

**That's no way to say goodbye: Exit Interviews and
Employee Turnover in New Zealand Hotels**

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Attestation of Authorship

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning”.

Signed: _____

David Williamson

June 2008

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Abstract

The hospitality and tourism industry is an increasingly important part of the New Zealand economy, contributing almost nine percent of the Gross Domestic Product in 2008. One of the key concerns regarding this part of the economy is the impact of a tight labour market and intense skill shortages on its ability to maximise returns from tourists. Labour turnover rates have been extremely high in the hospitality sector over the past few years and this has contributed to the intense labour market pressures affecting this industry. Hotels have suffered particularly high turnover rates in the past few years and exit interviews have been one of the tools that Human Resource Managers used to try and gain data about employee reasons for leaving. This study looks at exit interviews as a source of data on the causes of labour turnover in two New Zealand hotel chains.

The aim of this study was to analyse hotel exit interview data in order to identify significant patterns that might illuminate the causes and potential moderating factors of labour turnover in New Zealand hotels. In addition, the study aimed to analyse the processes used to gather exit interview data in order to evaluate the efficacy of exit interviews and see if any practical recommendations could be made regarding the use of exit interviews to address labour turnover. A qualitative, triangulated research methodology was applied in order to analyse the data generated from over 4500 exit interviews, from 17 hotels, in two New Zealand hotel brands. The interviews cover six years of exit interview gathering. In addition, in depth semi-structured interviews with six hotel Human Resource Managers were used to gain insight into the practice and perceptions around exit interviews.

The study found that despite considerable application of time and resources, hotels gain very little benefit from the exit interview process. Several issues are identified as bringing the efficacy of exit interviews into question, including power imbalance between interviewees and interviewers, language and cultural concerns, and the impact of psychological contract breaches on the employment relationship. In addition, the study found that even when opportunities for organisational improvement did arise from exit interviews, little or no action was taken by the hotels in question. The study concludes that there is insufficient benefit to the hotels given the costs of exit interviews and suggests that other forms of employee feedback, such as engagement surveys may be more efficacious in addressing labour turnover.

1. INTRODUCTION

The Hospitality and Tourism industry is a large and rapidly growing part of New Zealand's economy. Three recent reports clearly illustrate this industry's economic significance and the issues facing it; the *Draft New Zealand Tourism Strategy, 2010* (Ministry of Tourism, 2007), the *New Zealand Tourism Industry Association Leadership Group, Tourism and Hospitality Workforce Strategy* (Ministry of Tourism, 2006) and *The Hospitality Standards Institute Employment Profile of the Hospitality Industry* (Hospitality Standards Institute, 2007a). The following hospitality industry profile is drawn from these reports.

New Zealand has a total tourism expenditure of NZ\$17.5 billion dollars, accounting for 18.7 per cent of all exports and contributing 9 per cent of the Gross Domestic Product. International visitor growth is projected to grow by 4 per cent per annum for the next seven years. The industry employs 9.8 per cent of the New Zealand workforce. The Hospitality sector employed 136,000 people in 2007, a number which has increased by 20 per cent since 2001. Currently, 13,500 new positions are expected to be created in hospitality by 2011.

Nevertheless, industry associations, employers, government departments and academics in New Zealand and Australia are increasingly concerned about labour shortages in tourism and hospitality industries. A recent series of reports have highlighted the scope and potential damage that labour market pressures are bringing to the industry. The following comments are typical of these reports:

“The biggest impediment to achieving or exceeding forecast growth lies with a shortage of appropriately skilled labour for the sector. Significant tourist volume has been possible through the availability of relatively cheap labour. Further growth on this basis can be considered to be severely constrained”.

(Ministry of Tourism, p. 16)

“Based on forecast numbers through to 2010, we face a serious skills shortage and it will take collective, concerted action to overcome it. The New Zealand Tourism Strategy 2010 identified human resource issues as one of the key challenges facing the tourism and hospitality sector”.

(Ministry of Tourism, 2006, p. 3)

“Industry representatives, from every region, were unanimous in stating the current labour shortages will increase over the next five years. There was also a clear message that immigrant labour would be relied on even more in the future”.

(Hospitality Standards Institute, 2007b, p. 7)

In the context described above, employee turnover is a major issue for the New Zealand hotel sector. The current labour market conditions of low unemployment are exacerbating the critical levels of employee turnover in the hospitality sector (Statistics New Zealand, 2006) as a whole. According to Statistics New Zealand (2006), the hospitality sector has a turnover rate of 29.2 per cent for 2006 as opposed to a national average for all work sectors of 16.7 per cent. However, recent figures discussed at the 2006 New Zealand Hotel Council Conference, put hotel employee turnover as high as 60 per cent. Spoonley (2004) suggests that these high levels of turnover are exacerbated by New Zealand’s image as a work experience destination and Sheehan (1993) argues that the hospitality industry is characterised by historical practices that accepts employee turnover as the norm.

This very high turnover rate is occurring in a labour market with historically low unemployment of 3.8 per cent, (Statistics New Zealand, 2006). Thus, hotels are faced with the strategic human resource management challenge of very high turnover in a time of intense labour scarcity and skills shortage. In purely financial terms, The Society for Human Resource Management estimates that it costs US\$3,500.00 to replace one US\$8.00 per hour employee when all costs including recruiting, interviewing, hiring, training, reduced productivity are considered.

Given that the hotel industry employs 17,000 people and has a minimum annual turnover average of 29.2 per cent, the annual cost of turnover to the hotel industry using the above equation comes to just over US\$17 million, or NZ\$28 million at current exchange rates.

High labour turnover and the weak employee commitment to the organisation that labour turnover indicates, have the potential to negatively impact on the quality of services. This is particularly important in a market which is competitive at the local level, as well as at the global level, as New Zealand attempts to increase its share of international tourism. Addressing these issues, therefore, is a matter of increasing the industry's competitive edge, through providing a satisfying workplace to retain employees. In order to develop appropriate strategies, however, it is necessary to analyse the methods used to gather turnover data and attempt to discover the perceptions of employees and managers themselves. By looking at the Exit Interview process and interviewing managers involved in the reporting of turnover, this research may be able to reach conclusions that improve practices in this area.

1.1. Research objectives

The objectives of this research were to analyse the methods used to gather turnover data by major hotel chains and attempt discovery of the perceptions regarding exit interview process of employees and managers in those hotels. This research sought to compare the major causal predictors of turnover established in the literature review with the exit interview data gathered from two hotel brands. To that end, the following research questions were formulated:

- 1 – What significant patterns can be observed in the exit interview data analysed in this research?
- 2 - To what extent does this exit interview data illuminate the theoretical constructs summarised in the literature review regarding labour turnover?
- 3 – What, if any, practical implications can be drawn from the above questions to help the hotel organisations address turnover?

1.2. Thesis structure

Chapter two contains a literature review that aims to inform the study and provide a theoretical framework for the research questions, methodology, findings and discussion. The review starts by defining hospitality and placing labour turnover within the hospitality context. A description of the hospitality labour force is included which covers total numbers of employees, demographics and pay rates. The chapter includes some age and tenure comparisons from the Human Resource Department of Hotel Alpha in order to complete the contextual information of this section.

The review goes on to define labour turnover and identify the foundation models and theories relating to labour turnover. Labour turnover theories are discussed in terms of historical progression and then the review summarises the causal content of the major turnover models in table form. The chapter goes on to cover literature on the organisational consequences of labour turnover and places an emphasis on turnover studies within the hospitality industry. Finally, more contemporary critiques of turnover theory are examined, influential examples of turnover research meta-analysis are examined and literature on the psychological contract is overviewed.

Chapter three outlines of the research methodology used in this study. The chapter starts with a description of the research topic and purpose, and the research questions. The chapter outlines the interpretive paradigm used in this study and provides an in-depth justification of this approach. The chapter goes on to justify the choice of a triangulation method of data gathering and analysis. The use of exit interviews and their efficacy is discussed, and questions are raised regarding the limitations of exit interview data in organisational research. The chapter presents data collection and analysis procedures including those for the exit interview data and semi-structured interviews. The chapter concludes with a discussion of the limitations of the research, and provides an outline of the ethical considerations taken into account in this study.

Chapter four presents the findings from this study. The findings are developed from the data sources identified in the methodology and are presented in a variety of figures, tables and semi-structured interview examples. Exit interview data is presented from two separate hotel chains, identified as Hotel Brand Alpha and Hotel Brand Beta. The exit interview data from Hotel Brand Alpha covers 16 hotels, and includes over 4,500 exit interviews, gathered from 2000 to 2006. Hotel Brand Beta represents a single hotel site and provides data from 160 exit interviews, gathered from 2001 to 2004. In addition to the exit interview data discussed above, the chapter presents findings from semi-structured interviews with six Human Resource Managers. As part of the triangulation process, these managers were selected to represent a wide cross-section of hotels, including hotel brands Alpha and Beta. The semi-structured interview findings are classified and presented according to the coding themes developed in the methodology section.

Chapter five provides a discussion that draws together the main themes presented in the findings and literature review sections. The research questions identified in the methodology section form the framework for this discussion. A comparison is made between the causal factors for labour turnover identified in the literature review, and those indicated in the findings section. The relative strength of labour turnover causality is discussed for a number of categories, including age and tenure, labour markets, external influences, job security, employment conditions, affective state, and remuneration. The discussion then focuses on the efficacy of exit interviews based on the results from the findings chapter, especially drawing on the semi-structured interviews with Human Resource Managers from six hotels. The chapter concludes by discussing the implications of suggested weak exit interview efficacy for hospitality organisations, questioning the cost/benefit outcomes of exit interviews.

Chapter six presents the conclusions and implications of this research. It highlights the questionable nature of exit interview data and the lack of organisational change that has resulted from the exit interview process in the hotels studied. Recommendations are made to improve exit interview efficacy and address the larger issues of power and culture in this process.

2. LITERATURE REVIEW

2.1. Introduction

This literature review examines the research relating to labour turnover. The objective of this review is to identify the foundation models and theories in the turnover field and extract the most strongly supported causal correlations and predictors of labour turnover. The review also aims to explore literature on the psychological contract and discuss the relevance of this construct to turnover studies.

The review includes definitions of hospitality, the hotel sector and labour turnover. It then profiles the New Zealand hospitality industry workforce and discusses the current conditions in the associated labour market. The core turnover models and theories are reviewed in two segments: 'Early turnover theories – 1950s to 1970s' and 'Post-Mobley developments – 1970s to 2000s'. The review goes on to discuss the consequences of turnover for organisations and focuses on turnover in the specific hospitality context. Following this, recent critiques of turnover theory and influential examples of turnover research meta-analysis are examined. Finally, literature on the psychological contract is overviewed and a conclusion to the review is presented.

The literature reviewed was selected to provide an in-depth analysis of the most influential writing and research concerning labour turnover. Specific attention was given to sources that addressed turnover in the hospitality context, but attention was also given to broader management and organisational behaviour literature that provided relevant theoretical support.

2.2. *Defining hospitality, hotels and labour turnover*

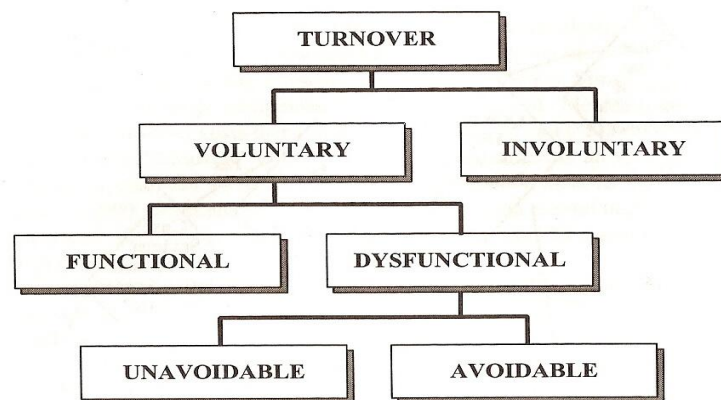
Hospitality exists in a variety of settings. It may be practised in private, social and commercial environments. Hospitality itself has been defined as “a contemporaneous human exchange, which is voluntarily entered into, and designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation, and/or food, and/or drink” (Brotherton, 1999, p. 168). This research will focus on the practise of hospitality in the commercial domain, that of hotels.

Hotels are a diverse type of hospitality business. They range from small budget establishments of 20 rooms, to huge, exclusive palaces of 1000 rooms or more. They may be privately owned by an individual or a family, or part of a transnational corporation. They may provide only the most basic of product, a plain room, or seek to give customers every convenience imaginable. In essence, they are defined by providing hospitality in a commercial setting, an organisation that provides facilities and services for sale (Lashley & Morrison, 2000).

Turnover has been defined by Price (1979) as the physical movement of employees across the boundaries of a business or organisation. Within this broad definition, turnover has been seen to consist of various categories. Figure 1 shows that turnover can be voluntary or involuntary from an employee’s perspective, functional or dysfunctional for an organisation’s performance, and avoidable or unavoidable in terms of an organisation’s ability to influence the decision. From the organisation’s perspective, voluntary turnover (the employee has made the decision to leave) is undesirable as it represents the employee-initiated separation that the business has not requested or desired (Griffeth & Hom, 2001). By contrast, involuntary turnover (the employer has made the decision to exit the employee) represents employee exit that the organisation has initiated, usually for reasons of poor performance, business efficiency or changed labour demand (Griffeth & Hom, 2001).

Voluntary turnover can be further separated into functional and dysfunctional. Functional turnover represents voluntary separations that result in positive outcomes for business performance; for example the employee who has left was performing poorly and can be replaced by a more highly skilled worker. Dysfunctional turnover represents the loss of employees who are highly skilled and good performers that will be difficult to replace. Finally, dysfunctional turnover can be further divided into avoidable (turnover that the organisation can take steps to control) and unavoidable (turnover that is beyond the control of organisational actions).

Figure 1– Turnover types



(Griffeth & Hom, 2001)

The aspects of voluntary, dysfunctional and avoidable turnover will be examined in this literature review. It is these expressions of turnover that are considered to be “negative” and involve the greatest cost to organisations (DiPietro & Condly, 2007).

2.3. Context – the hotel workforce and the wider labour market

The following statistics are all sourced from ‘An Employee Profile of the Hospitality Industry 2007 – published on-line by the Hospitality Standards Institute (Hospitality Standards Institute, 2007a).

Almost 136,000 people were employed in the New Zealand hospitality industry in 2006, 6.4 per cent of the total New Zealand workforce. Hotels accounted for 17,390 employees, or 12.8 per cent of the total hospitality workforce, in 588 businesses. Employment in the hospitality sector grew by 20 per cent from 2001 to 2006, a considerably faster rate than the New Zealand average employment growth rate of 14 per cent. SMEs (businesses employing less than 20 people) account for 52 per cent of hospitality employment, while the accommodation sector, including hotels, accounts for 47 per cent of all hospitality businesses employing more than 50 people. Auckland has the largest share of hospitality employment at 28.6 per cent (Hospitality Standards Institute, 2007a, pp. 5-6).

The majority of people employed in hotels are of European origin (56 per cent), followed by Asian (15 per cent), Maori (12 per cent), Pacifica (7 per cent) and Other (10 per cent). Hotel workers not born in New Zealand increased from 25 per cent in 2001 to 35 per cent in 2006. Hospitality has a very young age profile, with almost 40 per cent of all New Zealand employees younger than 25. Hotels had 33 per cent of all New Zealand workers under the age of 25 in 2006. Females made up 62 per cent of hotel employees in 2006 as opposed to 38 per cent males; this ratio has not changed since 2001. Part-time employees made up 34 per cent of hotel workers in 2006, while full-time comprised 66 per cent; these figures have remained consistent since 2001 (Hospitality Standards Institute, 2007a, pp. 5-6).

Table 1 shows that hospitality hourly pay rates remain amongst the lowest in New Zealand, compared to all other sectors. While the argument could be made that hotel managerial salaries are often comparable to similar roles in other industries, the pay rates for the majority of workers in hospitality remain at the bottom of the scale. There is little argument against the fact that hospitality remains a low wage industry.

Table 1 - Average hourly earnings in NZ by sector, 2008

Employment Sector	Average Hourly Earnings - 2008	Average Hourly Earnings - 2002
Accommodation / cafes / restaurants	\$15.53	\$12.61
Retail	\$16.80	\$13.49
Manufacturing	\$22.36	\$18.25
Construction	\$22.48	\$17.17
Personal Services	\$22.85	\$18.34
Transport / storage / communication	\$24.01	\$18.89
Cultural and recreation services	\$24.81	\$21.82

(Statistics New Zealand, 2008)

As highlighted in Boxall, Macky and Rasmussen (2003), labour market conditions affect turnover. A tight labour market, with low levels of unemployment, is thought to increase the attractiveness of alternative employment for employees. In essence, employee perceptions that attractive alternative employment opportunities exist have been shown to be positively related to employee intention to quit (Gerhart, 1990; Steel & Griffeth, 1989). However, the effect of labour market opportunities is mediated by many complex variables, including financial rewards offered by the organisations (Schwab, 1991), quality and utility of alternative employment (Hom & Griffeth, 1995), and family issues (Abbott, DeCieri, & Iverson, 1998).

Since the mid 1990s, New Zealand has seen remarkable growth in employment and labour market participation rates and a corresponding fall in unemployment from 11 per cent in 1992 to 3.4 per cent in 2007 (Statistics New Zealand, 2006). Rasmussen and Hunt (2007) discuss the ‘skills shortage’ associated with this ‘tight’ labour market. They point out that a combination of reduced training investment and public sector reform during the 1990s has seen skills shortages become a regular discussion point in the media and a serious public policy issue in the new millennium. Employers are not only competing with each other in a very tight labour market, but also face losing potential employees to on-going education. Participation rates in tertiary education also rose from 10 per cent of the total population in 2000, to almost 14 per cent by 2006 (Ministry of Education, 2008).

The hospitality sector has experienced these labour market changes with a particular intensity. The hospitality sector grew from 16,000 businesses in 2000 to more than 20,000 by 2006. Total numbers of employees grew by 20 per cent from 2001 (112,920) to 2006 (136,950). Labour and skills shortages have been identified as major challenges for the hospitality sector by several recent reports and articles (Brien, 2004b; Hospitality Standards Institute, 2007b; Ministry of Tourism, 2006, 2007).

2.4. Early turnover theories – 1950s to 1970s

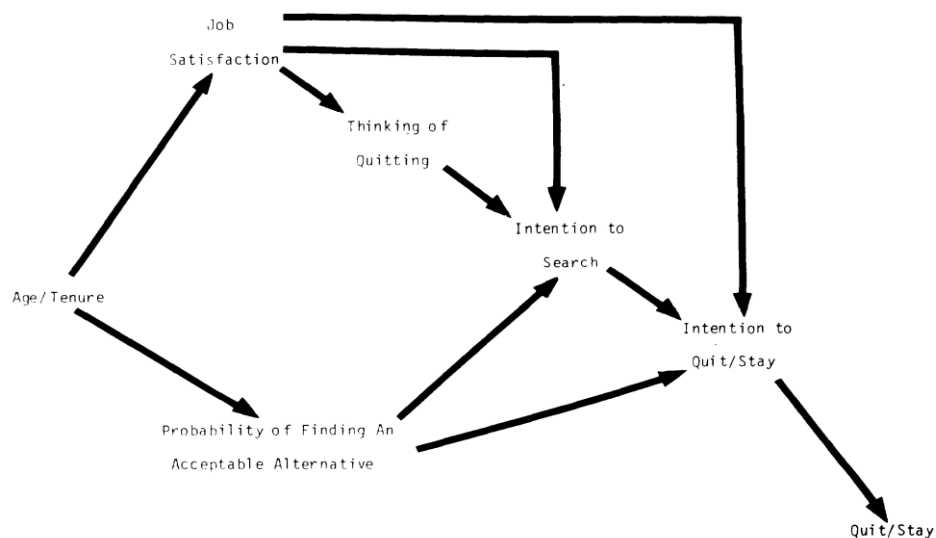
Turnover has been a focus of intense international research in the Human Resource Management discipline for many years (Bluedorn, 1982; Cotton & Tuttle, 1986; Dalessio, Silverman, & Schuck, 1986; Griffeth & Hom, 1988; Hom & Griffeth, 1995; March & Simon, 1958; Mobley, 1982a; Mobley, Horner, & Hollingsworth, 1978; Mowday, Porter, & Steers, 1982; Porter & Steers, 1973; Price, 1977; Wanous, 1992). Greenhalgh (1980), in (Boxall, Macky, & Rasmussen, 2003) points out that the body of literature on employee turnover is vast, to the extent that it would challenge any author to cover it all.

Early research on turnover typically focused on the relationship between job attitudes, perceptions and decisions to resign or leave the organisation. From this focus, the degree of job satisfaction became identified as one of the key antecedents of turnover (Brayfield & Crockett, 1955; Locke, 1976; Porter & Steers, 1973; Vroom, 1964). There is considerable empirical evidence to support the idea that job dissatisfaction is strongly and positively related to turnover. However, job satisfaction on its own usually accounts for only about 16 per cent of the variance in employee withdrawal behaviour (Griffeth, P Hom, & Gaertner, 2000; Locke, 1976). Following the work of March and Simon (1958), a new wave of researchers decided to focus on the entire process of withdrawal, looking at job satisfaction as just one of many precursors to turnover (Locke, 1976; Mobley, 1977; Mobley et al., 1978; Porter & Steers, 1973).

Several key themes were built into this emerging process model of turnover. Taking job dissatisfaction as a driver, employees were theorised as reaching decisions to exit the organisation only after rationally analysing the ease and desirability of movement (March & Simon, 1958). Before reaching the decision to quit, employees who were unhappy with their employment were supposed to evaluate potential alternative employment in terms of its utility (Mobley, 1977). Thus, Price (1977) drew these traditional components of turnover theory together in his landmark book "*The Study of Turnover*" and described a process whereby voluntary separation was a product of low job satisfaction combined with a labour market that provided alternative opportunities that were rationally analysed by employees in terms of potential utility and ease of movement. To this superstructure, Porter and Steers (1973) added a psychological focus. The authors questioned the lack of attention to the psychological decision-making process that occurred before separation occurred and concluded that researchers' understanding of the actual decision-making process and sequence was underdeveloped (Porter & Steers, 1973).

