Aug 1st, 9:45 AM - 10:45 AM

Why Employees Talk: A Study of the Decision-Making Process Leading to Turnover or Retention

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Abstract

Attracting and retaining qualified workers was the number one issue for the hospitality industry in 2007. This study examines the time period when employees are contemplating whether to quit their jobs or stay. An analysis is made of the length of this contemplation period as well as communication partners and communication strategies used by participants during this period. It further investigates partners and strategies to determine any influence in the participants’ decisions to quit or remain with their employers. The study concludes with suggestions for employers on increasing retention and reducing unwanted turnover and suggestions for future research.

Key Words: Turnover, Retention

The Costly Problem of Turnover

Estimates of average annual hotel employees turnover range from nearly 60 percent to 300 percent, according to research conducted by the American Hotel and Lodging Association (AHLA). More specifically, the AHLA concludes that annual turnover for line-level employees is 158%, 136% for supervisors, and 129% for managers (Hotel Magazine, March 2000). It is no longer a startling fact that the cost of losing an employee is between half and one-and-a-half times their annual salary (Mehta, 2005).

The costly problem is compounded by the slowing population growth, lagging wages and an industry reputation for short-term, temporary jobs (AHLA, 2006). Reid and Bojanic (2001), in their book Hospitality Marketing Management, point out that the hospitality industry is growing at the rate of 18% while the Bureau of Labor Statistics (BLS) (2000) reports that the population is growing at a rate of 1%. Additionally the Department of Labor (BLS, 2005) reports the number of workers age 16 – 24 will shrink by over 3 percent by 2014 and the pool of workers ages 25 – 54 will shrink nearly 6.5 percent by 2014. Lagging wages compound this problem. Nearly 70 percent of minimum wage employees in the United States work in the hospitality industry (Worcester, 1999). Although the minimum wage has increased four times since 1991, the tip credit has been excepted for hospitality workers and the minimum rate of $2.13 per hour has been allowed to remain. Many hospitality jobs have an image problem. The hospitality industry has not done enough to earn a reputation as a top career choice for college graduates (AHLA, 2006). Jobs in the hospitality industry are often seen as temporary and not “a real job” (Woods, 1997).

Several studies have been conducted on factors that relate to voluntary turnover. Studies on the relationship between job satisfaction and turnover (e.g., Holdsworth & Cartwright, 2003), the relationship between the employee and the immediate supervisor (e.g., Graen, Dansereau & Minami, 1972), culture and turnover (e.g., Sheridan, 1992), and rewards and turnover (e.g., Hansen, Smith, & Hansen, 2002) have all been conducted. Recently, studies regarding retention have been conducted. These studies have revealed that the same factors affect retention.

It appears that the above listed factors reveal limited information about turnover and retention. These studies have all examined factors as they relate to the outcome of turnover or retention as opposed to the process that leads to turnover or retention. Employees seem to undergo a decision-making process that leads to exiting or staying with their organization (Hosmer, 2003). This study is a known first to examine this period of deliberation. In order to examine this time period, the following research questions were posited.

RQ1: How long did participants think about quitting before making the decision to quit or stay?
RQ2: To whom do employees talk during the period when they are deciding whether to quit their job or stay?
RQ3: Which communication partners are reported to be influential in the employee’s decision to quit or stay?
RQ4: What communication strategies do employees use when talking to others about their job during the time period when they are contemplating whether to quit or stay?
RQ5: Are there communication strategies that lead to turnover or lead to retention?
Methodology

A qualitative methodology seemed best for an initial exploration of the topics. Respondent interviews (Lindlof & Taylor, 2002) were performed. A semi-structured interview format was used. An interview guide is available from the primary researcher. Eighteen interviews were conducted. Seventeen interviews were audio recorded and later transcribed. One person declined to be recorded. Hand written notes were taken during that interview (5 pages). Interviews lasted between 28 – 75 minutes with the average interview lasting 35 minutes. Seventeen interviews took place in the researcher’s office and one took place in a hotel lobby. As a set of pre-existing categories had not yet been established, data analysis was accomplished using grounded theory (Glaser & Straus, 1967) and the process of coding and categorization as described by Lindlof & Taylor (2002).

