

CHAPTER 4: POSSIBLE SOLUTIONS

In conjunction with the review made in the previous chapter, it can be gleaned that the possible solutions that Accor's DHH could take into consideration, in order to reduce employee turnover, have to be directly related with the reinforcement and development of HRM (Human Resources Management) practices that relate to employee well-being such as orientation programs, compensation systems, job security, health & safety, and employee relations, these play an important role in shaping employees' attitudes. These are the possible solutions:

A. During the hiring process there are certain elements that should be taken into account, in order to, improve overall turnover such as evaluating risk factors and motivational fit. During the recruitment interview there are evident characteristics that can be noticed on a prospective employee that can determine the propensity of an applicant for turnover.

- **Risk factors.** Research has shown that the way candidates respond to some questions on an application form correspond to a reduced or increased likelihood for turnover. Research has cited, for examples that new hires are less likely to leave the company if they are referred by a current employee; have friends and relatives working in the organization; and have longer tenure in their previous job. These factors make intuitive sense since people with more contact in the organization are apt to better understand the nature of the job and the organization. It may act as a vaccination effect that reduces job dissatisfaction and turnover. Additionally, applicants with a

history of short tenure in previous jobs are likely to repeat their past behaviour and are therefore more prone to change jobs after a short period of time (O’Connell & Kung, 2007).

An organization can dramatically reduce the turnover rate by including a turnover risk index in the hiring process to filter out applicants with higher turnover risks. Table 7 shows a simple example of this system.

Table 1. Example of turnover risk index

Questions	1 point	0 points
Years of experience in the hospitality industry	4	0 – 3
Number of unscheduled absences candidate feels are acceptable	0 – 1	2
Unexplained gaps in employment of six months or more	0	1
Number of jobs over a five-year period	1	2

Source: elaborated by Humberto Rodríguez Torres 2008. Based on O’Connell & Kung, 2007.

- **Motivational fit.** Individual motivation in employee selection is generally defined as “fit.” Fit can be characterized as person-job fit, such as the fit between the individual’s preferences for the type of work and the actual job requirements, or person organization fit, which is the congruence between the person’s preferences and the organizational culture. Higher levels of motivational fit are associated with greater job satisfaction, organizational commitment, and lower turnover (O’Connell & Kung, 2007).

Thus, O’Connell & Kung (2007) came up with the conclusion that these two factors can reduce turnover by 50 to 60 percent within the first two to three

years, which is a huge cost savings, considering the high cost of turnover. The costs associated with designing and implementing such up-front screening is a fraction of the long-term cost savings and productivity improvements. The evidence is clear; putting in the effort during the hiring process pays significant dividends in the future.

B. On the other hand, in order to counteract problematic issues on training and process development areas, it is important to overlook knowledge management theories. Knowledge Management comprises a range of practices used by organizations to identify, create, represent, and distribute knowledge for reuse, awareness and learning.

Furthermore, employers should create an environment where employees can freely give their opinion, letting them take part in elaborating the training plans, encouraging them to come up with their own ideas, developing an atmosphere where they can excel and be creative, this, in particular is in order to make employees feel part of the organization as well as the decision making. Employers need to be accessible and approachable. They need to listen to employees and get feedback from them and people who work in the business

According to David Bohm, culture is formed by shared meanings: values and visions. Therefore, organization are being submitted to create internal places in which employee's can have dialogue and create consensus about values, objectives, goals, specialized knowledge, vision and mission of the organization and, in this way, transform the organizational culture. With the intention of spreading specialized information and providing tools to employees that they can use to solve problems within the organization, as well as, to create expertise in all the different areas of the organization.

Moreover, these internal places are important for employees to share and understand the mechanism of all processes and be able to take important decisions that will benefit the organization based on experiences and theories.

In order to create forums in which knowledge can be shared and transferred, it is important to previously create Knowledge Management programs, which are typically tied to organizational objectives and are intended to achieve specific outcomes, such as shared intelligence, improved performance, competitive advantage, or higher levels of innovation. Therefore, to settle an approach of the problem of managing knowledge, it is important to establish a framework and boundaries to achieve innovation, also, to specify the practical and political mismatches that occur when innovation is desired and how this relates to common knowledge that actors used to share and assess each other (Carlile, 2004).

Carlile (2004) also remarks that, the many purposes of the boundaries is to embrace the accurate insight of each one while avoiding the incompatibilities that arise when changing circumstances are not specified. The framework also identifies different types of process like transferring, translating and transforming which are associated with each type of boundary this is with the purpose to manage efficiently domain-specific knowledge. If knowledge can be managed between these boundaries, within the organization, this can drive to a competitive advantage.

