

Employee Turnover in the Hospitality Industry: A Case Study in the Western Province of Zambia

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Abstract

The hospitality industry in Zambia is one of the key factor contributing to the country's economy. However, the industry is faced with high rates of employee turnover. Employee turnover is the number of employees leaving work/employment in one organization for other jobs perceived better. Employee turnover hurts the productivity and financial performance of a company. This study aimed to investigate the factors influencing employee turnover of non-executive employees in the hospitality industry within the Western Province of Zambia. This study adopted a quantitative research design method and questionnaires were used for data collection. The sample size of this study is 273 non-executive employees working in the hospitality industry within the Western Province of Zambia. The research findings revealed that salary, work conditions, incentives, job rotation and long working hours have a significant influence on employee turnover. Few recommendations were provided for future improvements on the employee turnover issues in the hospitality industry within the Western Province of Zambia.

Introduction

The World Travel Tourism council assumes that Zambia tourism industry is expected to grow to the top 10 in the world in the next decade. This country is rich in natural resources, Victoria falls being the main tourist attraction, world life area of 40% of the country's land, 19 national parks, and 34 game management area, (WTTC, 2016). However, the infrastructures, facilities and human resources for tourism in Zambia still have plenty of room for further improvement, particularly the hospitality workforce. Currently, approximately 94 000 people are working in the hospitality industry in Zambia which is around 1.7% of the labor force and contributes 3% of GDP to the country (WTTC, 2016).

According to the report entitled "2015 Tourism Statistical Digest" published by Ministry of Tourism and Arts (2016), Republic of Zambia, there are 940 employees employed in the tourism industry in Western Province of Zambia. Therefore, this number denoted 10% of the total number of employees working in the hospitality industry in Zambia. However, employee turnover remains a challenge in the hospitality industry in the country. Indeed, employee turnover is an issue that affects every industry, organization regardless of the size or geographical location. In this regard,

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it is of immense importance for the organization to deploy measures that will help to curb the turnover rates.

Brother (2010) defined employee turnover as the process of replacing a current employee with a new one. On the other hand, Singh & Loncar (1994) posited that employee turnover is a rate of change in the working employees of an organization during a specified period. Nevertheless, employee turnover in hospitality industry can be said to be a percentage of many employees who are leaving the organization and be replaced with new workers. Determining the percentage of staff turnover is of immense importance to the employers who want to examine the cause for turnover.

In this context, the main objective of this study is to investigate on the factors influencing employee turnover in non-executive employees in the hospitality industry in the Western Province of Zambia. As Hospitality sector is Zambia's best prospects of the economic growth and diversification.

The hospitality industry is one of the fast-growing industries in Zambia and it is a potential source of diversification and job creation in the Western Province of Zambia. However, the industry is highly affected by the accelerating levels of staff turnover. In Kusluvan's study (2003), the author urged that job provision is the major benefit of the hospitality industry in any economy. According to Abassi & Hollman (2000) stated that employee turnover is the rotation of employees around the labor market, jobs, between the firms, and between the state of employment and unemployment. On the other hand, Brotherton (2010) states that employee turnover is the process of replacing an existing employee with a new one. Employee turnover in the hospitality industry can be explained as a probability of employees staying for a shorter time and leaving employment and are replaced by new ones. It should be noted that employee turnover is not a bad thing for an organization, however it only a threat to an organization if it happens in high numbers and frequently. The hospitality business is a service-based industry, and it heavily relies on human resource. Therefore, it will be significantly harmed by the high rates of employee turnover. According to Hancock et al. (2013), employee turnover hurts the company's performance. In addition, the cost of employee turnover on an organization is double or more than the salary of that position for the period of one year, this is due to the time it takes for the new employee to acquire the necessary knowledge and skills to effectively and competently handle the job/position of the previous worker (Tracey & Hinkin, 2008). Worst still, the high employee turnover in the hotel industry will negatively affect the quality and consistency of the services level of the staff. On the other hand, Simon & Hankins (2001) asserts that high levels of staff turnover increase the organization's operating costs.

