

# **HUMAN RESOURCE ISSUES AS BARRIERS TO STAFF RETENTION AND DEVELOPMENT IN THE TOURISM INDUSTRY**

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## **Introduction**

Travel and tourism is the world's largest industry (10.7% of the global economy) and is also the world's largest generator of jobs, employing 225m people (19m in the EU) (ITIC, 1998). Undoubtedly, tourism is a growing international industry that makes a significant contribution to employment. The many distinctive characteristics of tourism and the hotel industry in particular, have contributed to the dilemma of labour supply currently pervading the industry. Baum (1996) maintains that industry structuring and human resource provision as they currently exist in the tourism industry will give rise to general personnel and specific skill shortages in many European countries in the future.

## *Labour Shortage*

As early as 1991, an Economist Intelligence Unit report attributed a global shortage of labour in the international hotel industry to the rapid growth and the high turnover rate in the industry. The 1995 International Tourism Labour Market Conference stated that the difficulty in recruitment for the industry was due to the unattractive payment and working hours. Price (1994) attributes a skills shortage within the industry to the legacy of years of short-term management and lack of investment in people. A 1996 US consultancy survey reports that the labour shortage problem is compounded by the traditional reputation of the hotel industry for paying low wages. The 1996

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Irish Hotel Federation annual meeting highlighted the seriousness of the manpower problem within the Irish Hotel and Catering Industry.

### *The problem of job retention – contextual factors*

In the 1990s, the twin concepts of ethics in management and social responsibility in aspects of career structure have become high profile issues on a global scale. In recent years, the tourism industry in the UK and elsewhere has been increasingly challenged on ethical issues, most notably its impact on the environment and the pay and working conditions of its employees. In order that a firm uphold its reputation as a good employer, employees need to be assured that career development and training is available to them. Career development is vital if the organisation is to buy in the support and commitment of employees to the business plan. According to Comrade, Woods and Ninemier (1994), training is accepted as improving employee productivity, work quality and customers' perception of an organisation. In a US employee survey on whether training would have an influence on their performance, 93% (141 people) agreed that improving skills and knowledge would encourage them to stay at a hotel property and 63% reported that they would leave if they were not involved in a long-range training programme.

In a study of employee attitudes in more than 1,000 organisations in the US, the 1995-96 Hey Employee Attitude Survey shows that employees are generally content with their compensation, relative to other factors that also have an impact on retention. Data indicates that their key cause for concern is pay equity within the organisation: a retention issue to the extent that it affects employee morale (Weiss, 1997). Weiss goes on to state that, by employing the full range of management levers, companies will not only begin to solve the retention problems in a cost-effective way, but also contribute to improvements in overall business performance. The levers are as follows:

- opportunity for advancement
- empowerment
- challenging and interesting work
- job security
- respectful treatment, and
- employee recognition.

Referring to hotels and guesthouses in Ireland, a recent CERT survey highlights a severe skills shortage across the sector. According to CERT, a survey conducted revealed that only 13% of graduates are still in their first employment, whereas 39% of all graduates have held four or more jobs since graduation. Their reasons for leaving were found to be related primarily to poor pay, irregular hours, no career prospects and lack of job satisfaction. A further CERT report found that the factors with which employees were most dissatisfied were pension provision, perks, opportunities for training and qualifications.

### *Job mobility*

Regarding job mobility, in a survey conducted by *Industry Week* that drew responses from 517 managers below the rank of CEO and president, only 49% say they were fairly confident they would be with their current employer five years from then, whether by the company's choice or their own. Loyalty and brand identification with one's company has never been lower, as shown by *Industry Week* surveys dating back since 1979.

### *Turnover Culture*

With respect to turnover culture, one study found that turnover culture was the most important determinant in leaving, followed by job search behaviour, job opportunity, organisational commitment, union loyalty, job satisfaction, career development etc. Lydna (1991) suggests that turnover in particular is negatively correlated with higher levels of commitment. Mottaz (1986,1988) found that work rewards have a strong positive effect on organisational commitment. Other researchers have found support for correlations between high commitment and perceived equity of rewards. The causal link between job satisfaction and organisational commitment is examined in the study by Vanderberg and Lance (March, 1992), which verifies the hypothesis that commitment causes satisfaction.