Thus, to achieve a correct transference of knowledge in organizations, many companies have initiated in many activities like crossed-functional groups, business units of clients or products oriented, work groups and communities of practices. However, communities of practices have shown to be the most efficient method to knowledge management. It consist

of the construction of a social group with the intention of developing specialized knowledge, as well as, collaborating over an extended period of time to share ideas, find solutions, and build innovations.

The key motor that drives these social groups are the shared experience and passion in some subject or problem discussed. The communities are assembled physically or through the internet (email, forums, blogs, etc) in a regular period of time. This allows experiences and knowledge to travel freely within the community, creating the necessary conditions to develop new approaches, solutions and proposals to resolve problems related to the subject of interest.

C. For apprentices or interns, motivation must be increased in order to reduce company turnover rates, in general. Moreover, there should be the opportunity for a permanent position on completion, subject to performance, which should be mentioned to the apprentice from an early stage.

The accessibility of companies to let apprentices do their internships or practical courses, within an organization, is very beneficial for both, the apprentices, gaining valuable skills and qualifications, and the employers, reducing the cost of hiring new employees and investing in training. It has been demonstrated that companies that use apprentices for some work-specific jobs have considerably increased their productivity, higher quality of their work, increased competitiveness and more importantly reduced turnover rates as they tend to have greater staff retention as well as reduced costs and improved staff morale.

In order to motivate apprentices to increase their productivity in the company where the internship has been done, it is important to establish a structured programme with a dynamic list of tasks oriented to apprentices' interest with learning goals.

Furthermore, employers have to train their staff in order to create a social climate (relationship with the supervisor and the social climate among the employees of the workplace in general) at the workplace that will let the apprentice feel more confident in the workplace, which can lead him to feel part of it and participate more actively, giving some new ideas and theories for the company to apply, and in that way the company recovers the investment it makes in the apprentice.

Nevertheless, there are some other ways to motivate apprentices to give their best to a company and that is by paying them a small competitive salary to make them feel more committed to the organization. Another is to notify them of the possibility of remaining in the organization with a job offer, depending on their performance during the internship programme.

By using these strategies, a company can reduce significantly turnover rates as it is very likely that apprentices will seek to stay in the organization and during their internship they build up realistic expectations of the organization and the job and the employer can identify, during this time, the motivational fit of each apprentice and position them in the right job.

D. Employers should conduct an exit interview when an employee decides to renounce, with the purpose of getting feedback and if a regular pattern of complaints emerges, actions could be made to improve the situation.

From the employer's perspective, the primary aim of the exit interview is to learn reasons for the person's departure, based on the fact that criticism is a helpful driver for organizational improvement. Exit interviews are also an opportunity for the organization to enable transfer of knowledge and experience from the departing employee to a successor or replacement, or even to brief a team on current projects, issues and contacts. Good exit interviews should also yield useful information about the employer organization, to assess and improve all aspects of the working environment, culture, processes and systems, management and development.

Exit interviews are, moreover, a unique chance to survey and analyse the opinions of departing employees, who generally are more forthcoming, constructive and objective than staff still in their jobs. In leaving an organisation, departing employees are liberated. For that reason, they provide a richer source of objective feedback than employed staff do when responding to normal staff attitude surveys (Chapman, 2005).

From the departing employee perspective, an exit interview is a chance to give some constructive feedback, and to leave on a positive note, with good relations and mutual respect.

Exit interviews are best conducted face-to-face because this enables better communication, understanding, interpretation etc. However, postal, paper, or electronic

questionnaires are other types of conducting exit interviews, although, face to face interviews are far more preferable (Chapman, 2005).

In order to drive a successful exit interview, it is important to prepare your exit interview questions and topics that you would like to explore, especially when you believe that the interviewee has good experience, appreciation and understanding.

Open questions like “what/how/why” are suggested, in contrast, closed questions like yes/no are not, unless you require specific confirmation about a point. “When” and “where” are also more specific qualifying questions, unless of course they are used in a general context rather than specific time or geographic sense. “Who” should be used with care to avoid witch-hunts or defamatory risks (Moreover, many exit interviewees will be uncomfortable if asked to name people or allocate personal blame). Exit interviews are not about “blame”, this is not constructive and should be avoided for anything other than very serious complaints or accusations, which must then be suitably referred to as follow-up, and would be beyond the normal exit interview remit (Chapman, 2005).

