula set out in the regulations

- An additional three months unpaid maternity leave for employees

- Reasonable paid time off for pregnant employees to attend antenatal clinics;

- Specific health and safety measures for workers who are pregnant or have recently given birth.

- Four weeks paid holiday each year in addition to eight bank holidays

- Many employees however have decided to go a good deal further down this road than is required by law. Crèche provision is common in larger workplaces, while others offer childcare vouchers instead. Career breaks are offer by many public sector employees, allowing people to take a few months off without pay and subsequent to return to a similar job within the same organization.

2.10.5 Training and Development

There are two widely expressed, but wholly opposed perspective on the link between training interventions and employee turnover. On the one hand is the argument that training opportunities enhance commitment to an employer on the part of individual employees, making them less likely to leave voluntarily than they would if no training were offered. The alternative view holds that training makes people more employable and hence more likely to leave in order in develop their careers elsewhere. The view is thus put that money spent on training is wasted because it ultimately benefits other employers.

Green et al (2000, PP. 267 – 72) report research on perceptions of 1539 employees on different kinds of training. They found that the overall effect is neutral, 19 percent of employees saying that it was less likely to do so. However, they also found the type of training and the source of sponsorship to be a significant variable.

2.10.6 Improving the Quality of Line Management

If voluntary resignations are explained by dissatisfaction on the part with their supervisors, then the most effective means of reducing staff turnover in organizations is to improve the performance of line managers. Too often, it appears people are promoted into supervisory positions without adequate experience or training.

Organizations seem to assume that their managers are capable supervisors, without recognizing that the role is different and does not usually come naturally to people hence it is common to find managers who are quick to criticize but slow to praise, who are too tied up in their own work to show an interest in their subordinates and who prefer to impose their own solutions without first account of their staff's views. The solution is to take action on various fronts to improve effectiveness of supervisors.

- Select people for line management roles following an assessment of their supervisory   capabilities
- Ensure that all newly appointed line managers are trained in the art of effective supervisors
- Regularly appraise line managers on their supervising skills.

CHAPTER THREE

METHODOLOGY

3.1   INTRODUCTION

This chapter explains how the research will be undertaken. It deals with the overall perspectives and approaches upon which the research was conducted and the implications of the method adopted the techniques and procedures used and why they were used were also discussed. The structure of the chapter is presented as follows; population and sampling selection and sample area (sampling techniques, sources of data, data collection methods, instruments used.

3.2   RESEARCH DESIGN

This research is a descriptive type since it systematically finds out and evaluates the causes of turnover and the challenges in retaining staff in the hospitality industry. The research depends basically on the primary data collected through administration of questionnaires and interviews. The research also used secondary data, thus data gathered from records of Miklin Hotel.

3.3   POPULATION

The researcher's population comprises management and staff of Miklin Hotel.   The Hotel has departments like continental/local food and front office (Waiters and Waitresses), accounts, marketing/operational, hotel front desk, security, food and beverage and housekeeping.

3.4   SAMPLE AND SAMPLING PROCEDURE

The sample size of this study covers fifty (50) workers which comprises of 6 managers, 10 front office staff (waiters and waitresses), 14 continental food chefs and 20 local food chefs all of Miklin Hotel, Kumasi, Ashanti Region.

The respondents were randomly selected and the questionnaire administered to them in no particular order. During the research, the researchers sampled workers available at the time the questionnaires were administered (convenient sampling technique) to obtain information from key respondents within the staff. However, conclusions of the study will be generalized to the entire population.

3.5   RESEARCH INSTRUMENT

Questionnaire is the main instrument used for data collection. The questionnaire is structured in a simple form to make it easy to understand. It has simple open and closed opened questions. Structured interviews were used to solicit the opinions and view of management on specific issues as far as the subject matter is concerned.

3.6   ANALYSIS OF DATA

The data collected were analyzed by using Statistical Package for Social Science (SPSS). Data that cannot be quantified were described.

3.7   SOURCES OF DATA

The data for the research were collected from primary and secondary sources.

3.7.1 Primary Data

The researcher used various tools in collecting the primary data. Some of them were questionnaire and structured interview. The survey was basically conducted using questionnaire. The employees' questionnaire contains both open and closed ended questions to collect data on the subject matter for the study. Interview was also conducted with the hotel managers for about one hour. Based on the answers given by the employees, it was realized that, the workers were not satisfied with the incentive schemes and working conditions and as a result they intend leaving the organization for better conditions of service elsewhere and for career advancement. Also from the interviews conducted with the hotel managers, strategies are constantly being put in place to motivate, maintain and retain employees in order to overcome the challenges of employee retention in the hospitality industry.

3.7.2 Secondary Data

The sources of the data were from the records of Miklin Hotel, internet reports relevant to the research, textbooks and articles. Due acknowledgement has been made to the sources where information were collected at the reference section.

3.8 BACKGROUND OF MIKLIN HOTEL

Miklin hotel Ltd was established in 1991 by Mr. Michael Nsiah and Mrs. Linda Nsiah. The name Miklin is actually derived from MIKE and LINDA. The establishment of the hotel was driven by a desire to introduce a new kind of services into the hospitality industry and to help promote tourism in the country to make it the 3rd foreign exchange earner. The hotel which started with 37 rooms and a conference hall at Accra was

extended to have 10 additional rooms and a 150 seating capacity Banquet Hall to cater for birthday parties and wedding receptions.

In August 2000, the burning desire to make an impact in the history of the hospitality industry drove the directors to start the second stage of their dream and so MIKLIN Hotel, Kumasi was conceived and in December, 2002 the plush 28 – room's hotel was opened at Danyame near the Army Officers Mess to change the course of hotel business in the Kumasi Municipality.   They currently have 60 rooms in the hotel and a staff number of 102.

