Review Article

Staff Turnover Crisis in Hotel Industry of Saudi Arabia: Challenges and Projections of Employees and Employers

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Abstract

The revolving door policy has become a bottleneck for the Hotel Managers. Be it the lower level staff or the top management staff, they leave the organization once they are trained and groomed as per the hotel standards. This crisis leaves the hotel at catch 22 situations. They have no option other than to hire a new staff and train them. "The Bureau of Labor Statistics [1] estimates an annualized employee turnover rate of 73.8% in the hotel and motel industry. This figure is striking consider most HR experts agree a healthy turnover rate should actually be somewhere in the 10-15% range". Considering the high rate of attrition, training a new staff as per the standard policies becomes a costlier challenge for Hotel Industry. There are various reasons behind turnover i.e. Job dissatisfaction, better career growth/opportunities etc. There are a variety of reasons why an employee would consider quitting his or her job within the hospitality industry. These have been identified and researched significantly in the past 60 years (Brown *et al*., 2015; Huselid, 1995; Kang *et al*., 2015; Mobley, 1982; Poulston, 2008; Smith and Watkins, 1978) [2]. Yet, organizations are continually trying to identify areas for improvement regarding turnover as turnover costs can be extremely expensive. In fact, they are sometimes considered the highest cost an organization has to endure (Tracey and Hinkin, 2008; Woods, 2002).

Objectives/Purpose of the study
   Employee turnover has become a cause of worry for the hotels. Considering the staff turnover crisis, the objectives of the study has been outlined as follows:
- To judge the reasons behind job dissatisfaction?
- To address the impact of working environment on staff attrition?
- To analyse the reasons behind staff turnover?
- To investigate the aspects of quitting the jobs
- To examine the motives of considering other job opportunities?

Design/Methodology: The research study is based upon secondary data obtained from the journals and other published articles. The study aims to address the problem and solution of staff turnover in Hotel Industry of Saudi Arabia. Analysis of secondary data sources i.e. and hotelier's interview will assist the scholar to determine the challenges and prospectus of working in hospitality industry. Telephonic interview with HR Manager of hospitality industry was conducted by the scholar to judge the reasons of staff attrition and job dissatisfaction. The research study will help to map the gap of human resource issues in dealing with the staff attrition. The research study is carried out in Makkah city and Jeddah.
Findings: The research paper findings will be helpful for hotels of Saudi Arabia in dealing with the attrition. By analysing the staff turnover rate and its causes the hotel will be able to provide better working environment. Customized human resource solutions will help to determine the requirements of humans i.e. flexible working hours, compressed job schedule, bonus and benefits.
Keywords: Attrition, Turnover Crises, Working environment, Challenges, Prospects.

INTRODUCTION

As per the Saudi Hospitality sector report of 2015, "Tourism activities in Saudi Arabia are centred on the holy cities of Makkah and Madinah, the western part of the kingdom. In Madinah, pilgrims are expected to touch around 10mn by 2025". The hospitality market for both cities is closely related as pilgrims perform

Hajj or Umrah in Makkah and then travel to Madinah to visit Al Masjid An Nabawi (the Prophet's Mosque) [3].

"The tourism authority (Supreme Commission for Tourism and Antiquities) has announced it aims to attract 88 million tourists by 2020 as the Kingdom focuses on developing religious tourism and business travel in particular. "Saudi Arabia continues to focus on its tourism industry as it looks to diversify away from its dependence on oil, with revenues from tourism accounting for around 3.6% of GDP," says Mark Walsh, portfolio director of Reed Travel Exhibitions" [4].

As per the report, "Business tourism is growing fast on the back of strong economic growth and the government's focus on developing other pockets of the economy. Currently this is concentrated in the three major cities of Saudi Arabia, which are; Riyadh, Jeddah and Al-Khobar. Premium hotels dominate the supply in the three cities and given the increasing number of business tourists in the cities, luxury brands should continue to prosper" [5].