Inherent to the job should be a learning and growth experience. According to Oliver (1998), high turnover is usually a function of negative job attitudes and/or low job satisfaction, combined with an ability to secure employment elsewhere. The discussion by Heskett *et al* (1990) is predicated on the Service Profit Chain, a causal model based on the proposition that internal service quality drives employee satisfaction, which enables the delivery of high value service, resulting in customer satisfaction, leading to customer loyalty, which in turn produces profit and growth.

Regarding working conditions Capowski (March, 1996) states that flexible work options improve retention, increase morale, enhance customer service and boost productivity. Data obtained from a study of the work-life of public hospital pharmacists suggest that intrinsic motivators are the most important factors that affect an employee's satisfaction and dissatisfaction. These motivators include opportunities for advancement, recognition of performance, management's treatment of employees, responsibility, opportunities for developing friendship and a good relationship with the supervisor. With respect to motivation, Mullins (1996) draws a useful three-fold classification for the motivation to work:

- economic rewards
- intrinsic satisfaction
- social relationships.

Alderfer condenses Maslow's five levels of need into three, based on the core needs of existence, relatedness and growth. Heyel (1982) identified Herzberg's satisfiers as achievement, recognition, work itself, responsibility, advancement, growth and the dissatisfiers include salary, company policy and administration, supervision, working conditions, interpersonal relations.

### *Reward Management*

Mullins (1996) highlights economic rewards as one of his three-fold classification for the motivation to work. According to Gunnigle *et al* (1997), reward management is a critical component of work-force management strategies, particularly in helping to attract and retrain employees and also in influencing performance and behaviour at work. Also research indicates that those organisations that give the most rewards tend to attract and retain the most people but, arguably, not always the best people. Similarly, Magurn (1977) discovered that, if the rewards offered are to attract the right staff and to retain them, then they must be constructed on a sound basis, be seen by all to be fair and equitable and have a built-in system that allows for periodic review, as well as a means of increasing the rewards in proportion to the effort made. According to a nationwide survey by Coopers and Lybrand in the US, in exit interviews, workers are more likely to say they changed jobs for money than for any other reason. Mendosa (1998) found that although money can certainly play a part in turnover rates, what usually causes people to leave is a breakdown in their re-

lationship with their supervisor (see Small Firms Association survey 2001, reported in *Executive Excellence* (Oak Tree Press/Century Management) and *Running Your Own Business* (SFA)).

Regarding fringe benefits, a 1988 survey (Gunnigle, Morley *et al*, 1997) of 579 organisations, conducted by the Federation of Irish Employers, found that 79% of companies had a pension scheme for all or some employees. A 1990 survey (Gunnigle, Morley *et al*, 1997) carried out by the Federation of Irish Employers found that, of the 515 companies questioned, 351 (68%) had sick pay schemes for full-time manual workers and 424 (82%) had schemes for white-collar grades. Also, over 75% of private sector companies have VHI schemes in operation for employees. Another issue is that of performance-related pay. Forty-five per cent of Irish-owned respondents have introduced such schemes since 1991 (Gunnigle, Morley *et al*, 1997). Profit-sharing is another such scheme under which employees, in addition to their normal remuneration, receive a proportion of the profits of the business. Profit-sharing may take a number of forms and it is largely at the discretion of the employer and employees to decide to what measure of profit the incentive should be tied, what percentage should be allocated and how it should be administered to employees. As stated by Gunnigle, Morley *et al* (1997) approximately 19% of managerial employees, 13% of both professional/technical and clerical employees and 10% of manual workers are covered by such schemes. Perhaps the most appropriate incentive scheme operable in the hotel and catering industry is one based on merit rating. This is a method of payment based on management's judgement of an individual's qualities and aptitudes.

