



Identification of motivation strategies in order to reduce turnover in the hospitality industry

Bachelor Thesis

Tourism, Hotel Management and Operations

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1 Abstract

Turnover is a familiar topic in today's hospitality industry. It describes the situation of an employee leaving the business due to several reasons. In general, a high turnover rate contributes in a negative way to the success of a hospitality business. Not only big companies are affected, also small to medium-sized organizations are faced with the negative aspects of turnover.

This paper provides an evaluation of the existing knowledge and information. Furthermore, qualitative and quantitative research methods were used in order to collect detailed data from employees and leaders of hospitality businesses. In addition to this, this paper provides a strategy concept that aims to reduce turnover in small to medium-sized businesses.

2 Introduction

Turnover can be defined as “An employee leaving her/his organization due to complicated series of interaction between the individual and the organization” (Wasmuth & Davis, 1983, p. 17). In today’s society turnover has a major impact on the well being of individuals and the business performance. The hospitality industry has one of the highest turnover rates compared to all the other industries. This high turnover rate is the result of employees leaving a company for individual and organizational reasons. Frequent examples are: working hours (individual) or the change of a restaurants concept (organizational). Turnover in the hospitality industry not only causes financial problems for the manager of a company, but also inconveniences for the guests, such as a deterioration in service quality. Furthermore, the departure of an employee leads to a change in the way a company communicates and new employees will need some time to adapt the way the company communicates (Wasmuth & Davis, 1983, p. 15-22).

Since hospitality businesses try to avoid turnover and the resulting disadvantages, the development of strategies that help to increase employee motivation and reduce turnover is a much discussed topic among the hospitality industry. The most popular user of motivational strategies are big hotel companies such as the Marriot Hotel Company. Since this company has the advantages of having a strong brand and a large capital it is more convenient for this business to implement motivation strategies. Based on the certainty that most of the hospitality businesses located in Vienna are part of the small to medium sized category (0-100 employees) (Oschischnig, 2019) the research will focus on identifying the opinions of employees and employers about motivation and the development of motivation strategy frameworks that can be applied in small and medium-sized hospitality businesses.

However, it is well known that the hospitality industry has a high turnover rate the consequences for business leaders are often not discussed. In many cases turnover leads to additional labour costs due to expensive recruitment processes but sometimes turnover also leads to the closure of a business. To avoid similar issues, it is necessary to inform leaders of hospitality businesses about strategies that, if implemented correctly, will lead to a reduction of turnover (Holston-Okae, 2017).

Today many employees in the hospitality sector face a lack of acceptance, money and flexibility. Many employees are unable to start a family due to low salaries and non family-friendly working hours. In addition, most employees wish for more leisure time

due to the exhausting tasks that are usually part of working in the hospitality industry. As a result, many people decide to leave the hospitality industry and to find a more family-friendly job, which again leads to a higher turnover rate. (Plessis et al., 2016)

This thesis will identify the reasons for the high turnover rate in the hospitality industry by conducting interviews with employers and employees. Furthermore, it aims to develop motivation strategies in order to help business leaders to reduce turnover.

3 Literature Review

3.1 Development of Process Models in order to define Employee Turnover

In today's hospitality industry the term turnover is well discussed, the reasons leading to a high turnover rate are well known and employers try their best to avoid turnover. In addition to this, it is interesting that already in 1958 James G. March and Herbert A. Simon investigated the causes for turnover. They introduced the first process model of employee turnover, which stated that employees leave an organization if the payment is not reasonable, they are not satisfied with the job or if there are many alternatives (March & Simon, 1958, as cited in Niharika & Sharma, 2015). Since this model started to raise interest for analysing turnover, the next mentionable process model was developed in 1977 by William Mobley. Mobley developed the process model called "Intermediate linkage model", which analyses the process of how an unsatisfied employee decides to leave the organization. He analysed the process that occurs from the moment an employee defines that he/she is not satisfied with the current job and the decision to actually leave the company. First, he defined the four stimuli that determined the actual decision to leave an organization, they are defined as: job satisfaction, advantages of other activities inside the business, advantages of other activities outside the business and non work related beliefs (Boswell et al. 2008, 196, as cited in Niharika & Sharma, 2015). After defining the four stimuli he created the process model that define the actual steps an employee goes through during the process of evaluating the pros and cons of leaving an organization. Simplified, the process starts with the evaluation of the current job and the decision making on being dissatisfied with the job, followed by the process of searching for alternative job opportunities and the evaluation of these alternatives and the process ends with the resolution of leaving the business (Niharika & Sharma, 2015). Figure 1 shows the detailed process model created in 1977 by William Mobley.

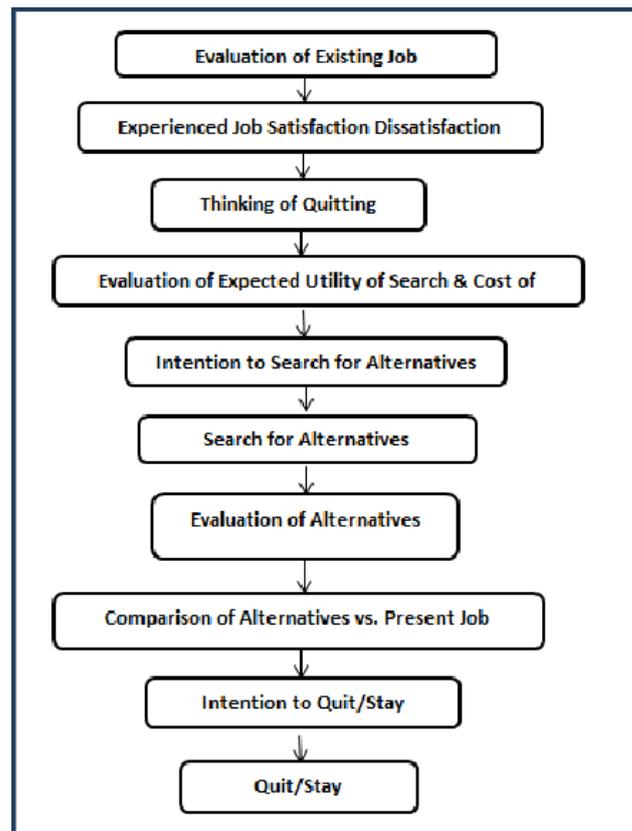


Fig. 1: Mobley Intermediate Linkage Model

Mobley's process model provides a lot of information about an employee's decision-making process regarding the decision to leave the organization, but in today's modern society the model is not fully acceptable due to the fact that it was developed 42 years ago. However, the criticism is reasonable, Mobley's model has a high contribution to present studies that try to understand employee turnover in the hospitality industry.

3.2 Effect of Employee Turnover on Today's Hospitality Industry

In our society, the hospitality industry is one of the most important industries worldwide, it not only satisfies the needs of human being such as, eating and drinking, it also provides many jobs and a positive impact on the gross domestic product of a country. However, the hospitality industry is one of the main contributors to reducing unemployment, many cases show that people working in the hospitality industry have a low income and a bad social acceptance. These examples are just two of the many reasons for a high turnover rate in the hospitality industry (Holston-Okae, 2018). Furthermore, employee turnover negatively contributes to motivation, employee engagement, work environment and job satisfaction (Marshall, Mottier & Lewis, 2016, as cited in Holston-Okae, 2018). Besides the negative impact on the work environment and the individuals working in the organization, turnover contributes in a negative way to the financial performance of the organization. According to the bureau of Labor Statistics, employee turnover in the United States cost more than 25\$ billion in 2014. Turnover leads to higher costs for training and hiring new employees but also the knowledge that an employee is taking with him/her has value to the company. In addition, especially in the hospitality industry, the turnover of a high performance employee leads to decrease of service quality, due to the lack of communication and routines (Wong, Ramalu & Chuah, 2019).

As the negative impact of turnover on the hospitality industry is well known, many researchers have identified the different types of turnover and developed strategies that aim to reduce it.

3.3 Strategies for the Today's Hospitality Sector

Today, organization leaders have the opportunity to select and implement various strategies. The majority of these strategies focus on dysfunctional turnover, this means that the aim of these studies is to avoid turnover that harm the organization. In most cases organizational leaders in the hospitality industry are faced with harmful turnover, however before choosing the best fitting strategy it is required to determine whether the leaving of a certain employee could have a positive impact on the business performance (Wong, Ramalu & Chuah, 2019).

As a result of having many strategies to choose from, it can be complicated to choose the right one. However, the majority focus on the term "turnover intention", which describes a person's behaviour during the process of deciding to leave the organization (Awang, Amir, & Osma, 2013, as cited in Holston-Okae, 2018). By focusing on the development of an employee from the moment he/she starts working for the organization, managers are able to predict and avoid actual turnover. The success of this strategy is mainly based on recruitment, employee engagement and employee retention (Faldetta et al., 2013, as cited in Holston-Okae, 2018). In general, this means that a strategy that focuses on avoiding turnover intention by developing the employees from the beginning is, if executed correctly, successful (Brown, Thomas, & Bosselman, 2015, as cited in Holston-Okae, 2018).

Despite the proven success of employee building strategies, there are many other strategies that rather focus on the leader her/himself and her/his leadership style in order to reduce turnover. One of the most recognized leadership style is called "servant leadership", a leadership style that focuses more on the employees' interest than the leaders interest (Smith, Montagno, & Kuzmenke, 2004, as cited in Wong, Ramalu & Chuah, 2019). This refers to having a people oriented leadership style, the leader wants his followers to achieve career success and professional growth. In addition to this, a major part of servant leadership is the ethical behaviour of the leader, by focusing on morality and a high level of ethics the leader is able to raise the positive work environment in the organization (Wong, Ramalu & Chuah, 2019). Many studies show that if a leader implements a server leadership style, the turnover rate and the intention of employees to leave the organization is reduced (Wong, Ramalu & Chuah, 2019).

3.4 The Importance of Human Resource Management (HRM)

Thomas J. Watson, the founder of IBM once stated “you can get capital and erect buildings, but it takes people to build a business”. The hospitality industry is the major industry that illustrates how important employees are for the success of a business. The hospitality industry is characterized by a high personal contact between employees and customers, this clearly implies how significant motivated and well trained employees are. Motivated and inspired employees will not only contribute in the development of ideas and improvements, they will also be fully involved in the organizational activities and will help to achieve the goals of the business (Plessis et al., 2015). Since many years, researchers developed a big amount of Human resource management best practice strategies. These strategies often focus on different aspects of HRM. The following part of this thesis will explain the most important aspects of HRM and the advantages that each of these aspects provide.