These emerging strands of turnover theory, including multiple correlations and intermediate stages between job dissatisfaction and the decision to quit, were brought together by Mobley (1977) in one of the most influential models in turnover theory. A simplified version (Figure Two) describes eight stages occurring before the intention to quit (Mobley et al., 1978). The model postulated that job satisfaction has no direct effect on turnover, but rather affected turnover via a set of ‘withdrawal cognitions’, specifically, eight variables: age, tenure, job satisfaction, thinking of quitting, the probability of finding an acceptable alternative, the intention to search, the intention to quit and actual turnover. This model has “shaped the course of turnover research for the past decade ... Mobley pioneered a comprehensive explanation for the psychological process underlying withdrawal ... (and his) notions have dominated theory testing and inspired prominent theorists to adopt his concepts in whole or in part” (Hom & Griffeth, 1991, p. 350).

Figure 2 – Mobley, Horner & Hollingsworth Model of Turnover - 1977



(Dalessio et al., 1986)

Mobley's model was a pervasive influence on the development of turnover theory (Griffeth & Hom, 1988; Hulin, Roznowski, & Hachiya, 1985; Mobley, 1982a; Mobley, Griffeth, Hand, & Megilino, 1979; Price & Mueller, 1981). However, the model came under sustained criticism both for theoretical weakness (Bluedorn, 1982; Miller, Katerberg, & Hulin, 1979) and lack of empirical support (Dalessio et al., 1986; Hom & Griffeth, 1991; Mowday, Koberg, & McArthur, 1984). The theoretical critiques of Mobley's model have described it as overly specified, with elements that are effectively redundant (Winterton, 2004), while Hom and Griffeth (1991) describe the model as resting on "frail empirical underpinnings" (pg 350). In his defence, Mobley anticipated that there would be "individual differences in the number and sequence of steps in the withdrawal decision process, in the degree to which the process is conscious, and ...in the degree to which the act of quitting is impulsive rather than based on a subjectively rational decision process" (Mobley, 1977, p. 239). The critical reaction to Mobley's model started a process of theoretical model refinement and empirical testing of those refinements that has lasted thirty years.

2.5. Post-Mobley developments – 1970s to 2000s

The expansion of turnover models and studies following Mobley's work in 1977 has been remarkable. As early as 1986, authors were despairing that "it is becoming nearly impossible to review every study and to individually discuss its strengths and weaknesses. Thus a meta-analysis is useful in this situation." (Cotton & Tuttle, 1986, p. 55). Prominent meta-analyses will be discussed later in this review, but this section will outline a limited selection of foundational and influential models that came after Mobley (1977). Many sequential, process-oriented models followed Mobley's work in 1977 (Dougherty, Bluedorn, & Keon, 1985; Hom & Griffeth, 1991, 1995; Mobley et al., 1978; Tett & Meyer, 1993). These models retained the focus on variables that were primarily intrinsic to the individual employee: job satisfaction, commitment and intention.

The aim of reviewing the following selection of models is to illustrate three examples of models that are congruent with the Mobley paradigm (Price, 2001; Price & Mueller, 1981; Steers & Mowday, 1981) and two examples of models that approach turnover from a different perspective (Lee & Mitchell, 1994; Wanous, 1992). These models have been cited by several authors as influential in the body of turnover theory (Peterson, 2004; Winterton, 2004) and demonstrate the development of theory in turnover literature. This selection shows the great variety of variables and approaches to turnover modelling and yet is only a small selection of available theories and models of turnover. In part, the Mobley-based models show a great expansion of causal detail, yet also demonstrate a limitation of “breakthrough” conceptual progress (Somers & Birnbaum, 1999). O’Reilly et al (1991) describe the entire field of turnover theory as a process of incremental growth in knowledge that is gradually reducing in importance as the paradigm becomes increasingly limited (O’Reilly, Chatman, & Caldwell, 1991).

The Steers and Mowday model of turnover (1981) is a process model that clearly builds on the work of Mobley (1977), but greatly expanded it. The model suggests a series of variables that can drive turnover as follows: job expectations drive an employee’s affective response; affective responses drive intention to stay or quit; intention to stay or quit directly leads to actual turnover.

The authors noted that the actual sequence of these events may vary for each individual employee (Lee & Mowday, 1987; Peterson, 2004). Peterson (2004) describes this model as important because it requires information from within the organisation to be taken into account, for example, organisational characteristics and organisational culture. The model seeks to measure external influences like economic and market conditions along with individual psychological and expectancy issues. While the data from this research broadly supported the model, only 5 per cent of the variance in turnover data from this study was explained by this model and this is considerably less than other models (Lee & Mowday, 1987; Peterson, 2004).

The Price-Mueller causal model of intent to leave (1981) is a model that aims to measure a number of possible determinants on job satisfaction and the decision to leave. The model builds on the work of Mobley and demonstrates inexorable expansion and complexity of correlates to turnover. The model consists of eight determinants:

1. Opportunity – what alternative employment opportunities are there in the wider labour market and surroundings?
2. Participation – to what extent is the employee engaged in their work?
3. Distributive justice – the relationships between reward and punishment and amount of effort put into the job by an employee.
4. Instrumental communication – how communication is practised regarding the job.
5. Promotional opportunities – the possibility of advancement.
6. Integration – to what extent do employees have strong social networks in their jobs?
7. Pay – the extent to which remuneration is seen as positive.
8. Routinization – is the job repetitive?

This model builds on the organisational focus that Steers and Mowday (1981) suggested in the previous model. The turnover correlation that Steers and Mowday (1981) labelled “Organizational characteristics and organizational experience” is made more explicit and detailed in the Price-Mueller (1981) model. From this model we can see the expansion of correlations regarding turnover. This tendency towards greater detail of correlations has been criticised due to the fact that the more distal the correlation from the actual turnover, the weaker the empirical evidence (Griffeth et al., 2000).

Price further refined the causal model in 2001. One can clearly still see the influence of Mobley’s original process model in this work. Like Price and Mueller (1981), this model represents the ongoing expansion of correlations to turnover and the ever increasing complexity of modelling.

Kinship relationships, training and stress are examples of new, distal correlations that have been added to the study of turnover. As with the previous models, criticisms of weak empirical support (Griffeth et al., 2000), and a lack of feedback mechanism and temporal considerations (Hom & Griffeth, 1991; Somers & Birnbaum, 1999), raise questions about the usefulness of increasing the number of distal correlations in studies of turnover.

Lee and Mitchell's unfolding model of voluntary turnover (1994) is a different kind of model from those based on the Mobley approach. The model includes the following components - shock, engaged script, image violation, satisfaction, search, and likely offer. This model attempts to explain a behavioural process in which employees undergo various psychological states and make decisions based on these that may or may not lead to turnover.

In this model, a shock/critical incident or low satisfaction can start a process where the employee engages pre-existing plans or scripts and engages in a variety of actions and psychological processes that require them to compare what *is* happening to what they *want* to happen (Lee & Mitchell, 1994). The shock or critical incident is any event that causes the employee to re-evaluate their current job. Examples could include sudden conflict, new management or new opportunities. A shock does not need to be negative or internal. For example, the birth of a child may cause an employee to reconsider their job options. The big difference between this model and Mobley-based models is that the main focus is not on attitudinal and job satisfaction-based measures, but rather it describes turnover as based on a series of changes that result in conscious decision paths being explored (Peterson, 2004).

One of the major costs involved in turnover is that incurred in 'premature turnover' (Wanous, 1992). Premature turnover is discussed in detail in Wanous (1992) and is focused on employees leaving the organisation in the very early stages of the employment relationship – usually this is defined as less than six months' service.

Wanous' matching model looks at the entry and socialisation processes involved in an employee coming into a new organisation. The model exists on two levels. The upper level takes a traditional approach to matching and suggests that job requirements (job descriptions) and employee skills and abilities should be closely matched to avoid premature turnover. The model suggests that failure to match here will result in poor job performance.

The bottom half of the model suggests that an equally important type of matching needs to take place. This matching is based on the employee's individual wants and needs and the organisation's ability to meet those through their organisational culture and climates. The model suggests that failure to match here will result in poor job satisfaction.

The work of Wanous (1992) is of particular interest for hospitality organisations, as it focuses on premature turnover and the role of socialisation in that turnover. A recent personal interview with the Regional Human Resource Manager of a large New Zealand hotel chain highlighted the importance of new entrant turnover for hotels. Allen (2006) suggests that new entrant turnover provides hospitality organisations with little or no opportunity to recover a significant return on their investment in recruitment, orientation, training, and uniforms. One of the principal drivers of premature withdrawal is 'inadequate socialisation' (Birchfield, 2001, p. 34). Socialisation is seen to reduce uncertainty and anxiety and, therefore, create congruence between individuals and an organisation, transforming an outsider into an effective and participating insider (Birchfield, 2001). Issues such as inadequate socialisation and the resulting dissonance can be explored with departing employees in an exit interview.

Table 2 - Summary of the major turnover models covered in this literature review

Model Author	Date	Causal Content
Mobley	1977	Job satisfaction, age/tenure, probability of finding alternative work.
Steers and Mowday	1981	Job expectations, individual characteristics, alternative job opportunities, economic and market conditions, organisational characteristics, job performance levels, affective responses to job (satisfaction, commitment, involvement), non-work influences.
Price and Mueller	1981	Alternative employment or opportunities, participation (to what extent is the employee engaged in their work?), distributive justice (the relationships between reward and punishment and amount of effort put into the job by an employee), instrumental communication (how communication is practised regarding the job), promotional opportunities, integration (to what extent do employees have strong social networks in their jobs?), pay, routinization.
Wanous	1992	Individual capabilities and potential, individuals' needs, individuals' specific job wants, job performance, job satisfaction, comparison to other jobs, commitment, organisations requirements for capabilities and potential, organisational culture, organisational climate, tenure.
Lee and Mitchell	1994	Shock, engaged script, image violation, satisfaction, search/evaluation of alternatives, likely offer, path.
Price	2001	Opportunity, kinship responsibilities, general training, job involvement, affectivity (job satisfaction, commitment, involvement), autonomy, distributive justice, job stress, pay, promotional chances, routinization, social support.

2.6. *Consequences of turnover and turnover in the hospitality context*

The consequences of turnover have been studied in a general employment context by many authors (Campion, 1991; Dalton & Tudor, 1979; Muchinsky & Tuttle, 1979; Porter & Steers, 1973; Staw, 1980). Of particular interest is the impact that turnover has on employees who stay, and the impact on the culture of the organisations that suffer high levels of turnover (Sheehan, 1993). The impact of turnover on employees who stay can be contradictory. On one hand, employees who stay have to endure retraining for new positions, stress from understaffing and general organisational disorganisation (Koslowsky, 1987; Sheehan, 1991, 1993). On the other hand, employees who stay can gain advancement, get extra work/hours/pay, development and job satisfaction through increased challenge (Keller, 1984; Sheehan, 1991, 1993).

The consequences of turnover also have a psychological and cognitive impact on those who remain in the organisation. Employees who remain in the organisation are influenced by the departure of their colleagues in many important ways (Koslowsky, 1987; Mowday et al., 1984; Mowday et al., 1982; Sheehan, 1991, 1993; Steers & Mowday, 1981). Possible negative outcomes of departing colleagues can be that employees who stay have lower levels of job satisfaction, lower levels of performance and an increased likelihood of leaving the job themselves (Adams, 1963; Krackhardt & Porter, 1986). This negative outcome can be caused by the increased workload and reduced team coherency resulting from the loss of experienced employees. The negative results can also be caused by the psychological impact of turnover on the remaining employees, for example, feelings of betrayal and being 'left behind' (Adams, 1963). On the other hand, positive outcomes for employees who remain in the organisation can include an influx of new employees, replacing those who have left, who bring in new skills and fresh attitudes that can create an improved sense of cohesion and resulting improvements in performance and satisfaction (Griffeth & Hom, 2001).

Turnover has been a topic of particularly long and intense international research in the hospitality sector (Brien, 2004a; Hinkin & Tracey, 2000; Lashley, 2001; Simons & Hinkin, 2001; Tracey & Hinkin, 2008; Wasmuth & Davis, 1983; Woods & Macaulay, 1987). One stream of this research has focused on quantifying the cost of turnover in hospitality, with a variety of methods resulting in a range of turnover cost estimates from US\$1,500 per hourly worker to US\$3000 per salaried staff member (Hinkin & Tracey, 2000; Wasmuth & Davis, 1983; Woods & Macaulay, 1989). Simons and Hinkin (2001) approached the quantitative problem from a different perspective and demonstrated that employee turnover is strongly associated with decreased profits.

A second stream of research has sought to uncover causes and provide solutions to hospitality employee turnover (Brien, 2004b; Hogan, 1992; Poulston, 2005; Wasmuth & Davis, 1983; Woods & Macaulay, 1989). These authors highlight almost every area of hospitality management as a potential cause of employee turnover, and required sites for improvement. These include overall strategic human resource management aims, selection, recruitment, orientation and retention, the self-image of the industry, training, management skills and development, employee voice and empowerment, long term development, pay and rewards. Poulston (2005) has even postulated constructive dismissals as a significant cause of turnover. Constructive dismissal is defined as an organisation deliberately pressuring an employee to leave (Poulston, 2005). Poulston (2005) suggests, from a survey of 28 Auckland hospitality workplaces and 535 under-graduate hospitality students, that constructive dismissals are strongly associated with casual employee turnover within the hospitality industry. The pool of potential causes and cures for turnover appears limitless.

2.7. *Recent critique and meta-analysis of turnover studies*

Research on turnover in the post-Mobley era diverged greatly, with various themes and sub-themes being pursued, despite a general reduction in empirical support for the increasingly distal correlations (Griffeth et al., 2000). Peterson (2004) traces the development of turnover research, including themes of institutional characteristics and relationships. Within these themes, she covers research on person/organisation fit, role conflict, task variety and co-worker relationships (Hom & Griffeth, 1995). Peterson (2004) also reviews socialisation models (Wanous, 1992), and what she calls ‘comprehensive models’ (Mowday et al., 1982). The comprehensive models seek to address all previous theoretical causes of turnover theory in one model.

Winterton (2004) provides a similar review of the prolific thematic growth in turnover research over the 1980s and 1990s. The author groups research into categories of job satisfaction, commitment, labour market opportunities, and ease of movement. A number of shortcomings in this huge body of research are suggested by Winterton (2004) and Peterson (2004), including an excessive focus on the attributes of the individual over the impact of organisational influences on turnover.

One response to the growing body of turnover research has been meta-analysis. Quite early in the history of turnover theory, some authors began to question the usefulness of many turnover research studies (Cotton & Tuttle, 1986; Mobley, 1982b; Tett & Meyer, 1993). These authors raised concerns over the weak data support for many of the suggested correlations and antecedents of turnover. Boxall, Macky and Rasmussen (2003) summarise the critique levelled at turnover research: “The bulk of research on turnover ... follows a fairly normative methodological approach ...and has resulted in incremental and sometimes inconsistent research findings with small to modest effect sizes and uncertain generalisation” (pg 198).

Specifically, Boxall et al. (2003) critique the use of narrow research pools, for example, single employers, specific industries or single occupational groups. The authors also question the typical practice of multiple regression analysis, to test a hypothesis supported by limited literature reviews and an obvious research agenda. Instead, the authors suggest that benefit may be gained by departing from 'a priori' hypothesis testing and widening research methods, one of which includes meta-analysis. Boxall et al. (2003) refer readers to comprehensive reviews on the turnover literature in Tett & Meyer, (1993), Hom & Griffeth, (1995) and the most recent meta-analysis by Griffeth et al., (2000).

From these reviews, Boxall et al. (2003) summarise the following key themes:

- **Demographic Prediction.** While ethnicity and gender are not clear demographic predictors of turnover, age is strongly positively associated with tenure length and thus negatively associated with turnover.
- **Job Security.** Turnover is higher in organisations with high employment instability, either perceived poor job security or higher layoff rates.
- **Labour Markets.** Unemployment rates affect turnover – low unemployment and a tight labour market affects employee perceptions of ease in gaining alternative employment.
- **Engagement Continuum.** Turnover may have an engagement history (lateness, absenteeism, low productivity) that is part of a continuum. Understanding this continuum is relevant to understanding the causes of turnover.
- **Job Satisfaction.** Job satisfaction is consistently negatively associated with employee turnover.
- **Contribution Valuing.** The extent to which employees feel their contributions are valued is inversely related to their turnover rates.
- **Congruence.** Congruence between employee and employer preferences for work hours, shift structures and employment types (full-time, part-time) reduce turnover.
- **Remuneration.** Remuneration retains an important role in turnover.

2.8. *The psychological contract*

A psychological contract perspective could bring a useful focus to all of the above mentioned considerations of labour turnover. The literature on the psychological contract has made significant contributions to our understanding of the exchange relationship between employees and their employer.

The work of Wanous (1992) on organisational entry fits into a wider theoretical construct of the psychological contract. Drawing on the seminal works of Argyris (1960), Schein (1965) and Rousseau (1989, 1995, 2001), the psychological contract is defined as “The individual’s beliefs about mutual obligations, in the context of the relationship between employer and employee” (DelCampo, 2007, p. 432). While Wanous (1992) limits his study of ‘met expectations’ to the recruitment, orientation and socialisation phase, psychological contract theory can be used as a lens to analyse the employee/employer relationship throughout the entire working relationship, including the exit process (Blomme, Tromp, & Rheede., 2008; Zhao, Wayne, Glibkowski, & Bravo, 2007). Having said that, it has been suggested that much of the psychological contract is established during the early working relationship, “The antecedents of psychological contracts are activated to a large extent through pre-employment experiences, recruiting practices, and in early on-the-job socialisations” (Rousseau, 2001, p. 512).

Consideration can be given to the extent to which exit interviews capture information about the fulfilment and breach of psychological contracts in the hotel industry. Exit interview efficacy regarding the psychological contract may be problematic for several reasons. Firstly, “Most research on promises has focused on spoken or written communication. Far less attention has been given to promises implied by management actions or human resource practices” (Rousseau, 2001, p. 533).

Implied promises over a working relationship may be difficult to capture through any mechanism, especially with a workforce that has high numbers of young, immigrant and low skill workers. Secondly, “Power differences between the parties can affect the ability of weaker individuals to directly communicate their interests. Power differences impact the worker’s willingness to share with an employer information regarding his or her personal preferences. Moreover, such behaviour may not be socially or culturally legitimate” (Rousseau, 2001, p. 535). Given the profile of hotel workers, regarding age, language ability and cultural diversity, these power factors could be very influential in the exit interview process.

2.9. Summary

This literature review has summarised a number of the most influential models in the labour turnover field. The aim was to show the main developments in turnover theory over the last thirty years, from Mobley (1977) to Price (2001), Peterson (2004) and Allen (2006). The selection of models was based on recent critique and meta-analysis of turnover research by authors including Griffeth et al. (2000), Peterson (2004), Winterton (2004) and Boxall et al. (2003). These authors provided an overview of the vast quantity of turnover literature and applied historical revision and meta-analysis techniques to allow the most influential and well-supported research to be identified. The models and research highlighted by these authors have been presented in this literature review as representing the most strongly supported foundations of turnover research.

The literature covered in this review highlights considerable debate over the massive expansion of distal correlations to turnover that this body of research has analysed. A paradigm of ‘a priori’ hypothesis testing, using multiple regression analysis, has been widely criticised as producing inconsistent results based on frail empirical foundations that provide increasingly tiny incremental advances in knowledge of rapidly reducing importance (Boxall et al., 2003; Griffeth et al., 2000; Hom & Griffeth, 1991; O’Reilly et al., 1991; Somers & Birnbaum, 1999).

Given a field of study that has indentified hundreds of distal correlations to turnover, the aim of this review was to distil the causal components of turnover theory that have the strongest support from the body of literature. These are summarised below and will provide the basis for the research questions and research design which follow.

The criticisms of turnover research noted in the literature review have also been taken into consideration in the following research design. Rather than pursuing further narrow empirical hypothesis testing for increasingly fragile turnover correlations, this research will take a broader view and use multiple research methods to ask questions about the efficacy and content of exit interviews regarding their usefulness in explaining turnover in hotels.

In addition, the literature review has suggested that the psychological contract may provide a useful perspective for analysing turnover in the hotel sector. Supporting the work of Wanous (1992), seminal authors on the psychological contract describe an ongoing relationship of exchange between employers and employees, where expectations and mutual obligations are established very early in the relationship and are reconstituted until the point of separation (Argyris, 1960; Rousseau, 1989, 1995, 1998, 2001; Schein, 1965). By applying a psychological contract perspective, turnover becomes a phenomenon that can have its origins in pre-employment expectations, complex matching dynamics and subtle, non-formal communication that is often not written down. Questions regarding the efficacy of exit interviews in gathering data about the psychological contract process have been raised (Rousseau, 2001), and this issue will be addressed in the research design following. Consequently, questions regarding how best to capture this process will be asked in this research.

The following table represents the causal predictors of turnover that have the greatest support from the body of literature covered in this review. These factors will be used to generate research questions, research design and interview questions in the following research.

Table 3 – Casual Predictors of Turnover

Causal Predictor	Components
Demographic – Age and Tenure	Younger employees are associated with higher turnover and longer tenure is associated with lower turnover.
Job Security	Turnover is higher in organisations with high employment instability, either perceived poor job security or higher layoff rates.
Labour Markets/External Influences	Unemployment rates affect turnover – low unemployment and a tight labour market affects employee perceptions of ease in gaining alternative employment. Non-work influences such as social support levels and kinship responsibilities affect turnover.
Engagement Continuum	Turnover may have an engagement history (lateness, absenteeism, low productivity) that is part of a continuum. Understanding this continuum is relevant to understanding the causes of turnover.
Employment Conditions/Contribution Valuing	Job stress, integration (to what extent do employees have strong social networks in their jobs?), instrumental communication (how communication is practised regarding the job), routinization, evidence of shock, promotional chances, general training, autonomy, the extent to which employees feel their contributions are valued is inversely related to their turnover rates.
Affective State	Job satisfaction, commitment and involvement are consistently negatively associated with employee turnover.
Congruence	Congruence between employee and employer preferences for work hours, shift structures and employment types (full-time, part-time) reduce turnover; the level of match between the employer and individual capabilities and potential, individuals' needs and specific individual job wants affect turnover rates.
Remuneration	Remuneration retains an important role in turnover. Distributive justice – the perceived fairness between effort and reward affects turnover.