### *Continuing Professional Development*

According to Pedler *et al* (1989), the most concise definition of the learning organisation is an organisation that facilitates the learning of all of its members and continuously transforms itself. It is generally accepted, for example that training does the following (Comrade *et al*, 1994):

- improves employees' productivity
- improves employees' work quality
- improves customers' overall perception of an organisation
- increases properties' profit levels etc.

The Forfas Report (1996) found that management and operational deficiencies are severely damaging the competitiveness of Irish-owned

industry. The highly-valued employers of the future will not be those that offer the highest rates but rather those that offer some form of training. Career development is vital, if the organisation is to buy-in the support and commitment of employees to the business plan. According to Wake (1988), too many companies allow their employees' learning curve to drop off after a honeymoon period of about 18 months, which is perhaps why so many graduates view their first job as merely a launch-pad to higher things. Effective training programmes can bring considerable benefits, as the training allows employees to activate coping mechanisms to alleviate the stress in customer transactions. Simon and Enz's (1990) survey showed that career development and training was one of the top three indicators of job satisfaction and motivation. Thus, there seems to be an overwhelming case for training and development as an aid to employee retention. In a statistical study carried out by Buick (1990), there is a definite correlation between training and low staff turnover. From the following data reported by Gunnigle, Morley *et al* (1997), the number of days training received by employees tends to decrease as one descends the organisational hierarchy. It would appear that, on average, the greater proportion of management employees are likely to receive between three and five days training per year. These results are consistent with data recorded in 1992 and go some further way towards disputing the view that management development is not given priority in Irish organisations. On the other hand, the Galvin Report (1989) highlights deficiencies in management training. Analysis conducted for the Culliton Report (1993) also confirmed the need for a significant upgrading of management skills across all sectors of Irish business. Notwithstanding this, the Irish Hotel and Catering Institute Executive Management Development Survey (1996) stated that management development programmes, both in-house and external, were completed by 47% of the respondents.

The Operational Programmes for tourism have provided a welcome level of investment in training, but concerns exist regarding the ability of the industry to meet its medium-term needs and whether training provides a sufficient range and mix of skills. The recruitment and training challenges facing the industry as identified by ITIC have service quality implications for sustainable tourism growth. It is clear that the human resource factor in tourism needs to be examined and this paper addresses this challenge under the following headings: retention, turnover, commitment, motivation/job satisfaction, organisational culture and image, reward management and continuing professional development.

## **Research Hypothesis**

For the purpose of the study, tourism was assumed to encompass hospitality, leisure, recreation, transport and travel and tourism management. The purpose of the research was to examine the hypothesis that retention is a phenomenon involving questions of motivation, job satisfaction, commitment, rewards and continuing professional development.

## **Research Methodology**

The research methodology chosen was that of a mail questionnaire. A random sample of 140 graduates of the BSc degree course in Hotel Management in DIT, Faculty of Tourism and Food, Cathal Brugha Street, spanning the years 1990-1997 was chosen. A six-page questionnaire was designed to test the assumptions presented in the literature regarding the typical contributory factors relating to retention. A random sample of one in three was conducted from lists of graduates of the degree programme over a 10-year span. To ensure true randomness, the method of selection must be independent of human judgement. There are two basic procedures, one of which is the use of random numbers, which the author used. A pilot survey was conducted in the field and subsequent modifications were made. Additionally, a series of structured in-depth interviews were undertaken in order to complement the analysis of the questionnaire.

The questionnaire was selected as a primary data collection method for the following reasons:

- it allowed the entire population to be included in the research — i.e. graduates of the degree in Hotel Management in DIT, Cathal Brugha Street.
- it gave respondents enough time to consider their answers and seek additional information that might not have been available on the spot.
- the results allow comparisons to be made between respondents.
- the relative ease of administration and follow-up of the responses.
- the type of data sought was general in nature, thus well suitable for collection by mail survey.

## Research Findings

### *Levels of industry retention among graduates*

The survey showed that approximately one-third of graduates had left the tourism industry and a further one-fifth were working abroad. A further one-sixth of those working in the industry plan to leave and another one-fifth approximately are undecided.

