Factors Influencing Employee Turnover and Personnel Stability in Hotels in Slovakia

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Abstract

The development of tourism and hotel management depends on the ability of managers to recruit qualified employees, create an appropriate working environment and retain employees. The main issue for managers is to determine how to stabilise personnel numbers and reduce employee turnover. The main aim of this paper is therefore to identify the key factors that affect employee turnover and personnel stability in Slovak hotels. The research was conducted in selected hotels operating in Slovakia. The results revealed that poor career prospects and non-transparent and unfair remuneration have the greatest impact on employee turnover and personnel stability. It was also shown that personnel stability is mostly influenced by an appropriate corporate culture and personal recognition.

Key words: Employee turnover, hotel, personnel stability, employees.

Introduction

A hotel is a difficult and complex organism that consists of a whole range of activities and processes. Employees represent the most important resource for the existence and development of this organism. Within this context, human resources management is a challenging process, the results of which depend on the prosperity, progress and success of a hotel. The importance and the role of employees in the work process has been discussed in a wide variety of contexts, but clear evidence of their true value is the situation in hotels that lack the right people. The situation becomes even more complicated when the need for competent, loyal and efficient employees is more urgent. In both cases, the implications for hotel management should not only be an impulse for reflection, but also for improving the range and the depth of the system of work with people.

Hotels are demanding places in terms of human resources and their success is related to the quality of employee performance, which in turn is influenced by corporate culture. Only those employees that directly contribute to the satisfaction of customers tend to find personal satisfaction in their work in a hotel. Strong and effective managements realise that it is therefore essential to support the performance of such employees if they are to stabilise personnel numbers and employee turnover.

According to Vetráková, et al. (2011, p. 15), the human resources of an enterprise are those employees who activate and use the other resources of the enterprise - material, financial and informational - to achieve the set goals. Employees become a part of an enterprise´s resource base if a certain part of their human potential, as owners of human capital, is provided to the employer and is engaged in the work process. In so doing, their human capital becomes part of the intellectual capital of the enterprise.

The individuals that form the labour force are directly linked to the existence and functioning of an enterprise. People create businesses, they are part of them, but they are also their customers, and therefore form an indivisible component thereof. From the point of view of human resources management, an important aspect emerges: If there are difficulties in an enterprise, their origin should be sought mostly in the problems of individual employees or in the human relationships that exist between them (Bajzíková et al. 2011, p. 7).

Every hotel is special and specific. For the people employed in a hotel, one common rule applies, namely that its success is linked to the quality of their performance. High employee turnover does not contribute to the growth of performance and improvements in the quality of the services provided. It is therefore important in every process of human resources management to look for ways to increase personnel stability, in particular of those employees who are willing to approach their tasks with enthusiasm and who are interested in self-improvement and personal development.

The aim of this paper is therefore to identify the key factors that affect employee turnover and personnel stability in independent hotels and chain hotels operating in Slovakia.

Materials and Methods

Analysis of the results of the questionnaire survey - identification data

A questionnaire survey was conducted among hotels in Slovakia. According to the Slovak Tourist Agency, 635 hotels were registered in Slovakia in 2016 (www.sacr.sk 2016). One and two star hotels were excluded from the questionnaire survey because of the greater chance of the presence of combined work positions and the lower requirements for the quality of the services provided. The number of remaining hotels in Slovakia with three or more stars was 429. In total, managers of 250 hotels were approached, which resulted in 128 respondents willing to participate (48 managers and 80 hotel staff). This represents a return rate of 51%. The questionnaire was designed for two groups of employees, namely managers and other members of staff.

By evaluating the results of the responses to the questionnaire survey, it was possible to identify the general causes of employee turnover and what tools are used by hotels in Slovakia to stabilise personnel numbers in relation to hotel type (chain hotel vs. independent hotel).

The questions in the questionnaire for both managers and employees primarily focused on issues such as satisfaction with wages and a range of employee benefits, the causes of employee turnover, the average length of employment, the reasons for the termination of employment, and the factors that influence personnel stability. At the end of the questionnaire, respondents were asked to fill in basic identification data. The questionnaire contained a combination of open and closed questions, with the use of a Likert scale. The questionnaire for managers was more extensive than that for the other members of staff because it contained more detailed questions regarding the indicators and monitoring of employee turnover and personnel stability.