Participants

All participants were currently employed or had recently quit working in a hotel or restaurant. Snowball sampling was used. Participants were divided into three groups: those who had contemplated quitting their job but decided to stay (n=7), those who were currently contemplating quitting (n=1) and those who contemplated quitting their job and then actually quit (n=10). There were ten female and eight male participants. Participants ranged in age from 21 – 60 with a mean of 30.7. Five participants were managers, one participant was an hourly supervisor, and 12 were hourly employees. Sixteen participants were Caucasian and two were Asian. At the time they were contemplating quitting or staying, five participants were married, three had significant others and ten were single.

Findings

Time of Contemplation

Participants were asked how long they thought about quitting before deciding whether to quit or stay. If the participant had quit their job, they were asked the length of time between making the decision to quit and actually quitting. Table 1 reflects the amount of time participants contemplated quitting before making their decision to quit or stay. Table 2 reflects the amount of time between the participant’s decision to quit and actually quitting.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Amount of Time Contemplating Quitting</th>
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<tbody>
<tr>
<td>Time</td>
<td>Stay</td>
</tr>
<tr>
<td>&lt; 1 week</td>
<td>3</td>
</tr>
<tr>
<td>&lt; 1 month</td>
<td>0</td>
</tr>
<tr>
<td>1 month</td>
<td>1</td>
</tr>
<tr>
<td>2 months</td>
<td>1</td>
</tr>
<tr>
<td>3 months</td>
<td>2</td>
</tr>
<tr>
<td>6 months</td>
<td>2</td>
</tr>
<tr>
<td>1 year</td>
<td></td>
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</tbody>
</table>

Table 2 | Decision-Quit Time |
<table>
<thead>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>Quit</td>
</tr>
<tr>
<td>&lt; 1 month</td>
<td>4</td>
</tr>
<tr>
<td>2 – 3 months</td>
<td>1</td>
</tr>
<tr>
<td>1 year</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 2 suggests that once employees make the decision to leave, they do not hesitate in exiting the company.

The first interesting finding is that ten of the 16 participants (62.5%) reported making their decision to quit or stay after 60-90 days of contemplation. The second finding is that participants who quit described a subset of time that reflected a more serious consideration of quitting. Four of eight participants reported that although they talked of quitting for over three months, there was a different type of contemplation that lasted for one or two months. One 23-year old server who had reported thinking about quitting for the last six months of his 20 month job stated:

Participant: I would say the first three or four months it was more like, I was just, I didn’t really want to quit, but like, whenever I would talk to other employees who were working there…we would just discuss about how much we want to quit….But like the first three or four months, I wasn’t, I don’t think I was thinking about it really that seriously. It’s just the environment was like that. Everybody was not very satisfied with it.
Researcher: OK, so out of that six months, the first three or four (months) you talked about quitting but you weren’t really serious
Participant: Yes
Researcher: about quitting there?
Participant: Yes
Researcher: But then eventually you started thinking more seriously about it?
Participant: Yes. (#7)

This participant is expressing that he was not seriously intending to quit during the first four months. It was only the last two months of his employment when he had serious thoughts of quitting.

This division of time is also reflected in the communication strategy of the participants who quit their job. This same participant when asked if he spoke to his friends about his job replied:

Not for the first three or four months but maybe at the end, when I was really deciding to quit, I did talk to my friends. Uh, I think, what do you think I should do? At the last moment, the last month, I wasn’t really venting it out, I needed to really, I needed to decide what I had to do. (#7)

The employee made a shift from venting to seeking advice (labeled fact finding in this study). This change in communication strategy coincided with the timing of his change in commitment toward quitting. This shift in commitment and communication strategy suggests a process of turnover.

**Communication Partners**

RQ2 asked who employees talk to during the period when they are deciding whether to leave their jobs or stay. Table 3 details the communication partners reported by participants and the frequency with which they were reported.