While 90.7% worked after graduation in the tourism industry, the findings showed the current employment status to be different with only 40.4% working in Irish tourism.

**TABLE 1: CURRENT EMPLOYMENT STATUS**

Employment Status	%
Working in Irish Tourism	40.4
Further training in tourism	4.5
Working abroad	20.2
No longer in tourism	33.7

**Table 2** reflects how soon after graduation people left the tourism industry. A majority (64%) had left within two years. Of those working outside tourism, 27.6% are employed in professional services, 3.4% in the retail trade, 24.1% in information technology, 13.8% in the public service and 31% in other employment.

**TABLE 2: TIME PERIOD IN TOURISM INDUSTRY FOLLOWING GRADUATION**

Leave tourism	%
Immediately after graduation	10
1 – 6 months	20
7 months – 12 months	10
13 months – 24 months	23.3
36 months – 60 months	36.7

The survey demonstrated that present retention levels are a cause for concern. This accords with previous findings. In the traditional pool of labour skills, greater numbers are attending third level education and

there is increasing competition from other industries for their skills. The literature has indicated that this is not a problem particular to Ireland but rather seems to be a feature of the international tourism industry.

While a certain level of mobility is desirable in the tourism industry, there seems to be a problem attracting people to work in the industry and to remain in it. In many countries, the growth of tourism, as an industry, is severely limited by the lack of adequately trained personnel. In addition, high turnover affects the quality of the service and incurs large replacement and recruitment costs together with employee morale problems. There is evidence that pay and conditions are becoming ethical issues. Some graduates interviewed highlighted how some sectors of the industry rely on tips and the service charge in order to complement a basic income for employees. From the employers' point of view, staff costs are a high percentage of turnover, limiting profit levels. Bearing in mind that low levels of pay is the number one reason for leaving the industry, then clearly the issue of minimum pay levels and a satisfactory salary scale for managers needs to be addressed.

#### *Job movement from the tourism industry*

Poor pay, unsociable hours and lack of career structure were cited as the most important reasons for leaving the tourism industry. This finding is in keeping with Weiss (1997), who found that the key cause for concern was pay equity within the organisation; a retention issue to the extent that it affects employee morale. The findings accord with CERT which found that "poor pay, irregular hours, no career prospects and lack of job satisfaction" were the primary reasons for leaving the industry. These findings also reflect research conducted by the Hotel and Catering Company (1994). Other factors such as the lack of training opportunities and turnover culture were not considered important reasons for leaving the tourism industry.

When those working in the industry were asked what were the factors that would make them leave the industry, they cited poor pay, lack of job satisfaction, lack of promotion opportunities and unsociable hours. The findings support Herzberg's motivation hygiene theory, which stated that the dissatisfiers are salary, supervision, working conditions and interpersonal relations.

**TABLE 3: REASONS FOR LEAVING IN ORDER OF IMPORTANCE**

<b>Reason</b>	<b>Mean</b>	<b>Standard Deviation</b>
Poor pay	4.44	1.12
Unsociable hours	4.28	1.33
Poor career structure	3.68	1.28
To broaden experience	3.48	1.37
Lack of promotion opportunities	3.43	1.45
Social aspects of work	3.37	1.52
Lack of job satisfaction	3.32	1.44
Lack of training opportunities	2.46	1.43
Work too hard	2.78	1.70
Negative work climate	2.76	1.51
Lack of organisational commitment	2.62	1.30
Personal circumstances	2.19	1.38
Turnover culture	1.96	0.72
Unable to find employment	1.38	1.02

**TABLE 4: FACTORS CONTRIBUTING TO GRADUATES LEAVING THE TOURISM INDUSTRY**

<b>Factors</b>	<b>Mean</b>	<b>Standard Deviation</b>
Poor pay	3.97	1.14
Lack of job satisfaction	3.76	1.48
Lack of promotion opportunities	3.74	1.25
Unsociable hours	3.63	1.13
Lack of fringe benefits	3.43	1.09
Poor interpersonal relations	3.16	1.36
Lack of training opportunities	3.07	1.26
Unfriendly supervision	2.83	1.45
Work too hard	2.70	1.17
Social aspects of work	2.67	1.14