Challenges and Prospectus of Employment in Hotel industry of Saudi Arabia

Unlike other industries, the hotel industry also holds its own drawbacks, i.e. long working hours, less compensation, no promotion/appraisal. Rotating shifts also generate problems for work life balance, thus there is uncertainty of career development/growth. The rude and stern behaviour of superiors, no flexibility in job timings as well as availing leaves as per own choice creates mental trauma. Lack of communication amongst senior, middle management and line staff leaves the employee disgruntled. All the communication to lower level employee remains downward without any choice. Communication made by lower level employees is never taken in upward direction. "If an organization has made significant investment in training and developing its employees, that investment is lost when employee leaves" [6].

Illustration-1: Challenges of Employment in Hotel Industry

A similar research was conducted by Kristin Malek, Sheryl Fried Kline, Robin DiPietro, in 2018 and it was found that management training and management style had a significant inverse relationship with employee turnover intentions [7]. The research indicates that if hotels invest in management training, then there will be a reduction in employee turnover intention, if the managers are training for dealing with employees in a dignified manner. Employees would view their managers more favourably, feel closer to their managers and have less of a desire to leave the organization.

- **Work life balance**: The people employed with hotel industry are required to work for long hours on constantly changing shifts. Unpredictable weekly offs add the chaos in employees work-life balance. They have very limited social life. Generally, employees in the hotel industry are required to work for 12-14 hours, which takes away the maximum time out of their everyday routine.
- **Rude and Stern behaviour**: Rude and stern behaviour of the employers disheartens the employee from taking initiatives at work. Due to

office politics, employees work without zeal and keep searching for more beneficial opportunities.

- **No performance appraisal**: No performance appraisal leaves the employees unhappy, which leads to negativity. Thus, employees who are least compensated and are not paid well, according to longer working hours and extra work leads to problems like employee absenteeism on regular instances, less ownership etc. which yields way to no productivity.
- **Less Compensation:** People work in hotel industry so they are well compensated in monetary terms but if the compensation for longer and tiring working hours remains less this may enhance the trouble of employee.
- **No Flexibility:** No flexibility in weekly off /timings leads to disruptions in life therefore it is important that employees are offered flexi timings to compensate the working hours.

Apart from these reasons, employing Millennials is also one of the biggest challenges for the hotel industry. "Research shows that across all industries Millennials have less loyalty to organizations, and are more likely to leave a job if a better opportunity arises. One study by CareerBuilder shows that by age 35, about 25% of young employees would have worked five jobs" [8].

Challenge and prospects of staff turnover crisis Hotel Industry of Saudi Arabia
Saudi Arabia as a nation is facing internal problems due to lack of work commitment and lack of loyalty amongst the staff. Private sector employers have their own inhibitions due to work pressure. "Despite the increased resolution of the Saudi Arabian government to commit the private sector to Saudization, owners and managers of some Saudi businesses retain negative attitudes against the recruitment of Saudi nationals who are searching for jobs. They believe that the Saudis are neither serious nor loyal to Saudi companies" [9, 10].

The primary purpose of this study is to explain that challenge and prospects of staff turnover crisis in Saudi Arabia. Quitting employment for small perks is one of a negative impact of job dissatisfaction. In this regard [11] established that High employee turnover rates often lead to business failure, an unmotivated workforce, and lack of attractiveness to skilled workers in the hospitality industry. These incidents have become a regular affair in hospitality industry thus, it has become pain in neck for the HR managers. "Employee dissatisfaction caused by poor relationships with supervisors and line managers, undesirable working conditions, lack of career development and training opportunities are also seen as major factors that cause high staff turnover [12]

"Organizations that compete globally aim to gain a large market share, but it depends on less employee turnover and more loyalty, which is associated with hard work, productivity, and high quality" [13].

The researchers have discovered that due to the negative attitude and stern behaviour of employers, employees prefer to leave the hotel industry to another industry where they could have less work pressure and better compensations. In the best scenarios, they depart from one hotel to the other hotel just for very little increase in salary. The researchers have tried to focus on studying the employer's and employee's dilemma in dealing with the staff turnover.

Although the staffs are meant to move for better opportunities and at the same time there is no dearth of skilled staff, but training a new staff as per hotel's standard operating procedure remains challenging and costly affair for the hotel industry as the staff leaves /move from the property for greener pastures.