3. METHODOLOGY

3.1. Introduction

This chapter provides the outline of the research methodology used in this study. To begin, an overview of the study is outlined, along with a description of the research topic and purpose, and the research questions. Following this, research paradigms are discussed and justification is given for the selection of the interpretive paradigm and triangulation method. The chapter goes on to give in-depth consideration of exit interviews as a data source, providing discussion on the efficacy of the exit interview process. The procedures for collection of the research data including exit interview data and semi-structured interviews are outlined and the data analysis procedures are presented. Finally, the limitations of the study, ethical considerations and the conclusion are presented.

Employee turnover has been, and remains, a major issue for the New Zealand hotel sector. The current labour market conditions of low unemployment are exacerbating the critical levels of employee turnover in the hospitality sector as a whole. Labour turnover and weak employee commitment to the organisation have the potential to negatively impact on the quality of services. This is particularly important in a market which is competitive at the local level, as well as at the global level, as New Zealand attempts to increase its share of international tourism. Addressing these issues, therefore, is a matter of increasing the industry's competitive edge, through providing a satisfying workplace for employees.

In order to develop appropriate strategies, however, it is necessary to analyse the methods used to gather turnover data and attempt discovery of the perceptions of employees and managers themselves. This study aims to compare the major causal predictors of turnover established in the literature review with the exit interview data gathered from two hotel brands. The study also questions the exit interview process through the lens of the psychological contract by interviewing managers involved in the reporting of turnover. This research aims to be able to reach conclusions that improve practices in the exit interview and turnover management area.

3.2. *Research questions*

- 1 – What significant patterns can be observed in the exit interview data analysed in this research?
- 2 - To what extent does this exit interview data illuminate the theoretical constructs summarised in the literature review regarding labour turnover?
- 3 – What, if any, practical implications can be drawn from the above questions to help the hotel organisations address turnover?

3.3. *The research paradigms*

A paradigm is defined as “A basic set of beliefs that guides action, whether of the everyday garden variety or action taken in connection with a disciplined enquiry” (Guba, 1990, p. 17). A research paradigm describes a wide set of values and beliefs regarding the nature of reality and the most appropriate way to research that reality. Within research paradigms lie epistemologies (the philosophical theory of knowledge) and ontologies (the study of the nature of being and existence). The following section will briefly outline the positivist and interpretive paradigms.

The positivist paradigm holds that “there is a knowable reality that exists independent of the research process. The social world ... is governed by rules, which result in patterns. Accordingly, causal relationships between variables exist and can even be identified, proven and explained” (Hesse-Biber & Leavy, 2006, p. 13). Key factors in the positivist approach are a rigorous separation of the observer and observed, causality, deductive theory testing and quantitative data. These attributes of the positivist approach are considered by some to provide more objective and value-free results, producing ‘hygienic’ research where the researcher has negligible impact on the researched (Denzin & Lincoln, 1994, 2005; Hesse-Biber & Leavy, 2006; Thomas, 2003).

Quantitative research is built on the foundations of a positivist epistemology and ontology. Quantitative researchers use numerical measurement, including a wide variety of statistical analysis methods such as correlation studies and often present their data in tables, graphs and number-based representations (Auerbach & Silverstein, 2003; Hesse-Biber & Leavy, 2006; Thomas, 2003). The quantitative methods are designed to produce results that will be both generalisable to social situations other than the site of the research, and to create results that can be easily replicated by other researchers in order to test the results in new studies. Classic quantitative methods include surveys, correlation analysis, experiments and data mining (Marshall & Rossman, 1999; Thomas, 2003; Wolcott, 2001).

In the interpretive epistemology, “Social reality is not conceived as ‘out there’ waiting to be discovered and measured, but rather is relational and subjective, produced during the research process. The researcher is not assumed to be value-neutral and objective, but rather an active participant, along with the research subjects” (Hesse-Biber & Leavy, 2006, p. 15). Guba and Lincoln (1994) argue that reality is created in the minds of individual human beings and constructed through social interaction. This is a pluralist and relativist ontology that allows for multiple and differing interpretations of reality, where each interpretation is significant and “truth” is not an absolute entity, but rather is relative to the individuals and groups that create it (Guba & Lincoln, 1994, 2005).

While this relativism is not characteristic of all qualitative research, interpretive research is not so much concerned with producing replicable results, but rather adding to the substantive body of knowledge in a given subject area (Hesse-Biber & Leavy, 2006). The interpretive approach often seeks to construct theory and meaning *through* the relationship between the researchers and researched, allowing meaning to be built as the research process uncovers the participants' experiences of their environment (Denzin & Lincoln, 2005).

Qualitative research is thus often situated in an ontology that celebrates the fact that there is more than one reality, uses an epistemology that assumes knowledge is co-created by the researcher and the researched, and often uses a methodology that is dialectical (analysis is based on repeated iteration and re-analysis to ultimately construct knowledge and theory) (Denzin & Lincoln, 2005). Qualitative research "is multi-method in focus, involving and interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings...using a variety of empirical materials – case study, personal experience, introspective, life story, interview, observational, historical, interactional, and visual texts – that describe routine and problematic moments and meanings in people's lives" (Denzin & Lincoln, 1994, p. 2).

Often the two paradigms are seen as "at war" with advocates of each approach demeaning the opposition – "Debates about quantitative and qualitative methodologies tend to be cast as a contest between innovative, socially responsible methods versus obstinately conservative and narrow-minded methods, or precise, sophisticated techniques versus mere 'common-sense'" (Stewart & Shields, 2001, p. 307). However, many contemporary authors consider quantitative and qualitative approaches as complementary and argue that the two traditions can be used together with great success (King, Koehane, & Verba, 1994; Thomas, 2003). This study will use an interpretive approach, with triangulated research methodologies. The following paragraphs will justify the choice of this approach.

The interpretive approach has become increasingly common in the field of tourism and hospitality research (Echtner & Jamal, 1997; Veal, 1997). The interpretive approach allows the flexibility to use multiple methods to gather data, with Echtner and Jamal (1997) specifically arguing that both qualitative and quantitative methodologies are appropriate in this field of study. The diverse nature of the hospitality industry and the complex human interactions involved in the tourism and leisure industries suit an interpretive approach (Echtner & Jamal, 1997). The interpretive approach allows researchers to ‘get inside’ the minds and attitudes of subjects whilst also using the researcher’s potential as an industry ‘insider’ to create deep and inductive insights (Veal, 1997).

In the context of this research, it would be difficult to rigorously position myself as a dispassionate outsider in the research process. I am inherently an insider in this research due to my long professional experience in the hotel management and wider hospitality human resource areas. I am an insider because my long professional career in hospitality allows me to get close to the participants and empathise with their experiences in a knowledgeable way. Therefore, it is appropriate to write my story and place into the methodology at this point.

I have held dozens of roles in hospitality businesses over a career spanning 18 years. I have worked in hotels both internationally and within New Zealand, covering roles from lowest entry level ‘dish hand’ to banqueting manager in Tokyo and training manager in Auckland. In addition, I hold tertiary qualifications in Human Resource Management and Hospitality Business Management. This combination of ‘front-line’ experience and academic theory allows me to reflect on hospitality management problems from a rich perspective.

This insider perspective also allows me to identify issues within the research and interpret results in a way that reflects the riches of a ‘multiple realities approach’ inherent in the interpretive paradigm. During the research I often found myself interpreting results and formulating questions based on my own experiences. Like all of the interview participants, I too have spent years wrestling with the difficult tasks of staff recruitment, training and retention, and could openly and honestly empathise with the frustrations inherent in this area.

This ‘experienced’ position allowed me to sometimes empathise strongly with the interview participants and to discuss with them as a near-equal and informed professional. As a result, I believe the interview data is stronger than otherwise might be gained from a ‘distant authority’.

Triangulation is advocated by authors such as Denzin (1994, 2005), Guba and Lincoln (2005) and Decrop (1999) as a way to bridge the gap between positivist and interpretive research methodologies. Triangulation calls for the use of multiple methods within a single research project. The use of multiple methods is advocated in the belief that it will result in increased validity of results (Denzin & Lincoln, 2005). Denzin (1994, 2005) identifies four types of triangulation: data; investigator; theory and methodological. This study will use data and methodological triangulation, which calls for multiple sources of data and several methods of data gathering. In this study, data is gathered from multiple sources – over 17 hotel sites within two separate hotel brands. The data gathering involves different methods, including quantitative content analysis and qualitative analysis of exit interviews, and semi-structured interviews of Hotel Human Resource Managers.

3.4. *Exit interviews as a data source*

Exit interviews have been considered by some authors to be a powerful tool for analysing turnover (Mok & Luk, 1995). However, many authors question the methodology and focus of exit interviews and seriously debate the value of resulting data (Deery, 2000; Feldman & Klaas, 1999; Fottler, Crawford, Quintana, & White, 1995; Phillips & Connell, 2003; Wanous, 1992; Woods & Macaulay, 1987). An exit interview is a discussion, which can vary in structure and formality, between the departing employee and the employer, designed to get information about their employment experience and motivations for leaving (Evans, 2006; Rudman, 2002; Stone, 2005).

The content discussed in such an interview can be wide ranging, including reasons for leaving; perception of management and the organisation; satisfaction with job; working conditions; organisational climate; socialisation issues; training received and career opportunities.

A principal aim of conducting exit interviews is to provide employers with information to help prevent the loss of other employees later, for example, through the identification of training and development needs (Green, 2004). Knouse, Beard, Pollard, & Giacalone (1996) argue that exit interviews are a two-way process, as meeting with departing employees in an exit interview also gives employers an opportunity to express their feelings. However, questions have been raised about who really gains from this process – the benefits to the employer seem more obvious than those to the employee (Deery, 2000).

Engaging employees in a dialogue just prior to their departure may encourage them to consider returning in future as an employee and/or as a longer-term stakeholder in the form of a customer or organisational advocate. For the conversation to be meaningful and the data of value, it is vital for a climate to be created in which both parties feel comfortable to enable them to gain a direct insight into employees opinions of the role, work processes, relationships and the organisation. This underlines the importance of trust and respect in the employment relationship. Accordingly, Schachter (2005) argues that open-ended questions should be asked and ideally the interview should be conducted by a human resource person or someone other than the employee's immediate supervisors. Schachter (2005) makes the questionable assumption that human resource managers will be perceived as 'neutral' by employees as well as being more skilled at creating an appropriate and comfortable environment for exit interviews (Schachter, 2005).

Feldman & Klaas (1999) generated three hypotheses to test how exit interview procedures influence exiting employees self-disclosure of their reasons for departure. They conclude that employees tend to disclose their honest reasons for leaving when data is treated confidentially and fed back by human resource managers in aggregate form, when it does not result in a negative reference from their direct supervisors, and when they believe that in the past the employer has taken action on problems identified in exit interviews.

Employees who leave an organisation can provide considerable insight into the problems they faced during the tenure of their employment (Deery, 2000). Conversely, exit interviews have been criticised as an intrusion into an employee's right to privacy and that they are of more benefit to the organisation than to the employee. Fottler, Crawford, Quintana, & White (1995) suggest that they can be a way to keep an employee that the organisation does not want to lose, although for many departing employees actions taken as a result of an exit interview may be *too little too late* to retain them.

According to research on 27 American hospitality organisations by Wood & Macauley (1987), the exit interview methodology used for data collection has an important impact on the quality of the information collected. They found that organisations too often centred the interviews on the reasons for leaving, rather than the attitudinal and organisational causes for turnover. In no cases were the interviews concerned with the 'individual and organisation fit' (Wanous, 1992). This is a crucial point when considering the perspective of psychological contracting and exit interviews. There is a danger that if the deeper issues of psychological contracting and 'individual and organisation fit' are not addressed adequately, exit interviews will be limited to superficial explanations regarding turnover.

This in turn raises the issue of what other types of employee feedback could supplement the possibly limited data gathered from exit interviews. Fottler, et. al. (1995) posit that employee engagement surveys yield far more reliable information than do exit interviews. They found that from employee engagement surveys, organisations could learn how employees viewed their jobs, their supervisors, their working conditions and other aspects of the organisation. They also noted that engagement surveys gave the organisation time to intervene confidently and address the identified problems. Other forms of employee feedback also need to be considered - informal conversations and formal performance reviews could also provide crucial information for the organisation.

Another methodological consideration regarding exit interviews is that person-to-person interviews may negatively affect the results of those interviews (Phillips & Connell, 2003). The authors argue that the inherent power imbalance between the employee and the management interviewer will inhibit an honest response from the employee. In addition, employee concerns over confidentiality and possible negative consequences of honest criticism can reduce the accuracy of their responses. Researchers have also found that the 'responses given during exit interviews are often substantially different from those given in interviews conducted a month or more after the termination' (Wanous, 1992, p. 45).

Despite these suggestions, most hospitality organisations still conduct exit interviews in a person-to-person format and run them on the day before or day of departure (Macky & Johnson, 2004). In addition, Wood & Macauley's (1987) research mentioned that fictitious reasons for departure are often cited at exit interviews. The authors argue that some reasons for this behaviour are that the employees are reluctant to cite reasons that condemn the actions of the organisation, management and supervisors in open interviews, and that the employee may want a good reference and feel that open criticism could endanger this.

Lefkowitz and Katz (1969) believe that a post-termination questionnaire method is a better way to obtain valid information than an exit interview. Furthermore Feldman & Klaas (1999) believe that exit questionnaires may generate more reliable and valid information, while also being more efficient to administer in terms of cost and time. Many organisations have also developed a web-based system for conducting their exit questionnaires. The data gained from any form of exit process though may be of questionable value if immediate line managers are not given meaningful results and/or encouraged to make changes regarding training, relationships and processes based on analysis of the feedback from departing employees.

3.5. Exit interview data

This study examines data within two New Zealand hotel brands, through an analysis of exit interview data collected from 2001 to 2005.

3.5.1. Hotel Alpha

Hotel Alpha operates internationally, with a strong presence in New Zealand, and is experiencing high levels of voluntary turnover. In 2005 Hotel Alpha's New Zealand operations saw a total turnover rate of 67.5 per cent (personal communication, July 6th, 2006). Hotel Alpha worldwide consists of over 4,100 hotels.

The data for this research has been gathered by the Hotel Alpha Regional Human Resource Manager in New Zealand. The national data covers over a dozen hotels, with the organisation growing from 12 hotels in 2000, to 16 sites by 2006. This national data represents just over 4,500 exit interviews. The data is based on standardised exit interviews that are run by various human resource managers in the national operations. The hotel group attempts to interview every leaving employee, but in cases of abandonment or refusal, a small minority of employees are not represented in this data.

Hotel Alpha Data contains two parts:

Part One takes its data from the first page of the exit interview and is presented in Figures 6 to 17. This is national data, representing all Hotel Alpha hotels from 2000 to 2006. There are no open-ended or qualitative questions in this section. Data from this part represents a very large sample of 4,542 exit interviews. Human Resource Managers of Hotel Alpha collate all exit interview data at the end of each month and enter the data into Excel spreadsheets which are sent to the regional offices. This Level One data was obtained from the Regional HR Office and was extracted from the Excel spreadsheets in which it was delivered.

It should be stressed that this excel based data did not include any demographic information of the employees – therefore correlations between demographic information and exit reasons were not possible. The only exception to this is the overall age profile information contained in Figure 5.

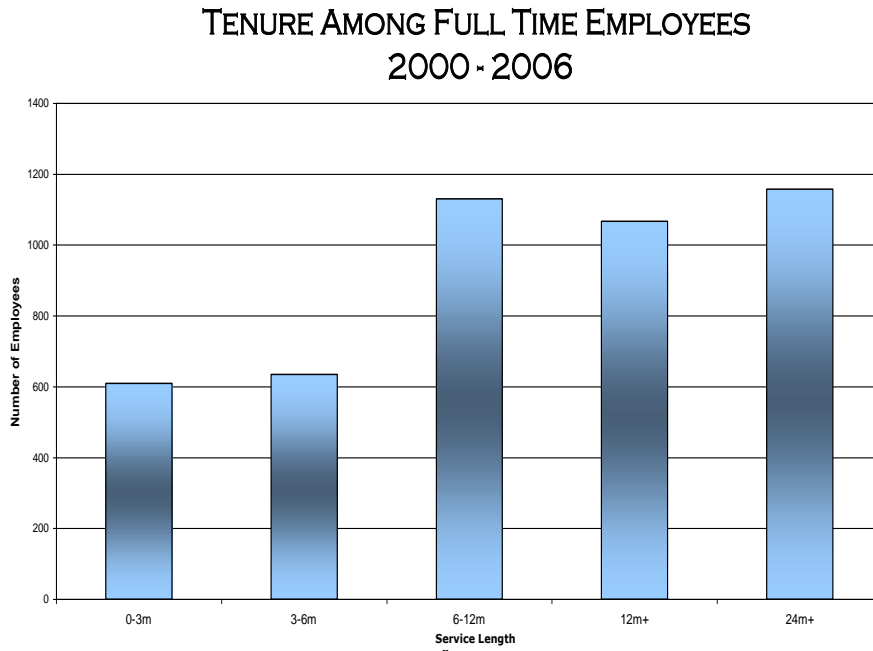
Part Two takes its data from the second page of the exit interview. The second page contains open-ended questions. This data is from a single hotel and represents an attempt to show the type of qualitative feedback gained from departing employees. Due to time and resource constraints, this research only analysed the exit interview open ended questions from this one hotel. There are 45 exit interviews from 2004 and 2005. This data is represented in Tables 5 and 6.

Hotel Alpha was approached for exit interview data as it is the largest hotel chain in New Zealand and thus could provide the biggest data set. To achieve triangulation, having gained approval from the Hotel Alpha chain, a smaller, stand-alone hotel (Hotel Beta) was approached to provide comparison data.

3.5.2. *Description of Hotel Alpha sample*

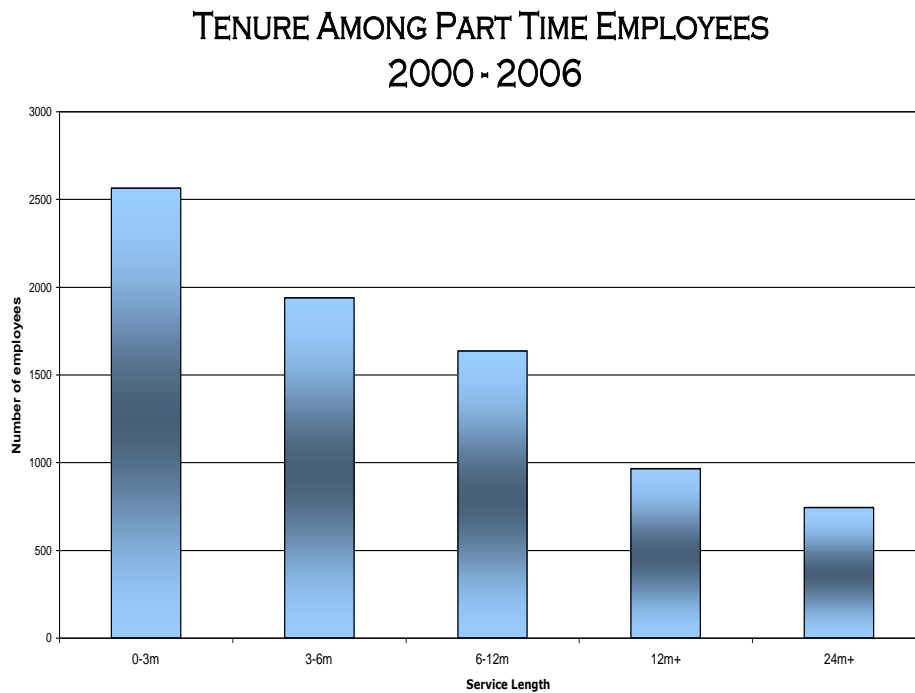
The following three figures describe some interesting aspects of the employee profile in one of the hotel brands covered in this study. This data was provided by the Regional Manager of Human Resources of Hotel Brand Alpha. Figure 3 shows the tenure among full-time New Zealand workers, 2000 to 2006. Almost 50 per cent of these workers leave before one year's service, but almost 25 per cent are in the two years' or more category. While this figure represents a relatively high level of turnover in the first year, it stands in stark contrast to Figure 4 which shows the tenure among part-time New Zealand workers, 2000 to 2006. Disturbingly, almost 75 per cent of these workers leave before completing six months' service; only 10 per cent are in the two years' or more category.

Figure 3–Hotel Brand Alpha, Tenure among full time employees, 2000-2006



Source – Hotel Brand Alpha, HRM Department

Figure 4-Hotel Brand Alpha, Tenure among part time employees, 2000-2006

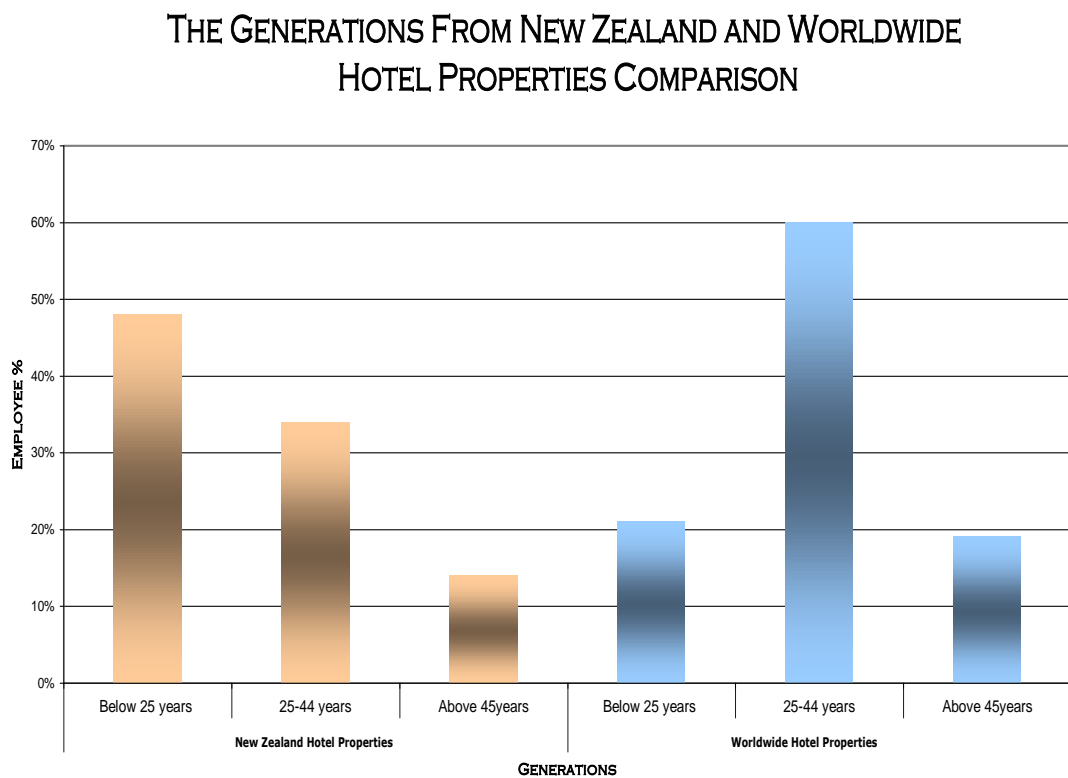


Source – Hotel Brand Alpha, HRM Department

Age profile

Figure 5 shows the comparison age profile between the New Zealand-based hotels and international hotels in the Brand Alpha organisation. It shows that almost 50 per cent of the New Zealand workers are aged 25 or below, 34 per cent are 25-44 and only 14 per cent are aged 45 or above. In comparison, the international workforce has only 21 per cent of workers 25 years or under and almost 60 per cent in the 25-44 age bracket. A considerable 19 per cent of international workers are over 45 years old.