The findings also accord with McShulskis (1998), who found that workers are more likely to say they changed jobs for money than for any other reason. All interviewees stated that pay was the central issue in job retention in the industry. Unsociable hours are a characteristic feature of the tourism industry and the way forward is to acknowledge the overtime employees do by paying a premium price. While the pay at general management level is quite good, those interviewed stressed that the pay is poor at junior management level. A fundamental issue in hotels is the low level of net profit, which contributes to low wages in an industry, which demands a high level of personal contact, consequently needing high staffing levels.

Regarding employment conditions, the survey found that over half of employees work above their scheduled hours every week, most employees work more than the average working week and a small percentage work a split shift. Capowski (March, 1996) states that flexible work options improve retention, increase morale, enhance customer service and boost productivity. Creating a flexible workplace entails a revolutionary way of looking at how work gets done in an organisation. The idea is that a flexible workplace is one that meets business needs while at the same time meeting employees needs. If it is well planned, having alternative work options can ensure that there is continuous coverage up to 24 hours a day. In addition, there are ways to schedule more employees to be available during the busiest hours, without the need to hire additional staff who are not necessary at other times. To make flexibility a viable option requires a complete rethink of management's relationship with employees and of the very concept of work. The success of flexibility depends on both management and employees being retrained and taught a whole new set of skills dealing with time management, responsibility and communication. Some of the respondents interviewed stated that the numbers leaving clearly reflect a problem in the industry that needs to be focused on by senior management because of the investment that is going into tourism training. On the plus side, it shows the broad skills and experience people in the industry have whereby they are moving into more niche markets. Other people interviewed pointed out that a lot of the employers' advertising budget is spent on recruitment and that it would be cheaper in the long-term to increase pay rates and put retention policies in place. When interviewed, an assistant personnel manager in Jurys Hotel Group mentioned that they had abolished the split shift in all but two departments and their aim is to abolish it altogether. The Irish Hotel's Federation "Quality Employer Programme" is recommending a maximum of two split shifts per week.

However, the fact that managers are expected to work long hours and to see through functions for example is a problem.

With respect to career structure, interviewees were in agreement regarding the lack of career structure within the industry. This is partly due to the lack of large hotel groups. However, this situation is likely to change in the future with the advent of some international hotel groups here like the Four Seasons and Hilton Group. As the economy continues to grow in tourism, people will be able to diversify more. Some of the interviewees stated that there is no career path open unless one wants to become a general manager.

The cost of turnover has been found to be high. Employers need to look at this cost (Hotel and Catering Training Company Research Report, 1994) and adopt a more long term vision of investment in human resource management which has been shown to increase retention.

### *Factors contributing to graduates remaining in the tourism industry*

Respondents cited interesting and challenging work, job satisfaction and achievement as the primary reasons for staying in the tourism industry. Those who intend to leave the industry rate "unsociable hours" as a reason why they may leave, the most significant being 4.17 against 3.43 for those who will stay. The employees who plan to stay in the industry rated "career structure" and "training" differently (though not significantly) to those who intend to leave.

Those who aim to stay score significantly higher on "training opportunities" and "challenging and satisfying work" in motivation than those who don't.

The people who intend to stay report significantly more motivation factors than those who don't but no difference in the number of benefits.

**TABLE 5: DETERMINANTS TO STAYING IN THE TOURISM INDUSTRY**

Reasons	Mean	Standard Deviation
Interesting and challenging work	4.45	0.90
Job satisfaction	4.43	0.84
Achievement	4.28	1.09
Career structure	3.93	1.80
Pay	3.85	1.08
Recognition	3.83	1.17
Training opportunities	3.77	0.99
Fringe benefits	3.65	1.14
Social aspects of work	3.35	1.27