In large organizations HR or Personnel department should be responsible for designing the process, issuing guidelines documenting information, collecting results data, analysing and reporting findings, trends, opportunities and recommendations, especially including anything relating to health & safety, or employment law and liability. Alternatively, if that is not the case, line-managers or even supervisors can conduct the interviews. Interviewers need to be trained to interview, just as for normal job interviews. All types of interviews are sensitive emotional situations which require ability and maturity to manage properly, especially if interviewees are anxious or volatile (Chapman, 2005).

Actions resulting from exit interview feedback analysis, in any size or type of organization, fall into two categories:

- **Remedial and preventative**, for example improving health & safety issues, stress, harassment, discrimination, etc (Chapman, 2005).
- **Strategic improvement opportunities**, for example improved induction, management or supervisory training, empowerment or team building initiatives, process improvement, wastage and efficient improvements, customer service initiatives, etc (Chapman, 2005).

The head of HR or Personnel would normally be responsible for raising these issues with the board or CEO, and the conversion of exit interview feedback into action is a critical factor in justifying and maintaining a serious priority and operation of the process.

For many organizations, exit interviews provide a major untapped source of “high-yield” development ideas and opportunities. Examples of questionnaires forms of exit interviews are attached in *addendum*.

- E. Employers should implement evaluation schemes on job performance and abilities, in order to encourage employees to increase their productivity and facilitate promotions with a careful analysis to locate the right employee in the right position.

Job evaluation is a method for determining the relative worth of a job to an organization. It is useful for determining pay and grading structures, ensuring a fair and equal pay system, deciding on benefits provision (bonuses), comparing rates against the external market, undergoing organizational development in times of change, undertaking career management and succession planning and last but not least, measure eligibility for promotion.

There are two main types of job evaluation: analytical schemes, where jobs are broken down into their core components, and non-analytical schemes, where jobs are viewed as a whole (The New York Times Company., 2008).

Analytical schemes

These offer greater objectivity in assessment as the jobs are broken down in detail, and are the ones most often used by organisations. Analytical schemes examples include Points Rating and Factor Comparison (The New York Times Company., 2008).

Non-analytical schemes

These are less objective than analytical schemes, but are often simpler and cheaper to introduce. Methods include job ranking, paired comparisons and job classification (The New York Times Company., 2008).

Thus, we will focus on the analytical scheme

Points rating

This is the most commonly used method. The key elements of each job are known as “factors”, which are identified by the organization and then broken down into components. Each factor is assessed separately and points allocated according to the level needed for the job. The more demanding the job the higher the points worth (The New York Times Company., 2008). Factors usually include:

Table 2. Example of characteristics frequently measured on a job evaluations

<u>Knowledge and skills</u>	<u>People management</u>
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- work experience
 - qualifications
 - extra qualifications
 - specialist training
 - length of service
 - previous workplaces
 - human relations skills
 - ability to deal with work pressure
 - supervisory responsibility
 - conciliatory ability

<p>Communication and networking</p> <ul style="list-style-type: none"> • social skills • enthusiasm • diplomacy • positivity 	<p>Freedom to act</p> <ul style="list-style-type: none"> • depth of control • supervision received • responsibility
<p>Decision-making</p> <ul style="list-style-type: none"> • judgement • initiative • analytical ability • expertise 	<p>Working environment</p> <ul style="list-style-type: none"> • knowledge of special working practices • breadth of management skill required
<p>Impact and influence</p> <ul style="list-style-type: none"> • efficiency • impact on customers • responsibility • results of errors 	<p>Financial responsibility</p> <ul style="list-style-type: none"> • budgeting

Source: elaborated by Humberto Rodríguez Torres 2008. Based on The New York Times Company., 2008.

Factor Comparison

Factor Comparison is similar to Points Rating, being based on an assessment of factors, though no points are allocated. Use of the Factor Comparison method is not as widespread as the Points Rating systems, because the use of points enables a large number of jobs to be ranked at one time (The New York Times Company., 2008).