CHAPTER FOUR

PRESENTATION OF FINDINGS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter deals with the analysis, discussion and presentation of the data collected during the research. The data presented and discussed are based on the responses given by managers, waiters and waitresses, chefs both local and continental of Miklin Hotel on the staff retention: a challenge in the hospitality industry.

4.2 GENDER OF RESPONDENTS

Table 4.1 Gender of Respondents

	Frequency	Percentage	Valid Percentage	Cumulative Percent
Female	36	72.0	72.0	72.0
Male	14	28.0	28.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

From Table 4.1, 36 females out of 50 respondents which constitute 72 %, answered the questionnaires while 14 males constituting 28% answered the questionnaires. All the 50 questionnaires were answered.

4.3 AGES OF RESPONDENTS

Table 4.2 represents the age distribution of respondents. From the table, out of 50 respondents who answered the questionnaires, 25 represents the modal mark for the

distribution and makes up 50% of respondents (20-30 years). Thirteen |(13) respondents representing 26% fell between 31-40 years. 8 respondents, representing 16% also fell between 41-50 years, and 4 respondents representing 8% fell between 51 years and above age range.


Table 4.2 Ages of Respondents

	Frequency	Percentage	Valid Percentage	Cumulative Percentage
20 – 30	25	50.0	50.0	50.0
31 – 40	13	26.0	26.0	76.0
41 – 50	8	16.0	16.0	92.0
51 years and above	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

4.4 POSITION OF RESPONDENTS

In figure 4.1, out of the 50 respondents 4, representing 8% were waiters, 6, representing 12% were waitresses, 20, representing 40% were local food chefs, 14, representing 28% were continental food chefs and 6, representing 12% were managers.
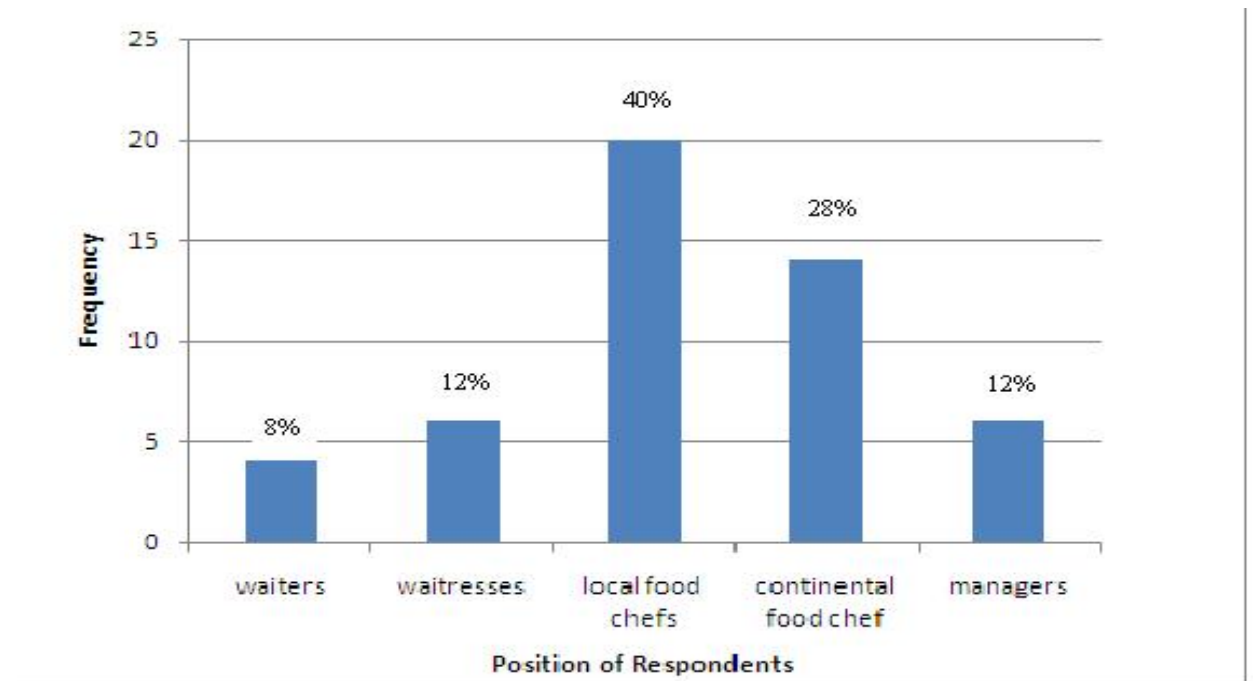
Figure 4.1 Positions of Respondents

Source Field Survey, June   2012

4.5 DEPARTMENT OF RESPONDENTS

The results in fig. 4.2 shows that out of the 50 respondents, 10 staff representing 20% were from the front desk department, 20 (40%) were from the food (local) section, 14(28%) were from the food (continental) section. That is a total of 34 respondents, representing 68% were from the food and beverages department. This is obvious because the core duty of Miklin Hotel is to provide quality catering services and hotel