Respondents cited interesting and challenging work, job satisfaction and achievement as the primary factors for remaining within the tourism industry. This accords with Maslow's hierarchy of needs. Pay is ranked fifth on the list. There seems to be a possible conflict between the responses here and the question where people cited poor pay as the primary reason that would make them leave the industry. The underlying reason for this is that today we work in a business environment where there has been a shift from job security to employability. This means that employees want to work for companies that offer them a chance to develop both in terms of themselves, their skills and in ways that will further their careers. Short-term incentives such as higher pay or bonuses can often be less attractive than long-term benefits of structured career development, training and the ability to work in a company culture that values individual output. This all simply translates into meaning that a successful retention strategy has to be holistic. It has to examine and improve all areas of the organization (Glynn, 2001). Those who intend to stay within the industry score significantly higher on "training opportunities" and "challenging and satisfying work" than those who don't plan to remain in tourism. This is in keeping with Herzberg, who said that inherent in the job should be a learning and growth experience. Those who intend to stay in the tourism industry report significantly more motivation factors than those who do not intend to stay, but no difference in the number of benefits. Unsociable hours were found to be a concern for people, a

factor that tended to increase over time. As some interviewees stated, it seems that, while initially people are prepared to tolerate unsocial hours, ultimately they want more regular hours for family commitments and personal life after a time.

### *Organisational commitment*

The findings revealed a significant lack of organisational commitment. This is in keeping with other findings (Mosral, 1990) who found that an additional one-quarter of a given company's middle and senior managers believe they may leave their firm in five years or less today than were likely to depart their companies 20 years ago. This finding also accords with CERT which found that 39% of all graduates had held four or more jobs since graduation. Given the five-year time span under review, this level of turnover seems rather high. When evaluating the influence of various factors on intention to remain with current employer, a significant difference was found between desire to remain in tourism and intention to remain with current employer. The point was made by some interviewees that changing employer frequently ensures that employees get wide experience quickly. Other interviewees stated that the absence of a career path in many sectors of tourism contributed to a low level of company loyalty. There is a turnover culture evident that has been found to be a determinant of intent to leave one's present job.

### *The primary motivational factors*

**Table 6** illustrates the order that participants ranked motivational factors, with interesting and challenging work being the primary motivator. Note that the lowest mean score (location, 3.33 (1.47)) is still fairly high (3 representing "being of some importance"). Therefore all these factors contribute to motivation to quite a high degree. Participants had a mean number of 6.43 (6.95) motivation factors present.

There are no differences between the number of benefits an employee receives and their intention to remain in tourism.

With regard to motivation factors, there are no differences in "promotion opportunities", "pay and benefit", "employee recognition" and "respectful treatment". Those participants with employer recognition are not more likely to remain in tourism. All of the factors contributed to motivation to a high degree and were ranked as all being of some importance. This is in accordance with Mullins (1996), who draws a three-fold classification for the motivation to work: economic rewards, intrinsic satisfaction that is derived from the nature of

the work itself and social relationships. Challenging and satisfying work, responsibility and achievement in work were identified as the main motivators.

**TABLE 6: MOTIVATION FACTORS IN ORDER OF IMPORTANCE**

Motivation factor	Mean	SD	Present(%)
Challenging and satisfying work	4.57	.70	19(38.8)
Responsibility	4.53	.67	25(51.0)
Achievement in work	4.44	.71	21(42.9)
Respectful treatment	4.44	.78	18(36.7)
Management staff relations	4.32	.88	23(46.9)
Pleasant/safe working conditions	4.22	.76	22(44.9)
Promotion opportunities	4.20	1.05	16(32.7)
Feedback from the job	4.18	1.04	16(32.7)
Pay and benefit enhancement	4.14	.93	13(26.5)
Employee recognition	4.05	.10	17(34.7)
Job security	3.95	1.08	20(40.8)
Opportunities for teamwork	3.76	1.20	16(32.7)
Training opportunities	3.71	1.08	16(32.7)
Empowerment	3.58	1.17	16(32.7)
Organisational policies and procedures	3.48	1.12	16(32.7)
Social relationships	3.46	1.16	21(42.9)
Location	3.33	1.47	18(36.7)

Females regard "pay and benefit enhancement" and "respectful treatment" as significantly more important motivational factors than males. The interviews conducted highlighted that this difference could be due to an equality issue, with women being more conscious of pay and benefits because they find it harder to progress in the industry than men. There is evidence that males earn higher salaries than their female counterparts, so perhaps women are becoming more conscious of earning a good salary. As regards respectful treatment, there is evidence from other professions that women do

encounter obstacles in the workplace such as sexual harassment and suppression of their own qualities (Barker *et al*, 1994).