Recruitment of the new employee could mean that the organization has to spend on the new employee's training, aspects like amounts spent on advertisement. Therefore, high rates of employee turnover should be avoided where possible as the effects on the organization highly affect the financial performance of the company. Inconsistence in the services and quality provided can result in customer dissatisfaction and when customers are not pleased with the services, chances are they will not come again and the bad experience encountered can affect organization's prospect customer as a result of word of mouth from customers whose had a bad experience with Organization. Based on the literature review, many studies conducted by previous researchers have identified the main four factors that affect employee turnover as below:

Work condition

Organizations should provide fair conditions for employees to retain them in companies. The rules should be flexible and management should provide policies concerned with the recognition of the value of their employee and development and put emphasis on building as well as encouraging the effective relationships among the workers. On top of that, the management should allow the employees to involve in decision making and provide growth opportunities for them. Employees who feel bored and stuck in their workplaces have high intentions of quitting and going and joining other organizations with favorable work conditions. Additionally, organizations conditions should not interfere with employees' private life. According to Hogarth & Dean (2008), absenteeism and employee turnover rates increase when work interferes with employee relationships and family.

Incentives

Incentives can be anything that motivates an employee to desire to work harder, that gives an employee enthusiasm to do better, expend more energy and desire to try harder. Incentives can be both monetary and non-monetary. Heathfield (2013) defined motivation as a process or an act of giving an individual a reason for pursuing something. Motivation is also known as a stimulant, provocation, boost, etc. According to Kuria (2011), incentives motivate an employee is to do better and expand their energy more towards work. However, research shows that the absence of incentives, rewards and benefits are among the factors increase staff turn rates in the hotel industry. An employee who does not feel appreciated, or recognized for their performance highly turn to have the higher intention of leaving their jobs in search for better job conditions.

Long working hours

According to Mohanty & Mohanty, K. (2014), extended working hours is one reason contributing to employee turnover in the hotel industry. Due to the nature of the hospitality industry, hotels are required to offer services 24/7. Clients' demand for services has no specific hours or time. This results in long working hours and extended in the hotels. Roseman (2008) asserts that there are no defined working hours in hotels, because customers may need some help or services in the middle of the night. This as a result employees are required to work more than the time given for their shifts. As a result, the employees' performance may be affected which will consequently affect the company's productivity and the quality of services provided. Extended working hours has been seen in other studies as a factor influencing employee's intentions to quit their job (long working hours invades employees' personal life). According to Driesen (2011), extended shifts and long working hours hurt employees' wellbeing. It affects both the psychological and physical state of the employees' health. This, therefore, makes the staffs quit their job in the hospitality industry and look for other jobs offering a perceived better work-life balance elsewhere.

Job rotation

Scott (2001) defined job rotation as a method designed by organizations to allow employees learn different job skills from the various organization departments, this is designed to allow employee diversify their job skills for a given time. The method is designed to give individual work experience in different departments. Employees who have been working in one department for a longer period turn to be bored with the work and always seek to find new challenges. Therefore, lack of job rotation can increase the intention of an employee quitting the job. The turnover resulted from job rotation is avoidable, and the company can use cross-training to avoid this, also it is a benefit to an organization in the sense that the company gains competitive advantage from

having an employee who is qualified in more than two skills. Count (2015) argues that challenged faced by the staffs in the newly assigned department can motivate them and give them more enthusiasm, improve their morale towards the work environment. Additionally, job rotation makes employee gain growth on how to handle different challenges. It gives employees growth and development opportunities as a result, employees will not feel boredom and stuck in a dead-end. Therefore, organizations need to implement and ensure the effectiveness of job rotation in the organizations to avoid turnover caused by lack of work rotation.

Research Framework

The conceptual framework of this study is developed based on the concept that the four main factors of employee turnover that identified in literature review are significantly related to non-executive employees working in the hospitality industry in Western Province as shown in Figure 1.

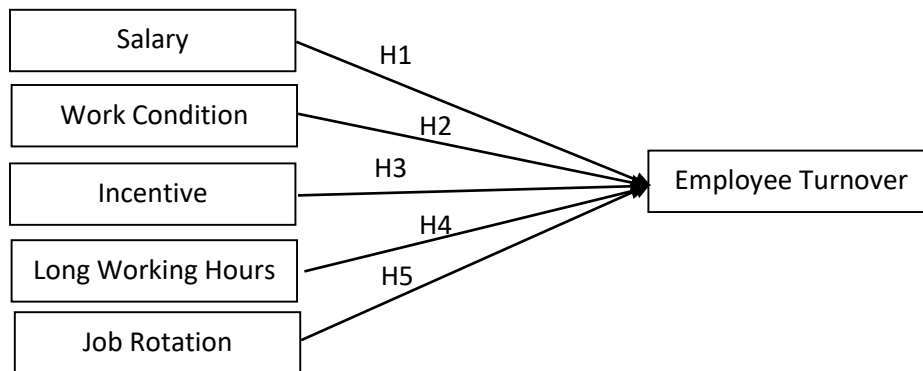


Figure 1. Research Framework

In line with the research framework, 4 research hypotheses are developed as below:

H1: Salary has a significant influence towards employee turnover in the hospitality industry, Western Province of Zambia.

H2: Work condition has a significant impact towards employee turnover in the hospitality industry, Western Province of Zambia.

H3: Incentives has a significant influence on employee turnover in the hospitality industry, Western Province of Zambia.

H4: Long working hours has a significant impact on employee turnover in the hospitality industry, Western Province of Zambia.

H5: Job rotation has a significant impact towards employee turnover in the hospitality industry, Western Province of Zambia.

Methodology

This research aims to analyze the factors influencing employee turnover in the non-executive working in the hospitality industry in the Western province of Zambia. Total of 173 employees working in the hotel industry were collected for this study and the simple random sampling

procedure was employed for this study. A survey questionnaire was used to collect data, and due to the limitations in terms of distance and time, the research had adopted self-administration online survey to collect data.

The self-administered survey enables the researcher to acquire a detailed response from the sample because of the approach's anonymity ability (Fowler, 1985). The collected results will be coded and entered in the computer, after that, the researcher will use a descriptive statistic such as percentages, the mean and standard deviation in summarizing the raw data. Furthermore, to ensure the validity and accuracy of the study, the following tests were conducted, factor analysis, regression analysis, normality test, reliability, and ANOVA to investigate the factors influencing employee turnover.

Results

Reliability analysis

Reliability test was performed using Cronbach's alpha. The Cronbach's alpha is a common measure used to measure the reliability, consistence of the multiple scale Likert questions in a questionnaire. It is used to determine the reliability of the scale. Reliability is the extent to which the scale produces same results if the measurements are to be performed repeatedly. The researchers Isaac & Michael (1995) states that the Alpha of more than 0.7 is recommended and considered to be high for measuring internal consistence. The Cronbach's Alpha in the Table 1 is 0.913.

Table 1. Reliability statistics

Cronbach's Alpha		No of Items
.913		20
Variable	Cronbach's Alpha	No of Items
Salary	.662	3
Work Conditions	.716	4
Incentives	.727	4
Job Rotation	.780	4
Long Working Hours	.739	3
Employee Turnover	.890	2

Correlation and regression analysis

The R Table (Table 2.) shows the R Square of .276 which is 27.6% of the factors of this study which is Salary, work conditions, incentives, Job rotation and long working hours. While 72.4% are the other determinant factors of employee turnover that need to be discovered. Therefore, these results shows that the is a relation between employee turnover and the five independent variables in this study (Salary, work condition, incentives, job rotation and long working hours). However, the goodness of fit for the measure of regression has a poor fitting of the model. Thus this study will recommend a new model in Chapter five for further future investigations on the other variable

that could influence employee turnover in the non-executive employees working in the hospitality industry in Western Province of Zambia. In a summary, the above results revealed that there is a relationship employee turnover and the independent variables of this study (Salary, work condition, incentives, Job rotation, and long working hours). These factors influence employee turnover in the non-executive employees working in the hospitality industry in Western Province of Zambia. However, 52% relationship show that the good fit of the model is not too high, hence a new model will be recommended in chapter five of this study to further investigate on the other factors not explored in this study.

Table 2. Correlation and regression analysis

R Table

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.526 ^a	.276	.255	.700

a. Predictors: (Constant), X5, X4, X1, X2, X3
b. Dependent Variable: Y1

Hertzog (2008) states that a decimal ($p \leq .05$) indicate significance. Therefore, since the calculated p-value is <0.001 , we accept H1 and conclude that all the variables X1X5 (Salary, work conditions, incentives, job rotation and long working hours) have a significance influence over employee turnover.