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accommodation to the population. Six (6) of the respondents, representing 12% belonged to the administration department.
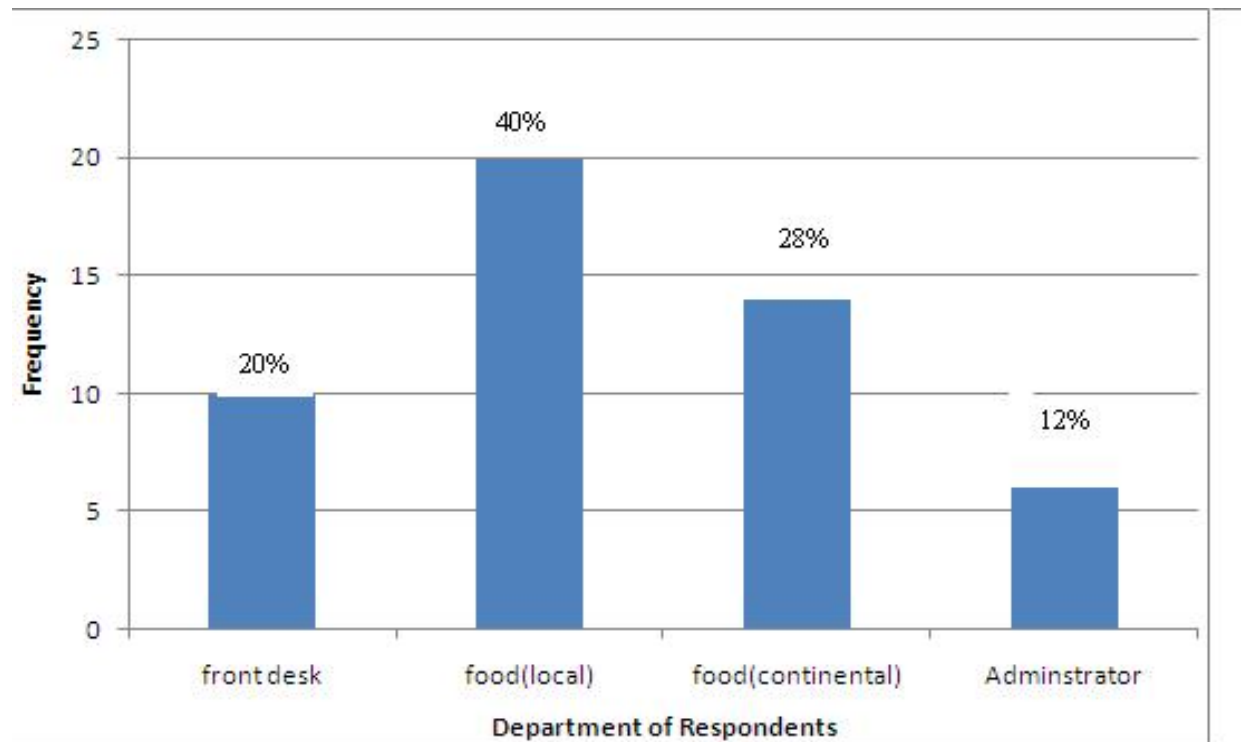
Figure 4.2: Department of Respondents

Source: Field Survey, June   2012

4.6   QUALIFICATION OF RESPONDENTS

Table 4.3 represents the qualification with which the employees were employed in the organization. From the table, out of the 50 respondents, 2 representing 4% were degree holders, 7 respondents representing 14% were HND holders, 26 representing 52% were SSSCE holders. 7 respondents representing 14% were BECE holders and 8 representing 16% were MSLC holders. The results reveals that 26 (52%) of the employees who have SSSCE certificates have not got the professional training and education in their field of endeavour and therefore would like to leave the organization to further their

education either in the industry or elsewhere. Two (2) of the respondents representing 4% and 7 representing 14% who are degree holders have gone through intensive training and education. Therefore employee turnover would be relatively high especially when they do not have good incentive package, motivation, good remuneration and good supervision.

Table 4.3 Qualification of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Degree	2	4.0	4.0	4.0
HND	7	14.0	14.0	18.0
SSSCE	26	52.0	52.0	70.0
BECE	7	14.0	14.0	84.0
MSLC	8	16.0	16.0	100.0
Total	50	100	100	

Source: Field Survey, June   2012

4.7   TENURE OF RESPONDENTS

Table 4.4 shows the years respondents have worked in the organization. Out of the total number of 50 (100%) respondents, 31 representing 62% of the respondents have been working for below 2 years. This forms majority of the respondents. Five (5) of the respondents representing 10% have been working for between 2 and 4 years and 3 of the respondents representing 6% have been working between 4 and 6 years. Also 2 of them representing 4% of the respondents have been working for the organization between 6 and 8 years. Five (5) of the respondents, representing 10% have been working for the

organization between 8 and 10 years with 4 of them representing 8% having worked for the organization for over 10 years. The results show that majority of the respondents that is 31, representing 62% have been working in the organization for less than 2 years, far

below the year since the establishment of the organization. The organization was started in 1991.

Table 4.4 Years as Worker of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Under 2 years	31	62.0	62.0	62.0
2 - 4 years	5	10.0	10.0	72.0
4 - 6 years	3	6.0	6.0	78.0
6 - 8 years	2	4.0	4.0	82.0
8 - 10 years	5	10.0	10.0	92.0
Over 10 years	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June 2012

4.8   WORKING EXPERIENCE OF RESPONDENTS

Table 4.**5** Responses if staff has previous working experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	31	62.0	62.0	62.0
No	19	38.0	38.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

Table 4.5 indicates whether the employees in the organization have any previous working experience before joining their current organization. The table shows that, 31 of them representing 62% have had working experience elsewhere before being employed in their present establishment and 19 of them, representing 38% of the respondents had no previous working experience in the catering industry. The table reveals that 31 of

representing the majority of the respondents may cause a challenge to the managers of the organization in terms of ensuring their retention. They have been employed with some level of expectation and if these are not met, it is likely that they would leave since they have previous experience. Nineteen (19) of the respondents, representing 38%, who do not have any previous working experience is also a challenge to the managers in ensuring their retention.

4.9   REASONS FOR LEAVING PREVIOUS EMPLOYER

Table 4.6 Reasons for leaving Previous Organization by Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Poor Pay	15	30.0	48.4	48.4
Poor Supervision by manages	5	10.0	16.1	64.5
Relocation by a spouse or Relative	6	12.0	19.4	83.9
Non of the above	5	10.0	16.1	100.0
Total	31	62.0	100.0	
Missing System	19	38.0		
Total	50	100.0		

Source: Field Survey, June   2012

Table 4.6 shows the reasons respondents gave for leaving their previous working place. Out of the total number of Fifty (50) respondents, Fifteen (15) respondents, representing 30% left because of poor salary. Five (5) of them, representing 10% attributed it to poor supervision by managers, Six (6) of them representing 12% left as a result of relocation by a spouse or relative. Five (5) of them representing 10% attributed it to none of the above. However, 19 of them representing 38% of the respondents were missing. The research reveals that employees in the hospitality industry are either not well remunerated, poorly supervised or are relocated from one place to the other. Moreover,

the 19 respondents, representing 38% who did not respond to the question form majority of the respondents and they might not have had any previous working experience as shown in table 4.5 and they would also likely leave if the turnover factors exist in their current organization.