3.4.1 Employee motivation

Motivation is one of the major aspects in human resource management best practice strategies, it describes factors or reasons that make a person behave in a certain way (Bratton & Gold, 2012 as cited in Plessis et al., 2015). Typical drivers that motivate humans are: the need for food and water or in case of an employee it often comes down to the need to earn money. In addition to the drivers it is necessary to consider different factors as well. These factors are different from person to person and can be separated into internal and external factors. Internal factors include personal needs and personal expectations. External factors are for example: the leader of a business, the organization of a business and compensation. In the context of human resource management, motivation is one of the key aspects that improve the overall performance of the organization. Motivated employees are more productive, work with their best effort and finish tasks faster. Furthermore, it is important to mention that staff turnover will be reduced if the employees are motivated (Plessis et al., 2015).

However, each employee can be motivated, the reasons why an employee is motivated are different from employee to employee. This leads to the fact that each human resource manager needs to understand why their employees are motivated and how to increase this motivation. Many researchers claim that HRM managers need to find a connection between the intrinsic and extrinsic motivation factors. Intrinsic

motivation describes the motivation that comes from the inside of an individual (Gerson, 2006 as cited in Plessis et al., 2015). To clarify: a person who has a strong desire to achieve a certain goal in their life, for example: to be promoted to a manager position, has a strong intrinsic motivation. Intrinsic motivation can be classified as a self-generated form of motivation and is not connected to any financial compensation. Extrinsic motivation on the other hand, is a form of motivation that goes hand in hand with the work. Extrinsic motivation goes hand in hand with the payment an employee receives, since payment is for many people the main reason why they come to work. Due to the fact that payment or other financial compensation is often not enough to keep employees motivated in the long run it is important for HRM managers to create a link between financial compensation (extrinsic motivation) and the intrinsic motivation of each employee (Plessis et al., 2015).

Table 1. Types of Motivational Programs, Examples and Linked Theories

Type of Rewards	Programs	Examples	Theories
Intrinsic (Self-satisfaction)	Employee Recognition	Thank you notes, Certificates of appreciation	Reinforcement Theory
	Employee Involvement	Participative management, Quality Circles, Employee Stock ownership	ERG Theory
	Job Redesign & Scheduling	Job sharing, rotation, enlargement, & enrichment, Flextime, Telecommuting	Two-Factor Theory
Extrinsic (Rewards given by others)	Variable Pay	Piece-rate pay plan, Gain sharing & Profit sharing plans, Bonuses	Expectancy Theory
	Skill-Based Pay	Skill, competence, knowledge based pay	ERG Theory
	Flexible Benefits	Modular plans, Core-plus plans, Flexible spending plans	Expectancy Theory

Robbins, S. P. (2005; p. 164).

Table 1 is based on the studies of Robbins (2005), the aim of this study was to show leaders of organizations to choose the right motivation program and how to find a link between intrinsic and extrinsic motivational factors (Rewards). The first column of the table shows the two different kinds of rewards: intrinsic and extrinsic rewards. The second column identifies programs that goes hand in hand with the concept of the different rewards. The third column provides examples for each of the program and the last column list relevant theories (Kim, 2006).

Since intrinsic rewards can also be explained as a positive self-actualization, these rewards mainly focus on the personal development of the employees. The first program suggest that an employees' positive behaviour needs to be recognized. This act of recognition can be done my leaving a thank you note on the desk of the employee or a simple saying, such as "job well done" will give the employee a feeling

of being recognized. This feeling of being important for the organization will lead into a more motivated and satisfied employee. The second program is called “employee involvement”, employee involvement programs aim to increase the employees’ participation in the organization’s success and the decision-making of the organization. In order to show employees that they are part of the organization leaders should aim to include most/all of their employees in the management decision making process, create circles of less than ten employees who discuss quality programs on a regular basis and should give employees the opportunity to own stocks of the organization. Employee involvement strategies are highly effective due to fact that these activities create a strong bond between the employees and the organization. The last program focuses on recreating jobs in order to provide employees a big variety of tasks. This includes job rotation, job enrichment and job enlargement. Furthermore, employers should give their employees the option to do their work from home, give them freedom in their time they want to spend at work and give them the opportunity to share one task between two employees (Tanachart, 2010).

Extrinsic rewards focus on rewards that are provides by other individuals, for example the manager of the business. The first program provides different ways of compensation and how the performance of an employee can be measured. Piece rate plan provides payment connected to the number of units produced and gain sharing means to distribute the companies profit between the employees. The second program focuses on the development of payment plans that are based on the skill an employee has and how many tasks he/she can fulfil. The last program suggests to provide to each employee individual benefit packages (Robbins, 2004, pp. 165-187 as cited in Kim, 2006).

Besides the programs and the examples, Robbins also provides the connection of each program to different theories.

The first theory mentioned is called “Reinforcement theory”, this theory is based on the assumption that behaviour that is positively reinforced tend to be repeated. The aim of this theory is to reinforce positive employee behaviour through approval, this leads to a high repetition of this positive behaviour (Kim, 2006).

The second theory called “ERG theory” is based on employee satisfaction. Employees are always seeking to fulfil their needs, existence needs are fulfilled by water, food and payment, relatedness needs are fulfilled by the relationship to co-workers or family and growth needs are fulfilled by finishing tasks that lead to personal development. This

theory states, that if an individual is not able to satisfy the need of personal growth he/she will go back to the basic existence needs which leads to a reduction of work performance. In order to avoid negative work performance, employees need to provide tasks that aim to give each employee the opportunity for personal growth (Tanachart, 2010).

The third theory is Fredrick Herzberg's "Two-Factor theory", this theory explains the two factors of a job, the first factor is based on job satisfaction that is provided by recognition, responsibility and achievement. The second factor goes hand in hand with the company policies, salary and working condition. Usually, employees' expectations are negative towards the second factor, since managers try to avoid these negative feelings they often provide more flexibility to the employees (Tanachart, 2010).

The last theory called "Expectancy theory" is based on the individual's expectations on their capability to perform certain tasks. This theory suggests that the reward an employee receives needs to be connected to the perceived individuals' expectation. To be more precise: if an employee thinks that he/she performed a task well and thinks that this will lead to a certain reward, he/she should receive a reward that is appropriate to the level of performance (Kim, 2006).

3.4.2 Applying training as a motivation increase

Training employees is considered to be one of the main factors that increase motivation throughout the organization. Training can be defined as: physical, mental and social development of a human being, in the context of HRM it refers to the actions that improve future performance and the capability to work more efficient of every employee in the business. Training not only provides more motivation, it also provides the big advantage of building more prepared and more effective employees. Trained employees have better decision-making and problem-solving capabilities. In addition to this, it shows every employee that they are respected and valid for the organization. This feeling of being important for the business leads to a reduction of turnover and employees tend to work longer with the organization. However, human research managers should focus on the individual's development of the employees that is addressed towards work, it is also necessary to work on the personal development. Addressing the personal development will lead to a higher level of loyalty (Ozkeser, 2019). Typical training activities are: language trainings, new technology instructions, high quality service trainings, IT courses, trainings that focus on disarming an angry customer, food and drink trainings, etc. Even though, there are many different kinds of trainings available, every leader of a business needs to identify the ones that works best for her/his employees. Obviously, training employees gives them the feeling of being significant for the success of a business, this will lead to a higher level of motivation and a better overall performance.

3.4.3 Employee satisfaction

Employee satisfaction plays a significant role in the success of a hospitality business. Since employees are confronted with a high personal contact to the costumers, the leader of a business is depended on the performance of her/his employees. Researchers not only discovered a link between employee satisfaction and the overall performance of the organization but also a connection between employee satisfaction and the costumers' perception of service quality (Hartline and Keith, 1996 as cited in Nadiri, 2010). Furthermore, it is expected that satisfied employees will lead to positive costumer confidence, better word-of-mouth, higher costumer loyalty and a lower turnover rate (Nadiri, 2010). On the one hand, job satisfaction occurs when employees feel that they achieve something and that their work is recognized and valued. On the other hand, job dissatisfaction can occur if employees are dissatisfied with the compensation, if there are only few interactions with the top management or if they feel that their work is influenced by a lot of pressure and demand (Plessis et al., 2015). Due to a higher level of creativity, innovation and loyalty, satisfied employees will have a positive impact on the organizations' performance and the work atmosphere. In order to obtain satisfied employees, there are different factors that need to be addressed.

The first factor is called "employee participation", employee participation is defined as a process in which information and decision making is shared among employees with different working positions. For example, an organization that provides a high level of employee participation usually includes a big amount of employees in their decision making process, information processing and problem solving process (Wager, 1994 as cited in Khalid Bhatti, 2007). Coch and French (1949) discovered a direct connection between the level of involvement of an employee in the decision making process and the increased level of job satisfaction and performance. Furthermore, they discovered that managers need to focus on the employees' input and their goals. By developing the goals of a business, the mission statement and policies together with the employees, managers are able to increase the loyalty of the employees and the overall communication throughout the business will increase as well (Khalid Bhatti, 2007).

The second factor is the reward system of the organization. Researchers defined a connection between job satisfaction and the reward schemes such as: payment, bonuses, promotions and other benefits. Usually, job satisfaction increases if the

employee feel that the payment they receive is reasonable and that every employee has the same opportunities for promotions.

The third factor are the work tasks themselves. On the one hand a high level of flexibility, discretion and autonomy will contribute positively to job satisfaction. On the other hand, unclear job understanding and tight guidelines will contribute to job dissatisfaction.

The fourth factor that has a high impact on job satisfaction is the behaviour of the supervisor. Employees feel satisfied if their supervisor/manager is friendly, treat them with respects, listen to their opinions, give advice and have interest in their wellbeing.

The last factor are the overall working conditions. A clean workplace, safety, lighting, level of noise, equipment, heating and air conditioning need to be addressed as well in order to achieve employee satisfaction (Plessis et al., 2015).

To sum everything up, job/employee satisfaction can be derived from employee participation, job flexibility, possibilities for personal growth, clear understand of work tasks, good compensation, performance recognition, working conditions, supervision and a close relationship with the manager.

3.4.4 Evaluation of existing HRM models and providing a best practice example for SMEs

The tourism and hospitality sector has always been a labour intensive industry sector. This sector requires a high skilled workforce and employees who are willing to grow with the business. However, due to the long working hours, hard work and low payment, the industry is facing since the 1980's a labour shortage (Baum, 2006 as cited in Rok & Mulej, 2014). In addition to this, certain destinations are faced with seasonality and different levels of demand, this leads to the employment of mainly students. In most of the cases, students leave the business after they graduate which leads to a higher turnover rate (Rok & Mulej, 2014). However, big hotels with a big amount of capital available recognized the importance of HRM practices and have already implemented them in their portfolio, small to medium sized businesses have not yet implemented such strategies. The reasons for this situation might be the fact that many of these strategies go hand in hand with a lot of investment and a long preparation time. The upcoming part of this paper focuses on evaluating different human resource models/policies in order to help understanding them and to clarify the possibility to adapt them for the use in small to medium sized hospitality businesses. In order to understand HRM models it is important to clarify the three theoretical approaches of human resource management.