The survey was completed by 48 managers, of which 36 were male and 12 female. The largest group of managers were 26 to 35 years of age. In addition, 80 other members of staff, working in positions such as receptionist, cook, waiter, housekeeper, etc. also participated in the survey. Of this group, 35 were male and 45 female. The largest group of employees were 36 to 45 years of age.

The identification questions sought to establish in what type of hotel, resp. category of hotel, the respondents worked in. In total, 75% of respondents stated that they worked in an independent hotel and 25% in chain hotels. With regards to the category of hotel, almost half of the respondents stated that they worked in conference oriented hotels, approximately 20% in wellness hotels, approximately 15% in mountain hotels and 3% in boutique hotels. Almost 16% of respondents stated that they worked in a different category of hotel to that identified in the questionnaire options. In all cases, this concerned historical hotels. The survey was completed by approximately 82% of staff and managers of four star hotels. The remaining 18% were employees and managers of three and five star hotels

The most frequent benefits provided by the participating hotels were: motivational remuneration system; company mobile; tablet; laptop; company car; tickets to cultural events; free hotel wellness centre for family members; discounted wellness treatments; teambuilding activities; vouchers for work clothes; the possibility to stay at partner hotels; discounts for celebrations; weddings; discounts for consumptions at individual resorts; and/or parking in the hotel garage. Chain hotels also included learning opportunities in other hotels within the chain. Another significant benefit was the option for relatives to stay in the hotel once a year (on the condition that the employee has been working on the basis of a permanent contract for at least half a year).

Analysis of the results of the questionnaire survey - analysis of employee turnover and factors that influence personnel stability

In the questionnaire for managers, they were asked whether they monitored the reasons for employee turnover. The question was dichotomous, i.e. managers could answer "yes" or "no." The results are presented in Figure 1.

Figure 1: Question: Do you monitor the reasons for employee turnover in your hotel?
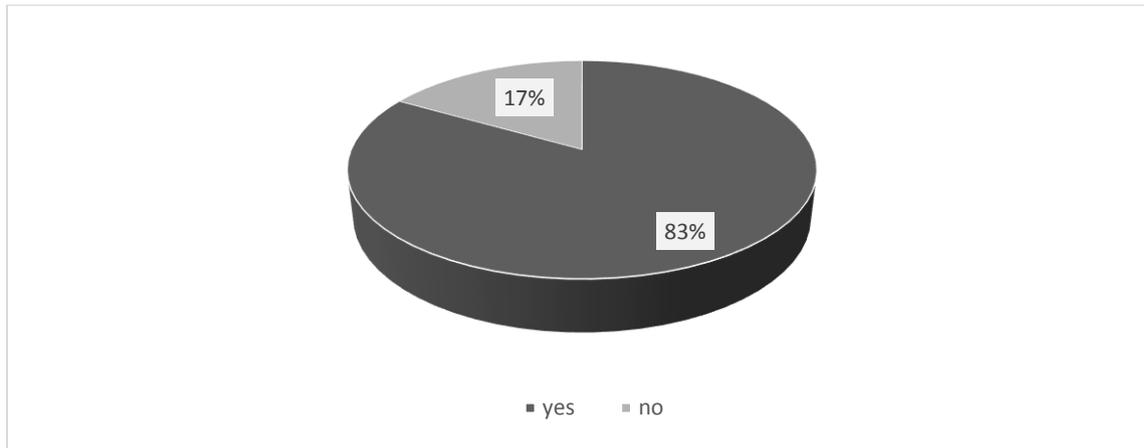
Source: Authors 2018

A total of 83% of managers answered this question positively. In such cases, the managers were subsequently asked to identify which indicator(s) linked to employee turnover they monitor. The managers were presented with pre-determined options, whilst being given the freedom to mark several of them. The main indicator they monitored was the reason for the termination of employment from both the side of the employer and the employee. The length of employment of an employee and the number of employees dismissed during each month of the year were also monitored. Among the lesser important indicators were the number of new recruits and stable employees separately, as well as combined within the current year. For a complete evaluation of the question, see Figure 2.