From the analysis, it was realized that people leave their previous employment due to poor pay. Campion (1991), suggested that the most important reason for turnover is higher wages. According to Martin (2003), there is an inverse relationship between relative wages and turnover (that is establishment with higher relative pay had lower turnover)

4.10 CONTRACT OF EMPLOYMENT

Table 4.7 Contract of Employment of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	40	80.0	80.0	80.0
No	10	20.0	20.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

From the data gathered in table 4.7, 40 out of the 50 respondents, representing 80% were not given any written contract of employment and 10 of them representing 20% said they were given written contract of employment. Forty (40) out of the 50 respondents, representing 80% who said they were not given any written contract of employment form majority of the workforce. These people feel they do not have any job security. When employees realize that their job security is not guaranteed in the organization it causes them to leave. However, when employees have job security in the form of written contract of employment, it causes them to stay longer in the organization.

4.11   JOB SATISFACTION

According to fig. 4.3, the question posed was whether respondents were satisfied in working with the organization. Thirty-eighty (38) out of the 50 respondents representing 76% were very satisfied with the organization, 10 out of the 50 respondents representing 20% said they were satisfied and 2, representing 4% of the respondents said they were not satisfied in working in the organization. Employees' satisfaction with the organization plays a key role in determining whether staff would remain or quit. It is very hard for an employee who is not satisfied with an organization to stay. The employee might be looking for another place where he might be satisfied whiles staying with the current

organization. Employees may not be satisfied with the organization due to the conditions of work, risk involved in the work, safety and health problems, stress, loss of trust and confidence in managers. Employees are however satisfied with the organization when health and safety conditions are improved as well as proper management of stress, etc. According to 'Yin and Yang'(2002) internal environment such as stress resulting from staffing shortages, leadership styles, Supervisory intentions, advancement opportunities and inflexible administrative policies were significantly related to turnover.
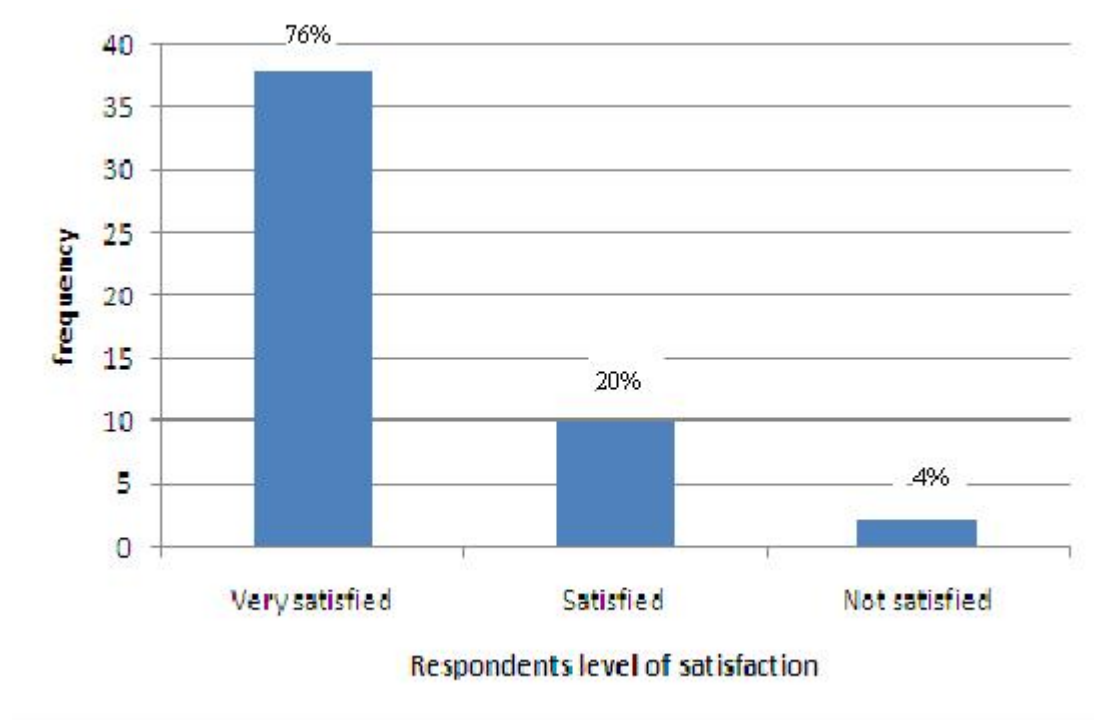
Figure 4.3 Satisfaction of Respondents working with the Organization