The first approach claims that there is only "one best way" to manage employees. It can also be identified as the "best practice approach". This approach presumes that there are best practices that will always will lead to better performance, but the organization first needs to identify the practices that will work for the organization.

The second approach is called "fit approach", this approach focuses on employment policies that are aligned with the business strategy. This means that there are different human resource strategies suited for different types of business strategies.

The last approach focuses on the resources of the business, it claims that non of the approaches above are sufficient. It is suggested that each business treats their employees as unique parts of the business and that the human research strategy applied for the employees must also be considered as unique.

In addition to this, it is necessary to mention that there are "hard" and "soft" human research approaches available. Hard approaches perceive that employees are resources and that they should be treated like resources. This means that hard HRM

models only focus on wage management and that employees should be managed as cheap as possible (Rok & Mulej, 2014).

Soft approaches are more human driven, this means that employees are seen as assets and treated like a central part of the business. This approach is characterized by a high level of flexibility, communication, motivation and employee satisfaction (Page & Connell, 2009 as cited in Rok & Mulej, 2014).

Due to the fact that the hospitality industry is a high labour intense industry and that the success of most of the businesses is only guaranteed by hard working employees, this paper suggest that only soft HRM approaches should be applied.

The first HRM model is called “The Harvard HRM model”, this model treats employees as significant stakeholders and focus on the relationship between the external factors and internal factors an employee faces. It aims to create a long term relationship between the employees and the organization and focus on increasing the social well-being of each employee. This includes the participation of each employee in the decision making process and the focus on personal growth of the employees (Brunetto et al., 2011).

The second model is called “Management and Human Resource Based Model”, this model is significant due to its focus on the relationship between the employees and the goals of the business. It suggests that a creation of a long term relationship can be fulfilled by providing a clear communication of the companies goals and the enclosure of each employee (Rok & Mulej, 2014).

The last strategy called “Contextual and Dynamic Framework for HRM” is highly based on corporate social responsibility. This can be explained as a model that focuses on the bigger picture, it not only focuses on the business itself but also on the environmental aspects that are part of leading an organization. This means that this model includes factors such as: global environment (being local, society and having a national influence), organizational environment (business strategy and leadership) and the outcomes for the owners, employees, investors and customers (Brunetto et al., 2011). The inclusion of those aspect can be classified as really important, especially for organizations that main source of revenue are tourists that come from all over the world.

These three models include the aspects that summarize the most important factors a good human research strategy should be based on. However, they are explained in a

rather general way and do not provide any examples, the upcoming part will provide a human research model/strategy that is based on the literature information acquired and that can be applied in small to medium sized businesses.

Create a Human Resource Plan

The first part of this model is the creation of a human resource plan. In detail, this means that the leader of the organization has to identify the layout and the goals of the HR strategy. For example: the operator of a small to medium sized restaurant identifies the number of employees needed, retirement plans, how over time is regulated, does she/he needs temporary worker or can a certain workforce be outsourced, etc. Furthermore, the leader needs to be aware that the countries' law, of the location of the restaurant, need to be considered and that all the decisions made must be legal.

Employee Recruitment and Selection

The second part of the strategy focuses on the way how employees are recruited and selected. The leader needs to define the most important characteristics of her/his employees in order to employ the best fitting ones. For example, employees that work in the hospitality sector need to be friendly, need to have a good command of the languages that are important in the operating country, they need to have advanced calculation skills, etc. Furthermore, it is highly recommended to identify the best ways of addressing working positions that need to be filled. In today's society the use of online based recruitment programs is necessary, if the leader wants to work with students, there is the option to use webpages that directly address students.

Education and Training

The next major part of the model focuses on the training and education of the employees. The upper part of this paper already addressed the many advantaged trainings provide. The employees will learn more advanced skills and the relationship to the organization will be enhanced as well. A small to medium sized business has the option to do trainings that are not connected to a big amount of costs. For example: a simple way to train employees is by asking a more experienced employee to share her/his skills/knowledge with the less experienced employees. Examples are: service trainings, language trainings and trainings that focus on the attitude towards the

customers. In addition to this, it is necessary to mention that those trainings can also be done by the leader of the organization, this will increase the trust and respect towards the leader of the business.

Reward Management

Reward management addresses the level of compensation the employees receive. In order to keep employees satisfied with the compensation, leaders need to implement a reward program. This includes bonuses such as coupons, promotions and good overtime pay. To clarify: employees will be more motivated and satisfied if they receive each year a bonus that is connected with the success of the business or a payment raise every two years will additionally increase the employees' loyalty. Furthermore, coupons for grocery stores can be handed out to the employees after they performed exceptional work. However, financial compensation plays a significant role when it comes to satisfied employees, leaders should also consider the implication of a more family friendly working schedule for employees who have a family or showing a high level of flexibility when it comes to schedule changes.

Motivation

Leaders of a hospitality organization need to keep their employees motivated. This can be done by many different ways, in my personal opinion, a combination of certain practices will help to keep employees motivated. The first aspect are rewards and payment, it is important to include the payment strategy in the motivation part of this model due to the fact that for most of the employees in hospitality sector, payment is the most important motivation factor. The second aspect are trainings and job enrichment, as mentioned above there are simple ways on how to train employees and keep them motivated. Job enrichment can be done by including more tasks into the daily work of the employees, for example: giving the waiters the option to work behind the bar or giving them more responsibility (being part of the work schedule planning, give them the power to control the supply orders, etc.). The last major part focuses on the appreciation of every employee, this can be fulfilled by simple "thank you" notes or a simple wording such as: "good job". In addition, it is highly recommended to do performance appraisal with each employee in order to communicate the progress each employee goes through while working for the business. Furthermore, it is necessary to include all employees in the decision making process, to communicate the goals of the

business and show them clearly that they are an important part that contributes to the success of the business.

Overall Working Environment

The work environment is another very importance aspect of the model. This includes the attitude of the leader, for example is it necessary that the leader follows a servant leadership style, that she/he is working with a high level of morale, the leader should be open minded, peaceful, friendly, responsive and should hire people different from their age, gender, origin. Furthermore, it is important to provide certain advantages to the employee such as: a free meal during each working day, changing rooms, toilets, etc.

4 Methodology

The research of this paper focused on defining and evaluating reasons for turnover in the hospitality industry. Furthermore, the thoughts and beliefs of employees on the subject “employee motivation” were collected and analysed. Due to the broadness of this topic, the author of this paper focused on small to medium sized businesses (SMD). Since, the author of this paper is employed in a SMD located in Grinzing, Vienna, the majority of the evaluated objects will have a similar setting.

The aim of this paper is to help leaders of small to medium sized hospitality organizations to understand their employee’s beliefs on leaving the organization and employee motivation better. In addition, this paper wants to give leaders the information needed regarding the choice and implementation of the most appropriate motivation strategy.

4.1 Methodological approach

This paper used a mix of quantitative and qualitative research methods. Most of the SMDs in Vienna have the same business structure, such as: one leader is responsible for the back of the house duties for example: payroll, defining the amount of employees needed for one shift and setting up the staff roster, the other employees are responsible for the operational part of the business, this includes: cooking, service and cleaning. This structure divides the participants of this study into two groups: the leader and the employees. These two groups have different responsibilities in the organization and different beliefs and ideas concerning the topics addressed in this paper. This requires the use of different research methods for each of the groups in order to gather as much information as possible.

4.2 Quantitative method

The quantitative method was used to gain insides in the employee group, more precisely, in the group that works in the operating part of the business. Since the majority of people working in a business belong to this group a quantitative method is required. This method allows to gain a big amount of information from a big group of people. The fact that the author of this paper is employed in a SMD located in Vienna will help convince individuals to participate in the study.

In the case of this paper an online survey was filled out containing questions that are answered on a Likert scale, multiple choice questions and open ended questions. The fact that an online survey can be send to the target group directly is a big advantage. Furthermore, the purpose of a Likert scale is to gain better inside in the satisfaction of the employees and their beliefs on motivation strategies. The multiple choice questions were used to gain general information about the employees, for example, age, gender and origin. However, this general information is needed to classify the information collected, it may rise some ethical questions. In order to avoid such inconveniences, each participant was informed about their privacy, the purpose of the study, the significance of the study and the save use of the data. Since the literature suggests that motivation and employee satisfaction are the main aspects of a successful HRM practice, the questionnaire will focus on collecting detailed information on the employees' opinion of these two aspects. Furthermore, the survey will ask the participants to share their thoughts on additional rewards and the working atmosphere. In the last part of the survey, participants were asked to share more detailed information by answering open ended questions.

4.3 Qualitative method:

The second group of the participants of this study are the leaders of the organizations. Since the number of leaders compared to employees is a lot smaller, a qualitative method will be used. Since the focus of this method is to gain insides in the belief of the leaders of SMD in the hospitality industry and to compare these beliefs with the opinion of the employees, only one leader was necessary to be interviewed.

Since the literature mention different HRM practices and their importance for the success of the business, the interviewee will be asked about the practices she/he executes in order to motivate the employees. In addition to this, the interview will be asked about her/his personal opinion on the feasibility of a human research best practice strategy.

The author conducted one interview in order to collect detailed information. The interview took place in the SMD, lasted for about 30 minutes and contained 10 questions. The interview was conducted as a structured interview. This allows a better comparison between the leaders' answers and the interviewer was able to gather more information in a shorter time. In order to evaluate the interview at a later time, the interview was recorded with the recording application of an Iphone 6.

4.4 Analysis quantitative method

The closed ended questions from the survey, in particular the multiple choice questions and Likert scale questions were first divided into groups in order to get a better understanding of the different groups (age, gender, origin). Secondly, the information that can not be used was separated. Finally, the connections between the variables were identified and analysed. The analysis of the open ended questions of the survey is addressed in the next paragraph.

4.5 Analysis qualitative method

Since the interview and the open ended question of the survey contain much detailed information about the beliefs and feelings of the employees and the leaders, they must be handled carefully. First, the unusable information was separated. Next, the author of this paper conducted a content analysis of this information. This means that the content was classified into different topics such as: job satisfaction, motivation, etc. Furthermore, this information was compared with the other information available. This approach helped to evaluate detailed information better and allowed a comparison between the opinion of the employees and the opinion of the manager.

5 Expected Results

The aim of this study is the identification of reasons that lead employees to leave. In addition, motivation strategies will be evaluated in order to help leaders with the implication of the best fitting strategy. The main purpose of the quantitative method is to collect as much information about the employees and their relationship to the business as possible. The qualitative approach will help to collect detailed information about the leader and his opinion of motivation and the negative impact of turnover on the business performance. Since the author of this study is currently employed in a SMD hospitably business it was possible to already collect some reasons for leaving the organization from the employees. The following conceptual framework shows the relationship between these reasons and actual turnover (Fig 2).