Figure 2: Question: Which indicators do you use to monitor employee turnover?
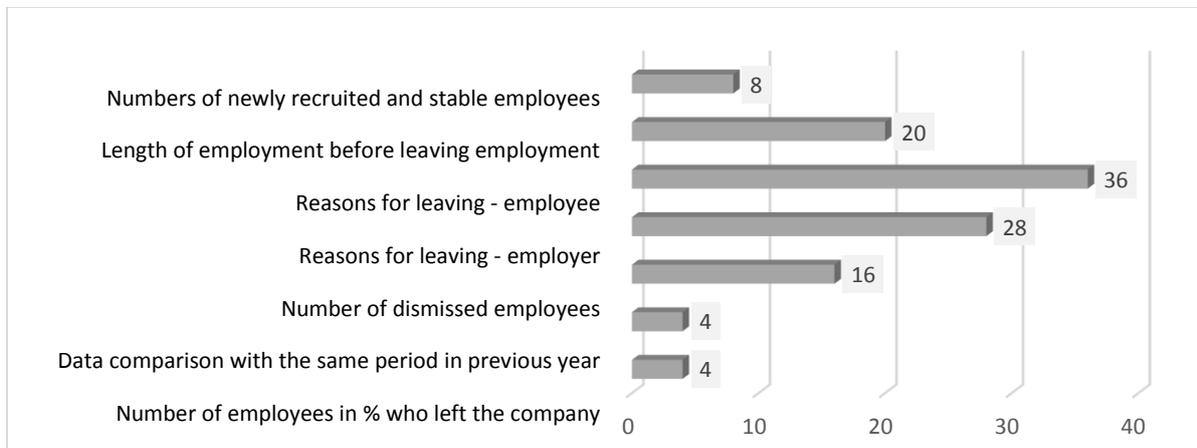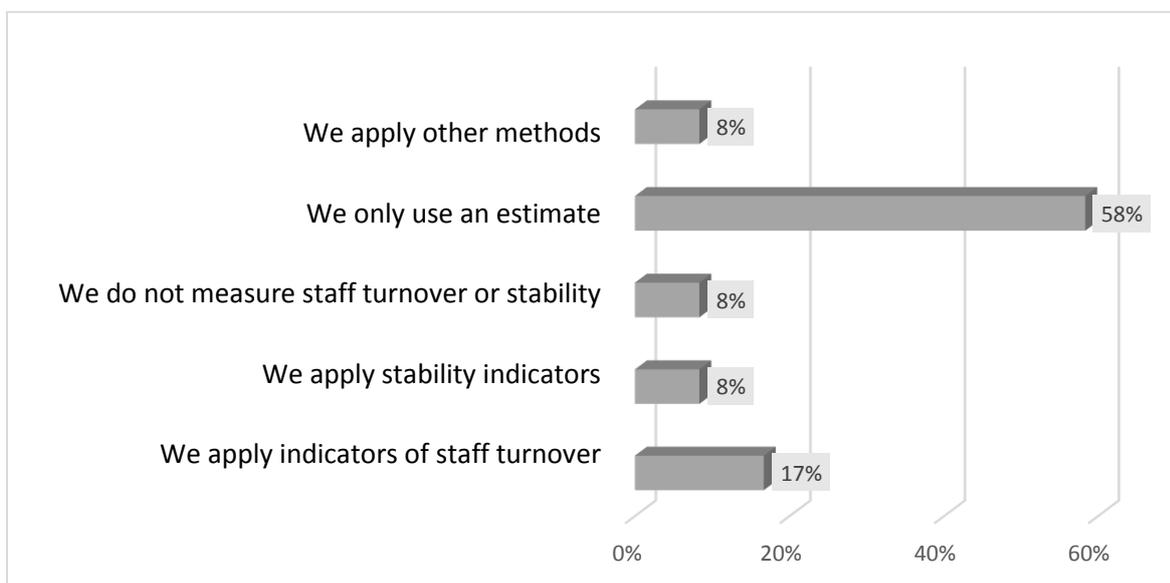

Source: Authors 2018

The results presented in Figure 2 reveal that managers are more interested in monitoring the reasons why employees terminate their work contract than in quantitative indicators such as the numbers of newly recruited employees, dismissed employees, or the percentage of employees who left the hotel in a given year.