Figure 5 – Hotel Brand Alpha – employee age comparison



Source – Hotel Brand Alpha, HRM Department

3.5.3. *Hotel Beta*

Hotel Beta represents a standalone site that is part of an international chain. At present, only one site carries this brand in New Zealand. Hotel Beta is a leading global hospitality company, with over 2,900 hotels in more than 80 countries. Following initial consultation about the research, exit surveys were provided by the Human Resource Manager of Hotel Beta, and 170 exit interviews were provided. The exit interviews were conducted by the HRM team with staff between 2001 and 2004. The hotel group attempts to interview every leaving employee, but in cases of abandonment or refusal, a small minority of employees are not represented in this data.

Table 4 - Hotel exit interview data sources

Hotel Brand	Exit Interview Dates	Exit Interview Numbers	Hotel Locations	Exit Interview Question Style	Figure/Table Numbers
Alpha Part 1	2000-2006	4,542	16 Locations National	Tick Box	Figures 6 to 17
Alpha Part 2	2004-2005	45	One Location Auckland	Open Ended	Tables 5 and 6
Beta	2001-2004	170	One Location Auckland	Open Ended	Tables 7 to 11

3.6. *Semi-structured interviews*

The semi-structured interview is a key qualitative research method, which aims to gather information from a smaller sample size than may be used in quantitative research, but seeks to analyse that data at a greater depth. To achieve the depth of analysis required, this method requires careful selection of participants (Denzin & Lincoln, 1994).

This research applies “purposeful sampling”, a technique that allows participants to be selected based on the issues being studied, in the hope that they will provide rich information in their specialist areas (Patton, 2002). This approach stands in contrast to a random selection process, more commonly associated with quantitative research, which would seek to generate empirical generalisations.

This research project applied the semi-structured interview approach. The six prospective interviewees were identified and contacted by email to request their participation in the research. Once they had agreed to participate, a standard Auckland University of Technology Participant Information Form (Appendix 1) was sent to them explaining the purpose and aims of the research, along with a copy of the interview questions (Appendix 3). Interview times were arranged, and once the Information Participant Form and Consent Form (Appendix 2) had been signed, the interviews were recorded on a digital recorder. Interviews lasted between one and two hours.

In addition to the exit interview data provided by the two hotel brands, the research has undertaken six semi-structured interviews with Human Resource Managers. These interviews covered HR Managers with both the Alpha and Beta hotel brands and to achieve triangulation, those from other hotel groups for comparison. Two managers were approached from the Hotel Alpha chain, one in Auckland and one in Wellington. One was approached to represent the Auckland-based Hotel Beta brand. Three more were approached from three other brands, two in Auckland and one in Wellington, in order to get a wide range of perspectives on this topic. The interviews were all conducted by the researcher and took place on the hotel properties involved. The interviews lasted between 60 to 180 minutes and were recorded on a digital recorder by permission of the interviewees. The questions are included in Appendix 3.

Research interviews can be structured or unstructured. Structured interviews usually contain a standardised format with fixed response categories and tend to be used in conjunction with quantitative research methods. Unstructured interviews are associated with the qualitative approach and allow the researcher and participant to explore a subject without any restrictive formatting or prior selection of questions (Marshall & Rossman, 1999).

Between these two extremes lie semi-structured interviews. In this type of interview, the questions and topics are organised in advance, but the sequence and specific wording of questions can be altered during the interview (Patton, 2002). The aim of this style of interview is to create a ‘conversational’ atmosphere whilst maintaining a systematic approach, thereby balancing the quality and depth of data gathered (Yin, 2003). The drawback of this approach is that interviewer biases may influence the results, and important issues may be overlooked during the interview (Patton, 2002; Yin, 2003). These drawbacks were moderated by using written question guides to guarantee that all issues were covered without bias.

The questions in the semi-structured interview process were designed to gather the participant’s feelings, beliefs and perceptions around the topic of exit interviews. An original list of 15 questions was reduced to 11 questions (Appendix 3) after pre-testing with a regional Human Resource Manager. Open-ended questions were used as this allows the respondents to use their own words to answer and thus provide information that more restrictive questions may eliminate (Patton, 2002). Probing questions were used to clarify meaning and seek elaboration and participants were asked to add anything they felt was important at the end of the interview.

3.7. *Data analysis*

The exit interview and semi-structured interview data was analysed using a coding scheme. The semi-structured interviews were transcribed and then read for emergent themes. The qualitative exit interview data was also coded. The coding process was based on grounded theory and ‘open coding’ (Hesse-Biber & Leavy, 2006). In this process, the researcher reads the data and asks: “What is going on? What are the people doing? What is the person saying? What do these actions and statements take for granted?” From these questions, the researcher can code themes and sub-themes that can emerge over several readings of the material (Auerbach & Silverstein, 2003; Gillham, 2005; Hesse-Biber & Leavy, 2006).

Qualitative research is recognised as a creative process that is dependent on and influenced by the attitudes, ontology and perspectives of the researcher (Denzin & Lincoln, 2005; Patton, 2002). This is both its great strength and its potential weakness. Qualitative research is co-created by the subject and the researcher, allowing an insider perspective to be utilised by both parties. Potential weaknesses in the validity can be caused by bias and subjectivity. However, the application of triangulation and written structure to interviews can moderate these concerns.

3.8. *Ethical considerations*

This research contains in-depth one-on-one interviews and third-party exit interviews with a large number of people, as well as large volumes of summarised data relating to labour turnover in the participating hotels. Any research involving human objects bears an inherent risk and thus ethical approval is required (Patton, 2002). Qualitative methods are by nature deeply personal and involve a relatively intimate relationship between the researcher and the participant. Therefore the risk of intrusion and violation of personal boundaries is a real and constant risk (Denzin & Lincoln, 1994, 2005; Patton, 2002). Ethics approval was sought from Auckland University of Technology to mediate the inherent risks involved in this research.

Ethics approval was gained from the Auckland University of Technology Ethics Committee (AUTEK) for the research. As part of the ethics approval process, processes for minimising risk are established in the areas of interviewee consent, data handling, data storage and confidentiality of participants over the entire research process. The specifics of each process are listed below.

Informed consent was gathered from all interview participants in the research. All interview participants were first sent a Participant Information Sheet (Appendix 1). This form is approved by the Auckland University of Technology Ethics Committee and introduces the aims and purpose of the research project. The form outlines all the protections and risk considerations that the participants need to be aware of in order to grant informed consent.

This consent was sought initially by email and then formally recorded by interviewees completing the standard Auckland University of Technology Consent Form (Appendix 2). Consent to use the pre-packaged exit interview data was provided in writing by Hotel brands Alpha and Beta.

As required by the Auckland University of Technology ethics process, participant confidentiality is maintained throughout the research process. In this research, confidentiality was protected by: assigning all interview participants a number to protect their identity; assigning the two hotel brands an alias in the final thesis to protect their identity; assigning all interview participants an alias in the final thesis to protect their identity; storing all data, interview transcripts and associated files in a secured container with access limited to the researcher alone.

4. RESULTS

4.1. Introduction

This chapter presents the findings contained in the exit interviews conducted in Hotel Brand Alpha and Hotel Brand Beta. Following the exit interview data, the chapter presents the results from the semi-structured interviews with six hotel Human Resource Managers.

Figures 6 to 17 present the exit interview data from Hotel Brand Alpha. These figures show reasons for leaving that have been selected by exiting employees, supervisor and managers from 2000 to 2006. The figures show reasons for leaving for the hotel brand as a whole (12 hotel sites) and then break the data down into full-time/part-time comparisons, regional comparisons, department comparisons and finally a look at managers' and supervisors' reasons for leaving. These figures represent data from the first page of the Hotel Brand Alpha exit interview form, where all responses are in fixed choice, multiple response format.

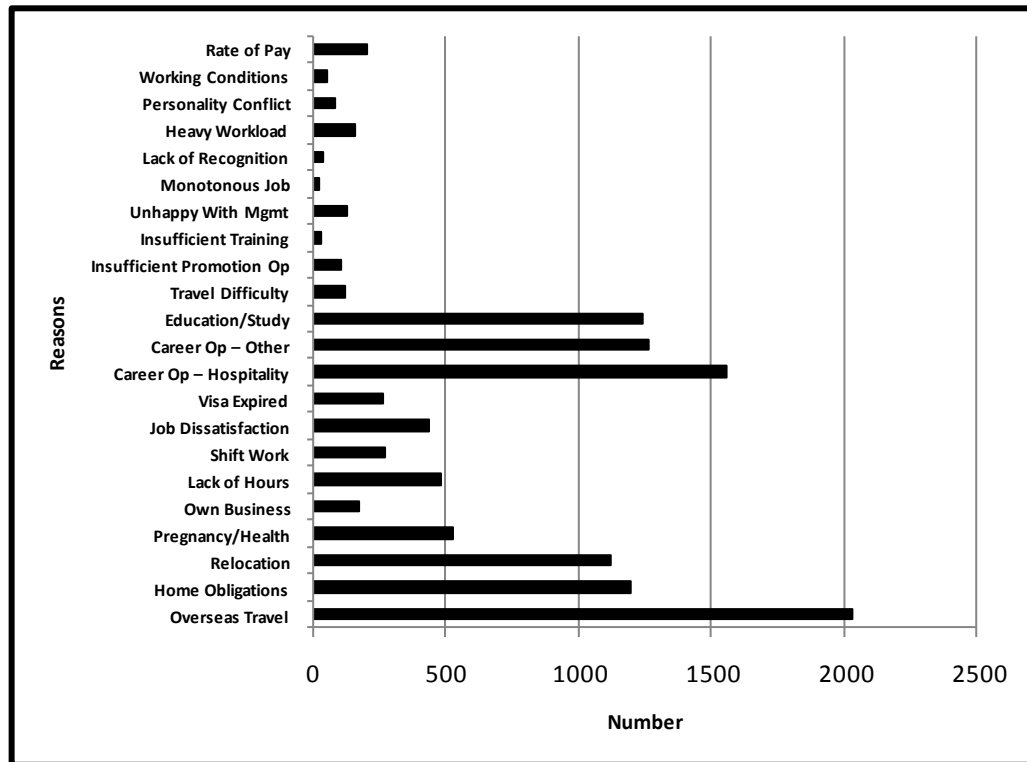
Tables 5 and 6 represent data from a single hotel in the Brand Alpha stable. These tables represent data from the second page of the Hotel Brand Alpha exit interviews. The second page contains open-ended questions. This data is from a single hotel and represents an attempt to show the type of qualitative feedback gained from departing employees. Table 5 shows employee responses to the question "What could we have done to prevent you from leaving?" Table 6 shows responses to the question "If you could tell the General Manager one thing, what would it be?"

Tables 7 to 11 show the results for exit interviews in Hotel Brand Beta. This data was sourced from open ended question responses on the exit interview form.

The chapter concludes by presenting the results from semi-structured interviews with six hotel Human Resource Managers. These interviews covered HR Managers with both the Alpha and Beta hotel brands and to achieve triangulation, those from other hotel groups for comparison.

4.2. Hotel Brand Alpha – exit interview data

Figure 6 - Total reasons of all employees for turnover 2000 - 2006 - Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

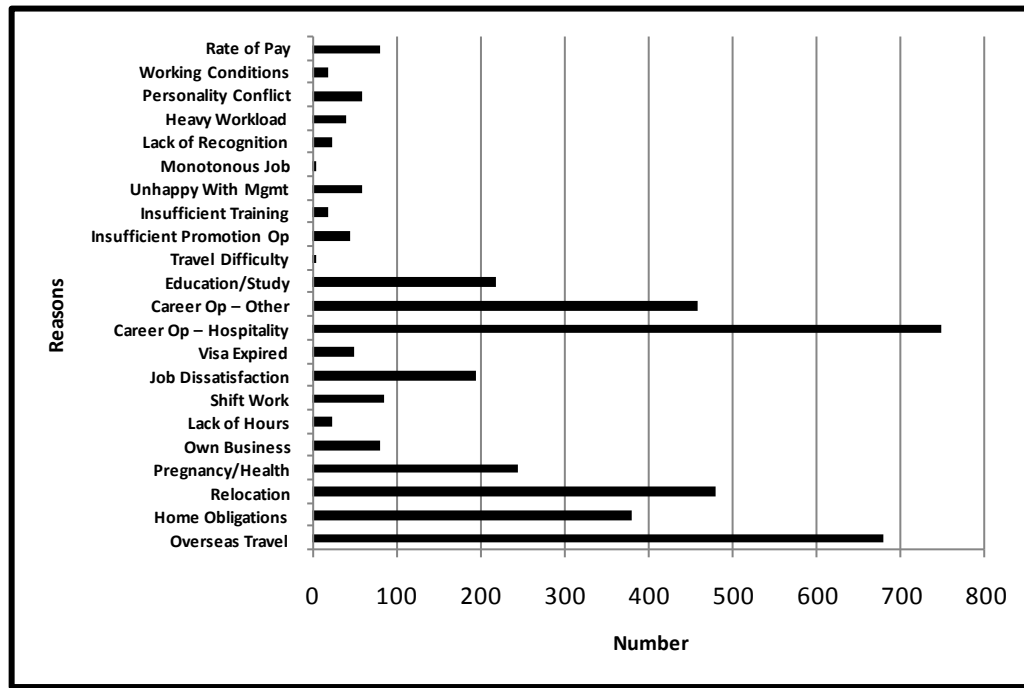
Figure 6 shows the total number of responses to identified exit reasons for all Hotel Brand Alpha hotels from 2000 to 2006. Many employees selected more than one reason for leaving – thus Figure 6 has larger numbers represented than the 4,542 exit interviews covered in this period. This figure represents a considerable quantity of data collection. The clear leaders in this figure are ‘Overseas Travel’, followed by ‘Career Opportunity in Hospitality’, ‘Career Opportunity in Other Industry’, ‘Education and Study’, ‘Home Obligations’ and ‘Relocation’.

The first page of the Hotel Brand Alpha exit interview forces the employees to select one reason only from a choice of 22. However, many employees pick multiple responses. For instance, they have to choose between 'Job Dissatisfaction' and several categories of that dissatisfaction – 'Working Conditions', 'Personality Conflict', 'Heavy Workload', 'Lack of Recognition', 'Monotonous Job', 'Unhappy with Management', 'Insufficient Training' and 'Insufficient Promotion Opportunities'. These categories of job dissatisfaction are very low in representation. If all the categories of job dissatisfaction are added together, the total is still just over 10 per cent of the total responses.

The top six reasons, 'Overseas Travel' (17.8 per cent), 'Career Opportunity in Hospitality' (13.5 per cent), 'Career Opportunity in Other Industry' (10.9 per cent), 'Education and Study' (10.8 per cent), 'Home Obligations and Relocation' (9.5 per cent) are particularly dominant, accounting for 65 per cent of total responses. This dominance remains throughout the rest of the figures. It is interesting that these top six responses refer to external reasons for exiting, whereas internal reasons - 'Job Dissatisfaction', 'Working Conditions', 'Personality Conflict', 'Heavy Workload', 'Lack of Recognition', 'Monotonous Job', 'Unhappy with Management', 'Insufficient Training', 'Insufficient Promotion Opportunities', 'Lack of Hours', and 'Shift Work' account for only 19 per cent of responses.

'Rate of Pay' rates a meagre 2 per cent of total responses, while 'Health/Pregnancy' comes in at just under 5 per cent of total responses.

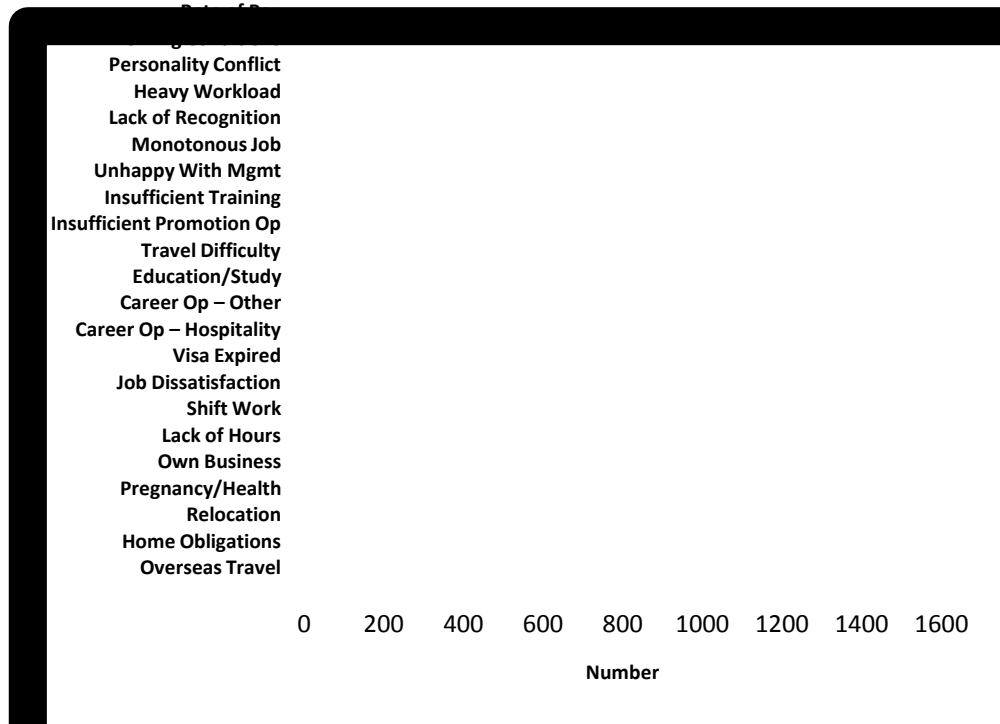
Figure 7 - Reasons of all full-time employees for turnover 2000 -2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 7 shows the turnover reasons from 2000 to 2006, for full-time employees only. The top six factors highlighted in Figure 6 remain dominant, but ‘Pregnancy/Health’ has overtaken ‘Education and Study’ and ‘Job Dissatisfaction’ (5 per cent, up from 3.9 per cent in Table 5) runs a close 7th place. Overall, all job dissatisfaction categories have a greater showing than in the previous figure, accounting for 14 per cent of responses (up from 10 per cent in Table 5). ‘Rate of Pay’ is still only 2 per cent of responses. The high combined responses of ‘Relocation’ (12 per cent), ‘Overseas Travel’ (17 per cent) and ‘Career Opportunity in Hospitality’ (18.7 per cent) would suggest a workforce which is leaving to continue with their careers in the hospitality industry. External reasons for exit remain strongly dominant over internal reasons.