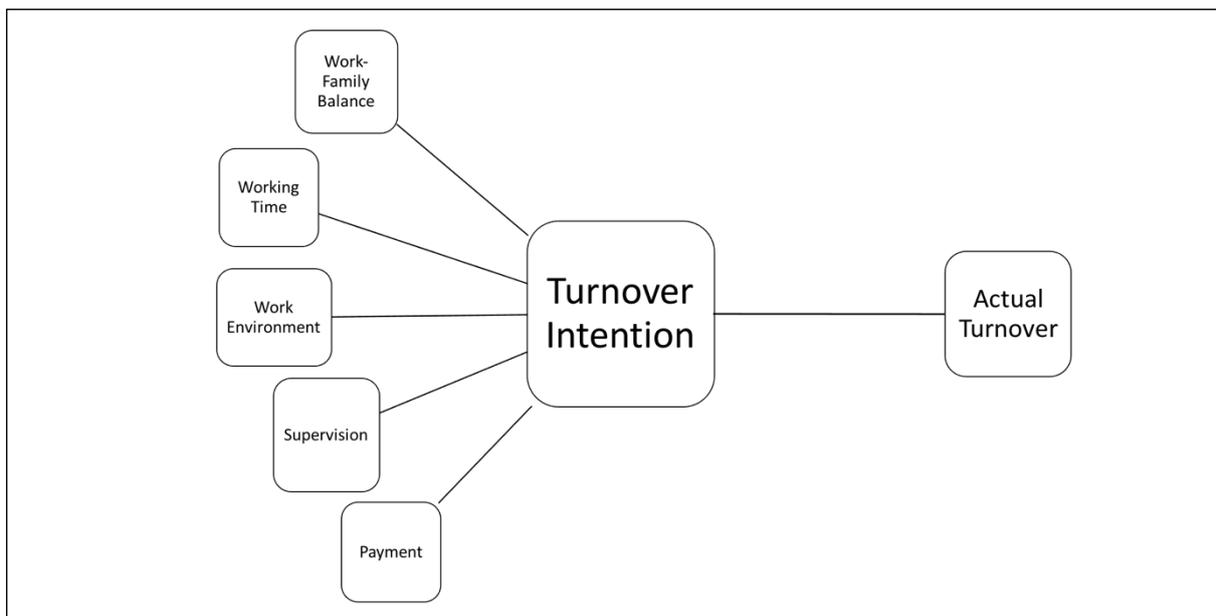


Fig 2. Relationship between turnover stressors and actual turnover

Due to the fact that our today's society offers many opportunities to spend leisure time, the work life balance is highly important to every employee. People tend to travel more, focus on having a family and do a lot of sports. These activities have a high value in our society, for most individuals they even have a higher value than work. But people working in the hospitality industry often do not have enough time to enjoy their leisure time. The main reason for this inconvenience are the long working hours. As a result, many employees leave the hospitality industry in order to find a job that satisfies the want of being at work at normal times.

These reasons are named “external reasons”, explained as reasons that focus on the employees’ life besides the job. Internal reasons on the other hand are directly related to the work, for example a bad work environment or a bad relationship to a supervisor. In order to minimise turnover resulting from internal reasons, leader should implement a servant leadership style.

Payment can be both, an internal or external reasons for leaving the company. For example, the salary may not be high enough because a person has two children or the leader pays less than he should.

The qualitative method (interview) of this study will gather more detailed information about the leaders’ opinions. Possible information could be: the opinion on motivation strategies and if he already implemented one, the opinion on training and if he believes that it can contribute to the reduction of turnover and how turnover negatively influences the organization business.

Obviously, these results are just possible outcomes, assumed by the author to be plausible. The actual outcomes will be published after the study is conducted.

6 Results

6.1 Quantitative Research (Online Questionnaire)

The quantitative research was conducted by asking people who are working/have worked in the hospitality industry to participate in this study. The online survey tool “Google Formular” was used to design the questionnaire, furthermore the same tool was used to collect and analyse the answers. The survey contained 38 questions, the questions were separated into three different parts. The first part focused on the personal information of the participants, this included questions such as: “Are you male or female?”, “How old are you?” and “What is your origin?”. In addition to this, the first part of the survey focused on identifying the working experience and if and how many years of experience each participant has.

The second part of the questionnaire focused on the personal feelings of each participant towards the current workplace. The included questions asked about the level of happiness each participant has towards the workplace, the working times, the position she/he is working in, motivation and the leader of the organization.

The last part of the survey aimed to collect information about the business each participant is working in. This means that the participants were asked about the leader of the organization and her/his motivation practices, if the leader provides trainings for the employees and their thoughts about leaving the organization.

Due the big amount of information that was collected by conducting the survey, the author of this paper divided the collected information in different categories. These categories helped to analyse the information in a more detailed way and help the reader to understand the information easier. The categories are: Personal information of the participants, working experience of the participants, personal feelings about the workplace, personal opinion about the leader of the organization, thoughts on leaving the organization.

6.1.1 Personal information of the participants

Out of the 26 answers received, 13 of the participants were female and 13 male. 80,8% of the participants were aged between 20 and 30 years, 7,7% between 31 and 40, one

participant was between 41-50 years old and also one person was over 60 years old (Fig. 3).

How old are you?

26 Antworten

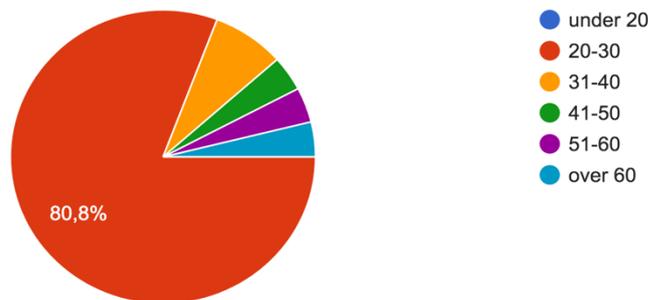


Fig. 3: Age of the participants

10 out of the 26 participants were born in Austria, the other 16 participants had different international origins, such as Greece, Hungary, Korea, Romania and Slovakia. However, for the purpose of the study, the assumption was made that the participants are currently living and working in Austria. 50% of the participants indicate the “Matura” – Graduation of a higher general secondary school, as their highest level of education. 30,8% had a bachelor degree and 7,7% had a PhD. This implies that many of the people working in the hospitality industry have completed school and a higher educational degree. This summarizes the hospitality industry in Austria as such: the industry has an equal part of female and male employees, the age varies from 20 years to over 60 years and humans, despite their origin and education level, are welcomed to work in the industry.

6.1.2 Working experience of the participants

The next part focused on the employment situation of the participants. On the one side, 23,1% of the participants were employed as full time employees, on the other hand, 26,9% of the participants were currently unemployed. In addition to this, 46,2% indicate that there are part time employees (Fig. 4). This leads to the assumption that most of the people working in the hospitality industry consider their job as a side job, next to their studies for example. However, the fact that the number of employees who are currently unemployed is higher than the number of employees who are working full time should be addressed in the future.

What is your employment status (Before the Covid - 19 crisis)
26 Antworten

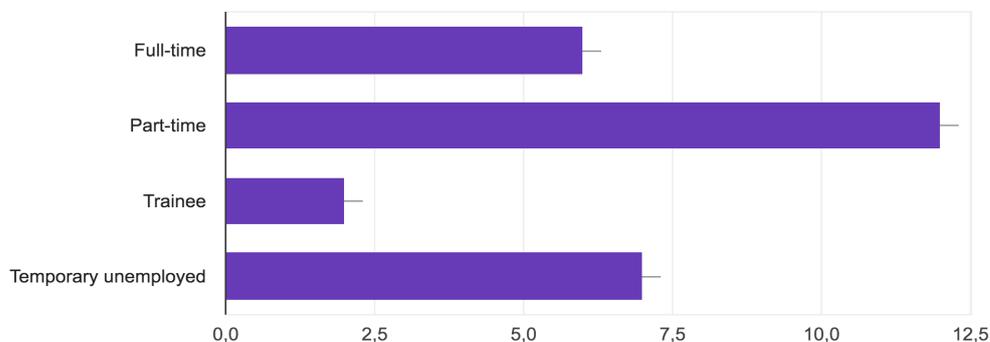


Fig. 4: Employment Status of the Participants

28% of the participants have worked in the hospitality industry for less than one year. 20% have worked in industry for one to two years and 28% for two to five years. Two of the participants have worked in the hospitality industry for 6 to 10 years and one person has worked more than 30 years in the industry. 61,5% have worked in only one to two hospitality businesses and 15,4% in three to five businesses. Figure 5 illustrates the working places of the participants.

Where do you work?

26 Antworten

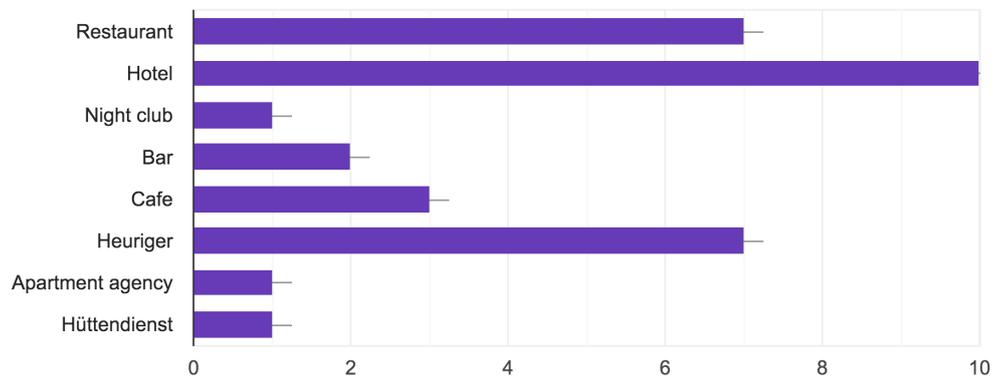


Fig. 5: Working Places of the Participants

After analysing the typical time frame the participants spend at work, it was clear that the hospitality industry operates the whole day. One participant usually works from 6:00 in the morning until 15:30 and one participant works from 23:00 at night until 7:00 in the morning. However, the time frame most hospitality businesses operate is between 11:00 am and 23.00 pm. Most of the people asked to take part in the survey work as waiters (53,8%), followed by kitchen workers (26,9%) and barkeepers (19,2%). 50% of the participants are less than one years in their current business employed and 23,1% are between one and two years employed. On the one hand, this implies that for many people the job in the hospitality is their first working experience, on the other hand, it also supports the assumption that the turnover rate in the hospitality industry is high. The last question of this part focused on the working position of each participant. 46,2% of the participants indicate that they are working as an employee and 23,1% are working as a trainee or entry.