Source: Field survey, June   2012

4.12   INTENTIONS TO LEAVE

A question was posed as to whether respondents have the intention of leaving the organization to work elsewhere. From fig 4.4, it was revealed that 21 out of the 50 respondents representing 42% would leave to work elsewhere when the opportunity comes and 29 out of the 50 representing 58% would not leave the organization. Employees might decide to leave the organization due to factors such as poor salary to earn good salary to further their education, to start one's own business, dissatisfaction with immediate supervisors, etc.
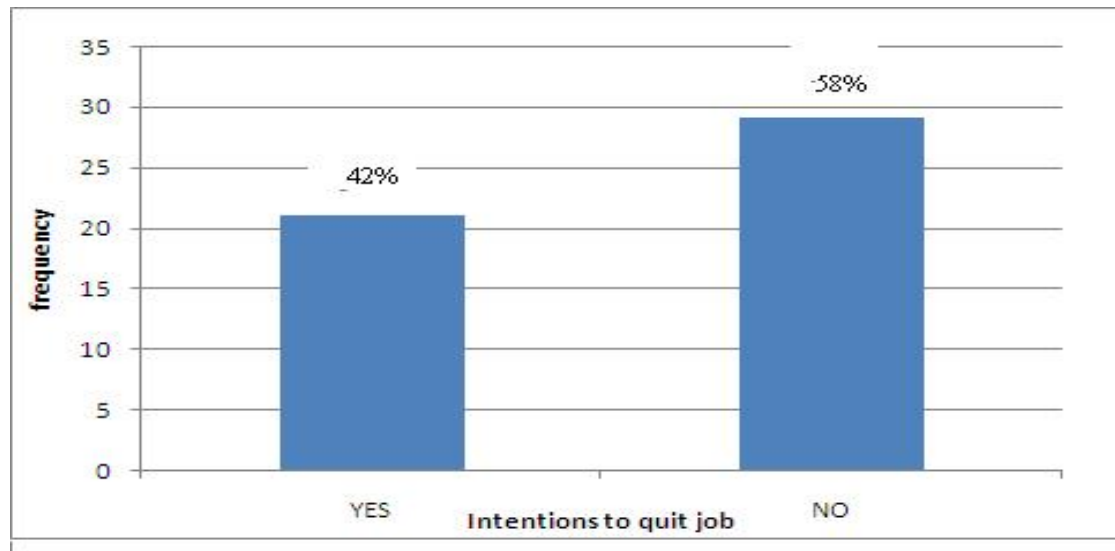
Figure 4.4: Responses on intention to leave the organization to Work Elsewhere

Source: Field Survey, June   2012

4.13   WHY RESPONDENTS WOULD WORK ELSEWHERE

From table 4.8 it was realized that 5 out of the 50 respondents, representing 10% did not agree to the reasons assigned and therefore refused to answer.   Five (5) out of the respondents, representing 10% would leave to earn good salary elsewhere, 6 out of the 50 representing 12% would leave to further their education and secure a good job, 3 out of the 50 representing 6% of the respondents would leave to start their own business, 2 out of the respondents representing 4% would leave because of no job security whiles 29 out of the 50 representing 58% were missing.

Table 4.8 Respondents Reasons on why employees would leave to work elsewhere

	Frequency	Percent	Valid Percent	Cumulative Percent
Missing	5	10.0	23.8	23.8
To earn Good Salary	5	10.0	23.8	47.6
To Further Education and secure good job	6	12.0	28.6	76.2
To start Own Business	3	6.0	14.3	90.5
No Job Security	2	4.0	9.5	100.0
Total	21	42.0	100.0	
Missing System	29	58.0		
Total	50	100.0		

Source: Field Survey, June 2012

4.14   EFFECTS OF TURNOVER

Table 4.9 Responses on Effects of Turnover on Organizations' Performance

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	40	80.0	80.0	80.0
No	10	20.0	20.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

The researcher asked whether employees leaving the organization have effect on   the performance of the organization. Form table 4.9, it was observed that 40 respondents representing 80% said yes while 10 respondents representing 20% indicated that it had no effects on the organization's performance.

4.15 SPECIFIC EFFECTS OF TURNOVER

Table 4.10 revealed that, 30 out of the respondents, representing 60% said it leads to putting a lot of pressure on the remaining employees, 9 representing 18% of the respondents also said it takes longer time in preparing food for customers, 6 out of the 50 respondents representing 12% said customer satisfaction is not met thereby affecting customer turnover and 5 out of the 50 respondents representing 10% indicated that there is a cost implication in recruiting and training of new employees.

Table 4.10   Responses on specific Effects on Labour Turnover

	Frequency	Percent	Valid Percent	Cumulative Percent
Pressure on Remaining Employees	30	60.0	60.0	60.0
Longer Time in Preparing Food	9	18.0	18.0	78.0
Customer Satisfaction not Met thereby Affecting Customer Turnover	6	12.0	12.0	90.0
Cost of Recruiting and Training New Employees	5	10.0	10.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, 2012

4.16   REPLACING EMPLOYEES

Table 4.11   Responses on Difficulties in Replacing Employees

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	5	10.0	10.0	10.0
No	45	90.0	90.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

Table 4.11 shows that out of the total number of respondents, 5 representing 10% think it is difficult to replace employees who have left the organization and 45 out of the 50 respondents, representing 90% think it is not easy to replace those employees who have left the organization. The research revealed that the labour market is full of persons who want work in a restaurant or a hotel as waiters and waitresses because of the perception that it does not require any professional or technical competence before executing that job. Also jobs like cooking and cleaning of the restaurant also do not require any formal training and as such anybody at all can also do it with little time on the job training. Many of the employees also see it as start up job as shown in table 4.3 where 26 respondents, representing 52% were SSSCE holders. These people had completed secondary education and they might be awaiting results to further their education or working to earn some money to sponsor their education.

4.17   ADDRESSING EMPLOYEES CHALLENGES

The result in table 4.12 shows that 46 out of the 50 respondents, representing 92% agrees that management does well to address challenges being faced by employees and 4 out of the 50 respondents, representing 8% said management were not addressing the challenges facing workers in their working environment. From the above the question one would ask is, if 92% of respondents say management try to resolve challenges facing employees then why would some of them think of leaving and why the high rate of turnover?

Table 4.12   Responses on Resolution of Challenges Faced By Employees by Management

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	46	92.0	92.0	92.0
No	4	8.0	8.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

4.18   Training Programmes

Table 4.13   Respondents on Training Programmes

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	39	78.0	78.0	78.0
No	11	22.0	22.0	100.0
Total	50	100.0	100.0	

Source: Field Survey, June   2012

Table 4.13 shows that out of the 50 respondents, 39 of them, representing 785 said management organizes training programs for employees to help them develop the skills and 11 of them representing 22% said there is no such training programme for employees. Organizing training for employees for them to upgrade their knowledge and skills is one way management is trying to ensure that employees are well developed to help them improve upon their career and making them satisfied within the organization thereby increasing the chances of retaining them.