LITERATURE REVIEW
"Managers analyze the employee turnover as the entire process associated with filling a vacancy. Each time position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover" [14].

"Employee turnover, is also often utilized in efforts to measuring relations of employees in an organization as they leave, regardless of reason" [15]. "Employee turnover jeopardizes organizational performance and profitability because of its associated loss of important corporate resources and company assets" [16].

Chang *et al.*, [17] tried to determine the principal reasons of hospitality employees, who leave their positions in such great numbers. "Although researchers, such as [18] examined different aspects of workplace factors involving leaders and co-workers as hospitality professionals, there is a continuing need for additional study of the various types of relationships among variables that include turnover among hospitality workers in the employment environment".

High turnover may harm an industry's productivity when skilled workers leave and the employee population contains a high percentage of novice workers [19]. Costs association with recruiting, selecting, and training new employees often exceeds 100% of the annual salary for the vacated positions [20].

"Employee stress is a significant issue in the hospitality industry, and it is costly for employers and employees alike" [21]. If employee is stressed due to numerous work pressure, internal politics and less

compensation, it is likely to reduce the employee productivity.

Some of the researchers point out that the turnover is high among young employees. According to Simons [22] younger hotel employees ranked job security as least desired on their desired list of items.

This research study is carried out with the purpose to judge the employer as well as employee perspective. In future, this study can be used by hospitality industry to implement the method of retaining the best employees by best employers.

Employer's Dilemma: Challenges of dealing with Staff Turnover in Hotel Industry

This section deals with the various reasons of Staff Turnover in Hotel Industry. Rapid growth in Staff turnover has become a challenge for the hotel managers. The reasons for the same may be varied i.e. long working hours, less compensation, the rude and the stern behaviour of superiors and management, no flexibility in timing and leaves also results in frustration amongst the staff members. The negative effects of turnover rates have significant impacts on employees, the hospitality industry and society" [23].

Generally, top tier hotels offer impressive, world class and dynamic operations. Due to a significant amount of commercial business, these hotels are managed by International hotel brands. The policies and procedures of management are standardized. Therefore, the standard operating procedures for every

work is laid down and the staff members are expected to adhere to the standard policies.

Hotel /hospitality/service Industry offers tangible and intangible services to its customers and clients. To retain the guest, personalized services are extended, which is possible due to human element. Without the human help, it will remain to be a distant dream to make the hotels "Home away from home" Dependency on human resource is irreplaceable for the successful hotel operations. The robotic assistance cannot manoeuvre the personalized services offered by the humans. Therefore, the correct ingredients for retention is to make an investment in employee's happiness and satisfaction.

Employees' dilemma: Challenges of employment in hospitality Industry

In hotel Industry shutters never closes, as this Industry offers hospitality to its patrons 24X7X365 days. The practices of round-the-clock or 24/7 operations can significantly influence shift worker alertness (and hence safety) and performance [24]. While working in shifts employee shift changes weekly/fortnightly/monthly depending upon the hotel policy thus the staff employed in hotel industry remains worried about their family, kids day-care, personal appointments, and running their households. Generally, for Employees shift work remains stressful due to constant change in shifts. Shift work has been shown to negatively affect workers. Due to shift timings and long working hours employee health also has negative impacts, i.e. Sleep disorders resulting in Insomnia and excessive sleep disorder.

Illustration-2: Employee's dilemma in hospitality industry during shift duties

Telephonic interview and Interaction with Hotel Employees by the Researchers helped to address the employee's dilemma. The study uncovers employee's challenges and tap into their hindering circumstances that might end their career in this large and fast-growing industry.