6.1.3 Personal feeling of the participants towards the workplace

This part of the questionnaire focused on identifying the personal feelings and opinions of the participants towards the workplace. For this part a likert scale question format was used. This format helps to identify the level of feeling each participant has. To be more precise: the questionnaire provided likert scales that focused on the level of happiness. The participants were able to indicate their level of happiness by choosing one of the following options: “Very Happy”, “Happy”, “Neutral”, “Unhappy”, “Very Unhappy”.

The first question asked the participants about their happiness towards the workplace. 38,5% of the participants indicated that they are happy, 26,9% said that they are very happy and 23,1% felt neutral towards the workplace. Only 11,5% indicated that they are very unhappy with the workplace. In general, this leads to the assumption that most of the participants have a positive feeling about their workplace (Fig. 6).

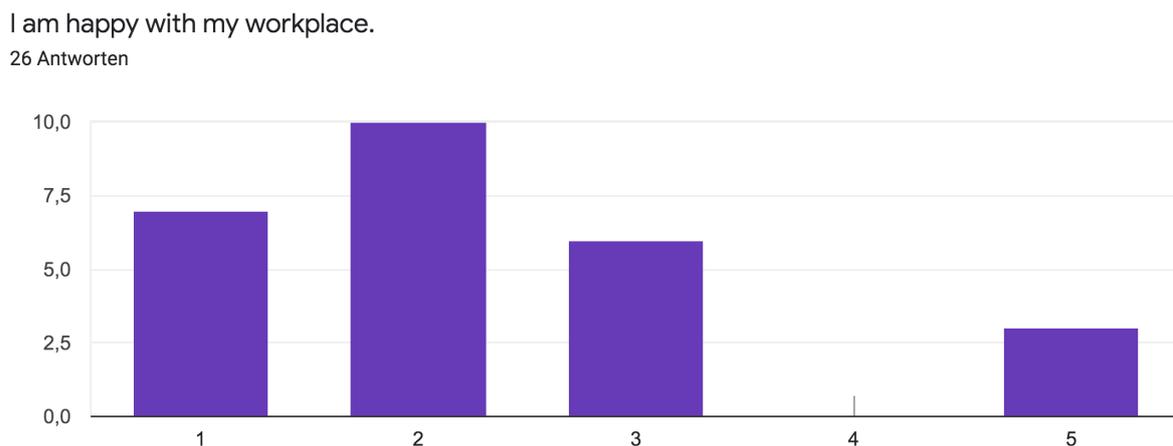


Fig. 6: Level of Happiness

This goes hand in hand with the fact that 38,5% of the participants point out that they are very happy with the position they are working in. Only four of the 26 participants very unhappy or very unhappy with their position. It was interesting to see that 53,8% of the participants suggested that their usual working time is family–unfriendly. However, only four participants indicated that they unhappy or very unhappy with the working times. 34,6% felt neutral about their working time, 26,9% are happy with the working time and 19,2% very happy. This supports the theory that most of the participants who contributed in this survey are rather younger people and tend to

picture their work in the hospitality industry as a side job. Students usually do not have a family and are fine with working times that people with a family would describe as family-unfriendly.

In general, (38,5% “motivated” and 34,6% “very motivated”) the participants are motivated for their work. Only 3.8% suggested that they are not motivated. Usually, hospitality business leaders try to motivate their employees more due to the fact that motivated employees tend to increase the success of the business. In this case, it is interesting to see that most of the employees are already highly motivated to do their work (Fig. 7).

I am motivated for work.

26 Antworten

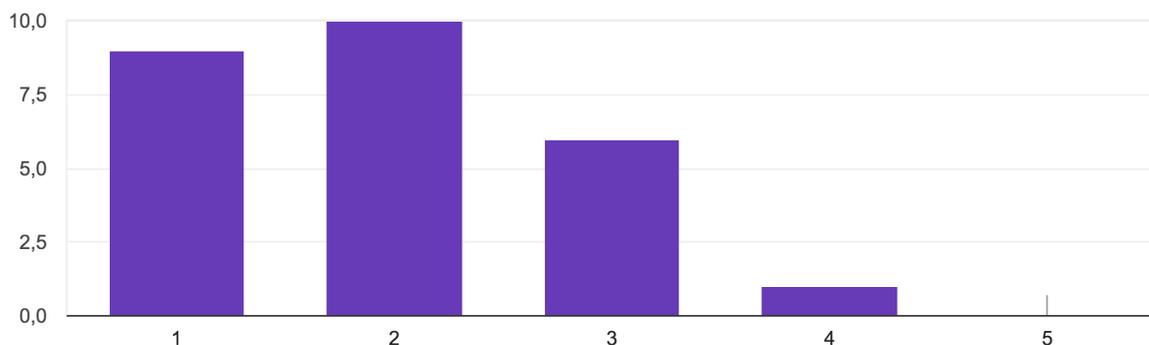


Fig. 7: Level of Motivation

Even though 42,3% of the participants said that they are very proud of working for the business, only 23,1% indicated that they see their job as a job that is highly respected in our society. This leads to the thought that most of the participants enjoy their job and try to give their best but wish that their work is more respected from the people they serve.

6.1.4 Personal opinion of the participants towards the leader of the organization

The major part of the participants was happy with the leader of the organization (30,8% “very happy”, 26,9% “happy”) (Fig. 8) and feel respected at their workplace (42,3% “respected”, 30,8% “very respected”).

I am happy with the leader (manager) of the organization.
26 Antworten

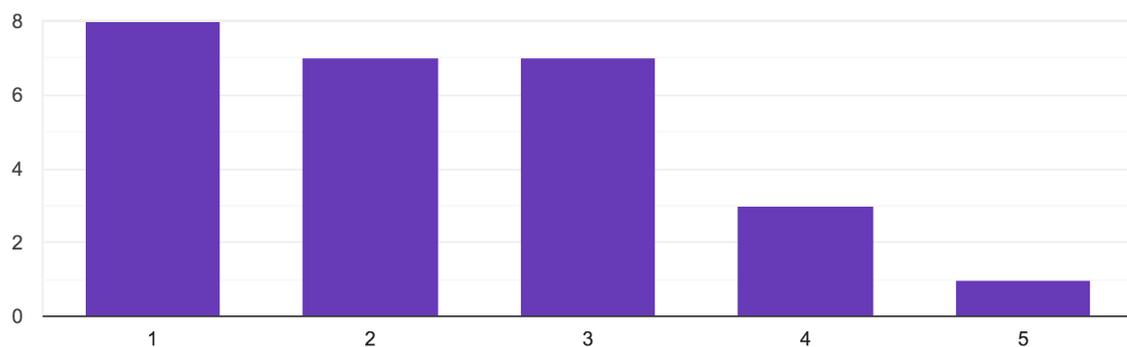


Fig. 8: Level of Happiness towards the leader

In addition to this, 42,3% see themselves as a major part that contributes to the success of the business and 46,2% of the participants said that the leader of the organization gives them the feeling of being important for the business. Furthermore, it is interesting to see that 30,8% are very proud and 29,9% are proud of working for the leader of the business. Only four of the participants indicated that they are not proud and really not proud of working for the leader. This goes hand in hand with the fact that 52% said that the business has a very good working atmosphere. Only four percent of the participants were not happy with the working atmosphere. 76,9% of the participants suggested that the leader of the business raises a lot of enthusiasm (Fig. 9), 83,3% said that the leader motivates them to do their job as good as possible and 69,2% indicated that the leader focuses on the personal growth of the employees.

The leader of the business raises a lot enthusiasm

26 Antworten

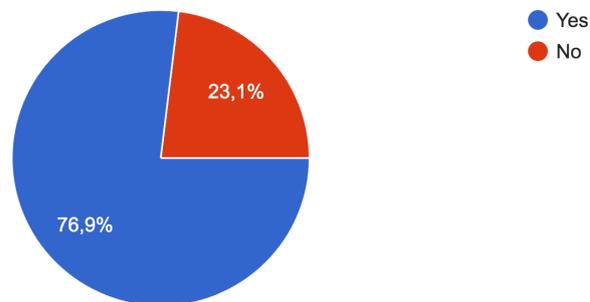


Fig. 9: Level of Leader Enthusiasm

Even though, the major part of the participants is happy with the leader of the organization and appreciate the leaders' support, only 38,5% of the participants receive training. Six out of the 26 participants gave examples of the trainings they receive: Table manner training, Service training, Postgraduate training and property management training. The literature review of this paper suggests that training is a major part that contributes positively to the motivation of the employees. However, the participants of this paper who are working in the hospitality industry indicated that they are motivated for their work but without receiving training. This leads to the assumption that the other factors that motivate employees might be more important.

6.1.5 Personal Opinion on Leaving the Organization and the Hospitality Industry

72% of the participants indicated that they do not want to work in the business, they are currently employed in, until they retire. Furthermore, 68% said that they do not want to work in the hospitality industry until they retire (Fig. 10).

I would like to work in the hospitality industry until I retire
25 Antworten

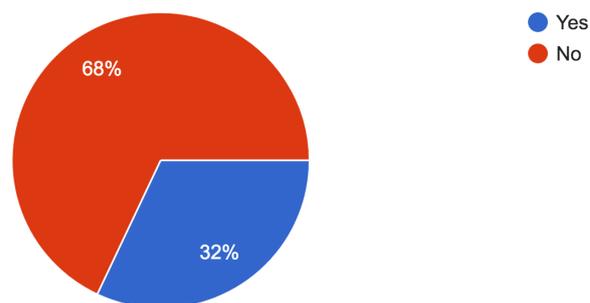


Fig. 10: Opinion of the participants on retiring while working in the hospitality industry

This again supports the theory that most of the participants in this study describe their job in the hospitality industry as their side job. This theory is also supported by the fact that the majority of the participants (16 out of 26) think about leaving the organization. Due to the fact that students are usually not planning to keep the job that they see as a side job, rather work in the industry they are studying in, makes it plausible that the majority of the participants think about leaving the organization. Furthermore, the participants indicated their reasons for leaving the organization which is shown by Figure 11.

If you ever thought about leaving the business, was one or more of the reasons listed below part of your thoughts?