<table>
<thead>
<tr>
<th>Communication Partner</th>
<th>Frequency (%)</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends</td>
<td>94, 17*</td>
<td></td>
</tr>
<tr>
<td>Parents</td>
<td>88, 15*</td>
<td></td>
</tr>
<tr>
<td>Coworkers</td>
<td>83, 15</td>
<td></td>
</tr>
<tr>
<td>Spouse/Sig. other</td>
<td>100, 8*</td>
<td></td>
</tr>
<tr>
<td>Other family</td>
<td>33, 6</td>
<td></td>
</tr>
<tr>
<td>Other manager at property</td>
<td>35, 6</td>
<td></td>
</tr>
<tr>
<td>Immediate manager</td>
<td>22, 4*</td>
<td></td>
</tr>
<tr>
<td>Professional Association</td>
<td>75, 3</td>
<td></td>
</tr>
<tr>
<td>Manager at previous job</td>
<td>16, 3</td>
<td></td>
</tr>
<tr>
<td>Subordinates</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

Note: * denotes those reported as most influential

Some interesting findings were that only those who stayed reported talking to their immediate manager. All twelve hourly employees reported conversations with other hourly employees. The supervisor reported conversations with hourly coworkers and a manager at her property. Two managers reported conversations with coworkers but only coworkers that were also managers. No manager or supervisor reported speaking with subordinates. When asked why, they all stated a reason similar to what this hotel general manager stated: “when [sic] somebody in that position is unsettled it makes the entire hotel unsettled.” (#3)

In investigating RQ3, identifying influential communication partners, participants were asked, “Of those you talked to, who was the most influential?” Of the nine communication partners identified, only four were named influential (table 3). In analyzing the responses to this question, two findings became very clear. Only those communication partners who engaged in the three communication strategies of eliciting support, fact finding, and problem solving and negotiation were reported as influential. This begs the question of whether it is the communication partner that is influential, the communication strategy or the combination of the right communication partner using the right strategy that creates influence.

While still contemplating leaving or staying, participants reported as most influential those who would help them problem solve and offer suggestions for negotiation. As the decision to leave or stay was being solidified,
participants reported as most influential those who offered support for their decision. Once the decision was made, participants reported as most influential those who engaged in the strategy of fact finding.

Participants felt the responsibility to personally make the decision to quit or stay. No participant asked a communication partner to make the decision for them. All participants reported having conversations with themselves about making the decision to quit or stay. A restaurant busser stated:

"Busser: I just do what I need to do. Nobody with me. Researcher: Ok, so you made the decision on your own?
Busser: Yeah, nobody influenced me or talked me into making my decision. I just do what I think is best for me. (#6)"

Although this participant had previously reported speaking to others about quitting, he clearly states here that he alone made the decision to quit. Other participants stated, "It's something you need to work out for yourself (#3), "I was really kind of dealing with it a lot with myself" (#9).

Communication Strategies

RQ 4 sought to identify communication strategies employees used when talking to others about whether to quit or stay. Analysis of the data revealed seven mutually exclusive communication strategies: venting, eliciting empathy, reality checking, eliciting support for the decision, fact finding, problem solving and negotiation, and deception. All participants reported using multiple communication strategies.

Venting. Venting, as defined for this study, consists of talking about the negative aspects of the work, the work environment, or people at work. When venting, participants expressed the desire to quit but did not express taking any action toward quitting. The participants expected no action from the respondents other than to listen to their complaints. A 21-year old guest service agent who had decided to remain at her job offered this example of conversing with her roommates:

"I work at a hotel, two of them work at restaurants and one works at a bar and so we all deal with a lot of, you know, service and deal with angry customers and things like that and so I'd come home and just be so frustrated...I talked to them a lot about everything and sometimes they didn't but, I mean, uh, when I would tell them I wanted to quit they would be like "just do it, just quit. You know you might as well, if you're not happy, find somewhere else where you're happy." There were a lot, a lot more people saying quit because I would come home every night at 11:00 after I got off my shift, which was usually at 11:45 cause the person coming in for night audit would show up 30 minutes late...It was frustrating and so I was just constantly complaining about it. (#9)"

In this example, the guest service agent vented and complained to her roommates about customers and coworkers. She did not ask her communication partners for advice. Although her friends told her to quit, she did not. This suggests that she was not seeking advice or acting out intentions to quit but simply venting to release emotions and relieve frustrations.