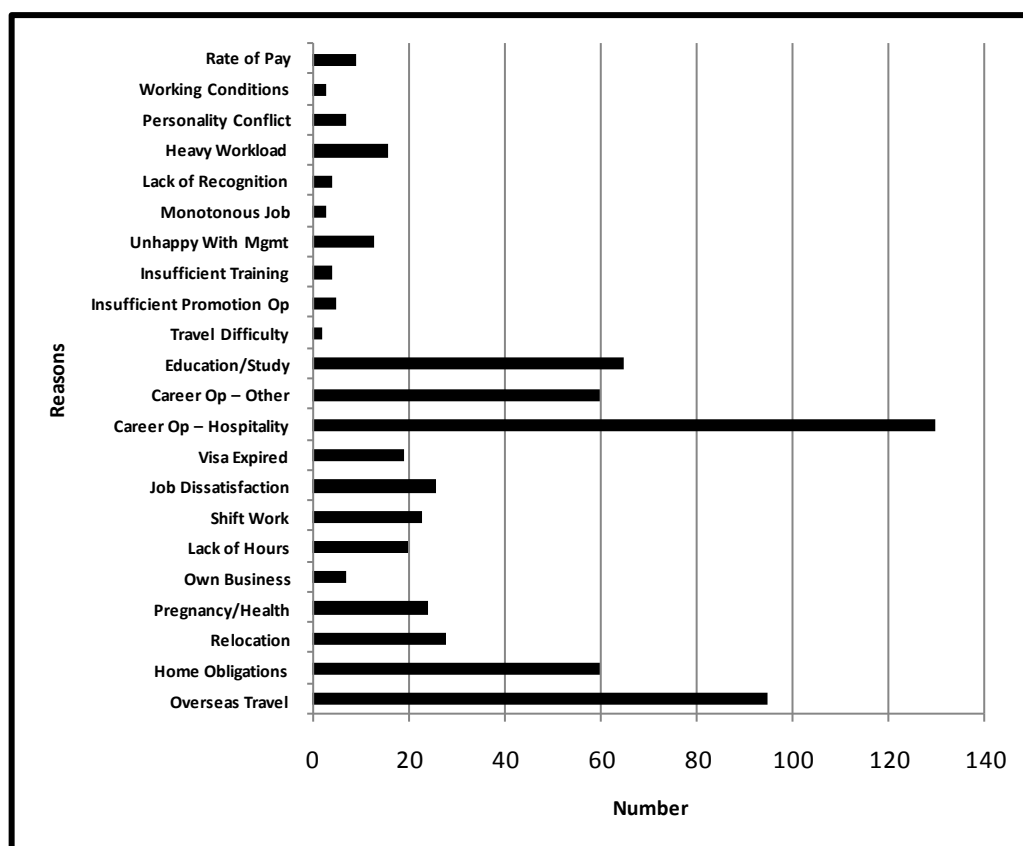
Figure 8 - Reasons of all part-time employees for turnover 2000-2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 8 shows the turnover reasons from 2000 to 2006 for part-time employees only. Almost double the percentage of part-time employees over full time employees are leaving the hospitality industry. Total Job Dissatisfaction sits at 15 per cent, slightly higher than for full-timers, while interestingly, ‘Rate of Pay’ drops to 1 per cent of responses. The same top six factors remain dominant, with ‘Lack of Hours’ (6.5 per cent) being the most noticeable increase from the full-time figures in Figure 7 (0.7 per cent). Also interesting is that ‘Career Opportunity in Other Industry’ is on an equal footing with ‘Career Opportunity in Hospitality’

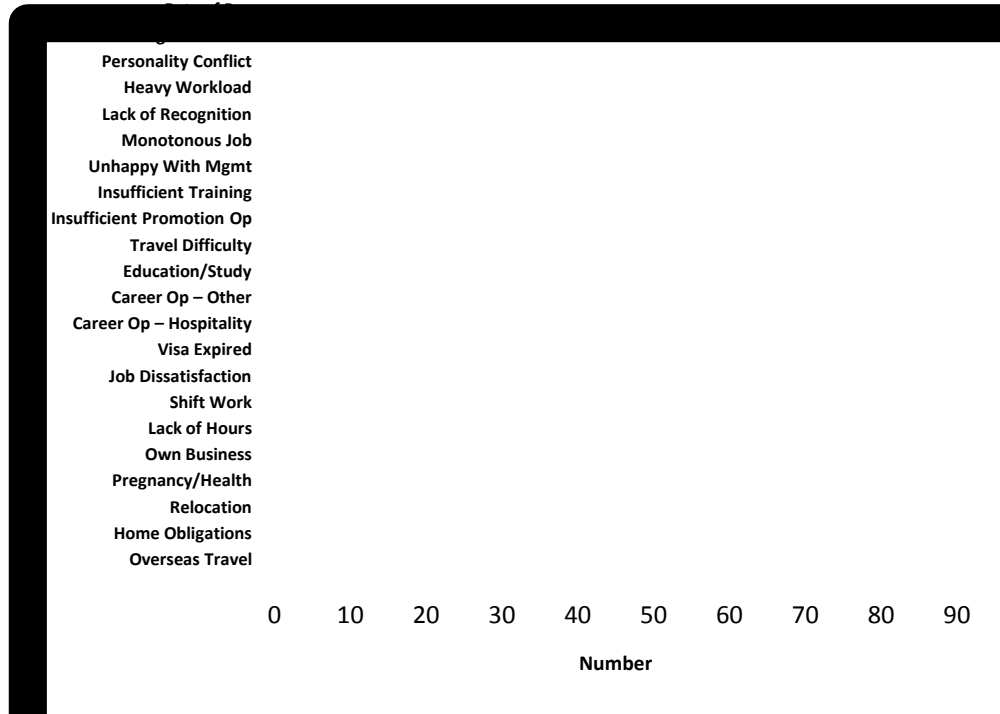
Figure 9 - Auckland Region – All employees’ reason for turnover 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 9 shows the reasons of all employees for turnover, 2000 to 2006, for the Auckland region only. The same top six factors remain dominant, with little significant percentage movement in the other factors. ‘Career Opportunity in Hospitality’ is significantly higher as a percentage (20.5 per cent) compared to Table 5 (13.5 per cent), indicating that the Auckland workforce is turning over *within* the hospitality industry in greater numbers than the national average.

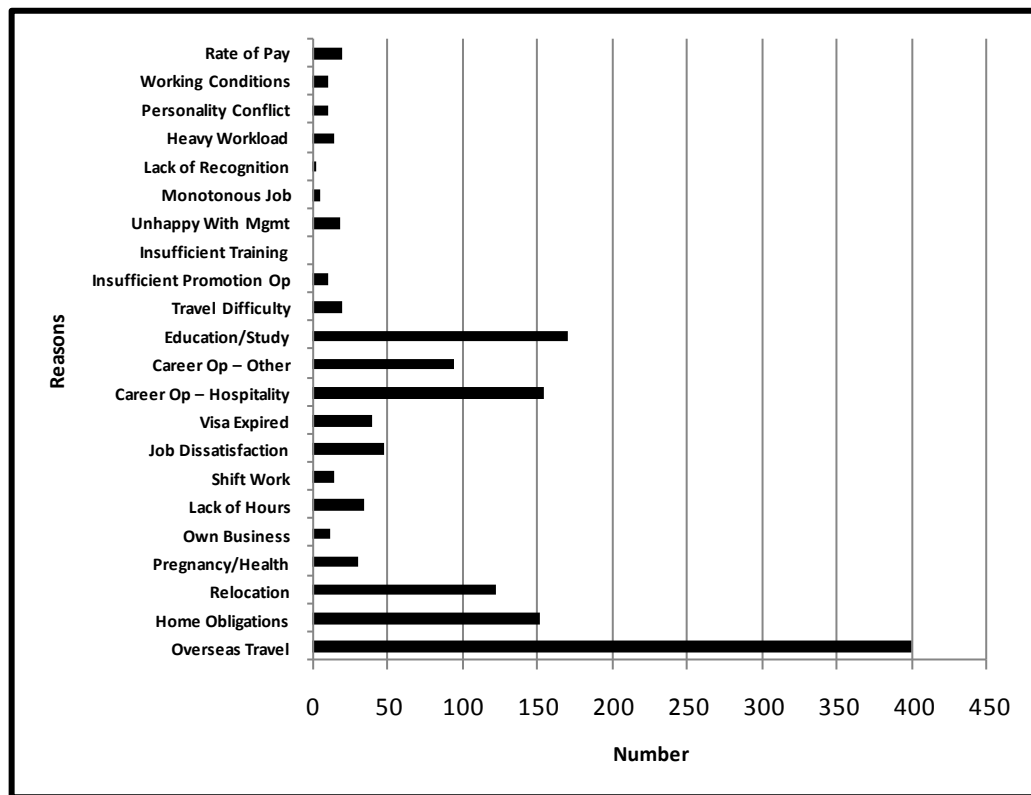
Figure 10 - Wellington Region – All employees’ reasons for turnover 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 10 shows the reasons of all employees for turnover, 2000 to 2006, for the Wellington region only. The big differences to Figure 9, the Auckland Region, are in the higher responses for ‘Education and Study’ (18.3 per cent, against 10 percent in Auckland) and ‘Lack of Hours’ (8.2 per cent, against 3.1 per cent in Auckland). Also, only 12.4 percent of Wellington employees are leaving for other hospitality career opportunities, compared to 20.5 percent of Auckland workers.

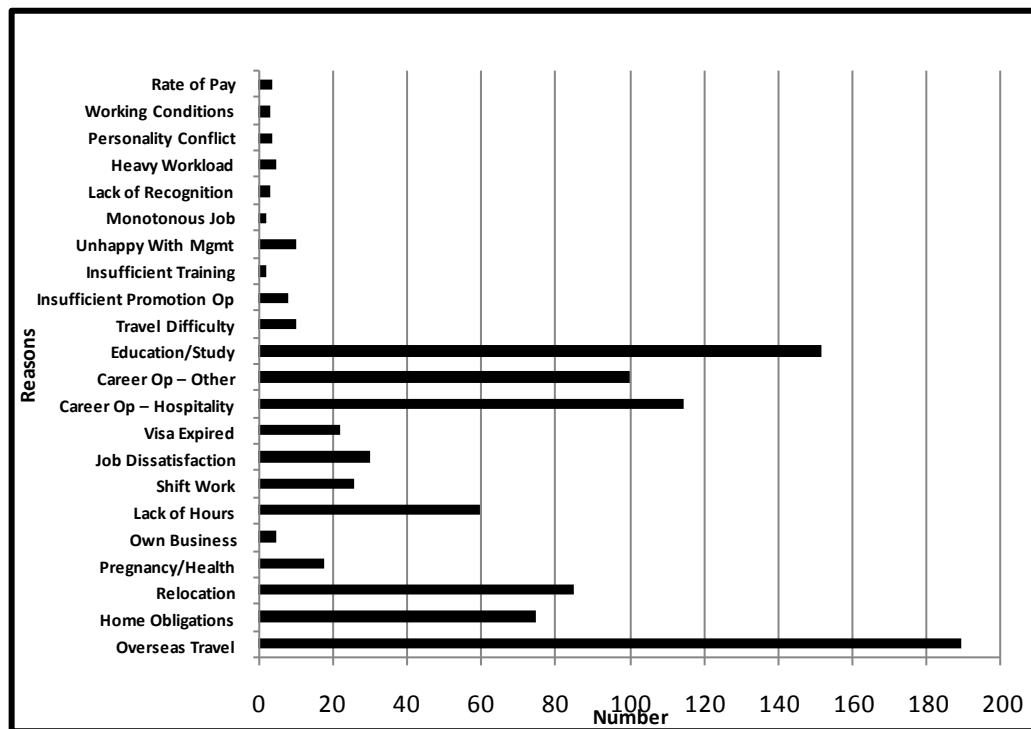
Figure 11- Otago Region - All employees' reasons for turnover 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 11 shows the total reasons for turnover, 2000 to 2006, for the Otago region only. The higher total turnover figures (1430, as opposed to 425 in Wellington and 632 in Auckland) and strong response in the ‘Overseas Travel’ category (27.9 per cent, compared to 12.2 per cent for Wellington and 15 per cent for Auckland) could point to the dependence of the Queenstown and Wanaka operations on temporary backpacker labour. The Governments’ move to allow backpackers to use temporary working visas was in part a response to labour market pressure in Queenstown.

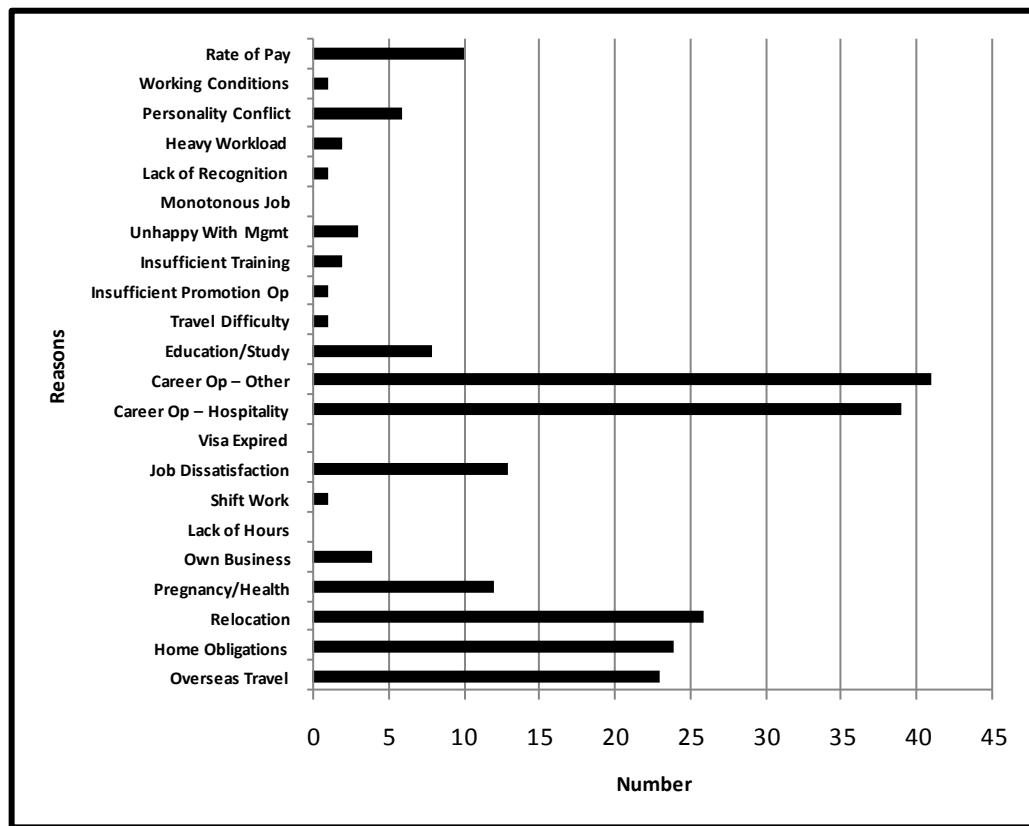
Figure 12 - All employees' reasons for turnover, F&B Dept. 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 12 shows the reasons of all employees for turnover, 2000 to 2006, for the Food and Beverage Department. These turnover numbers are among the highest for any department (sitting at 937, followed by Housekeeping at 842, Front Office at 486, Kitchen at 322, Support Departments at 220). Thus the Food and Beverage and Housekeeping Departments have almost double the turnover rates of the Front Office and Kitchen Departments, and almost four times the turnover rate of the Support Department. This department shows higher than average results for 'lack of hours' (6.4 per cent), Education/Study (16.5 per cent) and Overseas Travel (20.2 per cent).

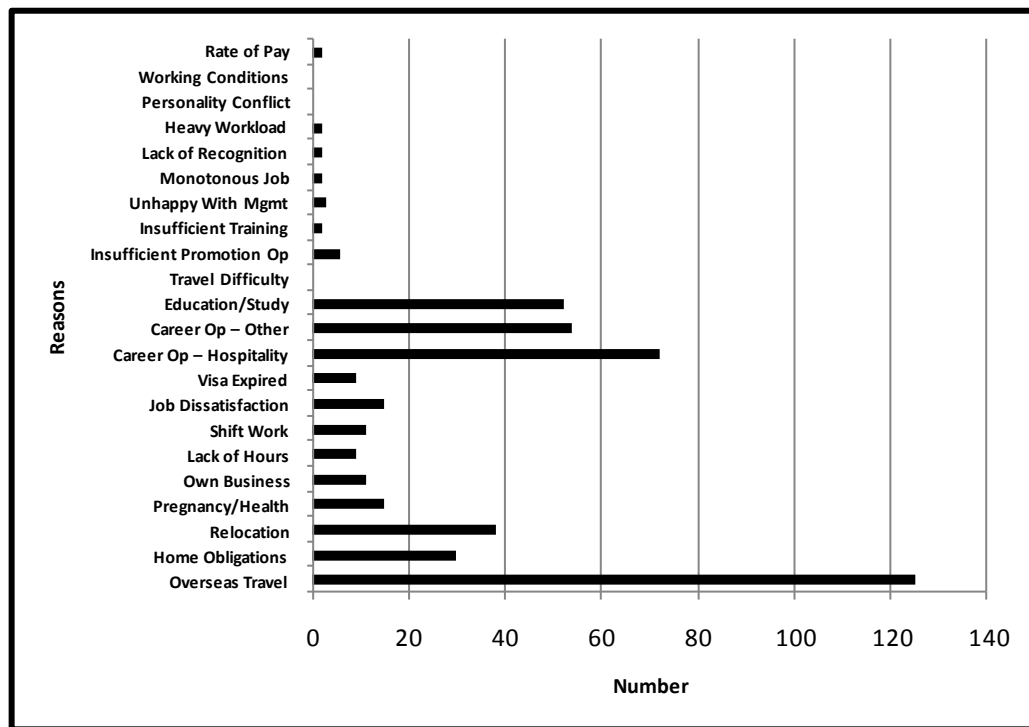
Figure 13 - All employees' reasons for turnover, Support Dept. 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 13 shows the reasons of all employees for turnover, 2000 to 2006, for the Support Departments (HR, Marketing, and Administration). ‘Rate of Pay’ (4.5 per cent) and ‘Personality Conflicts’ (2.7 per cent) play a greater role than the average here and ‘Job Dissatisfaction’ (5.9 per cent) and ‘Health’ (5.6 per cent) make larger than average showings. Both ‘Career Opportunity in Hospitality’ (17.2 per cent) and ‘Career Opportunity in Other Industry’ (19 per cent) are above average results, with ‘Education/Study’ dropping off to 3.1 per cent, about half of the average.

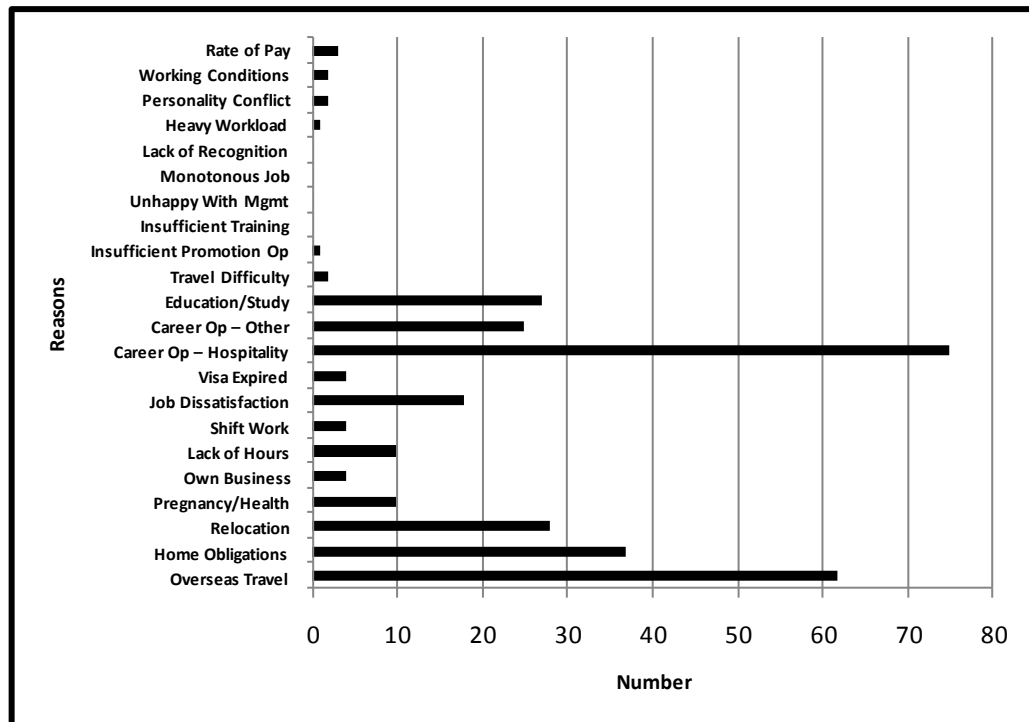
Figure 14 - All employees' reasons for turnover, Front Office 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 14 shows the reasons of all employees for turnover, 2000 to 2006, for the Front Office Department. The “Top Six’ factors remain dominant, with most results close to average. ‘Overseas Travel’ (25.7 per cent) is the only result that is considerably higher than average (17.8 per cent).

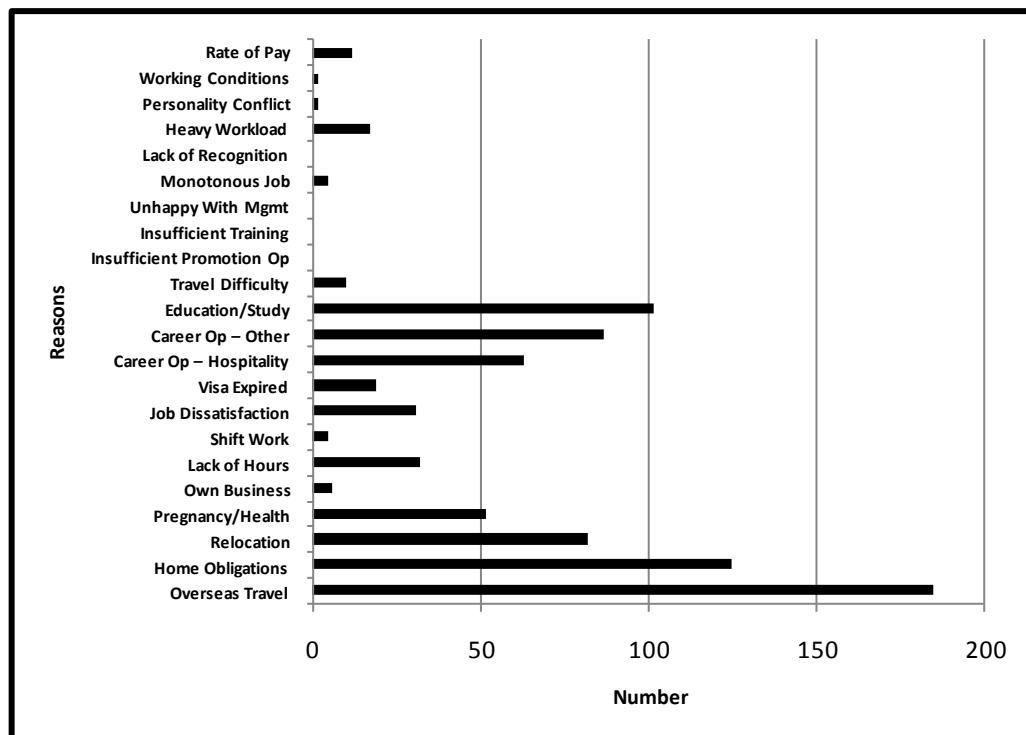
Figure 15 - All employees' reasons for turnover, Kitchen 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 15 shows the reasons of all employees for turnover, 2000 to 2006, for the Kitchen Department. 'Career Opportunity in Hospitality' (23.2 per cent) stands out as well above average, with 'Overseas Travel' (19.5 per cent) also slightly above the norm.