25 Antworten

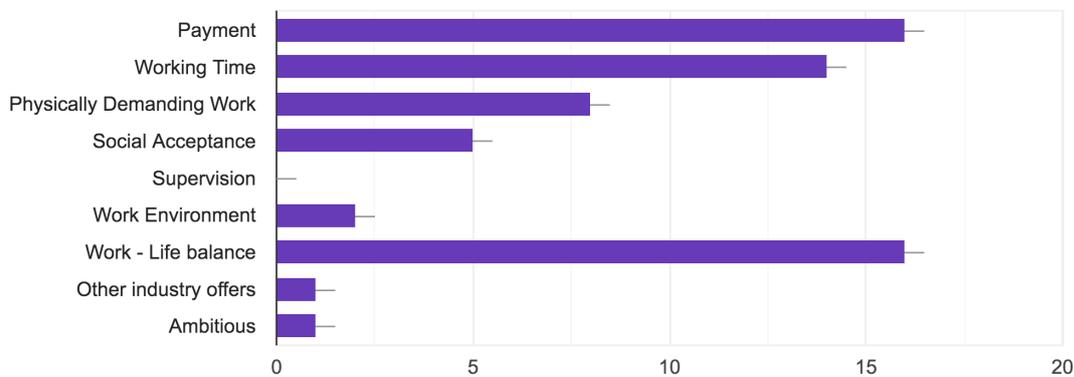


Fig. 11: Reasons for leaving the business

In addition to this, 80,8% indicated that the payment they receive is not enough to fulfil their dreams. However, most of the participants indicated that the payment is not enough, the majority of the participants receive a different way of compensation. They receive coupons, bonuses and insurance. 84,5% of the participants suggested that the additional compensation they receive, helps them to feel more valued. It seems, that in most of the cases the employees receive a low or minimum wage payment but leaders try to compensate this low payment with other forms of compensations such as coupons and bonuses (Fig. 12).

Do you receive other compensation except the payment?

22 Antworten

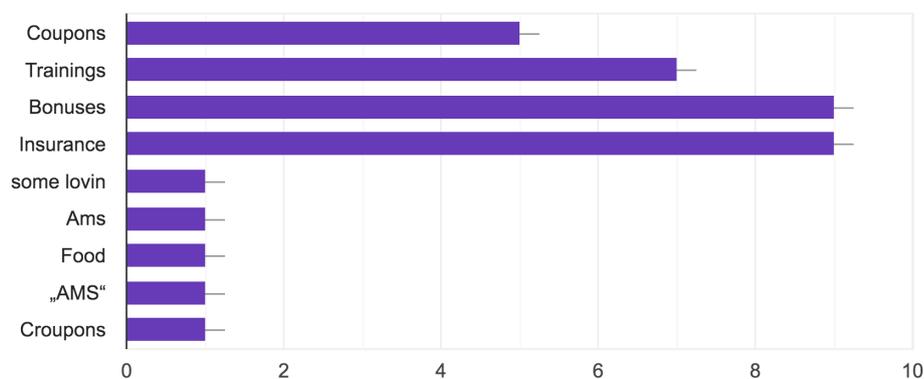


Fig. 12: Ways of compensation

To sum everything up, the questionnaire showed that the hospitality industry in Austria has equal parts women and men employed, the majority of them are aged between 20 and 30 years, they have different international origins and most of them describe their job in the hospitality industry as a side job. The majority has worked in one or two hospitality businesses before but just for short time period, the typical work places are hotels, restaurants and bars and the majority of the participants work between 11:00 am and 23.00 pm. The participants are happy with the workplace and the position they are working in, they suggest that the working times are family-unfriendly but for the majority of the participants this is not an issue. In addition, they feel motivated for work and respected by the leader of the organization, however, they wish for more respect from our society. In general, they are happy with the leader of the organization and are proud of working for her/him. The leaders try to motivate them and to value them as a significant part of the business. Even though, the majority of the participants is happy with the leader only a few receive training as a form of compensation. Other compensation that is received are bonuses, coupons and insurance. Even though, it seems that most of the participants are happy with the job they are working in, due to the low payment, only a few are planning to retire while working in the hospitality industry.

6.2 Qualitative Research (Interview)

The qualitative research of this paper focused on collecting and evaluating detailed information about the leader's perspective. The leaders of the hospitality businesses play a significant role in the well being of the employees. Due to the analysis of the online survey, the author of this paper was able to collect information about the employee's perspective on turnover, motivation and their opinion on motivation strategies. The execution of the interview aimed to collect information about the leader view on motivation strategies, turnover and the well being of the employees.

The interview was conducted on the 13th of Mai in Grinzing/Vienna with Siegfried Dörre, the leader/manager of the restaurant "Zum Berger". The restaurant is classified as a small to medium hospitality business and serves traditional Austrian dished. The following paragraph summarizes the significant information that was collected during the interview.

6.2.1 Information about the interviewee and his business

Siegfried Dörre is 52 years old and born in Austria. He started working in Switzerland as a chef, was responsible for a restaurant that was part of a tennis club, he managed different hospitality businesses such as the “Café Schottenring”, he managed a hotel as well and he was responsible for the F&B at different kindergartens. In addition to this, he worked as a consultant for hospitality businesses as well. This summarizes his 36 years of experience in the hospitality industry.

Currently, he employs eight people, two are working in the kitchen and six are working as waiters. Mister Dörre is responsible for all the back of the house tasks such as: payroll, insurance, working schedule, etc. Due to the fact that his restaurant is only open from Thursday until Sunday, all his employees are employed part time. Most of them are students that work 10-15 hours per week. He mentioned that a big amount of knowledge is not necessary if a person would like to work in his business, he rather focuses on characteristics such as: a high level of sympathy, being children and dog friendly and having a strong stress resistance. In addition to this, he mentioned that he tries to employ people who speak more than one language due to the fact that the high number of international guests his employees need to serve, require an understandable explanation of the dishes and drinks.

He described the overall working atmosphere as really good but indicated that there are many aspects that could possibly contribute in a negative way to the working atmosphere. He always tries to employ the right people, they need to fit to the concept and the team. In order to do so, he explains every applicant how the business works, how he behaves as a leader and tells them that after one week of working in the business he finally decides if the person can stay. In general, he focuses on carefully choosing his employees and a high level of communication.

6.2.2 The interviewee's view on turnover

Siegfried Dörre mentioned that in his opinion one of the main reasons why a person leaves the business is the fact that she/he is done with their studies and start to work somewhere else. This supports his statement that most of his employees are students. Another major reason that contributes to the turnover in his business is the high level of stress and the fact that many guests treat the employees with less respect. For many people this can be very challenging. Furthermore, he indicated that he often gets stressed as well and that this contributes in a negative way to the work atmosphere. In some cases, his behaviour was the reason why people left the business. However, he mentioned that he would like to reduce the turnover because of the fact that employing new people can be stressful and expensive but he is fully aware of the fact that he employs mainly students which is the main reasons for the high turnover in his business.

6.2.3 The interviewee's motivation strategies

The interviewee pointed out that one of the most important strategies he practices in order to motivate his employees is communication. He said that every day he explains to each employee what she/he should expect from the upcoming business and if there are any changes in the menu that need to be considered. In addition to this, he indicated that he always tries to apologise for a misbehaviour from his side, in most of these cases the employees show a high level of understanding. Furthermore, he provides to the team a certain level of freedom and responsibility, for example: he prefers if the employees decide by themselves who works at certain stations. This leads to the situation that each employee is able to work at their favourite station and to make the best use of her/his strengths and knowledge. In addition to this, he motivates his employees by being flexible, he tries his best to help each employee if she/he needs to change their working schedule. He is convinced that if he shows a high level of flexibility the employees will do so as well.

Siegfried Dörre also provides employee advantages in form of monetary and non monetary compensation, for example: he informs each applicant that the tip is shared also with the people in the kitchen, sometimes he gives to each employee a coupon or an invitation to a concert or restaurant. This form of compensation increases the relationship between the employees and the business, motivates the employees and this influences positively the success of the business.

6.3 Relevant Aspects for Hospitality SMEs Leaders

The information that was collected during the qualitative and quantitative research correlates in many sections. Since this paper aims to provide information about turnover and how to reduce it, these correlations are highly important and need to be explained in detail. The following part will evaluate these correlations and explain the relevance for the hospitality industry. In addition to this, the author will use the information collected during the research in order to adapt and improve the theory based-best practice strategy that was already explained in this paper.

6.3.1 Addressing the employee age groups separately

The first important aspect that hospitality business leaders need to consider is the age gap between the employees. The research clearly identifies that most of the employees working in the hospitality industry are students aged from 20 years to 30 years. Even though, the major part of the employees is young there are also employees who are aged 50 years and older. This age gap leads to the necessity of addressing the different age groups separately. The younger employees are often students who work part time in the hospitality industry. Due to the fact that students need to pass exams and work on other projects as well, they need to be addressed with a high level of flexibility. They usually do not care about family-unfriendly working times but they favour flexibility when it comes to changing working times. Furthermore, it is necessary to mention that the employees that are part of this group usually only stay for one to two years in the business due to their studies. Business leaders should be aware of the fact that employing students will lead to a higher turnover and that managers need to develop a strategy that helps to fully implement new employees in the business in a short time period. This can be obtained by communicating the most important aspects of the day to day business from the beginning and by evaluating every applicant during a working test period. However, students will leave the business, they need to be motivated in the same way the other employee group is motivated. Besides students, the hospitality industry employs a big amount of people aged from 35 to 60 years. In many cases this group is characterized by having a family and a reliance on a higher payment. The employees that are part of this group usually have a strong relationship to the business and are highly motivated in contributing to the success of the business. However, the two groups have different characteristics, the general aspects of

motivation can be applied to both groups. These aspects are: compensation, flexibility, appreciation and responsibility. On the one hand, students are more motivated by a high level of flexibility and responsibility, on the other hand, employees with families are motivated by a high payment and a high level of appreciation. In order to motivate every employee in the best way possible, business leaders need to address the different age groups separately (Fig 13).

In order support this statement, one hypothesis was established and a non parametric χ^2 -test was conducted. The hypothesis was established as followed:

H₀: There is no significant difference between the two age groups (20-30 years and 31-60+ years) regarding their perceived opinion on family friendly working time.

H₁: There is a significant difference between the two age groups (20-30 years and 31-60+ years) regarding their perceived opinion on family friendly working time.

After the α -value of 0.05 was decided, the information was transferred to the statistical analysis program "PSPP" and the analysis was conducted. The p-value of 0.021 clearly indicates that H₀ needs to be rejected and that there is a significant difference between the age groups and their perceived opinion on working time.