An unexpected finding is that it was very common for communication partners to tell participants to quit (n = 15). However, their response seemed to have little effect on the participant’s desires to quit. A 22-year old server at a private club provided this example of venting to her mother:

"So its kind of always venting about what was going on at the time...[My mother] did tell me to quit at one point. She’s like just quit. I’m like I can’t quit. She’s like, we’ll help you out (with money). I’m like, no, cause I don’t want to go wait tables somewhere you know dah dah dah, I’m like, it’s working for me now but it’s not, you know. And I don’t want to have the pressure of school and like job hunting everyday. And usually right in the prime of the semester anyway they don’t, there are no jobs...people aren’t hiring. (#1)"

The participant had been complaining about many aspects of her work. When her mother offered her financial support so she could quit, the participant declined the support and then justified not quitting. The statement that the job was working for her right now signals her intention not to quit. Her refusal to accept the financial offer suggests she did not talk to her mother to elicit help but instead talked to her mother to vent.

Several other participants made statements such as “I didn’t really get much input from that; it was more just me venting” (#9), “it was just me venting to them and so they, I mean, there was no feedback” (#10). Participants vented most often with friends, coworkers, parents and spouses. Venting was expressed by those who had quit their job, the participant currently considering quitting, and those who decided to stay.

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**Eliciting Empathy.** Eliciting empathy is defined for this study as communicating with others with the hope that the communication partner will appreciate the participant’s situation and offer emotional support. Participants often sought out people who knew much about them, their work or their work environment. Eliciting empathy asks the communication partners to respond in a particular way. A 29-year old hotel Director of Sales explained, “…my mom wasn’t that influential. I knew my mom, my mom always said you know, just quit. And there were days when I really wanted to hear that so, and probably those were the days I called her” (#2). In this example, the participant chose to speak to her mom because she knew her mom would extend empathy to her and tell her what she wanted to hear. She stated that her mom was not influential in her making her decision to quit. This suggests that she called her mom for an emotional connection rather than advice about her decision to quit or stay.

Eliciting empathy included other statements such as “I told them stories, horror stories of my manager and everything and they would, I guess sympathize with me” (#10), “just kind of made me feel a lot better about myself which was good” (#9). Participants elicited empathy from coworkers, parents, friends, members of professional associations and managers in their company other than their immediate manager. Eliciting empathy was expressed by those who had quit their job, the participant currently considering quitting, and those who decided to stay.

**Reality Checking.** Participants spoke to others to make sense of their situation, to gain a frame of reference for their experiences or to see if others were having similar experiences. Participants using this strategy expected feedback from their communication partners about their ideas, perceptions and experiences. In using the reality checking strategy, participants sought out others who may have had similar experiences. A restaurant cook described speaking with his mother.

She helped me a lot in deciphering whether I’m right or wrong in thinking certain things….For example, for what I was doing I was feeling that I needed to be paid more. She kind of shed light on, I was at that time, making $8.75 a hour… but she was like, you know, I have a lot of people who work under me and they have kids and they’re working full time for $9 an hour so don’t get things twisted around here and I was kind of like, really?! So I don’t have it that bad…I think I was looking for advise, direction, and feedback on the things I was saying and feeling and my perspective on it. (#14)

Here the participant is stating how talking to his mom helped him determine a frame of reference for an appropriate amount of pay. He thought he may be underpaid and then in talking to his mother realized that his pay was competitive with what other companies paid. He asked for and expected his communication partner to give him advice and feedback about his perspective. He was not asking for emotional support or advice about the decision to quit or stay.