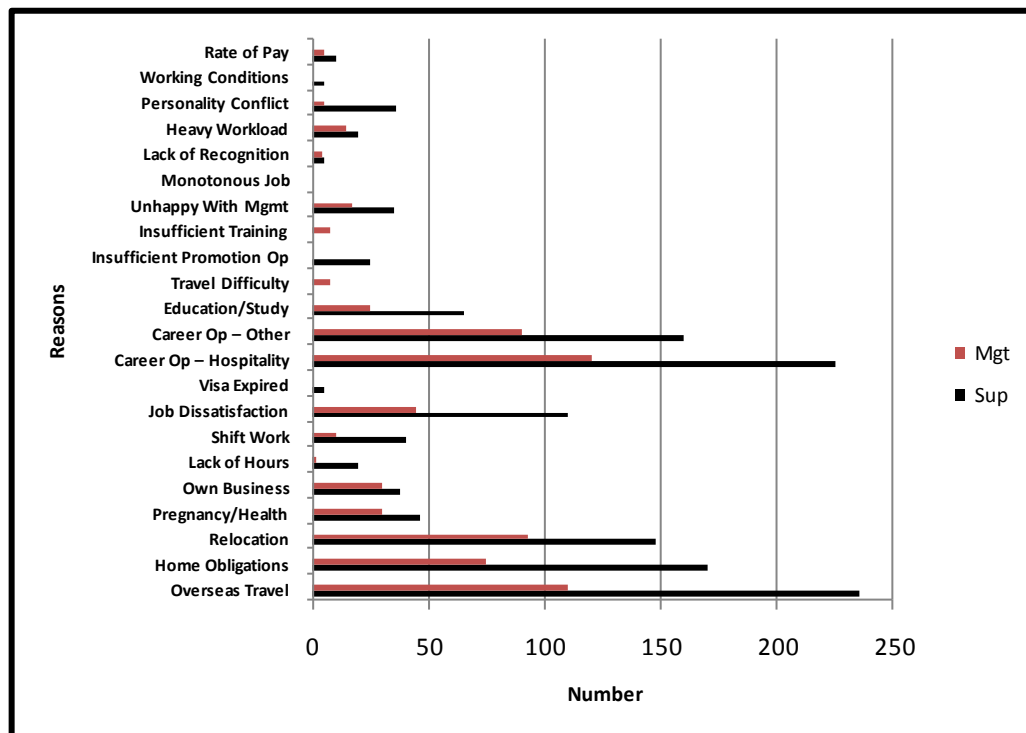
Figure 16 - All employees' reasons for turnover, Housekeeping 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 16 shows the reasons of all employees for turnover, 2000 to 2006, for the House Keeping Department. The total turnover numbers are almost as high as the Food and Beverage Department. ‘Rate of Pay’ (1.8 per cent) and ‘Heavy Workload’ (2.9 per cent) are strongly represented compared to the other departments (with the exception of Support Departments, with ‘Pay’ at 4.5 per cent). ‘Job Dissatisfaction’ (4.1 per cent), ‘Lack of Hours’ (4.5 per cent) and ‘Health’ (6.5 per cent) all show slightly above average returns.

Figure 17 - Reasons for turnover, managers and supervisors 2000 – 2006, Hotel Brand Alpha



Source – Hotel Brand Alpha, HRM Department

Figure 17 shows the reasons for turnover, 2000 to 2006, for Supervisors and Management. The ‘Top Six’ factors remain dominant, with considerably higher rankings of ‘Job Dissatisfaction’ for Supervisors over Managers. Supervisors register at almost double the percentage levels of Managers in almost every category, indicating that there is a significant difference between the job experience of these two roles.

4.3. Hotel Brand Alpha – Open Questions

The following two tables represent data from the second page of the Hotel Brand Alpha exit interviews. The second page of the exit interview document contains two open-ended questions, responses to which are represented in the tables below. This data is from a single hotel and represents an attempt to show the type of qualitative feedback gained from departing employees. Due to time and resource constraints, this research only analysed the exit interview open-ended questions from this one hotel. There are 45 exit interviews from 2004 and 2005. This data is represented in Tables 5 and 6. Table 5 shows employee responses to the question “What could we have done to prevent you from leaving?” Table 6 shows responses to the question “If you could tell the General Manager one thing, what would it be?”

Table 5 – Responses to the question “What could we have done to prevent you from leaving?” (Single hotel case, Hotel Alpha)

<i>Responses</i>	<i>2004 Exits</i>		<i>2005 Exits</i>	
	<i>Total responses</i>	<i>per cent</i>	<i>Total responses</i>	<i>per cent</i>
Nothing at all	5	22	2	9
Nothing: Leaving for personal reasons	3	13	1	4
Offered more flexible hours/shifts or a new role	3	13	1	4
Nothing: I was temporary	3	13	1	4
Paid me more	2	9	2	9
Nothing: I want to travel	1	4	1	4
Nothing: I have a new opportunity	1	4	4	18
Nothing: I need new experiences/skills	1	4	3	14
Use my skills, provide recognition	0	0	2	9
Family moving	0	0	1	4
No response	4	18	5	21
Total	22	100	23	100

Source – Hotel Brand Alpha, HRM Department

A clear trend in Table 5 is that employees state that ‘nothing’ could be done to stop them from leaving, particularly with almost 60 per cent of employees exiting in 2004 stating this. In 2005, 53 per cent of exiting employees state that nothing could be done to stop them from leaving. The organisation could take comfort from a slight drop in these figures from 2004-2005. The idea that ‘nothing’ could be done to stop these employees from leaving is followed up in most cases by a qualifier, e.g. ‘personal reasons’, ‘temporary employee’, ‘travel’, ‘opportunities’, ‘new experiences’.

Table 6 - Responses to the question “If you could tell the General Manager one thing, what would it be?” (Single hotel case, Hotel Alpha)

<i>Responses</i>	<i>2004 Exits</i>		<i>2005 Exits</i>	
	<i>Total responses</i>	<i>per cent</i>	<i>Total responses</i>	<i>per cent</i>
Thank you, it was great	9	40.9	8	34.7
Communicate better, thank staff in person	3	13.6	2	8.6
Nothing	2	9	0	0
Things are heading in the right direction	1	4.5	1	4.3
There are a few problems: Staffing and training	1	4.5	3	13.3
I want to come back after study	1	4.5	0	0
You have let a great employee slip through your hands	1	4.5	0	0
Pay staff more	1	4.5	0	0
No response	3	14	9	39.1
<i>Total</i>	22	100	23	100

Source – Hotel Brand Alpha, HRM Department

As Table 6 illustrates, a large percentage of employees (40.9 per cent in 2004 and 34.7 per cent in 2005) stated that they really enjoyed working for the hotel. The drop from 2004-2005 could concern the hotel. However, there would seem to be little evidence of major organisational problems that could be worked on. Apart from limited, unqualified comments on improving communication, staffing, training and raising pay rates, there is very little feedback that can be used to improve organisational performance.

4.4. *Hotel Brand Beta - exit interview data*

The following tables present data from Hotel Brand Beta exit interviews. Following initial consultation about the research, exit surveys were provided by the Human Resource Manager of Hotel Beta. 170 exit interviews were provided. The exit interviews were conducted by the HRM team with staff between 2001 and 2004.

Table 7 - Reasons stated for exit – Hotel Brand Beta, 2001-2004

<i>General reason stated</i>	<i>No. of responses</i>	<i>per cent of responses</i>
Going to travel	22	13.3
Moving out of Auckland	21	12.7
Dissatisfaction with management	18	10.8
Going to study	12	7.2
Another job offer	12	7.2
Better pay elsewhere	11	6.6
Pursue change in career away from hospitality	11	6.6
Better working hours elsewhere (inc. not doing shift work)	9	5.4
Other reason	8	4.8
No opportunity for future job development	8	4.8
Family reasons	7	4.2
Not getting enough work hours	6	3.6
To become self-employed	5	3.0
Time to move on	5	3.0
Job was not challenging enough	5	3.0
Cannot get to work (transport problems)	3	1.8
Physical stress of job	2	1.2
Disciplinary action	1	.6
Total	166	100

Source – Hotel Brand Beta, HRM Department

Table 7 presents the various reasons cited by the staff for leaving Hotel Brand Beta. These results came from open ended questions and have been coded into the above categories. Travel has been identified as the most common reason for leaving the job (13 per cent) followed by moving from Auckland (13 per cent) and dissatisfied with management (11 per cent). These results are similar to the findings from Hotel Brand Alpha in that they show much higher results for external pull factors for leaving (travel, moving, study, other offers) than internal push factors (dissatisfaction with management, pay, hours, challenge).

Table 8 - Working conditions – Hotel Brand Beta, 2001-2004

<i>General reason stated</i>	<i>No. of responses</i>	<i>per cent of responses</i>
All is good	72	48.2
Layout of facilities could be improved	19	12.6
Equipment needs improving	11	7.3
Kitchens too small – bad air flow	8	5.4
Bad staff food	8	5.4
Staffing problems	7	4.7
Hard / long work hours	7	4.6
Job is very physically demanding	5	3.3
Uniform problems	4	2.6
Lack of staff car parks - transport	2	1.4
Interdepartmental clashes	1	.6
Don't get breaks	1	.6
Total	150	100

Source – Hotel Brand Beta, HRM Department

Table 8 shows that almost half of existing staff (48 per cent) were of the opinion that working conditions were good. This strongly positive result is repeated in many of the following tables. Having said that, the physical environment is the most important source of dissatisfaction, with the layout of facilities (13 per cent), equipment (7.3 per cent) and kitchens all being highlighted as needing improvement. Staffing problems, bad food and hard/long hours all indicate that hospitality work in this environment contains many factors that are pushing employees to leave. It would appear that addressing the issues of poor equipment, poor food, and long hours has the potential to substantially reduce turnover in this hotel. The question is raised, are these issues ever addressed?

Table 9 - Managerial relationships – Hotel Brand Beta, 2001-2004

<i>General reason stated</i>	<i>No. of responses</i>	<i>per cent of responses</i>
Manager is good	46	27.4
Manager has high standards – is very good	26	15.5
Manager is good communicator, good mediator, good organizer	20	11.9
Lack of communication with management	14	8.4
Managers hard to access or not there	13	7.8
Manager lacks skills	9	5.4
Manager is fair	8	4.7
Manager is rude, confrontational, has temper, is too demanding, has bad attitude	6	3.6
Manager does not take action	5	2.9
Managers are not supported by senior management	5	2.9
Manager is not supportive	5	2.9
Manager is a liar	4	2.4
Manager is stressed	4	2.4
Operates like a peer	3	1.8
Total	168	100

Source – Hotel Brand Beta, HRM Department

As evidenced by the results in Table 9, managerial relations were mostly considered as good, or very good (a significant 54.8 per cent). Managers are described as fair, operating like peers and good communicators. On the other hand, communication problems, stress, lack of support for managers and difficulties accessing managers represent 16 per cent of responses. Poor management skills and attitudes account for 17.2 per cent of responses. The total positive responses equal 61.3 per cent. Again, there appears to be the potential for action to be taken as a result of these comments that would reduce turnover.

Table 10 - Training – Hotel Brand Beta, 2001-2004

<i>General reason stated</i>	<i>No. of responses</i>	<i>per cent of responses</i>
Good – plenty of training	52	33.9
Training was basic – mostly on the job	21	13.7
Excellent, learnt a lot	17	11.2
Training is below average for Hotel of this type	16	10.5
Too busy to get training done	8	5.3
Already knew what to do	7	4.5
Training could be better	6	3.9
Dropped in deep end, taught myself	5	3.3
Training needs more management support	4	2.7
No formal training provided	4	2.7
Was not told about training options	4	2.6
Training not resourced sufficiently	3	1.9
Fidellio training very good	3	1.9
Need refresher courses	3	1.9
Total	153	100

Source – Hotel Brand Beta, HRM Department

Table 10 reveals that by and large employees feel training was good (47.1 per cent). However, the majority of comments describe the training as basic and below average for this type of hotel. Given the upmarket nature of this hotel brand, one might expect to see a stronger result here.

Table 11 - Relationship with colleagues – Hotel Brand Beta, 2001-2004

General reason stated	No. of responses	per cent of responses
Fun, friendly, good	75	55.9
OK, no problems	34	25.4
Colleagues not focused	5	3.7
Don't get on with workmate	4	2.9
Feel left out of workplace relationships	3	2.3
Workmates are rude, bully	7	5.3
Not good at all, worst staff ever worked with	2	1.5
Workmates don't work hard	2	1.5
Workmates need more patience, need to listen	2	1.5
Total	134	100

Source – Hotel Brand Beta, HRM Department

Table 11 shows that the great majority of respondents (81.3 per cent) enjoyed friendly and good relationships with their colleagues. There are some minor problems, but the overall result is one of a positive work environment.

4.5. *HR managers' interview results*

Semi-structured interviews were held with six Human Resource Managers in Auckland and Wellington. The participants included:

- Jane and Sara represent Hotel Alpha. Sara is the Wellington HR Co-ordinator for two hotels of three star rating. Jane is the HR Training Co-ordinator for four hotels in the Auckland region with three star ratings.
- Sue is HR Manager for Hotel Beta – a small stand-alone, four star hotel in Auckland.
- Kate is HR Manager for a medium sized, three star hotel in Wellington.
- Ruth is HR Manager for a small, three star hotel in Auckland.
- Tracy is HR Manager for a large, five star hotel in Auckland.

4.5.1. *The exit interview process*

The interviews with the Human Resource Managers described an exit process that was reasonably uniform across the six hotel groups covered. All except one interviewee described the process as entirely internal (not outsourced to professional support companies – as engagement surveys often are), manual, and paper-based. One hotel used a 30-question, online survey that was processed by an external provider and returned to the HR department. In all but one hotel, the overall exit process and exit interviews are run by the HR department. One hotel left the exit interviews to the Heads of Department – an unusual practice as the employees may want to be critical of these people. The general process was described as initiated by a written resignation that led to a series of documented withdrawal procedures over the resignation period (usually two weeks). Included in these procedures are forms that the employee fills out regarding returning hotel property (uniforms, name badges), permission for their details to be released in future references, details of the final pay and written feedback on their employment. Managers are often asked to fill out exit forms regarding the exiting employee as well, including signing off on uniform return, feedback on performance and other administrative details.

Generally speaking, the exiting employee receives an invitation to participate in an exit interview along with the exit documentation listed above. The interviewees uniformly stated that the employees are keen to participate in exit interviews.

KATE: There are not a lot of instances where they would leave and not have an exit interview. They kind of like to debrief and we like to know how the training was, how they felt about HR.

JANE: People are knocking on my door to say 'can I make a time to book my exit interview?'. So people obviously value us taking time to talk to them before they leave.

SUE: Most people want to, most people say 'when can I do my exit interview?' because they have something to say.

Having strongly suggested that almost all employees want to do exit interviews, the HR Managers went on to outline a rather larger variation in estimated capture rate for the exit interview process. Sue and Sara estimate that Hotel Alpha only interviews 50-60 per cent of exiting employees, whereas Sue claims that Hotel Beta gets almost 95 per cent of employees to complete an exit interview. The remaining managers claim between 75 per cent and 90 per cent interview rates. Clearly, the larger hotels and hotel chains have lower capture rates than the boutique operations, but a 50 per cent capture rate stands in stark contrast to the claim that most employees want to complete exit interviews.

The interview data highlights a rather uneasy and contradictory combination of formal and informal approaches in the exit process. In reality, the exit interview is usually the final action in a highly formalised and proto-legalistic dissolution of the employment relationship. The HR Managers talk in terms of having an informal 'chat' for the exit interview, but the wider process is one of documentation and signing off checklists, with the employee's final pay dependent on accurate completion of the whole process.

TRACY: We have formal and informal, often you can sit down and have a chat with them, but when we get the resignation letter there is a process to follow. One of those things is an exit interview questionnaire sent out with a memo and a checklist that needs to be completed so that the final pay can get processed.

SUE: Some of them will ask to see me, someone they feel comfortable with is important. So we fill out the form, they will say things and we will write it down. At the end of the interview, they will read through it and sign it.

RUTH: An individual resigns, it needs to be put in writing and signed. I guess from there we have documentation like a checklist, saying has this person returned these things (uniforms, keys, etc.), filled in a resignation, once those things are signed off, payroll releases their pay. We do an exit conversation with them, and that includes a signing of a disclosure form, for any future reference. Tends to happen on the last day. It involves a general chat.

Another contradiction arises in the interviews regarding the nature of the exit interview confidentiality. The HR Managers clearly consider feedback of the relationship between employees and managers as important and recognise that confidentiality is important in order to get honest comments in this area. Most of the HR Managers stress the fact that they inform employees of the 'strictly confidential' nature of the exit interviews, but the boundaries of the confidentiality seem quite elastic regarding management access.

KATE: So a lot of feedback questions are asked. How did you get along with your manager and other staff? They fill that in, in confidence, then it comes back and none of it gets directly reported back to their department manager. It gets shown to our steering committee, ten executive managers. They are not receiving feedback directly, that's so we can ensure confidentiality on the employee's behalf.

SARA: HR don't always run the exit interviews, we generally get the HODs to run it. In certain cases we will do it, if they are leaving due to their HOD, or they don't feel comfortable talking to their supervisor.

SUE: There are a number of questions focused on their supervisor or manager. There's a question about HR, that's quite interesting, especially when I'm doing it! We always try to outline at the beginning that this is confidential. In fact it's confidential between you, me and your head of department, and the GM, because they all see a copy of it.

4.5.2. *Use of the exit interview data*

There is significant effort and cost involved in gathering exit interview data; the HR Managers' responses to what is done with that data was interesting. Three themes emerged from the interviews: a significant driver for the exit interview process was simply providing statistical data on turnover to head offices; the internal use of the data was ad hoc at best; using external providers did not really help the process. A sense of purposelessness appears in the following statement by Jane.

JANE: We deal with the data at a corporate level; we use it more for turnover statistics, to help us produce those as accurately as we can. To be really honest, the information that comes from the interviews, unless it's quite significant, we just deal with it. It's very rare that you would get to the exit interview stage and find out there is a significant problem there.

Internally, the majority of the hotels compile the exit interviews into six monthly or annual reports that are discussed at a senior management level. Some hotels process the interviews as they are completed, with the GM and HOD and HR manager signing them off. The majority of the HR Managers feel that more could be done with this data.

TRACY: What do we do with it? Not as much as we could do, in a nutshell. Obviously, it is compiling the information ...having a look at the information and doing what we can with it.

RUTH: At the moment in all honesty we probably don't do a lot with that information ...we don't have an easy way of using it. We have often looked at it and said, 'What parts can we pull out and give to our HODs?' – we have asked them, 'What parts do you want?' and they have said, 'All of it', but then when we give it to them, they don't get a lot from it.

SARA: We read through it, pass it on the GM to assess it. We don't collate it, but if there are any major issues we would obviously discuss it with the person at the time. We keep them on file too.

SUE: At the moment it is quite ad hoc; we look through the spreadsheet and say, 'Ok this issue has come up four times', then we will address that.

This lack of organisational impact raises serious questions about the usefulness of the exit interview process. This sense of 'gathering data for the sake of it' is typified by Sara's closing comment 'We keep it on file too' and is further supported by the HR Managers' comments on whether they could recall any examples of organisational change that has resulted from the exit interview process.

SARA: Can't think of any specific ones. Generally, the exit interviews aren't too bad.

SUE: Good question – probably not; nothing that came directly from the exit interview.

RUTH: Not necessarily; not systems wise; it would be more about linking into individual development and training programmes.

JANE: Probably not so much for employees; I think in terms of managers, once that exit interview has been done, we really concentrate on trying to improve the skills of middle managers.

Two HR Managers could describe tangible outcomes from the exit interviews, but one identified an interesting problem regarding the confidentiality requirements of the exit process.

KATE: Predominantly, the things that come back are about training ... and communication within the department. I think it is a continuous thing, to ensure that the training is done.

TRACY: We have had several good ideas come out of exit interviews. One thought it would be helpful for security to spend half a day in each outlet to understand how they work – so we did that. But for me, it's all about the confidentiality; how can we pass on that information in a way that is confidential? So we might start seeing a few similar incidents, so we bring it up in a sort of general way, at HOD meeting, but not specifically targeting one area or another, not mentioning that it came from an exit interview, I try a 'have you thought about trying this' kind of approach.

The HR Managers confirmed that the exit interviews were part of a wider feedback system that included many forms of employee input. Every hotel brand undertook an annual employee survey of some description, often run by an external provider. In addition to annual surveys, hotels commonly used suggestion boxes, employee advocates on a variety of committees (OSH, Social, employee engagement committees), questionnaires, workshops, operational challenges, and ongoing informal 'catch-ups' of various kinds. The difference between the use of employee engagement survey data and the use of exit interview data was noticeable.

SUE: It's an employee engagement survey done by an external company, sent over to the UK. It's really interesting and we use it, plastering the results everywhere. We have departmental action plans, and update these once a month. So yeah, it's a good tool.

SARA: We do an annual external employee opinion survey. We put together an action plan and then follow this up with feedback from departments on why they thought these things were happening. We got a really good response; lots of written things came back that really clarified what was going on. The reports go to regional and those results are taken very seriously, whereas we don't log our exit interview data.

RUTH: We have employee surveys that we do twice a year – managed externally. There have been a number of things that have come out of that; we do follow ups and see how we have improved.

TRACY: We have an annual survey that is seven pages of questions and a mini one that is one page, which we run after the main one. It's great, it's run by a third party, they analyse it and send us the results.

The employee opinion survey data is clearly treated more seriously than exit interview data. All the HR managers referred to action plans and follow-up sessions based on these surveys. The majority of the HR Managers could easily recall operational changes that resulted from these surveys and often commented that the results were widely shared with employees – a stark contrast to exit interview results. The fact that the surveys are always run by external, third party providers, who forward the data to regional offices, indicates a more serious attitude to this information.

The organisational use of the various types of employee feedback clearly favours employee opinion surveys over exit interviews. However, the HR Managers themselves have quite divergent views on the relative merits of employee surveys and exit interviews. Often, the HR Managers feel that they are a positive force in gaining the true emotional feedback of the employee.

SUE: I think the survey is accurate because it is confidential, but the exit interview is a fairly honest account of how they feel. The exit interview is good because you have an opportunity to discuss the issues. I think they feel comfortable with HR, because we give them the option of doing it with myself or Sue or someone else.

KATE: I think the information we received from the exit interviews is probably more detailed and accurate. Purely because there is no hierarchy and people do feel that they can come and speak in confidence. A lot of people understand that HR is purely a place where people can come and speak in confidence and have their feelings heard.