The next question in the manager's questionnaire focused on finding out whether and to what degree managers apply quantitative measures to monitor employee turnover and personnel stability in the hotel they operate in. The results are presented in Figure 3 below.

Figure 3: Question: Which quantitative measures do you apply to monitor employee turnover and personnel stability?

Source: Authors 2018

Of the total number of managers that responded, more than half (58%) only use estimation to determine the rate of employee turnover and the level of personnel stability. The rate of employee turnover is monitored only by 17% of the managers, with only 8% monitoring the level of personnel stability. A further 8% of managers either do not apply quantitative measures at all or use other means to assess the total number of employees leaving the hotel. In these cases, they state that they are particularly interested in the reasons why an employee leaves. This is confirmed by the results attained through the responses to the previous question.

The next question sought to determine whether managers are able to put a figure on the percentage of employee turnover in the hotel they operate in. The results are presented in Figure 4 below.

Figure 4: Question: Can you put a figure on the percentage of employee turnover in your hotel?
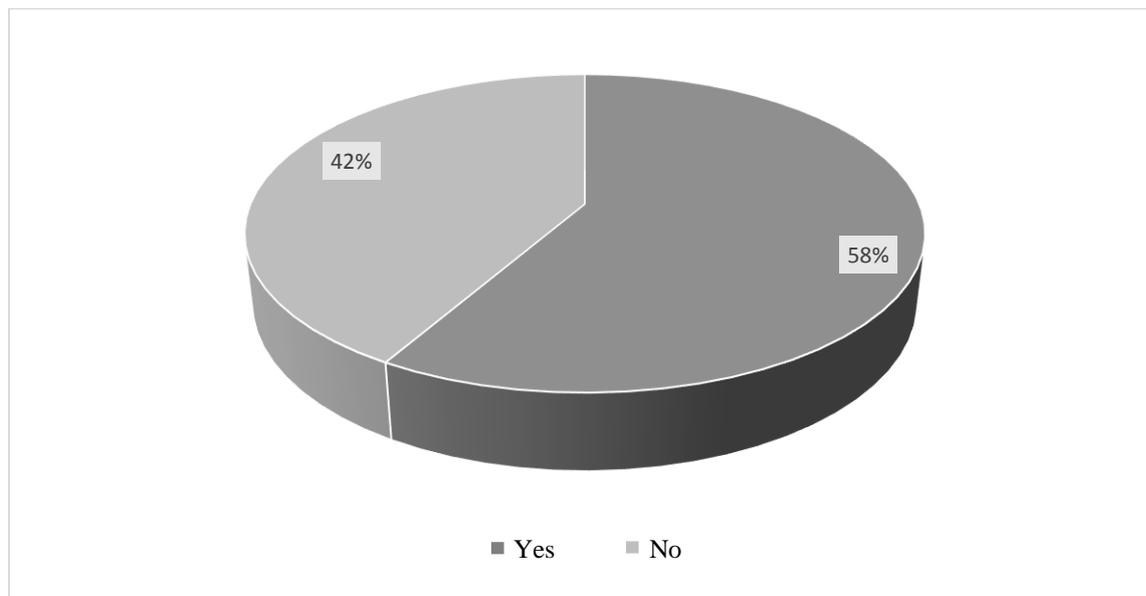
Source: Authors 2018

As previously stated, only 17% of the managers monitor the rate of employee turnover, and 58% of managers (28 in absolute numbers) use an estimate. The interest here was in how many of the managers in these two groups combined could put a figure on the percentage of employee turnover in the hotel they operate in. Once again, more than half of managers (58%) were able to give a percentage, whereby values ranged from 10% to 20%. Those managers that could not give a percentage stated that their staffing levels were stable and that the number of departing employees during the year was minimal

The positions of chef de cuisine, sous-chef, and all upper positions in the financial, business and management departments were identified as the most stable positions within hotels. In terms of leaving, the most problematic categories of employees were those with lower levels of education, such as waiters, kitchen porters, dishwashers or housekeepers.