Challenging and satisfying work, responsibility and achievement in work are all intrinsic motivators that are followed by extrinsic motivators. This distinction is in keeping with Vroom's original version of Expectancy Theory, which distinguishes between extrinsic and intrinsic rewards as two separate types of possible work outcomes.

Herzberg also found that initially salary is ranked highly but, as time passes, other factors tend to crowd out salary in importance. It loses its role as a motivator and, as Herzberg suggests, becomes a hygiene factor. However, bearing in mind that poor pay is cited as the primary reason for leaving the industry, it seems to be that a minimum salary is essential for people to be happy. This accords with what Adair (1996) found regarding money having a strategic importance for most people, not least as a measure of recognition for the significance of their contribution. Adair continues (1996) by stating that the case for paying people is based upon justice or equity, not upon motivational considerations. Good salary is a necessary cause for getting the best out of people, but it is not a sufficient one, especially if it stands alone.

When the interviewees were asked about how to make tourism work more interesting and challenging, multi-skilling was mentioned as an option, as was widening the tourism product to reach a greater variety of people. Some interviewees mentioned how tourism work is already interesting and challenging in itself but that negative factors such as poor pay and unsociable hours are overriding this reality.

People's motivation for studying a career in tourism were primarily related to enjoyment of the work and interest in tourism. Perhaps they were not too sure what this entailed but what they did know was that their job satisfaction would be through human contact in their employment and by helping others to enjoy and benefit from the contact and assistance they can provide. This desire forms the raw material of human resources through which tourism, as a global industry, fails or succeeds and is the basis for the investment, through education, training and development, that is crucial to business success in all tourism industries. It is through this human resource that a country's or a locality's tourism product, natural or fabricated, is mediated to the customer, client or guest.

*The importance of reward management as a factor in employee retention*

Mullins (1996) highlights economic rewards as one of his three-fold classifications for the motivation to work. Merit-based reward systems attract better performing individuals. Under half of respondents had a pension scheme in operation, which is much lower than the figure of 79% found by Gunnigle, Morley *et al* (1997). Regarding health insurance, approximately one-third of those surveyed had some form of health insurance; a figure which is well below the three-quarters figure reported in their survey of private sector companies generally. The survey found that profit-sharing was the least frequent benefit received, which is slightly lower than figure found by Gunnigle, Morley *et al* for managerial employees. Employee share schemes and profit-sharing are the incentives of the future. The government and the social partners support more favourable tax treatment of employee share schemes and profit-sharing as a means of deepening partnership and securing commitment to competitiveness at the level of the enterprise. Some interviewees made the point that the bigger hotel groups would be in a position to introduce profit-sharing but that the service charge is blocking it at the moment. A CERT report found that the factors which employees were most dissatisfied with were pension provision, perks and opportunities for training and qualifications. About a quarter of respondents had a merit-based reward system in operation where they work. This is a very appropriate scheme for the tourism industry as it rewards good performance and it stimulates improved performance.

Some interviewees made the point that there seems to be a problem with the monetary evaluation of services. This is a commodity that should be arriving at a value relative to house prices, for example, but the reality is that the monetary value of service has not risen. In today's world, many more people than heretofore are expecting to be served and are willing to pay for that service. There is a greater distribution of disposable income across all socio-economic groups. On the other hand, there are fewer people who take pride in service. Service is fast becoming a very valuable commodity and those who give service must be adequately rewarded for it.