Other statements that reflected participants using reality checking were, “I was basically using that co-worker as a sounding board” (#3), “I haven’t worked at other hotels that I could compare it to but I’m sure…(#4). Communication partners for reality checking were parents, coworkers, and previous managers. All participants who remained at their job as well as the participant who delayed her decision to quit used this strategy. Four participants who quit their job used this strategy. Two of the four who quit were managers who contemplated quitting for more than six months and reported giving more than three months notice when they did resign. As this strategy was only used by those who remained at their job and by those who were slow to quit, it suggests that this strategy may promote retention.

**Eliciting Support for the Decision.** This strategy was used to elicit a response of support for the participant’s decision to quit or remain at their job. Participants seemed to use this strategy when solidifying their decision or building confidence in preparation for taking action toward their decision. A 39-year old female who quit her job as a hotel general manager to return to college reported talking to her family.

I did seek out advice from them. And um, you know, I’m going to need somebody to give me the “hey you know you didn’t screw up, you made the right choice, you did the right thing,” and if I can’t, if I can’t get that support then I’m not going to ruin what I got, and figure some way to make myself happy in this position. And they said that, you know, they said do it. You need your education. That’s fine. We’ll do whatever we can to help. If they hadn’t have been supportive I wouldn’t have done it. (#3)

This participant is stating that she talked to her family about quitting and sought their support. Their perceived support affected the decision she made. Although the participant states that she sought their advice; it was not about the decision to quit but rather advice about whether they supported her decision to quit.

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Other statements reflecting eliciting the support for the decision were, “Just having other people support, hearing my decision helped me gain [sic] more confidence when it came time, like this is what I want to do” (#5), “when you are in that kind of a situation you really would like for someone to say quit…he wouldn’t do that for me…I knew he would support me in whatever I decided to do” (#2). Communication partners for eliciting support were parents, spouse, coworkers and previous managers.

**Fact Finding.** This communication strategy was used to gain information to be used to help the participants make the decision to quit or remain at their job. Participants reported gaining information such as other businesses that were hiring, pay rates of other businesses, and other employees leaving or being hired. A restaurant busser gave this example of fact finding. “I would ask them if there’re any openings. See what kind of job there is out there that would give me the kind, give me as much of an income as this place did” (#6). Another participant reported, “they help me weigh out the positives and negatives about (the job)” (#10). This strategy, as reported, was the least used strategy yet all participants articulated using this type of information in making their decision. This suggests that the participants used information that they acquired during general interactions and did not deliberately seek additional facts. Communication partners for this strategy were friends, coworkers, spouse, managers other than the immediate manager, previous managers and family members. This strategy was expressed by those who had quit their job, the participant currently considering quitting and those who decided to stay.

**Problem Solving and Negotiation.** The sixth communication strategy is problem solving and negotiation. It is a two-phase strategy. This communication strategy was used to resolve an issue that was causing the participants to consider quitting their jobs. Participants reported talking to others to create a solution and develop a plan to negotiate with the immediate manager. The communication partners for solution creation were spouses and parents. The communication partners for negotiation were the immediate manager and other managers in the company. A 21-year old hotel employee gave the following example. In speaking to his father:

That’s when, actually when we were talking um, we came up with the, you know, see if you can write your own hours you know. See if you can write your own schedule. That way you know you can go in whenever you want to. (#13)

He then spoke to his manager.

I, I tried to tell her that, uh I tried to do my, my smooth negotiation skills (laugh)...I said if [sic] I can write my own hours and come in when I can, I’ll stay. I’ll still work here. She said, “that works” so, uh, so she kind of worked with me a little bit, which I appreciated cause you know she, I guess she didn’t have to give me those kind of hours. So that was a big reason why I stayed. (#13)

Here the participant, in talking with his father, developed a solution that would result in retention of his job. He then presented it to his manager who agreed to implement the compromise. The positive result of the negotiation solidified the employee’s decision not to quit. Only participants who remained in their job and the participant currently considering quitting reported successfully using this two-phase strategy.