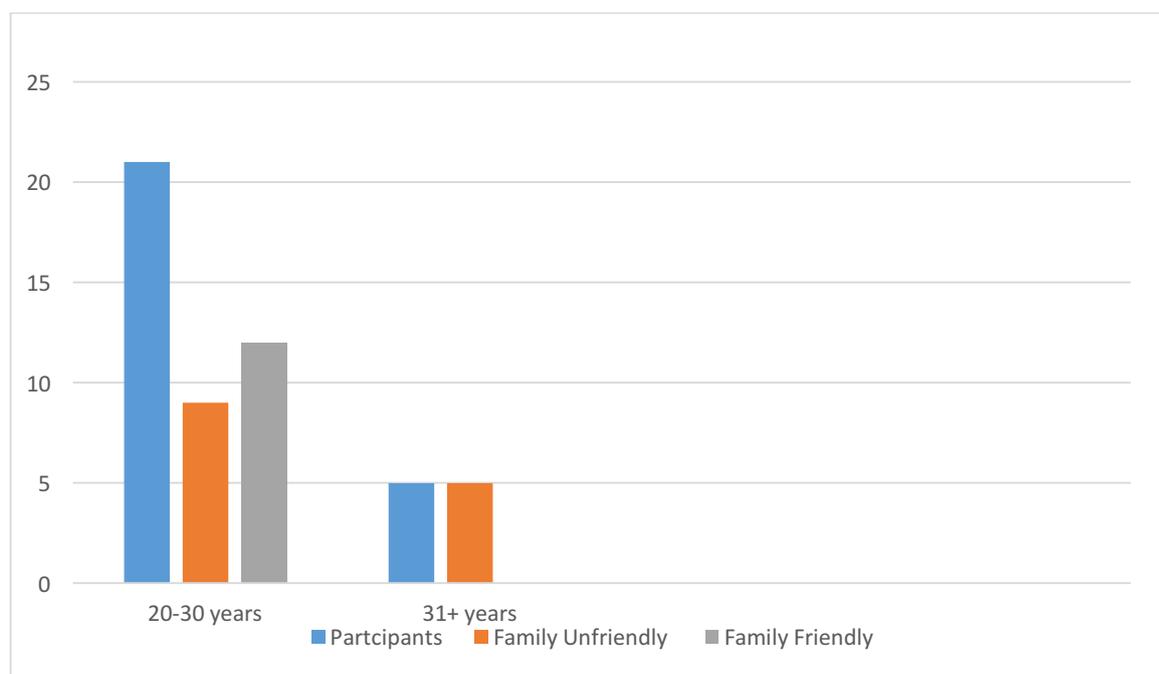


Fig. 13: Age Groups and their opinion on working time

6.3.2 The importance of the leadership style

The next important aspect of the information collected focuses on the leader her/himself. The majority of the employees indicated that they are happy with the leader and that she/he always try to motivate them, show them respect and give them the feeling of being important for the business. Furthermore, they mentioned that they are proud of working for the leader and that the overall working atmosphere is good. The literature suggests that this high level of motivation towards the work place can be obtained by training the employees. Even though, this might be true for businesses with a big capital and a big amount of employees, for the people working in small to medium sized hospitality businesses this high level of motivation is not obtained through training. Siegfried Dörre rather focuses on communication and showing a high level respect. He mentioned that he explains each applicant how the business works and what he demands as the leader of the business. Furthermore, he indicated that he gives the employees a certain level of freedom in order to increase the communication between them. This kind of leadership can be explained as a servant leadership style. The literature explains that managers who focuses on this leadership style are leaders who focus on the employees' interest and show a high level of understanding. In general, it seems that hospitality leaders of small to medium sized business tend to focus more on the employees due to the smaller number of employees. This gives the leader more opportunities to build a stronger relationship with them. Even though, a servant leadership style will contribute to the success of the business, it is also necessary to provide a certain level of additional compensation to the employees such as: a restaurant invitation or coupons.

In order to evaluate the relationship between the employees' level of motivation and their belief on the leaders' way of motivation, a hypothesis was developed and a χ^2 -test was conducted.

H₀: There is no significance in the employees' level of motivation and the perceived opinion on the leader and if she/he tries to motivate the employees.

H₁: There is a significance in the employees' level of motivation and the perceived opinion on the leader and if she/he tries to motivate the employees.

After the α -value of 0.05 was decided, the information was transferred to the statistical analysis program "PSPP" and the analysis was conducted. The p-value of 0.010 clearly indicates that H_0 needs to be rejected and that there is a significance in the employees' level of motivation and if the leader tries to motivate the employees.

6.3.3 Improved best practice strategy

The upper part of this paper describes a motivation best practise strategy that aims to reduce turnover and that is based on the literature. However, this strategy focuses on many important aspects and will help to motivate employees, it does not include the knowledge that was obtained during conducting this research. The following motivation strategy will be based on the literature but will also include the information that was collected during the analysis of the research.

Create a Human Resource Plan

The first aspect of the improved strategy is a human resource plan. Even though, this might not be very common in small to medium sized hospitality businesses, it still can be very useful. Since Mister Dörre mentioned the importance of knowing the organization and the employees it is necessary for the leaders to identify the amount of employees needed, the employment law, retirement plan and how the over time is regulated. Furthermore, leaders need to think about the kind of people they want to employee and which employee group they are part of. Since each employee group need to be addressed separately, it is recommended to develop a different plan for each group.

Employee Recruitment and Selection

The second part of the strategy goes hand in hand with the first paragraph. Since the leader of the business needs to identify what kind of people she/he wants to employ, it is necessary to address the different groups via different channels. For example: students can be addressed directly on the university campus with paper printed job offerings or jobs can be offered on the social media platforms of the university. Even though it might be easy to address students due to the fact that most of them are searching for a part time job, Siegfried Dörre explained that the employment of students will lead to a higher turnover rate. Furthermore, it is important to chose the right people for the job, this can be successfully obtained by defining the most important characteristics an applicant should bring to the workplace and by providing a one-week test period. This test period gives the applicant the option to decide whether she/he wants to work for the business and the leader has the option to stop the working contract in case the person does not fit to the team.

Education and Training

Surprisingly, the research showed that training and education is not a major part that contributes to the motivation of employees working in small to medium hospitality businesses. However, it might not have a major impact on the employees, it will contribute to the relationship between the employees and the business. Simple trainings will add to the employees' confidence and service quality. Typical examples are: food and drink trainings, service trainings, language trainings, etc. These trainings can be done by the leader of the organization her/himself in order to increase the trust between the employees and the leader.

Reward Management

Reward management is a major part in successful SMEs. Additional compensation will increase the motivation and overall happiness of the employees. The evaluation of the interview showed that monetary rewards including coupons, bonuses and overtime pay will help to motivate employees but these kind of rewards will only affect the employees in a short time phrase. Non monetary rewards such as an invitation to a restaurant or a concert will also have a positive influence on the employees' motivation and will last for a longer time period.

Motivation and Overall Working Environment

In order to motivate employees of hospitality SMEs it is necessary to have a high level of communication. The participants of the survey mentioned that a leader who motivates them will increase their overall motivation towards work. Siegfried Dörre explained that, leaders who respect their employees and practice open communication with them will be able to increase the motivation and the trust of the employees. Leaders need to communicate the way who the business works and how she/he acts in certain situation from the beginning. Furthermore, it is necessary to provide a certain level of freedom to the employees and to give them space for letting them decide on certain situation. This high level of communication will lead to closer relationship between the employees and the business and will give the employees the feeling of being respected. In addition to this, leaders should provide a high level of flexibility to their employees in order to help each employee with short-term working changes. Even though, communication and flexibility will increase the motivation of the employees, leader also need to provide a good working environment. This can be obtained by

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providing rooms for the employees, employee toilets, apologies for misbehaviour, practicing a servant leadership style, hiring people different from their age, gender and origin and appreciate each employee.

7 Conclusion, Research Limitations and Future Research

The hospitality industry today is facing many difficulties, one of the major difficulties is a high turnover rate. The simplified definition of turnover states that turnover occurs if an employee is not satisfied with the current job. Due to this high turnover rate many organizations are facing issues, for example, a bad work environment and a decrease of performance. However, turnover is a current topic, in the mid 19th century scientists aimed to define turnover and to discover a strategy that will reduce it. They identified the steps employees goes through during the decision making process of leaving the organization and shared their findings with the public. These so called “Process Models” are the base for today’s research. Today’s scientists were able to introduce various strategies that help to reduce turnover. These strategies focus mainly on employee development and servant leadership. In addition to this, they mention employee motivation and employee satisfaction as key success factors when it comes to a successful human resource strategy. However, every leader of a hospitality business needs to consider these aspects, most of the available strategies are designed for organizations with a big capital and a big amount of employees, the small to medium sized businesses are facing a lack of implementable strategies.

Due to the fact that the author of this paper is working in a small to medium sized business and hence already experienced the issues that come with high turnover, this paper and the included research was focused on small to medium sized businesses.

On the one hand, the data collection aimed to collect detailed information from the employees and to analyse their opinions. On the other hand, the second part of the research focused on collecting and evaluating the opinions of the leaders of the businesses. The employees were asked to fill out an online survey and the leaders were asked to participate in an interview.

After the collection of the information the data was analysed. The data showed that the employees of small to medium sized hospitality businesses are rather young and often students. They require a high level of flexibility and communication. The participants are happy with the workplace and the position they are working in. They feel motivated and respected by the leader of the organization, however, they wish for more respect from our society. In addition to this, they mentioned that the leaders try to motivate them and show them that they are a major part in the success of the business.

The interviewee, who was working in the hospitality industry for 36 years, mentioned the importance of communication and flexibility. He suggested that an open

communication and a working test week for every new applicant will improve the overall success of the business. Furthermore, he is convinced that additional compensation in form of a restaurant invitation or concert tickets will directly influence the employees' motivation in a positive way.

In order to summarize the collected information, the author of this paper developed a concept for a motivation strategy that is based on the literature and the research. This strategy focuses on different aspects such as: a human research plan, employee recruitment, education and training, reward management, motivation and the overall working atmosphere. The aim of this strategy is to reduce turnover in small to medium sized hospitality businesses and to help leaders with motivating their employees.

7.1 Research Limitations

Turnover and employee motivation are two main topics in human research management, due to the big amount of information available the author of this thesis was required to focus on the topics relevant for the survey and was not able to include every aspect of HRM. Furthermore, the online questionnaire system used was not able to provide evidence that every participant is working/has worked in the hospitality industry. In addition to this, it is necessary to mention that the number of participants was relatively small and that future researchers will need to address a bigger number of participants in order to gain more information.

7.2 Future Research

The current available literature suffers from a lack of research that focus on the aspects communication and non monetary compensation in small to medium sized hospitality businesses. Since the research of this paper showed that one of the main aspects of a successful SME is a high level of communication, future researchers will need to address this topic. Furthermore, the interviewee mentioned the positive influence of compensation in form of a restaurant invitation, etc. Even though, many business leaders are convinced by this form of compensation and mention the positive influence it has on the success of the business, there are only a few papers available that address this topic. Lastly, the research showed that there are more people in the hospitality industry who are unemployed than full time employed. This issue needs to be addressed as well.