*The extent and benefit of continuing professional development courses (CPD)*

Almost two-thirds (60.5%) of employers have a formal policy on training and a further 45.2% of employers have a policy on continuing professional development (CPD).

**TABLE 7: THE COMPONENTS OF TRAINING PROGRAMMES**

Training Programme	%
Induction	45.8
Training courses	33.3
In house manual	20.8

Almost all (90.5%) respondents get course fees paid, 4.8% partially paid and 4% get no fees paid. Regarding management training, 42.5% have received training since commencing work and 57.5% have received no training. Regarding time off to undertake training, 95.2% receive time off and 4.8% do not.

**TABLE 8: BENEFITS OF ATTENDING COURSES**

Benefits	Mean	Standard Deviation
Improvement in job satisfaction	4.3	0.86
Improvement in attitude to work	4.3	0.86
Personal fulfillment	4.3	1.08
Improvement in on-the-job skills	4.16	0.85
Improvement in teamwork	4.1	0.79
Improvement in work quality	4.05	1.05
Improvement in own self awareness	4.05	1.28
Greater preparation for career change	3.55	1.23
Improvement in productivity	3.55	1.28
Improvement in overall perception of organisation	3.15	1.42

The benefits of attending courses are mainly improvement in job satisfaction, improvement in attitude to work and fulfillment.

Just over half of employers have a formal training policy and not quite half have a policy on CPD. Over half of managers interviewed had received no management training since commencing employment, which accords with the findings of the Galvin Report (Burgess, 1997). Despite these benefits, there seems to be a lack of awareness of, or a lack of commitment to, training. As stated in the Forfás Report (1996), the managers of the future need to be able to cope and anticipate the rapid changes in technology, demographics, organisational structures and business strategy. If an organisation provides a good career structure, including an ongoing training programme, this will limit the number of graduates that move from company to company. The results of work by Quereschi (1997) reveal that the single most important factor associated with overall job satisfaction was personal growth. Referring to the development of enterprise partnership, *Partnership 2000* (p.63) refers to training, personal development and support to include enhancing competence, flexibility and innovation through skills development, professional training and employee assistance. There is a need to invest in people. Of those who receive training, nearly half of the respondents receive a couple of days yearly, which is nearly twice the national average for management employees as found by Gunnigle, Morley *et al* (1997). The findings with regard to training and course fees being paid accords with the IHCI Executive Management Development Survey (1996). Those interviewed emphasised how the daily routine tends to take precedence over training and that it is necessary to stand back and evaluate the benefits of investing in people. Time is the main obstacle to participation in courses and relevance of the course is the primary consideration in selecting a course. Employers frequently see training as a cost, not as an investment. During a recession, therefore, the training budget is often the first to be cut back. By the same token, many smaller employers reserve no money at all to pay for training, yet these same employers would gladly spend money on equipment or decor. They do not make the connection between business success and investment in its most vital asset: its staff. The literature indicates that, by investing in people, employers will reap direct rewards from improved productivity and perhaps a better awareness of the needs of the customer. Economic change, the employment situation and the emergence of new technologies, particularly information technologies mean deep-seated changes in the employment market and in society in general. These trends bring out the need to expand individual skills, and this means a change of attitude to lifelong training. Moreover, access to training throughout working life should be im-

proved. Lifelong training will become increasingly important to the competitiveness of companies, as it will for employees when it comes to geographical and professional mobility.

## Conclusions

The hotel industry, to date, has not demonstrated a readiness to acknowledge and deal with the problem of staff retention. Nearly two-thirds of graduates had left the industry within two years of graduation. As an industry with a ready supply of new recruits until recently, it has not confronted the issues relating to staff turnover. Poor pay, unsociable hours and lack of career structure were the primary reasons cited for leaving the industry. Interesting and challenging work and job satisfaction were the main motivators for continuing to work in the tourism industry. While people are in receipt of some benefits, the level of benefits was considerably less than the industrial average. The findings tell a story of under-investment in human resource management with approximately half of employers not having either a training policy or a policy on continuing professional development. A successful retention strategy has to be holistic. It has to examine and improve all areas of the organization.

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