Table 3. Hypothesis testing

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
X1	50.045	172	.000	2.879	2.77	2.99
X2	50.407	172	.000	2.994	2.88	3.11
X3	52.620	172	.000	2.988	2.88	3.10
X4	46.069	172	.000	2.908	2.78	3.03
X5	54.311	172	.000	3.191	3.07	3.31

Conclusions

This research shown evident that salary, work condition, incentive, lack of job rotation and long working hours have an influence on employee turnover in the hospitality in Western Province of Zambia. Therefore, employee turnover with its negative impact on organizational performance, productivity and the overall finances, the knowledge of the factors influencing employee turnover in the hospitality industry is of vital importance.

Employees being the most important assets of an organization, and in consideration of the nature of the hotel industry which highly rely of employees' contributions to deliver the services, understanding how salary, work condition, incentives, job rotation and long working hours affects employees and influence the rates of employee turnover is very important as it will help the management to be able to put measures, that can be used to reduce the high levels of employee turnover in the hospitality industry in the Western Province of Zambia and insure a consistence in good services rendered to the customers. Furthermore, organizations will also be in position to be able to retain its talents.

According to Boudreau and Ramstad (2005), employees highly contribute to the organizations through their unique talents, skills, abilities and competences. The retention of talents and control of high employee turnover will help organizations to have quality and consistence in the services provided to the customers, as a result acquiring a competitive advantage in the market.

In the nutshell, salary, work conditions, incentives, lack of job rotation and long working hours have revealed to have a significant influence on employee turnover in the non-executive employees working in the hospitality industry in the Western Province of Zambia. Employee highly contributes to an organization's overall performance, therefore, high rates of employee turnover affects the organization's performance. Therefore, for the organizations to avoid high rates of employee turnover as well as being in position to retain employees and maintain a complete advantage, the management is advised to consider the following recommendation below, as states in the following section.

Recommendation

Salary

In order to reduce the high employee turnover in the hospitality in western province Zambia, the study suggests that the top management should ensure that salaries are within the industry benchmark and also meet the standard requirement. Further, fringe benefits and salary increment can help reduce employee turnover influenced by low salaries.

Work condition

In order to reduce turnover caused by poor working conditions, the top management need to ensure that the organization has attractive work conditions, the employers must also commit to and treat workers fairly regardless of their specializations or ranking. The management should also ensure that the organization has proper facilities that enable employees to perform their jobs comfortably, as well as ensuring that the employees' health and safety is taken care of and consequently reducing the rates of turnover.

Incentive

According to Herzberg's two factor theory, salary is a basic need in his model, therefore, salary alone is not enough to keep employees motivated. Thus therefore, to reduce the high rates of employee turnover the top management need to ensure giving incentive to its employees, incentives like holiday gift always. The organization should also consider reward management

system, ensure recognitions for outperforming employees, as a result reducing the rates of employee turnover as employees who feel appreciated and the organization's recognition towards their efforts are most likely to remain in the organization hence reducing the rates of employee turnover.

Working hours

In order to reduce the turnover caused by long working hours, top management need to ensure that employees work within the recommended work hours, because when employee work for more hours, 8 and beyond, they became less productive and long working hours affects employee's health and overall wellbeing. Addition, giving breaks in between working hours as well as ensuring flexible work schedule of the employees, support work life balance, this will not only help reduce employee turnover but improve employees' performance and the services provided. Long working hours also have an effect on employee's health and holistic wellbeing. Therefore, by frequently reviewing the work schedule, management will be able to help reduce the high rates of employee turnover.

Job rotation

In order to reduce the high rates of employee turnover, top management need to ensure that job rotation policies are available and effective in the organization. Job rotation helps reduce the rates of high turnover. According to the findings, lack of job rotation had a significance influence on employee turnover, meaning that when employee work in one department for so long, the chances are high that they became bold of performing same tasks daily, hence they start looking for other opportunities elsewhere for new challenges. Therefore, top management should provide developmental opportunities to the staffs this will be able to reduce the high rates of employee turnover as employees will be able to advance their skill and less feel stuck-up in one position. This therefore states that when there is a job rotation police in an organization, employees will be able to work in different departments, or organizations within the company of employment, the study has shown that job rotation is significance to employees as they learn and acquire new skills. As a result, employee will not likely to turnover. Job rotation on the other hand, is not only beneficial to the employees but to the organization too as it promotes on training which is an advantage to the organization when employee have more than one acquire skills

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