JANE: I think the surveys are a lot more valuable because it's not about someone leaving at the time. With the exit interviews I have done in the past, the person just wants to go. Lots of them have over the top positive things to say, where you get a bit more honesty if you facilitate something in a group forum.

RUTH: People don't say much in an exit interview; they are leaving at the time and it is very unsettling. Surveys are better in that we can follow up the information. If someone makes a vague comment at an exit interview, I have to interpret it; I can't follow it up.

SARA: There are more examples of organisational change from the surveys than the exit interviews, but I want to track exit data because when people leave they feel freer to talk.

TRACY: I think that in the surveys you can get more honest answers. But I guess my gut instinct is that informal stuff works better, talking to people, chatting. I kind of take them all with a grain of salt.

The HR Managers strongly suggest that they and their departments are conducive to putting employees at ease and thus gaining honest and accurate feedback on their feelings. There is little suggestion that the HR department would be seen as part of the management structure and thus intimidating. There appears to be a contradiction between the obvious importance that the organisation places on employee opinion surveys and the belief that HR Managers have in gaining true emotional feedback through informal interpersonal interaction and exit interviews.

The interviews seem to suggest that there is a strong contradiction at the heart of employee feedback gathering. While the majority of HR Managers feel that informal, interpersonal and exit interview type data is more emotionally accurate, the organisations treat this data in an ad hoc way and, once gathered, do little with it. By contrast, the employee survey data is treated with great seriousness and is used to formulate action plans and drive ongoing organisation change. Some of the HR Managers acknowledge the possibility of power imbalance in the exit interview process, but most remain convinced of the efficacy of interviewing employees when they are leaving.

KATE: Exit interviews are more accurate, because at the end of the day, if somebody is leaving because they are unhappy in their job, they are going to say why. We encourage people to do so.

SARA: I think a lot of people will open up more as they are leaving, because they feel it's not going to affect me much; I'm not even going to be here. But other people are aware of their reference. In general, I think people are more willing to give us their true opinion at the end.

RUTH: I think exit interviews are dead data. It is at a time when people have disengaged. By contrast, the employee survey is called 'the employee engagement survey'; what we are measuring is the engagement with the hotel. By the time someone leaves, they have disengaged, they don't care. What they say isn't going to make any difference, 'What's in it for me, it's not going to make any difference for me'. There is absolutely a power imbalance as well. I think I am approachable, but not everyone sees that; we need to do it online.

JANE: I think there is a culture of 'Don't burn your bridges', the industry is very small. It's nerve racking to sit there face to face with someone and give honest feedback. I'd love to see the thing on-line. I don't think there is an opportunity for someone to be completely honest, even if they say they are comfortable with me.

5. DISCUSSION

5.1. Introduction

This discussion chapter draws together the themes from the literature review and the data from the findings chapter in order to address the research questions proposed in the methodology chapter:

1 – What significant patterns can be observed in the exit interview data analysed in this research?

2 - To what extent does this exit interview data illuminate the theoretical constructs summarised in the literature review regarding labour turnover?

3 – What, if any, practical implications can be drawn from the above questions to help the hotel organisations address turnover?

The chapter firstly addresses the patterns that can be observed within the exit interview data from the two hotel brands and compares these patterns to the major causal factors identified in the literature review. The extent to which the hotel exit interview data supports the causal factor research is then discussed and possible implications resulting from the lack of support in some areas are outlined. The discussion then focuses on the efficacy of exit interviews, based on the results from the findings chapter, especially drawing on the semi-structured interviews with Human Resource Managers from six hotels. Finally, the chapter concludes by placing the usefulness of exit interviews into the wider context of Human Resource Management practice and suggests a multiple approaches model for predicting, controlling and reporting turnover.

Patterns in the exit interviews data from Hotel Brand Alpha and Hotel Brand Beta will be analysed against the following causal predictors that were summarised from the literature review.

5.2. Age and tenure

The turnover correlations that are most strongly supported by research in the literature review are Age and Tenure (Boxall et al., 2003; Mobley, 1977; Peterson, 2004; Price, 2001; Price & Mueller, 1981; Steers & Mowday, 1981; Wanous, 1992; Winterton, 2004). The earliest theorists on turnover identified the relationship between a young age profile and short tenure with heightened turnover in organisations. This relationship has been supported by multiple studies over the years and all the meta-analysis studies highlight the continued support for the veracity of these two turnover correlations (Boxall et al., 2003; Cotton & Tuttle, 1986; Griffeth et al., 2000; Hom & Griffeth, 1991; Tett & Meyer, 1993; Winterton, 2004). The findings of this study also support the impact of young employees on high turnover rates.

Firstly, as described in the introduction, this research has highlighted that the New Zealand hospitality industry has a very young age profile, with almost 40 per cent of employees younger than 25. New Zealand hotels had 33 per cent of workers under the age of 25 in 2006 (HSI, 2007). This young age profile in hotels was shown to be especially acute in New Zealand in Figure 5, which highlighted the comparison of age profiles between the New Zealand-based hotels and international hotels in the Brand Alpha organisation. Figure 5 shows that almost 50 per cent of the New Zealand Hotel Brand Alpha workers are aged 25 years or below, 34 per cent are 25-44 years and only 14 per cent are aged 45 years or older. The international comparison workforce has only 21 per cent of workers 25 years or under and almost 60 per cent in the 25-44 age bracket. A considerable 19 per cent of international workers are over 45 years old.

The age profile of Hotel Brand Alpha is younger than many comparative industry averages (retail, trades), younger than that of its international colleagues within the Alpha Brand and yet similar to many other hotels in New Zealand. This study argues that there is a clear relationship between the young age profile demonstrated in this exit interview data and the high turnover rates experienced in these organisations.

Tenure is shown to be an issue with Hotel Brand Alpha in Figure 3. This figure shows the tenure among **full-time** Hotel Brand Alpha workers, 2000 to 2006. Almost 50 per cent of these workers leave before one year's service, but almost 25 per cent are in the two years' or more category. While this figure represents a relatively high level of turnover in the first year, it stands in stark contrast to Figure 4, which shows the tenure among **part-time** workers, 2000 to 2006. Disturbingly, almost 75 per cent of these workers leave before completing six months' service; only 10 per cent are in the two years' or more category.

This service length within Hotel Brand Alpha properties illustrates what Wanous (1992) refers to as 'premature' turnover, in which there is a lack of congruence between individuals and the organisational culture. Wanous (1992) argues that, when an individual enters an organisation, the early experiences are likely to be positive, creating a 'honeymoon' effect. He goes on to suggest that the hiring organisation presents its most favourable side to potential individuals during the recruitment and entry processes. As stated by Boswell and Boudreau (2005), this portrayal of the organisation in a more positive light contributes to higher individual expectations. This 'initial high' of the new job is likely to wear off when individuals became established and their expectations are not met (Wanous, 1992). This results in a decline in job satisfaction, known as the 'hangover effect', which will eventually lead to voluntary turnover. Authors have argued that this effect is exacerbated by New Zealand's image as a work experience destination (Spoonley, 2004) and the hospitality industry being characterised by historical practices and accepting employee turnover as the norm (Sheehan, 1993).

Unfortunately, the Hotel Brand Beta data did not include demographic indicators, so age and tenure comparison cannot be made between the two hotel brands. However, based on the Hotel Brand Alpha data, this research argues that these hotels are attracting a very young workforce that is turning over after very short tenure, often 12 weeks or less. The part-time employees are turning over at much higher rates and serving much shorter tenures than full time employees. The exit interview data also indicates that turnover varies considerably within the various departments of the hotel.

Figures 12 to 16, show the Food and Beverage and Housekeeping Departments have almost double the turnover rates of the Front Office and Kitchen Departments, and almost four times the turnover rates of the Support Department. Hotel Brand Beta data shows Food and Beverage Department as the highest with 25.3 per cent of turnover, followed by Front Office (24.7 per cent), Kitchens (21.7 per cent) and Housekeeping (10.2 per cent).

This data suggests that high turnover is concentrated in the Food and Beverage and Housekeeping departments of the hotel. Conversely, one can see that the Support Departments and Supervisor /Manager roles are areas where the employees have much lower rates of turnover and longer tenure. Although the data from the exit interviews does not allow an 'age by department' comparison, one could suggest that the age profile in the lower turnover roles would be significantly older than in the high turnover departments, however, further research would have to be undertaken to support this contention. The lower turnover rates in the Support Departments and Supervisor/Manager roles could also be seen as a reflection of the more professional nature of these jobs, in comparison to the perceived low skills non-professional roles in Housekeeping and Food and Beverage.

There appears to be a dual labour structure within the hotel. This consists firstly of a relatively small, stable, low turnover, long tenure, comparatively older, more skilled and more highly rewarded employee group in support, management and supervisor roles. Secondly, there appears to be a large, young, unstable, high turnover, lower skilled, lower rewarded, short tenure group of employees in front line departments and roles. Along with age and tenure, the nature of the work and conditions that exist in these front line roles could be considered a key component in this turnover puzzle. However, without the demographic information to confirm these contentions, the suggestions above remain unsupported by strong data.

5.3. *The labour market/alternative opportunities*

The literature review suggests there is strong theoretical support for the idea that employees perceived ease of finding alternative employment is a key predictor of turnover. The majority of authors covered in the review identify labour market conditions and associated employee perceptions as crucial to understanding turnover rates (Bluedorn, 1982; Boxall et al., 2003; Dalessio et al., 1986; Griffeth & Hom, 2001, 2004; Hom & Griffeth, 1995; Lee, Holtom, McDaniel, & Hill, 1999; Mobley, 1977; Peterson, 2004; Price, 2001; Winterton, 2004). There appears to be strong support from the exit interview data in the findings that a tight labour market is having a significant effect on employees movement into alternative employment.

The hotels covered in this research were operating in one of the tightest labour markets in the history of New Zealand. With unemployment at record lows (3.8 per cent), this was a highly competitive labour market and the hotel sector had a number of part-time and casual workers within its workforce. Exit interview data for Hotel Brand Alpha appears to support the contention that employee perceptions of the attractiveness of alternative employment is a major driver of turnover. 'Leaving for Career Opportunities', either in hospitality or other industries, was consistently indicated as one of the top reasons for departure.

This category was always in the top six reasons for departure, regardless of part time or full time status, region or department (Figures 6 to 17). Hotel Beta data also shows strong responses in 'seeking other opportunities' categories. Employees stated they were leaving for 'other job offers', 'better pay', 'better hours', 'a career away from hospitality' and 'to become self-employed' in 29 percent of the total exit interviews recorded (Table 7).

One could argue that the 'real' reasons for the employees leaving these hotels may be based in low pay, poor conditions and other 'internal' causes. However, these employees are indentifying 'other opportunities' as the outcome of their departure, and this points to the veracity of theories regarding labour market impacts on turnover. Put simply, in the highly competitive labour market that existed during the period of this study, the hotels studied in this research did not provide the conditions required to bind their young and recently arrived employees to the organisation. The level of commitment and engagement of the employees represented in these exit interviews never grew strong enough to stop them taking new opportunities, often within three to six months of being recruited.

5.4. External influences

'Second wave' turnover theorists built models that incorporated external influences into the turnover picture (Price & Mueller, 1981, 1990). These influences included kinship responsibilities, external shocks (sickness, accidents) and levels of social support. The validity of these external influences has been questioned, with criticism levelled at a weak level of empirical support and low level of importance (Griffeth et al., 2000; Hom & Griffeth, 1991; Somers & Birnbaum, 1999). However, the exit interview data from Hotel Brand Alpha shows that 'Home Obligations' is one of the top six reasons given for exit, accounting for almost ten per cent of the total reasons given 2000-2006 (Figure 6). The 'Health and Pregnancy' category accounts for another six percent of Hotel Brand Alphas' total exit reasons for 2000 to 2006. Hotel Brand Beta data shows 'Family Reasons' accounting for 4.2 per cent of all exits reasons from 2001 to 2004 (Table 7, page 71). Thus, the external influences of family and health on turnover are a significant factor in this research.

Females made up 62 per cent of the hotel work force in New Zealand in 2006, a figure that has not changed significantly since 2001. As with the age profile, this research argues that the gender concentration in various departments within the hotels is subject to important variation. While the exit interview data does not provide this level of detail, there is a wealth of research that shows the Housekeeping Department is subject to several important demographic considerations. Firstly, housekeeping is gendered work. Often, a large proportion of female employees are concentrated in operative level hotel jobs such as Housekeeping (Adib & Guerrier, 2003; Kinnaird, Kothari, & Hall, 1994). In addition, Lucas (1995) argues that many migrant workers and local ethnic minorities are often found clustered in low skill, low reward roles in the hotel and that it is not unusual to see workers in these departments drawn from the same ethnic minority or migrant groups, particularly in the ‘ghetto of housekeeping’.

This thesis would argue that ‘Home Obligations’ and issues around health exert a considerable influence on turnover within the hotels in general. This is indicated by both hotel brands’ exit data. However, as shown by Figure 16, the impact of home obligations on exits increases greatly in the Housekeeping Department. Here the category is selected by 14.8 per cent of employees as the reason for their exit, as compared with ten per cent of employees overall. If we accept that the Housekeeping Department is likely to contain concentrated numbers of migrant and ethnic minority females, it would not be unreasonable to suggest that the pressures of family obligations and caring in times of illness and accident may fall more heavily here than other departments, however, this study lacks the demographic data to confirm this suggestion. The Housekeeping Department also has one of the highest turnover rates in Hotel Brand Alpha.

The influence of family obligations and external considerations on turnover provides another view of the divided structure of the hotel work force. Various departments represent quite different profiles in terms of age, migrant status, gender and ethnicity, and these different profiles could be seen to be resulting in department specific turnover profiles.

5.5. *Job security and engagement continuum*

The literature review highlighted two turnover correlations, job security and engagement continuum, that do not seem to be supported by exit interview data in this research. Both correlations have been discussed by several authors and strongly support by meta-analysis studies (Boxall et al., 2003; Cotton & Tuttle, 1986; Griffeth et al., 2000; Hom & Griffeth, 1991; Tett & Meyer, 1993; Winterton, 2004). Job security, as a turnover predictor, suggests that turnover will be higher in organisations that have unstable employment conditions, either perceived poor job security or high layoff rates. The engagement continuum (Boxall et al., 2003), as a predictor of turnover, argues that turnover has an engagement history (lateness, absenteeism, low productivity) that is part of a continuum. Understanding this continuum is relevant to understanding the causes of turnover.

This thesis has focused on voluntary turnover as expressed in exit interviews, thus no data are presented for levels of involuntary turnover or layoffs in the hotels. However, it must be kept in mind that these hotels are dealing with voluntary turnover rates of between 50 and 60 per cent per year. From discussions with employees and the Human Resource Managers from these hotels, it was made apparent that the loss of employees through firing or layoffs was extremely rare. Layoffs and firing of employees can be considered insignificant in terms of turnover rates and is very unlikely to create any sense of unstable employment in the minds of hotel workers over the period that this research covers. Poulson (2005) does raise the issue of the impact of constructive dismissal on turnover. While formal dismissals may be insignificant, the informal process of constructive dismissal may contribute to a sense of tenuous job security.

The exit interviews provide very little data that can be used to illuminate the engagement continuum. Any relevant information regarding absenteeism, lateness or low productivity is more likely to be found in other Human Resource files, such as engagement surveys and sickness records.

While some of the open ended questions from Hotel Brand Alpha and Hotel Brand Beta provided responses that indicated poor engagement, they are very general: “Use my skills, provide recognition”; “I need new experiences”; “You have let a great employee slip through your hands”; “Job was not challenging enough”. The exit interviews used by these hotels have little ability to shed light on employee engagement. This is a key weakness in the efficacy of this tool in terms of providing information about the causes of turnover. This weakness is obviously addressed by all the hotels in this study undertaking engagement surveys as part of the Human Resource process.

5.6. Employment conditions/valuing contribution

The conditions of hotel work and the extent to which employees feel their contributions are valued have been highlighted in the literature review as important influences on voluntary turnover (Boxall et al., 2003; Cotton & Tuttle, 1986; Griffeth et al., 2000; Hom & Griffeth, 1991; Tett & Meyer, 1993; Winterton, 2004).

These authors have detailed the following correlations to turnover in this area: job stress; integration (to what extent do employees have strong social networks in their jobs?); instrumental communication (how communication is practised regarding the job); routinization; promotional chances; general training; autonomy and the extent to which employees feel their contributions are valued by their employer.

The overall response from employees in the Hotel Brand Alpha exit interviews for various forms of ‘job dissatisfaction’ is surprisingly low; only 10 per cent of the total reasons given. Within this overall ‘job dissatisfaction’ category lies separate reasons that the employee can indicate for why they have left the organisation, including ‘working conditions’, ‘conflict’, ‘heavy workload’, ‘monotonous job’(routinization), ‘insufficient training’, ‘insufficient promotion opportunities’ and a general statement of ‘job dissatisfaction’. The ‘job dissatisfaction’ choices make up seven out of 25 possible reasons for leaving on the exit interview form, yet only account for 10 per cent of all responses.

Hotel Brand Beta data is even weaker in terms of indentifying job dissatisfaction as a reason for exit. Some comments reflect what could be job dissatisfaction, but the percentages are low and the meaning is not clear – ‘job was not challenging enough’ (3 percent), physical stress (1.2 per cent), no opportunity for development (4.8 per cent). Table 8, shows the results of feedback focused specifically on working conditions in Hotel Brand Beta. Surprisingly, given the high rate of turnover, 50 per cent of employees stated that ‘everything was good’ regarding working conditions. However, the physical environment and equipment was a concerning aspect of the working conditions (20.3 per cent of responses), and this along with concerns over staffing, long hours, bad food and the physical demands of the work indicate areas that could be addressed to reduce turnover. These internal, push factors still rate relatively weakly in the exit interview data.

Conversely, employees strongly indicate external reasons for leaving in the exit interviews, for example, ‘education and study’, ‘career opportunity in hospitality or other industry’, ‘relocation’ and ‘overseas travel’ are consistently selected as the most common reasons for leaving and account for over 61 per cent of all responses in the Hotel Brand Alpha exit interviews. In Hotel Brand Beta, external destinations made up just over 50 per cent of the responses. It would seem that employees are selecting the external ‘pull factors’ from the list on the exit form rather than indicating the internal ‘push’ factors.

The correlations of training, social integration, communication, recognition/opportunities and autonomy barely rate five per cent of the total reasons for leaving in Hotel Brand Alpha. In Tables 5 and 6, the open ended questions section of the Hotel Brand Alpha exit interview, very little comment is made regarding these internal ‘push’ factors for turnover. Only 9 per cent of employees indicated recognition was a problem in 2005, with no-one suggesting it as a cause of discontent in 2004. ‘Poor communication’ and ‘staffing problems’ ranked around 13 percent and 8 per cent on average in Table 6.

Apart for these comments, the majority of feedback in these tables indicates nothing could be done to stop employees from leaving (60 per cent) and that 'everything was great' in their employment (40 per cent). While the sample size in these tables is very low, it is interesting to note that given free rein to express themselves, the employees' responses differ little from the tick-box choices offered on the first page of the exit interview.

Hotel Brand Beta data follows a similar pattern, with 'lack of opportunities' rating a modest 4.8 per cent of reasons for leaving and 'lack of challenge' accounting for 3 per cent of responses. Tables 9, 10 and 11, focus on Managerial Relations, Training and Relationships with Colleagues (Social Integration). Here again the responses are very positive with over 60 percent of exiting employees rating the managers as good or very good, 47 per cent rating the training as good, and 81 per cent rating relationships with colleagues as great.

Training is one of the few concrete problem areas highlighted in these exit interviews, with a significant percentage of employees indicating that the level and quantity of training did not meet their expectations.

Drawing on the work of authors in the psychological contract and early employment matching, it could be argued that the employees lack the ability to express the real reasons for their exits, and are thus defaulting to destination choices (Argyris, 1960; Rousseau, 1989, 1995, 1998, 2001; Schein, 1965; Wanous, 1992). Rousseau (2001) points out that much of the psychological contract is made up of implied promises that are not captured in any formal organisational documents, and would be very difficult for employees to express. In addition, the power imbalance between the employees and managers can further reduce the employees' willingness to share the real reasons for their departure (Rousseau, 2001). Thus, it could be argued that the large majority of Hotel Brand Alpha and Hotel Brand Beta employees who are indicating that external destinations are the 'reason' for their departure, are doing so as part of a complex power and communication matrix that may be silencing their ability to express the real reasons for their exit.

If we accept that the exit interview is an organisational form of the 'Dear John letter', that is, an attempt to explain and record the ultimate disengagement from the relationship with an employer, then we may have to accept that this ultimate level of disengagement may affect the veracity of the reasons given for exit. Employees who are disengaged have little incentive to take the considerable time and effort to reflect and be honest about the reasons for their departure. What's in it for them?

5.7. Affective State

The link between affective state in an employee and turnover is one of the most researched and strongly supported of the turnover correlations. From Mobley in 1997 to Winterton in 2004, the relationship between lowered job satisfaction, engagement and involvement and heightened turnover has been strongly supported by empirical research and meta-analysis (Boxall et al., 2003; Mobley, 1977; Peterson, 2004; Price, 2001; Price & Mueller, 1981; Steers & Mowday, 1981; Wanous, 1992; Winterton, 2004). However, the exit interview data in this study provides little insight into this relationship. It is impossible to tell the impact of job satisfaction and engagement on turnover from the exit interviews responses, other than to assume that they are precursors of the turnover.

The nature of the exit interview creates limitations in terms of gaining insight into the affective state of the departing employee. Fetter et al (1995) suggest that exit interviews are the 'ambulance at the bottom of the cliff', the data they generate comes too little and too late for organisations to make effective interventions. Woods and Macauley (1987) argue that exit interviews too often focus on the reasons for leaving, or what this research has called the 'destination' choices, rather than affective and attitudinal causes of turnover. This would certainly seem the case in the exit interviews covered in this research. Philips and Connell (2003) add that one-on-one interviews can embody an inherent power imbalance between employees and managers that will reduce the honesty of the responses. Thus, the exit interview can be seen to be very limited in terms of gathering data regarding employees' affective state and the impact of that state on turnover.