4.19 NUMBER OF TRAINING PROGRAMMES ATTENDED

Figure 4.5 revealed that 5 (10%) of the respondents have attended training programmes once. 5 (10%) have attended training programme twice, 4 (8%) have attended training programmes thrice, 3 (6%) have attended training programme four times, 4(8%) have attended training programme more than four times and 29 representing 58% of the respondents have not attended any training programme. These 58% of the respondents could be people who have spent less than 2 years in the organization.
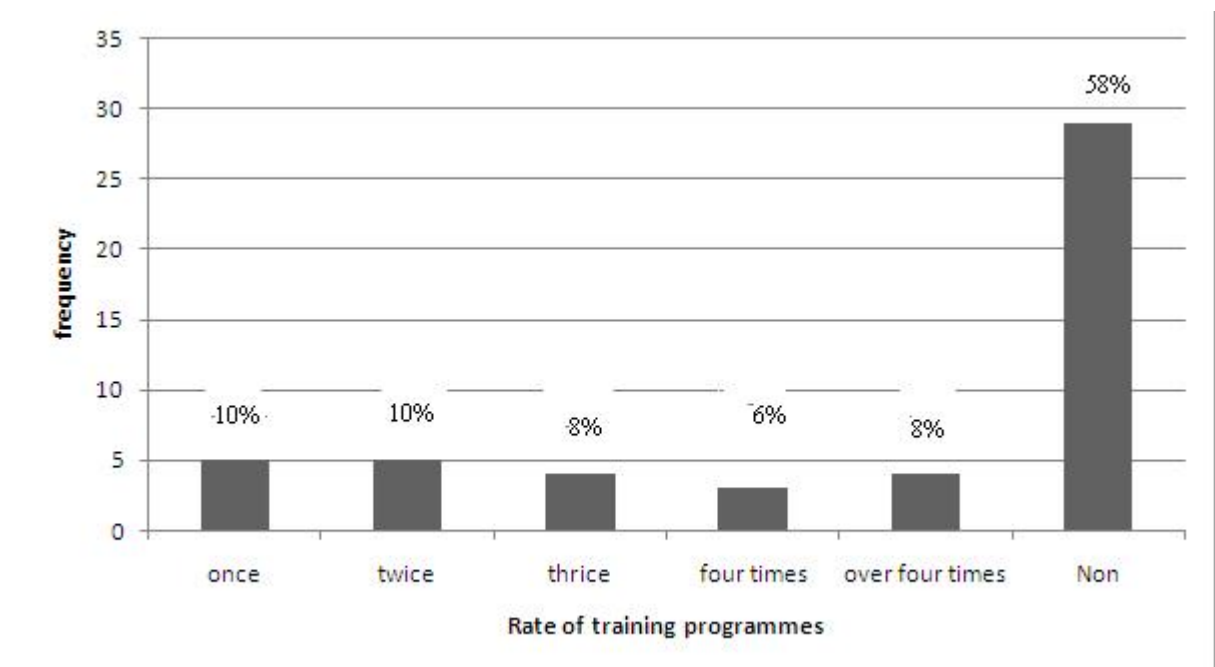
Figure 4.5 Responses on number of times employees have attended

        training programmes

Source Field Survey, June   2012

4.20   UNIONS

Table 4.14 Responses on Employees Union

	Frequency	Percent	Valid Percent	Cumulative Percent
No	50	100.0	100.0	100.0

Source: Field Survey, June   2012

The researcher asked whether employees belong to any employee union. It was revealed from 4.14 that all the 50 respondents representing 100% did not belong to any workers' union.

4.21   EMPLOYEE RETENTION

The results in the table 4.15 shows that 28 out of the 50 respondents, representing would stay in the organization if they are paid good salaries, 3 out of the 50 respondents representing 6% would remain in the organization if they get recognition for their efforts. Twelve (12) out of the 50 respondents making up 24% of the respondents said they could be enticed to stay in the organization if their salaries are constantly reviewed upward to meet the changing economic conditions in the country. Five (5) out of the 50 respondents representing 10% said they would stay with the organization if they are promoted. Promotion is one of the motivational factors that lead to employee staying in the organization. When employees realize that there are opportunities for promotion on the job, it influences their decision to remain in the organization. One (1) respondent representing 2% said proper supervision by management would cause him to stay in the organization and 1 respondent, representing 2% was missing.

Table 4.15 Responses on Retaining Factors

	Frequency	Percent	Valid Percent	Cumulative Percent
Good Salary	28	56.0	57.1	57.1
Getting Recognition for your Efforts	3	6.0	6.1	63.3
Constant Review of Salary for Upward Adjustment	12	24.0	24.4	87.8
Getting Promotion	5	10.0	10.2	98.0
Proper Supervision by Management	1	2.0	2.0	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Source: Field Survey, June 2012

4.22 STRATEGIES BEING PUT IN PLACE BY MANAGEMENT TO RETAIN EMPLOYEES

From the interview conducted with management, it was revealed that management was aware of the cost and socio economic implications that employee turnover has on the performance of the organization. Management also is aware that employees want to feel valued and valuable. They want to belong to know that their work and ideas matter. In order to retain employees therefore management is:

1. Encouraging employees to form a union not only in the organization but the entire hospitality industry so that they can collectively change the cause of employees for better working conditions which is none existent. The union would have a role to work to improve the physical environment of the work place.   Help communicate training needs to managers.   Unions can also encourage family friendly policies, flexible working time etc.

2. Management is also aware of the role of compensation in motivating and retraining employees and has therefore set up a standing committee on salaries

and benefits to periodically evaluate the compensation and benefit packages given to employees. Events like longevity service award, excellence award, monthly best worker award etc. have been instituted to help motivate employees and keep them in the organization.