Challenges of employees during shift duties have been elaborated below:

a) **Kid's day Care:** For working parents, leaving the kid in day care remains a major problem. During shift change, parents as well as kids also need to adjust as per the new shift timings. Young children do not seek separation from their parents in new environments [25] and at first the parents' absence is associated with distress. In order to take part in stimulating and facilitating interactions and activities in day care, young children first have to overcome initial feelings of insecurity and come to terms with separation from and the absence of their parents [26]. Entering a new care arrangement can be unsettling for children, even if it is not the first time they are confronted with separation from and the absence of their parents. To give preference to the job or the child remains a dilemma for the working parents.

b) **Personal appointments:** It is difficult for working parents to maintain harmony and pace with personal appointments due to work commitments, and varying shifts which resulting in bad health of child as well as parents. As per the public health reports [27] carried out on Hospitality Workers' Attitudes and Exposure to Second-hand Smoke, Hazardous Chemicals, and Working Conditions; Work related pain/illness was one of the significant reasons of absenteeism. Report indicates that Housekeeping staff were the most likely to take time off from work due to pain (49%), while kitchen workers were the most likely to report pain to their supervisor (70%). Approximately 30% of kitchen workers reported missing one or more days of work in the past year due to work-related injury or illness, while 15% of food service workers reported the same.

c) **Running households:** People employed with hospitality industry find it difficult to manage jobs and running household. Due to work commitments, personal needs take the back seat, making the person juggle between the office and home.

d) **Long Working hours:** In the hotel Industry volume of work is associated with high occupancy. During peak season all the Hotel management staff i.e. Food Production, Food and beverage services staff as well as Rooms division management staff face tremendous work pressure. To meet up the work demand employees are required to work for long working hours and shift rotation. Working in Industry is working beyond given hours

e) **Sleep disorders:** Hotel Industry offers the elite and sophisticated service to its customers. Hence, the clients as well as management, demand high standard of services according to standard operating procedures set by the hotel, which requires expertise, time and devotion of employees. The job can prove to be extremely challenging for employees in matching the pace of the hotel Industry. Due to the tremendous work pressure and office politics, employees are likely to face sleep disorders resulting in deterioration of health.

f) **Family:** No one can prosper in life without the support of family. Long and tiring hours of hotel industry keep the employees away from their family. Due to hectic schedules of job, hotel employees are unable to spare time for their family.

DISCUSSION

This study used qualitative research to explore the challenges and prospects of Employees and Employers in dealing with the staff turnover crisis. On the basis of telephonic interviews conducted with hotel HR Managers and Employees, it was concluded that young Saudis nationals have the tendency to leave their hotel jobs for the sake of better salaries. "Lack of patience" was used by HR managers to describe the status of Saudis in the industry. They all agree that the employment in the hotel industry is a tough business; Long working hours, inefficient social life, and low salaries turn most Saudis to stay away from becoming part of this big and fast-growing sector.

Considering the difficulty of training a new staff due to staff turnover, it becomes pertinent that the human resource department needs to identify the root cause of staff turnover. "Hospitality leaders are in need of strategies and policies to maintain an adequate workforce and improve employee engagement, motivation, job satisfaction, and work environment within industry" [28].

Employee grievances redressal policy may bring change in the aftermath of staff turnover. If the employees are allowed to pour their heart out regarding their personal and professional problems, the organization can address to their grievances. It is opined that the employees, who are the well-wishers of the organization tend to resign, when their grievances are not addressed by the organization. Therefore, it is signified that the employees should be treated with dignity and respect and their grievances must be sorted out.

RECOMMENDATIONS

Following suggestions needs to be incorporated for conversion of staff attrition to staff retention.

a) The common cause of staff turnover should be identified through the exit interview. This is the time when the employee is on the verge of transition. They share their fear and expectations openly. It can help the hotel to judge the source case of turnover. Although, the staff member is in the process of clearance, seeking their advice may bring complaints. Resolving those complaints can turn out to be an opportunity to learn and develop from the past mistakes.

b) For staff retention, Hotels also need to change their outlook. Staff should be treated with respect and dignity. Employee welfare practices, i.e. Better salary & wages, Incentive schemes, Overtime compensation, timely bonus, medical benefits, loyalty awards, etc.

for long term tenure, best employees of the month/year should be implemented to retain the staff. Rewarding and recognizing the employees working and association with the organization for the longest tenure i.e. 5 years, 10 years could turn out to be the best practices.

c) Personnel department needs to address the following issues for dealing with staff turnover:

- Replacement of staff availability for 24X7 smooth operations.
- Analysing the root cause of employee problem and addressing the problem can bring change into the system.
- Change of work culture can develop employee loyalty and vice versa in organizational policies, which can prove to a good model of interdependency for employers as well as employee.
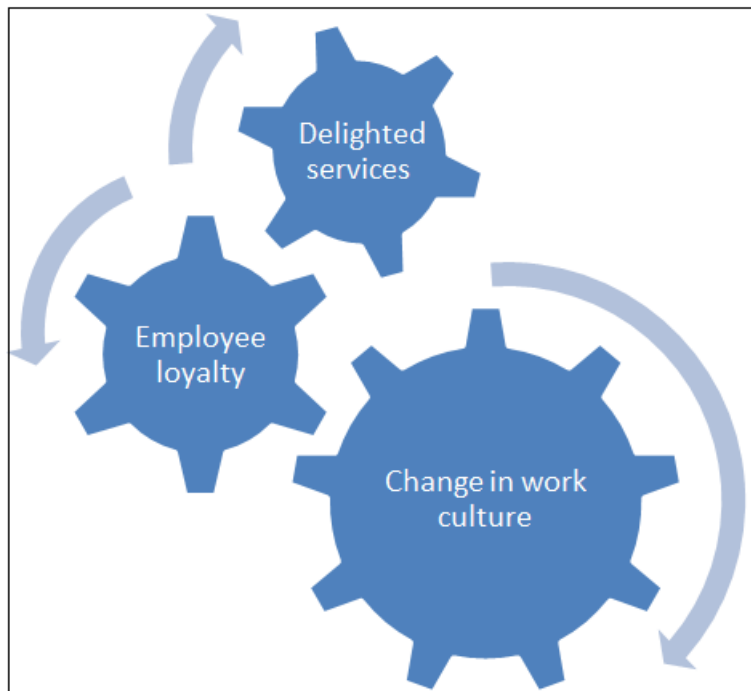

Illustration-3: Interdependency Model of Employer and Employee

d) Based on observations carried out by researchers, it was evident that the HR managers are looking for employees, who understands the nature of hospitality business and have a positive attitude towards the Hospitality industry. The HR department was in constant search for an employee with a positive mindset to survive the challenges of hotel profession. Apart from the positive mind set HR Managers also want the employees with leadership quality to help them to climb the ladder from lower rung to middle rung similarly promoting middle management staff

to top management. In a nutshell this could prove to a formula of exceling in work.

e) Hotel Industry takes pride in making customers elated, as well as solving their problems with customized solutions, lifting the client mood with impeccable services and facilitating memorable experiences for clients to help them build good memories. "Performance and profitability are fundamental well-studied factors involved with organizational performance" [29]. An employee can render delightful services to its patrons, the similar rewarding services (perks,

recognition) are expected from Employer for engaging a delighted employee/server.

f) Hotels can compensate the time of employees with good compensation. Welfare practices, i.e. Monetary incentives and good salary structure have proven to be an applied source of employee retention.

CONCLUSION

To conclude, we would like to recommend the implementation of employee compensation, employee engagement, employee motivation, and flexible work environment customized as per the need of employees. Organizations must not forget that employees are the life blood of any organization, without monetary support, perks and bonus employees cannot manage family and kids, without bank balance and societal recognition, employees cannot be motivated, similarly the unmotivated employees cannot be engaged for offering world class service to customers ,without employee engagement ownership towards the work cannot be gained. Hence, the organizations need to understand the pivotal role of having the experienced employees for successful hotel operations to retain the customers. Thus, it is signified that to retain the business, company's need loyal clients and to retain the loyal clients, the organization's need seasoned employees.

The dependency of organization on clients, and client's dependency on employees' retention cannot be ruled out. The future of Employee and Employer in the hospitality industry will need to take into account the various technological trends to ease out the operations, but the support from local employment source will pave the way for successful Human resource operations. Employees can be retained by having a right person for the right job and the right person needs to have required qualification and experience as per the job specification. The human resource policies and practices must offer a conducive working environment and financial benefits to employees, which will be a useful and effective tool for retaining the good employees. Hotels should continue with the well-being of employees and in return employees will continue to be the wellbeing for the organization's success.

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