The results of the survey show that there are differences in perception between employees and managers with regards to the significance and the importance of the factors that influence employee turnover. This fact was verified through the use of SPSS statistical software and the application of the Mann-Whitney test. The test revealed that the most significant differences in perception relate to the importance attached to work and personal (professional) reasons. In both cases a significance level $\alpha < 0.05$ was achieved. The results are presented in Figure 5.

Figure 5: Results of Mann-Whitney test

Mann-Whitney Test

Ranks

	group	N	Mean Rank	Sum of Ranks
OT12_prac	1	48	54,29	2606,00
	2	80	70,63	5650,00
	Total	128		
OT12_osob	1	48	50,33	2416,00
	2	80	73,00	5840,00
	Total	128		
OT12_organ	1	48	61,58	2956,00
	2	80	66,25	5300,00
	Total	128		
OT12_rodina	1	48	60,54	2906,00
	2	80	66,88	5350,00
	Total	128		

Test Statistics[a]

	OT12_prac	OT12_osob	OT12_organ	OT12_rodina
Mann-Whitney U	1430,000	1240,000	1780,000	1730,000
Wilcoxon W	2606,000	2416,000	2956,000	2906,000
Z	-2,422	-3,372	-,694	-,945
Asymp. Sig. (2-tailed)	,015	,001	,488	,345

a. Grouping Variable: group

Source: Authors using SPSS statistical software 2018

The differences in perception between managers and employees with regards to the importance of work and personal (professional) reasons are presented, among other factors, in Table 1.

Table 1: Reasons for employee turnover - managers vs. employees

Reason	Managers	Employees
Work	- Inappropriate and demanding work schedule - Difficult and hard work	- Dissatisfaction with working conditions - Difficult and hard work - Inappropriate working conditions - Inappropriate work schedule
Personal (professional)	- Better offer from another company / hotel - Prospect of a better job abroad	- Poor career prospects - Lack of opportunities for self-realisation - Prospect of a better job abroad
Organisational	- Low wage - Insufficient motivation from hotel owners	- Non-transparent and unfair remuneration - Low wage - Lack of feedback on performance and the behaviour of managers
Family	- Health problems	- Health problems

Source: Authors 2018

Although managers believe that recognition is one of the most important factors influencing personnel stability, employees disagree and state that career development and personal growth are more important. These and other differences between managers and employees are presented in Table 2 below.

Table 2: Factors influencing personnel stability - managers vs. employees

	Managers	Employees
Factors	- Recognition - Appropriate corporate culture - Transparent remuneration	- Career development and personal growth - Possibility of increased wages during career - Recognition - Transparent and fair remuneration

Source: Authors 2018

As part of the analysis of the research results, confirmation was sought of the link between the personal and professional development of employees and the level of personnel stability in hotels. The calculated Spearman coefficients confirmed the dependence of the two variables and the appropriateness of the corporate culture. The Spearman coefficient results are presented in Figure 6.

Figure 6: Results of Spearman's coefficient calculations

Source: Authors using SPSS statistical software 2018

Our analysis also sought to verify the strength of the correlation, if any, between the age of employees and their wages, and their influence on personnel stability. Spearman coefficient calculations confirmed the dependency of personnel stability on age, but not on average gross monthly wage. On the basis of these findings, it can be stated that the age of employees has a greater influence on personnel stability than their average gross monthly wage. With older employees the level of personnel stability is greater. Spearman coefficient calculations also confirmed that systems for stabilising personnel numbers are applied more in chain hotels than in independent hotels.