3. Management has also set up guidance and counseling unit in the organization which offer guidance and counseling to employees who may need it on their career development. These are offered by trained guidance and counseling experts.

4. Management also provides management training on retention issues and how they can provide proper leadership in the organization. Communication training is also given to managers to foster a positive work environment.

5. Management is aware of the diversity of its workforce and is making conscious effort to employ professional managers with human resource management background to take care of the administration of the organization.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1   INTRODUCTION

This chapter deals with the summary of the analysis of the data, the general conclusion drawn by the research and possible recommendations made by the researcher. When the recommendations are implemented it would help the hospitality industry to deal with the challenges of staff retention.

5.2   SUMMARY OF FINDINGS

The main objective of the study was to find out the challenges facing the hospitality industry in terms of staff retention, to identify the strategies being put in place by management to retain employees in the organization and to identify and suggest ways of dealing with those challenges and therefore improving upon the retention rate of the hospitality industry.

After critical analysis of data gathered from respondents at Miklin Hotel through answering of questionnaires and interviews, it was realized from table one (1) that the number of females exceeded the male employees, in table 2, majority of the respondents are between 21 and 30 years and also employees who entered the organization with SSSCE qualification formed the majority (table 4.3).

Majority of the employees also indicated that they had no written contract of employment therefore making employees feel that they had no job security. It was also obvious that employees frequently leave the organization and new ones are employed. Table 4.4 which showed the number of years employees have worked in the organization revealed that 31

out of the 50 respondents representing 62% have been working in the organization which is 14 years old and a combined number of 11 out of the 50 respondents representing 22% have worked in the organization between 6 years and over 10 years. Another indication is seen in table 4.5 which showed responses on whether staffs have previously worked in a restaurant before. It revealed that 31 out of the 50 respondents representing 62% have worked in a restaurant before joining their present organization.

It was realized from table 4.6 that thirty-one (31) out of the 50 respondents who have previously worked with a restaurant said they left because they were receiving poor salary, poor supervision by managers and relocation of a spouse or relative. Also from table 4.8 which responses on why employees would leave their current organization to work elsewhere, it was revealed that, they would leave to further the education and secure a good job, start their own business and because there is no job security. This was confirmed when 40 out of the 50 respondents, representing 80% in table 4.7 revealed that they had no written contract of employment. This made them think that they had no job security.

However, majority of the employees indicated that they were very satisfied with working with the organization but would leave to work elsewhere to earn good salary, to further their education and to start their own business (table 4.8).

It was also established that employee turnover have effect on the socio economic performance of the organization in areas like customer turnover, reputation of organization, quality of food prepared and pressure on the remaining employees with volume of work remaining. On research question three, table 4.10 showed specific effects of employee turnover were putting a lot of pressure on the remaining employees,

longer time in preparing orders for customers, customer satisfaction not being met thereby affecting customer turnover and cost implications in recruiting and training of new employees.

Furthermore, the information gathered from the table 4.15 indicated what employees would consider in staying with the organization. These were payment of good salaries, getting recognition for their efforts, getting promotion, constant upward review of salaries and proper supervision by managers.

Also the study revealed through table 4.12, 4.14, 4.15, that management is putting in a lot of strategies to deal with the challenges of staff retention. These were conscious efforts to resolve challenges facing employees, organizing training programmes for employees, encouraging employees to form unions, motivating and compensating employees, setting up guidance and counseling unit to counsel employees on their career development, providing management training to managers and employing competent and professional Human Resource personnel to manage the human capital.

5.3 CONCLUSION

In conclusion, effective staff retention issues in the hospitality industry range from factors that are shown to be consistently linked to turnover. These include job satisfaction, alternative opportunities and intention to quit. Salaries or compensation issues are very critical as well as recognition and promotion of employees. Therefore management must always give attention to the new employees. Management must always make it a policy to retain its trained and competent workers so as to help the organization to achieve its objectives and promote the growth of the organization.

Labour turnover can be a symptom of workers dissatisfaction with their jobs. Sound, fair and consistent policies and procedures can provide a framework within which labour turnover problem can be better handled. Age, competencies, skills and knowledge of employees in their chosen career can help employers understand the causes of turnover. The retention strategies adopted should tend to cover a unique mix of measures and approaches specifically targeted at a particular factor.

The cost incurred in replacing workers in the organization can be used to help make the life of workers comfortable thereby leading to high retention levels.

5.4 RECOMMENDATIONS

Based on the findings of the study, the researchers recommend the following:

1. Management should concentrate on employing more females than males since they turn to stay longer in the hospitality industry than males as the analysis in table 1 reveals.

2. Thorough recruitment regime should be instituted to know the background of the prospective employees to find out their future plans before employing them. This will minimize the turnover rate of employees with basic qualification such as SSCE certificates.

3. Written contract of employment should be given to employees to make them feel secured with their job as soon as they are hired.

4. Provision of necessary rewards such as longevity rewards should be instituted to motivate experienced employees to stay longer in the organization.

5. Discuss career paths-Career development is on everybody's mind. Offer advice and help on your employee's career development highlighting how this job will cater for that need. Let employees know that you are interested in investing time

and money in them provided they stick to their job. This will help you both achieve mutual goals.

6. There must be transparent policies and procedures. After induction, employees need to be educated about the policies and working procedures of the organization. Keeping them transparent, fair and consistent will help employees see managers in good faith.

7. Overtime allowances should be given to employees who perform extra duties to motivate them to work extra had to retain the reputation of Miklin Hotel due to employee turnover.

8. Conduct employee surveys – give out questionnaires to be filled in by the employees to gauge what they think about working with the Miklin Hotel. They will bring up issues that need immediate attention. Be prepared to address them so that things do not go out of hand.