**Deception.** This communication strategy involves employees speaking to others about their desire to quit or remain in their position but not revealing their true reasons or intentions. When asked if she spoke to her manager, a 21-year old guest services agent replied:

Yes but I made it sound more like it was about school. That I needed to quit because I needed to focus more on school which was true but it was really because I was really frustrated…with the way that she handled things…I didn’t want to bring up something that show would think was negative and then me end up staying and then having, her having a grudge against me. You know and I didn’t really, I didn’t want to hurt her feelings at all and because I really, its not that I dislike her at all, I really did like her, it’s just that sometimes she’s a hard manager.” (#9)

Although this participant wanted to quit because she did not like working for her manager, she hid her real reasons. She thought her comments may hurt the manager’s feelings and she was concerned about retaliation.

The reason participants used deception seems to be the same reasons participants did not talk to their immediate manager about contemplating quitting. A restaurant server stated this reason for not speaking to his manager, “He’s the one who has the power who can also fire me” (#7). The communication partner for this strategy was overwhelmingly the immediate manager. In addition to the immediate manager, two sales managers reported using deception to their peers in professional associations and one person reported deception to their father. Deception was used by both those who quit their and those who stayed.

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Strategies Leading to Retention or Turnover

RQ5 asked to examine the various communication strategies in order to determine if a difference existed between strategies used by those who quit those who stayed. Two strategies hinted at leading to retention. Those who engaged in problem solving and negotiation were more inclined toward staying. All participants who made the decision to stay and the two participants who took the longest to quit engaged in reality checking. No communication strategy seemed to lead to turnover.

Discussion

Unwanted turnover is a costly problem for the hospitality industry. This study suggests that we may better understand turnover and retention by studying them as decision-making processes rather than outcomes associated with factors such as job satisfaction or pay. This study confirmed that there is a deliberation time period. During this time, employees speak with others about their job. By understanding these communication strategies, employers may be able to engage in communication that may influence their employee’s decisions to quit or stay.

An important finding in this study is that the immediate manager often does not know an employee is thinking of leaving until the end of their decision-making process. Participants only employed two communication strategies with their immediate manager. Both of these strategies were used late in the decision-making process. Managers may be capable of being the communication partners who help their employees create solutions but it seems that the immediate manager will need to be the one to approach the employee, a difficult task if they are unaware that the employee is considering leaving because of a problem the employee does not know how to solve. Managers should also be aware that when employees approach them about quitting or reducing their hours and offer an excuse unrelated to work, there actually may be an issue with work that the employee is not revealing. Employers may improve retention by probing into an employee’s motivation for quitting.

All participants in this study reported venting and expressing the desire to quit their jobs. However, venting and talking about quitting did not reflect intention to quit. When venting, communication partners overwhelmingly advised participants to quit. This often had a reverse affect and participants were able to justify why they should remain in their job. While venting, participants did not expect anything from their communication partner except listening. Employers may want to offer employees a forum for venting.

Reality checking seemed to favor retention. Reality checking required a communication partner that was familiar with the work and/or work environment. It seems apparent that the employer would be the most familiar with the work and work environment and therefore, should be an ideal communication partner for this strategy. Yet no participant reported using this strategy with their immediate manager. Additionally, participants described using information from fact finding to make their decision to quit or stay but few participants deliberately sought information. Knowing that employees seek framing and they seldom make a deliberate attempt to seek other facts, employers may foster retention by sending communication to employees that deliberately addresses both communication strategies.

Limitations and Future Research

Although this study adds value to current research, it has limitations. A sample size of 18 is not very large. This study lacked participants who were currently contemplating quitting their job. Additionally, it is difficult to place some people in one of the three categories as they are not actively looking for another job but know that if an opportunity was presented to them, they would consider it. This study is subject to all the errors caused by using a recall methodology. This study was an initial attempt to examine turnover and retention as decision-making processes. This concept should be explored further to fully understand the actions and interactions that occur making turnover and retention a process.

References


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