5.8. Congruence and remuneration

The final two correlations to turnover are pay and congruence between employer and employee preferences for work hours, shift structures and work type (part-time/full-time). Congruence issues show up in the Hotel Brand Alpha total reasons for leaving in Figure 6. Again, however, responses that highlight problems with shift work and a lack of hours account for less than eight per cent of the overall responses. There is no clear data on the impact of full-time or part-time work preferences. Hotel Brand Beta data shows slightly more intense responses to congruence issues, with 'better working hours elsewhere', and 'not getting enough work hours' accounting for nine per cent of total responses. Discontent with pay rates represents an almost insignificant two per cent of total responses in the Hotel Brand Alpha data, and a slightly higher 6.6 per cent response rate in the Hotel Brand Beta results. This result is remarkable, considering that the employees represented in these exit interviews are amongst those on the lowest hourly pay rates in New Zealand (Table 1, page 18).

Again one is left with the feeling that issues of pay and congruence must have a greater influence on turnover in these hotels than is being represented in the exit interview data. Issues of power imbalance, the nature of the questions being asked in the exit interviews and the timing of the interviews in terms of disengagement seem to be having a strong influence on the nature of employee responses.

5.9. The efficacy of exit interviews

Taken as a whole, the data provided by both hotel brands' exit interview process is very limited in its application to organisation change. The information contained in the results chapter provides a picture of *what* is happening, but little information about *why*. The data sourced from the exit interview process is basically descriptive; we can see percentages and breakdowns of position, service time, and 'main reason for leaving', but at the end of this process we are left with the following conclusion - the vast majority of employees who are leaving voluntarily are doing so because they feel other, external, 'pull' factor opportunities will be more rewarding to them.

Little useful data is provided about the importance of internal 'push' factors, despite these being highlighted by the literature review as a very important causal factor in turnover.

Pull factors may be travel, education, working for another hospitality organisation, or working in another industry completely. The majority of employees feel there is very little the employer could do to stop this from happening. Given the considerable time and resources allocated to the exit interview process, this is scant return. Even where Hotel Brand Beta has tried to focus employee comments into several organisational themes (work conditions, managerial relations, training and colleague relations), the feedback provides little useful information. The data tables describe a workforce which shows very little commitment. This is the finding that needs to be questioned vigorously. The reasons for leaving are almost irrelevant – the reasons for lack of commitment are far more important. The results call for a radical re-think on the usefulness of exit interviews.

While a reconceptualisation of what should be asked in exit interviews and how the exit interview process should be undertaken may improve the quality and usefulness of exit interview data, real questions remain as to whether exit interviews can justify themselves in terms of a cost/benefit analysis. If virtually no useful data can be generated for the hotel brands as far as organisational improvement is concerned, then why continue investing time and money in this process? The information gathered during exit interviews will have little meaning for the hotels unless the data, once analysed, is used to address trouble spots and effect organisational change.

The semi-structured interviews with six hotel Human Resource Managers raise some interesting questions about the efficacy of exit interview content and process. The literature review and methodology chapters discussed many concerns raised regarding the efficacy of exit interviews (Deery, 2000; Feldman & Klaas, 1999; Phillips & Connell, 2003; Rousseau, 1989, 1995, 1998, 2001; Wanous, 1992; Woods & Macaulay, 1987). These concerns included power imbalance (exacerbated by communication and cultural issues in workforces with large immigrant and ethnic minority employees), the difficulties of capturing non-verbal, implied promises in the psychological contract and questions around who benefits most from the process – what’s in it for the employee?

Authors also questioned the content and timing of exit interviews. Wanous (1992) and Woods and Macauley (1987) suggest that many organisations focus exit questionnaires on ‘reasons for leaving’, at the cost of questioning attitudinal and affective antecedents to disengagement. Wanous (1992) also argues that organisations do not question employees about the pre-employment and early socialisation processes that are crucial to successful employee/employer matching, robust psychological contracts and ongoing engagement.

The process of exit interviews in the hotels raised some concerns about the supposed informal, friendly, open and honest ‘chat’ that is described by the majority of the HR Managers. In reality, the exit interview is the final component of a very formal and proto-legalistic series of withdrawal requirements.

Forms are signed, confirming the return of hotel property, permissions for future release of personal information, details of final pay and written feedback on performance. During all of this the employee is also hoping to receive a positive reference to help them in their future career progress. Then we are asked to accept that they sit in the HR Manager’s office and have a relaxed, honest exchange of views, as colleagues and equals.

But front-line employees and Human Resource Managers are not equal in power, income, influence or any number of measures. The HR Managers were surprisingly lacking in self-awareness when considering issues of power imbalance. Uniformly, they considered themselves as accessible, friendly and someone who employees feel at ease with. Several of the HR Managers commented that “There is no hierarchy”. This is a remarkable self-delusion. While the HR Managers are well meaning and undoubtedly friendly and approachable, their income, training, education, cultural background, communication skills, experience, position, influence, access to power and influence, seriously differentiate them from the employees they are most commonly dealing with. These HR Managers cannot magically remove themselves from the roles they play in discipline, reward and operational power. They may be the friendly face of ‘Management’, but ‘Management’ they remain.

This confusion, or self-delusion, about the power relationship between the HR Managers and the employees seems to affect several of the areas that were discussed in the semi-structured interviews. The HR Managers uniformly stated that employees were keen to participate in the exit interviews, “knocking on my door, asking when can I do my interview?” Yet the participation rates for the exit interviews varied across the hotels between 50 percent and 90 per cent. Obviously not every employee is knocking down the door to participate. Deery (2000) raises the pertinent question – surely the exit interview process is of much greater value to the employer than the employee?

The position of HR Managers in the hotel power structure also creates concerns regarding the confidentiality of exit interviews. Feldman and Klaas (1999) highlighted the importance of confidentiality in the exit interviews process. They concluded that employees were far more likely to be honest when they felt that the exit data was held in strict confidence and therefore would not result in a negative reference from the organisation. All of the HR Managers stressed the importance of confidentiality in the exit interview process, yet obvious contradictions in this process appeared.

Sue pointed out that there were questions in the exit interview about the role of the HR department and staff, yet she, as HR Manager was asking these questions, a situation that may not generate honest responses. She goes on to comment that, while she stresses the fact that the exit interview is held in confidence, what she really means is held in confidence between the employee, her as HR Manager, the Department Manager and the General Manager. The boundaries of confidence seem very flexible and it would not be surprising if employees, knowing that this data is widely read by many levels of management, spoke more cautiously than they would otherwise.

Feldman and Klaas (1999) also suggest that honesty in exit interviews will be considerably increased if the employees believe that in the past, the employer has taken action on problems that have been identified in the exit interviews. One of the strongest findings in the semi-structured interview section is that the exit interview data is used in an ad hoc way at best. A sense of 'doing it so we can say we have done it' pervades the whole process.

Considering the sizable expenditure of time, resources and money on exit interviews, the HR Managers openly admitted that virtually nothing was done with the data once collected, and few of them could name any organisational change or initiative that had resulted from the exit interview process. This is a very telling point. If very little is done with the data and virtually nothing results from its collection, why continue to do it? Why should employees be expected to deeply reflect and give honest feedback, at possible personal detriment, when the organisation cannot be honest about the fact that the process leads nowhere?

The two hotels' failure to use exit interview data stands in stark contrast to their application of results from engagement surveys. One of the interesting aspects of the HR Managers' interviews was the very different attitudes the hotels had towards exit interviews and engagement surveys. The HR Managers have a strong emotional attachment to exit interviews and believe that the data from them is accurate and useful. However, these managers readily admit that little is done with this exit interview data and few examples of organisational change can be attributed to it. By contrast, the HR Managers could elaborate at length on the seriousness with which engagement survey data was treated and detail endless applications and feedback loops resulting from these surveys. Tellingly, the engagement surveys were almost always run by external providers, whereas the exit interviews were always completed internally by the HR department.

The engagement survey process is quite obviously treated more seriously than exit interviews by the owners and upper management of the hotels. More resources are applied to engagement surveys than exit interviews, and much more is made of the results, with regular feedback meetings, action plans and organisational initiatives arising from the engagement reports. Yet the HR Managers remain convinced of the usefulness and emotional accuracy of exit interviews, despite the complete lack of application of the results to any business outcomes. One could speculate that the strong belief that the HR Managers have in their own abilities in putting staff at ease and facilitating honest feedback may be tied up in their over-valuing of the exit interview process. Perhaps the exit interview process is more about validating the role of the HR department and managers than seeking the causes of turnover.

Exit interviews come at the end of a long series of HR processes that seek employee feedback on their positions in the hotels. These processes exist on a continuum from informal and implied communication through to formalised documents. Employees are interviewed, chatted with, surveyed and observed throughout their tenure in these hotels. Many of the HR Managers stressed the importance of the informal processes in receiving feedback from employees who might be disengaging and considering leaving. Again, great self-belief was shown by the HR Managers in their ability to ‘chat’ to employees and thus gain a true insight into the employees’ affective state at any point in time. Many of the HR Managers felt that it was through this constant informal process that they picked up the most useful information for controlling turnover. They commented that by addressing small issues quickly, they could mediate disengagement.

5.10. Summary

One is left with the feeling that exit interviews are the poor cousin of HR practices, a process that has much emotional appeal to the HR Managers who practice it, but little usefulness. A body of literature and industry commitment to the practice argues that exit interviews can provide useful insight into reasons for voluntary turnover. Considerable resources, time and effort are applied by almost all hotel groups in New Zealand to the collection, reportage and storage of exit interview data. Yet this study, having compiled and analysed exit interview data from two hotel brands, with 13 hotels, over five years, with almost 4,700 individual exit interviews, argues that this expenditure of effort is not justified.

This research has analysed a large quantity of exit interview data and suggests that the turnover correlations of age, tenure, labour market conditions and external influences are illuminated by the exit interview process. However, turnover predictors in the areas of engagement, employment conditions, valuing of contribution, affective state, congruence and remuneration all remain outside of the exit interviews’ ability to enlighten. The exit interviews in this research seem to provide much detail on the external reasons and destinations that ‘pull’ employees out of the organisations, but fail to give any tangible shape to the internal, affective, engagement-based ‘push’ factors that the literature suggests are important causes of turnover.

The hotels are aware of this weakness and expend considerable resources on gathering engagement feedback through formal, outsourced surveys and other less formal HR processes. Yet the commitment to exit interviews remains strong in the hotels' owners, managers and HR departments. The exit interview data covered in this study has been put to little use by the hotels that gather it. The managers who gather the data are fully aware that it is not used to any great extent and that little or no organisational change or initiatives have ever come out of the process. The focus of the HR Managers remains on improving the process of gathering exit interview data, perhaps by using online methods, in the belief that this will result in better outcomes. This research argues that the nature of the power relationships between the HR Managers and employees and the effects of disengagement on the psychological contract render the exit interview fundamentally ineffective. The cost of pursuing this process is not justified by the benefits resulting from it.

6. CONCLUSIONS AND IMPLICATIONS

This study is the first large scale analysis of exit interviews in New Zealand Hotels. Over 4,500 exit interviews, from 17 hotels, in two hotel brands have been used as source data. The interviews cover six years of exit interview gathering. In addition, in depth semi-structured interviews have been used to gain insight into the practice and perceptions around exit interviews. The data has allowed a wide analysis of exit interviews and their place in hotel management. As a result of this study, serious questions have been raised about the cost/benefit advantages of running exit interviews.

Turnover research has focused excessively on the antecedents, and has neglected the consequences and prevention of turnover. As a result, this study highlights the significant gaps between the conceptual research and the management practice. The concept and practice of exit interviews superbly illustrates this gap, since conceptual research states that exit interviews are a powerful tool to combat turnover. However, analysis of the outputs of exit interview data shows that few links can be made back to organisational improvement.

The results of this study conclude that exit interviews are flawed on two levels. Firstly, the efficacy of exit interview data is highly suspect. Issues of power imbalance, cultural and language difficulties, and the reality of relationship collapse due to psychological contract breaches, render the employee responses in exit interviews questionable in terms of honesty. The data from the findings section shows that employee responses in exit interviews seem strangely positive for people who are choosing to leave these organisations. However, there are plenty of examples in the figures and tables in this study that show areas of management behaviour and resource application that could potentially reduce turnover, yet turnover remained high throughout the six years of this study.

The semi-structured interview highlighted the second level of failure in exit interview practice. While the data from the exit interviews may be questionable, some areas of employee concern were clearly identifiable and had the potential to reduce labour turnover. Unfortunately, the Human Resource Managers were clear in their interviews that very little was ever done with this data. While considerable effort and resources are allocated to gathering, compiling and storing exit interview data, almost no examples of organisational change were linked to exit interviews. Thus, exit interviews suffer both a questionable data gathering process and a total lack of will in application.

While this study makes some suggestions for the improvement of the exit interview process below, larger questions around the nature of power relationships, the psychological contract and disengagement need to be addressed if exit interviews are to ever justify the effort put into them by these hotels.

6.1. Re-conceptualising exit interviews

Based on the literature and findings discussed in this paper, the following tentative suggestions are made for redesigning exit interviews.

Feldman & Klaas (1999) conclude that employees tend to disclose their honest reasons for leaving when data is treated confidentially, when it does not result in a negative reference from their direct supervisors, and when they believe that, in the past, the employer has taken action on problems identified in exit interviews. Hotel Brands Alpha and Beta should consider emphasising the confidential nature of the exit interview information to employees and consider showcasing changes in hotel practice that have been brought about as a result of exit interviews. This concrete linking of exit interviews to organisation change could demonstrate the importance of exit interviews to employees and thus improve the quality of information given during these interviews.

Exiting employees may engage in 'positive reporting' if the interview is conducted while they are still working in the organisation and need to complete their exit process such as collecting a final payment and securing a referee. Researchers have found that the 'responses given during exit interviews are often substantially different from those given in interviews conducted a month or more after the termination' (Wanous, 1992, p.45). Hotel Brands Alpha and Beta may wish to consider researching the validity of this finding by running a pilot study using written exit interviews, one month after the employee has left the organisation. There are obvious practical limitations regarding the tracking and contacting of employees in this suggestion, but even limited feedback could shed light on the usefulness of post-partum exit interviews.

Wanous (1992) and Fottler, et. al. (1995) argue that the exit interview methodology used for data collation has an immense influence on the quality of the information collected. They conclude that organisations all too often focus on the reasons for leaving in interviews, rather than the attitudinal and organisational causes for turnover. It is this question of *what* questions should be asked in exit interviews that is of greatest interest. Hotel Brands Alpha and Beta should consider focusing exit interview questions around key organisational and attitudinal *hot spots*, from which suggestions for changes in organisational practice could be made.

There are advantages for Hotel Brands Alpha and Beta continuing to conduct exit processes such as interviews. Gathering significant statistical data could allow them to gain greater insight into motivations for departure and allow them to monitor trends as well as forecast turnover levels. However, for Hotel Brands Alpha and Beta to realise the real synergies that can be gained from exit processes, they need to address the suggested deficiencies discussed in the literature and demonstrated in this research. The practice of exit interviews can be very costly, particularly if the right questions are not asked, and especially if the information collected is never used. Unless an effective and safe process is designed, there is also the added risk that people do not divulge the truth in the exit interview about the real reasons of their departure, thus making the process largely redundant.

6.2. *Recommendations for Future Research*

This study raises the need for further research in the area of voluntary employee turnover in New Zealand hotels and the Human Resource Management practices that are aimed at understanding it. Successful responses to what are very high turnover rates in these hotels will require accurate and relevant data. This research has questioned the usefulness of exit interviews in producing data that can be used to understand the turnover in these hotels. A study of the entire network of HR feedback systems and their relationship to turnover would be advantageous. An especially interesting field of research would be tracking the process of pre-employment expectations and psychological contract forming in hotel workers. Comparing this early psychological contract formation to the ongoing process of engagement/disengagement over the first year of employment would be of great interest. If we accept that the early organisational entry and socialisation process is crucial to eventual turnover decision, it would be of great value to study this area. The employee engagement surveys could be used as a data source in this future research, along with semi-structured interviews to establish a stronger employee voice in turnover literature.

A more detailed study of the demographic correlations to turnover would be very useful. Studies that confirmed the role of age profiles, gender and concentrations of certain demographic groups in departments of the hotels would be useful in confirming the impacts of these factors on turnover. An international comparison study would also be useful, comparing exit interview data from New Zealand and other countries could allow further insight into drivers of labour turnover. Finally, it would be very interesting to track the changes in quantity and character of turnover in hotels as New Zealand experiences the economic downturn of the current recession. The impact of labour markets on turnover will be noticeable as unemployment increases and alternative job opportunities dry up.

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Appendix 1: Participant Information Sheet

31 March 2009

page 1 of 2

Participant Information Sheet



Date Information Sheet Produced:

25 June 2008

Project Title

Turnover in the New Zealand hospitality sector

An Invitation

Dear

I would like to invite you to participate in research on labour turnover in the New Zealand hospitality sector. My name is David Williamson and I am undertaking research into the employee and employer perceptions of labour turnover in the hospitality industry. Your experience and knowledge of the hospitality industry and the people who work in customer service within the industry is important to this research. However, your participation in this research is voluntary and should you wish, you are able to withdraw from the research project at any stage.

What is the purpose of this research?

Employee turnover has been, and remains a major issue for the New Zealand hotel sector. The current labour market conditions of low unemployment are exacerbating the critical levels of employee turnover in the hospitality sector as a whole. This research will conduct structured interviews with Human Resource Managers from a number of hotels in New Zealand. In addition, the research will analyse the content of exit interviews conducted by Human Resource Managers from two international hotel chains. The aims of the project are to determine and analyse the main contributors to high labour turnover in the industry.

This research will be used:

- For further understanding of labour turnover in the hospitality sector.
- For the completion a thesis to meet the requirement for my Masters degree in International Hospitality Management.

It may also be used for publication of articles in hospitality magazines, academic journals and conference presentations.

How were you chosen for this invitation?

Selection for participation in this research is based on the following criteria:

- Participants are Human Resource Managers within an Auckland Hotel
- Participants are over 20 years of age

What will happen in this research?

Your participation will involve one, one hour interview that will be held at a time and location that is convenient to you. The interview will be recorded and then word processed. You will receive a copy of the transcript to look through and make adjustments to if required. Once this is complete this information will be used for the study.

What are the discomforts and risks?

The information sought in this research is not controversial, so you should not experience any discomfort, be exposed to any humiliation or face any repercussion or risk. Furthermore, your anonymity and confidentiality will be maintained at all times. You will not be able to be identified from the results of the research. There is potential for professional embarrassment should the participating hotel's staff management be found to be less than acceptable. Participating hotels are not identified in the research, and individual interview responses will be confidential, this should mitigate any potential professional embarrassment.

What are the costs of participating in this research?

The only cost to you should be one hour of your time. It is my hope that this will be offset by the experience of participating and sharing your perceptions.

What opportunity do I have to consider this invitation?

It is important that you give consideration to your involvement in this research. If you have any further questions regarding your participation or the research please contact me (David Williamson) on 921 9999 ext: 8448. Remember, you may withdraw from this study prior to 21 December 2008, without any adverse consequences, penalty or repercussions.

How do I agree to participate in this research?

If you wish to participate in the research please fill in and return the Consent Form within 7 days.

Will I receive feedback on the results of this research?

On completion of the research a summary of the findings will be mailed to you if you wish (remember to mark this area of the consent form).

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr Candice Harris (see contact details below).

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Madeline Banda, madeline.banda@aut.ac.nz, 921 9999 ext 8044.

Whom do I contact for further information about this research?***Researcher Contact Details:***

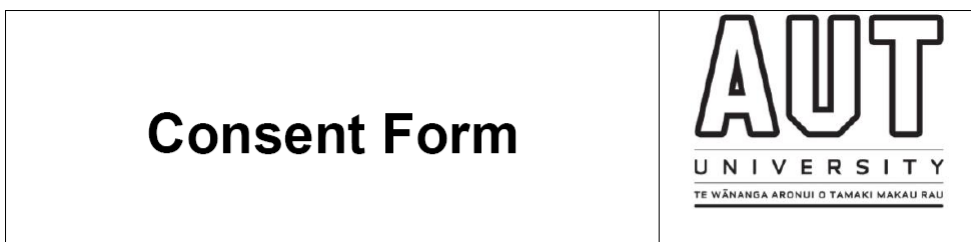
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Auckland University of Technology

Approved by the Auckland University of Technology Ethics Committee on 18 May 2007, AUTEK Reference number 07/25

Appendix 2 – Consent Form



Project title: **Turnover in the New Zealand hospitality sector**

Project Supervisor: **Candice Harris**

Researcher: **David Williamson**

- I have read and understood the information provided about this research project in the Information Sheet dated 20 November 2007.
- I have had an opportunity to ask questions and to have them answered.
- I understand that notes will be taken during the interviews and that they will also be audio-taped and transcribed.
- I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.
- I agree to take part in this research.
- I wish to receive a copy of the report from the research (please tick one): Yes No

Participant's signature:

Participant's name:

Participant's Contact Details (if appropriate):

Date:

Approved by the Auckland University of Technology Ethics Committee on *type the date on which the final approval was granted* AUTEK Reference number *type the AUTEK reference number*

Note: The Participant should retain a copy of this form.

Appendix 3 – Interview Questions

Example Questions

The aims of the project are to determine and analyse the main contributors to labour turnover in the hotel industry. This research will conduct structured interviews with Human Resource Managers from a number of hotels in New Zealand. In addition, the research will analyse the content of exit interviews conducted and compiled by Human Resource Managers from two international hotel chains.

Interview Questions

1 - Describe the organisations exit interview process – when does it happen, who does it, are final wages withheld until completion?

a) Are the exit interviews done online or in-person?

2 - What is done with the exit interview data?

a) Are there mechanisms for feeding the information or outcomes from this data back to managers and employees?

3 – Can you give examples of changes that have been made as a result of exit interview information?

4 – What other types of employee feedback do you gather, e.g. employee climate surveys?

5 - How useful do you think exit interviews are compared to these other sources of data?

6 – How accurate do you think exit interviews are, in terms of capturing a true picture of employee feedback?

7 – Can you estimate the capture rate of your exit interviews?

8 – Do you think there are issues of power imbalance at work in the exit interview process?

9 – Have you made any changes recently to the exit interview process – why?