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APPENDIX

Christian Service University College

Department of Business Administration

Research Questionnaire

The research is solely for academic purpose. Respondents are therefore assured that all information provided will be treated as confidential as possible.

Instructions: kindly answer each question by ticking (√) or providing the answer where appropriate.

STAFF RETENTION: A CHALLENGE IN THE HOSPITALITY INDUSTRY

SECTION A

Personal Profile

1. Gender: A [   ] female   B [   ] male

2. Age: A [   ] 21–30 years   B [   ] 31–40 years   C [   ] 41–50   D [   ] above 51 years

3. What is your position here?

   A [   ] Waiter B [   ] Waitress C [   ] Chef Local/Continental D [   ] Manager E [   ]
   Housekeeper   F [ ] others……………….

4. Which department are you?

   A [ ] Front Desk B [   ] Food Local/Continental C [   ] Administration   D [
   ] Housekeeping

5. With what qualification were you employed here?

   A [ ] Degree B [ ] HND C [ ] SSCE D [ ] JHS E [ ] MSLC F [ ] None of the above

SECTION B

This part relates to causes of labour turnover. Please tick the appropriate answer or provide the answer in the space given.

1. How long have you worked in this organization?

    A [ ] Under 2 years B [ ] 2-4 years C [ ] 4-6 years D [ ] 6-8 years

      E [ ] 8-10 years F [ ] Over 10 years

2. Have you worked with a different hotel/restaurant before? A [ ] Yes   B [ ] No

3. If yes why did you leave?

    A [ ] Poor Pay B [ ] Poor supervision by Managers C [ ] Relocation by a spouse or relative D [ ] As a result of a disciplinary action against me E [ ] No proper procedure for addressing grievances of staff F [ ] Others ………………………..

4. Were you given any written contract of employment when you were employed here?   A [ ] Yes   B [ ] No

5. Are you satisfied to work here?

    A [ ] Very satisfied   B [ ] Satisfied   C [ ] Not satisfied

6. Would you leave to work elsewhere when the opportunity comes?

    A [ ] Yes   B [ ] No

7. If yes, give reasons?

    ………………………………………………………………………………………

    ………………………………………………………………………………………

    ………………………………………………………………………………………

SECTION C

This part deals with effects of employee turnover on the performance of the organization.

Read the questions carefully and tick the appropriate answer.

1.   Do employees leaving the organization have effects on the performance of the organization?   A [ ] Yes   B [ ] No

2.   How? Give two specific reasons:

……………………………………………………………………………………………

……………………………………………………………………………………………

....

3.   Is it difficult to get replacement for workers who leave the organization?

A [ ] Yes   B [ ] No

SECTION D

This part is about management strategies to retain employees in the organization.

1. Does management resolve challenges facing employees to prevent them from leaving?

A [ ] Yes   B [ ] No

2.   Does management organize training programs for you to help you develop yourself

in your job?   A[ ] Yes   B [ ] No

3. How many times have you attended a training programme?

A [ ] Once   B [ ] Twice   C [ ] Thrice   D [ ] Four times   E [ ] Over four times

F [ ] None

4. Do you have workers Union to negotiate with management for better conditions of service?   A [ ] Yes   B [ ] No

5. What factors will cause you to stay with the organization without you thinking of leaving?   A [ ] Good salary   B[ ] Getting recognition for your efforts

   C [ ] constant review of salaries for upward adjustment   D [ ] Getting promotion

   E [ ] Proper Supervision by management

6. What are some of the strategies being put in place to retain employees?

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STAFF RETENTION: A CHALLENGE IN THE HOSPITALITY INDUSTRY
(CASE STUDY OF MIKLIN HOTEL)

BY

OSEI BENJAMIN BOADI

KWAME POKU FRANCIS

ROSEMOND BOAFO

SAM EDITH JOYCE

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A PROJECT WORK PRESENTED TO THE BUSINESS STUDIES DEPARTMENT OF CHRISTIAN SERVICE UNIVERSITY COLLEGE IN PARTIAL FULFULLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION.

JUNE, 2012

DECLARATION

We have read the university regulations relating to plagiarism and certify that this report is all our own work and do not contain any unacknowledged work from any other source. We also declare that we have been under the supervision for this report herein submitted.

NAME	SIGNATURE	DATE
OSEI BENJAMIN BOADI	..…………………	………………
KWAME POKU FRANCIS	……………………..	………………
ROSEMOND BOAFO	..…………………	………………
SAM EDITH JOYCE	……………………	………………
PATRICIA BOADUWAA DICKSON	..…………………	………………

SUPERVISORS'S DECLEARATION

I hereby declare that the preparation and presentation of the dissertation were supervised in accordance with the guidelines on supervision laid down by Christian Service University College.

NAME OF SUPERVISOR	SIGNATURE	DATE
Mrs. Evelyn Frempong	………………….	..……………

HEAD OF DEPARTMENT'S NAME	SIGNATURE	DATE
Dr. Kwaku Ahenkora	……………………	..……………

ABSTRACT

This study examined staff retention as a challenge in the hospitality industry with particular reference to Miklin Hotel, Kumasi. The study further examined the causes of turnover in the organization, the socio-economic effects of turnover on the organization and what management can do to retain staff.

The Population size was 50 which comprises of management and staff of Miklin Hotel. Primary and Secondary sources of data were used for the study. The data collection methods used were questionnaires and interview.

The findings revealed that the number of female exceeded the male employees, majority of employees had no contract of employment and employees frequently leave Miklin Hotel to further their education or to work elsewhere.

The researchers therefore recommend that, management should concentrate on employing more females than males since they turn to stay longer in the hospitality industry than males , written contract of employment should be given to employees to make them feel secured with their job as soon as they are hired., longevity rewards should be instituted as an incentive for employees who turn to stay long in the organization and finally overtime allowances should be given to remaining employees as an incentive for coping with the pressure and volume of work due to employee turnover.

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