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9 Appendix

9.1 Charts and Tables

Fig.1: “Mobleys Intermediate Linkage Model”,

https://www.researchgate.net/figure/Mobley-1977-Intermediate-Linkage-Model_fig1_327894409

Fig. 2: “Relationship between turnover stressors and actual turnover”,
Designed by Markus Andre

Fig. 3-12 were extracted from the online survey program called “Google Forms”

Fig. 13: “Age Groups and their opinion on working time”,
Designed by Markus Andre

Table 1. “Types of Motivational Programs, Examples and Linked Theories”,
Robbins, S. P. (2005). Motivation: concepts to application. In C. University (Ed.), OM 8004:
Managing and organizing people (pp.163- 193). Boston: Pearson.

10 Interview Transcript

Interview conducted on the 13th of Mai in Grinzing/Vienna with Siegfried Dörre, the manager of the restaurant “Zum Berger”.

Interviewer: I am here today on the 13.4.2020 with Siegfried Dörre, the manager of the restaurant called “Zum Berger” and we are going to start the interview now. So please Siegfried, the first question is: “Please introduce yourself, tell me what education you received and for how long have you worked in the hospitality?”

Interviewee: I am a chef, 52 years old and since 4 years I am the manager of this restaurant (“Zum Berger”). After I finished my chef studies I went to Switzerland to work there. After that I came back to Vienna and worked as a chef in the café called “Kurkonditorei Oberlaa”. After that I was responsible for the restaurant at a tennis club located at the “Hohe Warte”, the work there was very educational because I was forced to have direct contact with the guests. This was tough. No no I am just joking. After I finished my work there I managed other different hospitality businesses. One was a Tex – Mex restaurant, I also worked at Hooters, this was a very interesting experience. After that my career made a big step because of the “Café Schottenring”, there I worked for five years. There I learned a big amount of important knowledge, the guests were important and diversified, kind of the same guests that are visiting a heuriger (meaning the restaurant “Zum Berger”). From the president of Austria to a normal worker, they are visiting a heuriger and a café. After that I managed a hotel located in Burgenland/Austria and I was surprised that a normal chef like me can operate a hotel as well. But my boss from that time told me “If you can sell a piece of cake, you can also sell a hotel room”. And the other necessary skills I was able to learn there as well. During that time, I finished many different courses, such as F&B and I finished the first semester of tourism management at the FH. Before I worked for three years in consulting I did a course for hotel and hospitality. This was very interesting and lasted for two semesters, in the end of this course I had to hand in a diploma thesis where I did a survey as well. I asked different kindergarden in Baden/Austria, so the employees and parents were asked if they are happy with the food provided. After that I planned

to use all my strength and knowledge in order to manage my own business. And now I am working here at the Heuriger and each day I am learning something new.

Interviewer: Ok, so how many years of experience do you have in the hospitality sector?

Interviewee: So I started with 16 with my education, now I am 52, so 36 years.

Interviewer: Except the time you worked in the consulting area, do you have any other working experience besides the hospitality industry?

Interviewee: For two months I thought I should work for "Billa" as a manager. But before you can do that you need to finish the course in order to work as a manager. This is the only work experience that I have beside the hospitality industry. It was nice to gain some knowledge there but I did not fully enjoy it.

Interviewer: So now we go to the next question. How many people do you currently employ and can you tell me something about their main characteristics, such as are they full time employed, part time, students, age, etc?

Interviewee: Now after the Covid 19 crisis, we open again on Friday (15.05.2020) with 8 employees, but our business here relies for 80% on the weather and the business is made Friday, Saturday and Sunday, this means that the main amount of employees is needed on the weekend. This results in the fact that I do not employ people on a full time basis. Some of the employees are employed for 30 hours/week, some 20 and the rest 15 to 10 hours. Sometimes even just 5 hours per week. If the weather is bad, the upcoming weekend I just need two people working in the service, one employee in the kitchen and I am additionally working in the kitchen as well. There is only one employee working for me that is educated in the hospitality sector and all the other are schooled by myself or they already have a certain level of experience. The most important aspect for myself is not the fact that the employees have a big amount of knowledge but they need have a certain level of sympathy and empathy. We are family and animal friendly business, animal friendly in the case that a dog gets treaded like a guest as well. We

also want that small children are happy, so they get a straw and a funny plastic cup. This is also a way of marketing because the children want to come back. But I do not do this only because of the marketing aspect but also because children in general are very important to me. The age of my employees vary from 18 years to my mother who is 80 years old. I really do not care about age. The person only should have sympathy, a strong will, stress resistance and the other skills will come during working here.

Interviewer: Please tell me how you would describe the working atmosphere at your business. How is the atmosphere between the employees but also between the guests in combination with the employees and please tell me what you think contributes in a positive way to the working atmosphere.

Interviewee: First question, yes! Currently we have friendly and relaxed guests due to the fact that they are currently only residents. Because of the fact that the tourism is currently not excising due to the Covid 19 crisis. Usually we have around 50% guests that are not from Austria, mainly guests from Germany. A quarter of the other guests are from the countries that are right next to Austria and the rest are international guests. This means that language is very important, because of that I tried to employ people who speak other languages except German and English. For example, people are employed who speak Spanish and French as well. This usually works well but sometimes it is not working, in that case we provide menus in different languages. This leads to a good atmosphere because it very diversified but the international guests also need a different kind of assistance compared to the residents. For example a guest from France who do not know the dishes, need a lot of assistance when it comes to ordering the dishes. This leads to a bigger amount of employees needed. But not only this fact, also the fact that the restaurant here is big, this means that the employees need to go around 120 meter in order to bring drinks to the last tables who are located in the garden. In addition to this, the fact that inside we have a wood floor and outside a floor with big stones and stairs, leads to a higher use of energy. The atmosphere inside the team is really good but sometimes I am the person who is overwhelmed and I transfer this negative atmosphere towards the employees. And I also know that I am the reason that some of my employees left. Furthermore, I know that some other people left due to the fact that some guests do not appreciate the employees and the work that they are doing. So if some guests only flip their fingers in

order to get the attention of the waiter and everybody wants everything right at that moment and they do not show any kind of understand that we do not have enough employees because one got sick. This can be very challenging as well. But in this cases I try to be responsive and I try to explain the guests that it does not help if they get angry etc. But in general, the tip is good, the guests spend a good amount of money and this contributes in a positive way to the atmosphere.

Interviewer: I think the next question you have already answered. I would like to know if you prefer to school you employees by yourself or is that a task for an employee who is working for a longer time in your business?

Interviewee: Yes and yes. The first schooling is done during the interview, this means that I am explaining what is important for myself and how this business works. Because for me it is important that every employee knows that if I am facing a stressful situation it is necessary to discuss things that are not highly important later. The operating schooling I like to do by myself, but just that the general information is covered, the more detailed information is covered by my employees. Because I know that they are doing the way I want the to do it.

Interviewer: Are you a manager that tries to motivate your employees? And if yes in which way?

Interviewee: Yes, this is really important to me. I always try to inform my employees everyday about upcoming shift and if there is something that we need to focus on. This means that communication is a mean aspect in the business. Telling my employees what guests are coming is really important, if a prominent person is coming to us I try to explain them that is necessary to do our job as good as always. I try to tell everybody the main aspects of this visit and what they are expecting but how each employee tries to make the guests happy, is their individual choice. In addition to this, for me it is really important that the employees decide without my leading who is working at what station. This helps them to show their strengths and I like to give them more responsibility. When it comes to motivation, I think that if I am flexible and try to do my best so that each employee can work at his/her preferred working time, this will come back to me in a way that I can rely on a certain level of flexibility from each employee.

Interviewer: This leads us to the next question. The flexibility is an obvious advantage for your employees, are there more advantages that you provide to your employees?

Interviewee: An obvious factor that contributes to the motivation of the employees working in the kitchen is the fact that each employee gets informed on their first day of work that the tip is separated. Not only between the waiter but also the kitchen employees get a certain share of the tip made that day. This leads to a better teamwork between the different departments. Sometimes, I gave employees that made everything work really good that day additionally 50€ or coupons. But I rather prefer to give boni in a not financial way such as an invitation to a concert or an invitation to a restaurant, etc. And I offer each employee on each working day a free meal during their working time. This has more advantages for the employees and for me as a manager as well.

Interviewer: So you say that your employees are happy with the advantages they receive or do you think they expect more?

Interviewee: From the employee view it can always be more. But at some point there must be a certain restriction, because it must be financially feasible for me as well.

Interviewer: Do you think that the advantages that you provide to your employees reflect positively to the success of the business?

Interviewee: Yes, definitely because it creates a way deeper relationship between the employee and the business. And I am not bad if a person decides to leave the business because there is no sense if a former employee talks bad about the business or myself. Often a person leaves because for example the person is done with their studies and start to work somewhere else, this person often has friends or colleagues who are looking for a job besides their studies and due to this relationship they start to work here.

Interviewer: So we are closely done. The next two questions focus on the turnover in your business. Do you think that you have a high turnover and are unhappy with that

and what are doing as the manager of business in order to reduce turnover? Or maybe you have a completely different opinion and say that turnover is a good and important part of your business.

Interviewee: Last year the turnover was too high and my behaviour was one main reason for this. I know that for sure. A certain level of turnover is fine, for example a student who is Vienna only for two semester and needs a job for that time. Then we have a starting point and a finishing point and that is ok. This also refreshes the working atmosphere of the business. Other reasons are the working conditions because it is very stressful and not everybody has a high level of stress resistant. This is also a reason why I do not employ people for 40 hours/week because it is too challenging. In order to identify the people who are able to work with this high level of stress, I like to do a trial week with each new employee. At the end of this week it is easy to identify if this person is able to work with this stress and fits into the team or not. And if its not working out I prefer to stop the work alliance right at the beginning. I also tell each applicant that they should visit the business at first and choose for themselves if they like what they see and if they want to work here.

Interviewer: So now we come to the last question. I would like to know if you are interested in a strategy that focuses on employee motivation and turnover reduction? This strategy aims to show people like you how to keep employees motivated and what managers can do in order to reduce the turnover. Or do you have your own strategy?

Interviewee: In general, I learned all these tools as part of my education. And yes in general I am interested in such a strategy and I also would like to take part in the development of this strategy. However, for me as the manager as the business who works in the business and needs to do all the back office work as well, which means that I have to do jobs at the same time, it is hard to also focus on these tools and try to motivate my employees. But my employees are fully aware of my situation and they show me a high level of understanding when it comes to this. And if I am in a bad mood and translate this to the employees, I always try to apologize.

Interviewer: So what would you say are the most important aspects that need to be included in such a strategy?

Interviewee: First I told every employee what kind of person I am and how I want the business to be run. This means that a good communication from the beginning is very important to me. Do not take everything personal and follow the instructions without any kind of contradict. This is part of the hospitality industry and without that the business would not work.

Interviewer: Ok that's it. Thank you very much!