Discussion and Conclusion

One of the outputs of the conducted survey was a proposed system for the stabilisation of personnel numbers in chain hotels and independent hotels operating in Slovakia. On the basis of our detailed analysis, it was possible to identify problem areas and to subsequently formulate recommendations and solutions for tackling them.

The proposed system for creating personnel stability can be viewed as a modern human resources management strategy, a strategy that clearly recognises that qualified, efficient and reliable employees are one of the most important resources of a hotel and are key to its success. If a hotel wants to retain such employees, it is necessary to know their needs and values, the situation on the labour market, the working environment and the working life they can offer them. The stabilisation of personnel numbers represents a long-term and continuous process of increasing the attractiveness of the employer, the exploration of the job (dis)satisfaction of employees, and the search for solutions that reconcile the expectations of employees with the needs and goals of the employer.

Figure 7: Proposed system for creating personnel stability
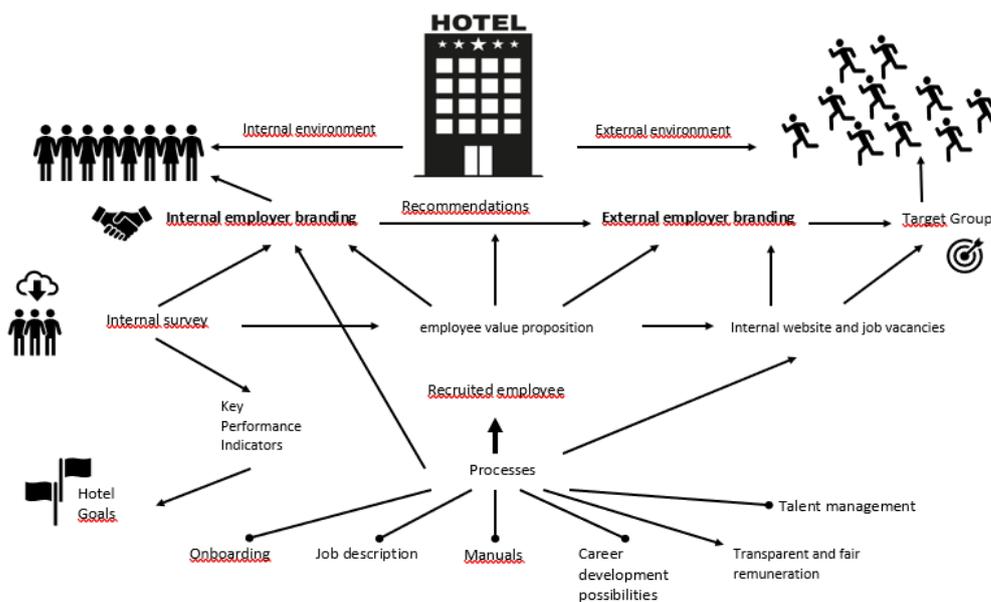
Source: Authors 2018

The results from the conducted survey show that chain hotels have developed systems in place in the form of internal documents to promote greater personnel stability. It is for this reason that the proposed system for personnel stability, as presented in this paper, is more oriented towards independent hotels. It should be noted that personnel stability is a process that is always affected by the staff of a hotel.

The proposed system for creating personnel stability contains key elements, including employer branding - the creation of unique/key values of the employer: (a) target group definition; (b) defined job advertisement as a marketing tool; (c) defined search and recruitment channels; (d) transparent remuneration system; (e) elimination of factors that influence the termination of employment; and (f) defined career development options for employees (including for existing personnel).

The value, importance and role of people in the work process is beyond question. As stated by Vetráková (2017), working with people in the work process, i.e. with human resources, is a significant and important activity in the entire management system of a hotel.

In the rapidly changing market environment, it is imperative that hotels know where their competitive advantage lies and what form(s) this takes. In tourism businesses, human capital is a basic prerequisite for their success. Mikoláš (2005) suggests that there is a new dimension to a company's competitiveness, one that involves an interdisciplinary view and which is very closely connected with the intangible value of an enterprise. The overall market value of an enterprise is not only financial, but also intellectual capital, the core of which is human capital. Human capital is therefore an irreplaceable asset for every enterprise.

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