The following is a guide (based on an article of The New York Times Company., 2008) which can be used in evaluating an employee's overall performance:

A. Support Staff

1. **Knowledge of work** - How well does the employee know his or her job? What level of technical knowledge does the employee demonstrate?
2. **Quantity of Work** - How does employee's production compare with that of others? Does employee display efficient use of time?
3. **Quality of Work** - Does the employee make frequent mistakes? Does employee's performance require constant supervision in order to ensure accuracy?
4. **Initiative** - Does employee volunteer for new assignments and responsibilities? Does employee initiate new methods or techniques?
5. **Dependability/ Responsibility** - Does employee consistently fulfil responsibilities? How reliable is this employee?
6. **Quality of Interpersonal Relationships** - Does employee create resentment in fellow employees? How tactful is employee when communicating with fellow employees? Does employee promote teamwork? Is employee cooperative with fellow employees and supervisors?
7. **Attendance** - How often is employee absent or late? Does the employee notify his/ her supervisor promptly when absence or tardiness occurs? How does the employee's attendance record compare with others?
8. **Punctuality** - Is the employee consistently prompt? Is there an impact on his/her job performance?
9. **Supervisory Ability** - Does employee exert a positive influence on others? Does the employee attempt to resolve problems at the local level?

Moreover, Professional Non-faculty and Administrative employees should be evaluated on predetermined and predefined goals and objectives. The supervisor should

identify projects, tasks and special assignments important to the employee's performance.

In addition, the employee will be rated in the following. In addition, the employee will be rated in the following areas:

10. **Job Knowledge** - Possesses the technical knowledge necessary to accomplish all job requirements. Understands the facts and information related to work assignment.
11. **Accomplishment of Objectives** - Contributes to goals of department/division. Responsible.
12. **Quality of Work** - Consider the thoroughness, accuracy and dependability of results of work.
13. **Productivity** - Meets deadlines, adapts to changes, and uses resources efficiently. Uses good judgment in establishing priorities.
14. **Initiative and Creativity** - Self-motivated, develops new methods and procedures.
15. **Interpersonal Relationships** - Motivates and develops others. Builds teamwork. Communicates with peers, subordinates and others. Cooperates with persons outside of department.
16. **Supervisory Skills** - Develops sound, practical solutions. Makes prompt decisions, accepts responsibility, and resolves disputes.
17. **Dependability** - Follows through to meet schedules. Makes sound decisions. Makes positive contributions. Consider reliability.
18. **Professional Contribution** - Contributions made on the part of the employee to the staff, students, university, community and state or region.

Organisations can develop a system (both analytical and non-analytical schemes) themselves, use consultants, buy a consultancy's off-the-shelf package, or employ the consultancy to tailor the package to suit the organisation.

Analysis

In the following table a summary of the possible solutions has been made:

Table 3. Analysis of Possible Solutions to Reduce Employee Turnover Rate

Action	Positive Consequence	Negative Consequence
Implementation of Hiring Process Tools	Ensuring that the right candidate is allocated in the right position and reducing the probability of candidates to incur in turnover, especially, during	The hiring process will take a long time and it will need more investment of resources

	the induction crisis Increase morale, reduces unrealistic expectations and frustration levels	It will be more difficult to find the right candidates as some other factors will be taken into account
Creating a Participative Environment	Employees will feel more involved with the organization, which will increase their commitment and will reduce its probability to incur turnover When employees perceive that their organizations show greater concern for their personal growth, they tend to experience a positive emotional state.	Tendency that employees feel more empowered and indispensable to the organization
Implementation of Knowledge Management programmes	They feel tied to organizational objectives that are intended to achieve specific outcomes, such as shared intelligence, improved performance, competitive advantage, or higher levels of innovation.	Lack of accessibility and poor induction of the use of information
Access for Apprentices to enter the Organization	It increases motivation on interns as well as their commitment to the organization. It is beneficial to organizations as interns can become more participative in the organization and suggest the implementation of new organizational procedures and managerial strategies Reduces cost of hiring process	Access and misused of privilege information. Possibility of apprentices' bad performance.
Conduction of an Exit Interview	Get feedback from employees that can help to build image of how employees see the organization, its procedures and the employers.	Answers can be unreliable or unrealistic
Implementation of evaluations on job performance	It increases motivation on employees as well as productivity	It is difficult to measure performance Tendency to promote a employee according to their performance even if he or she does not fit in the position

Source: elaborated by Humberto Rodríguez Torres 2008. Based on O'Connell & Kung, 2007; Chapman, 2005; Fairburn & Malcomson, 2001; Gurtner, Monnard, & Gorga, 2008; The New York Times Company., 2008.

Resolution

According to the analysis of the possible solutions it can be inferred that all the actions mentioned before are important to implement in order to reduce high employee turnover. However, there are some actions that should be carried out in the short-term with the purposes of reducing the problems that Accor's hotelier complex has been facing such as loss of customers portfolio, loss of highly productive employees, lack of communication

with employees, employees dissatisfaction with managerial style and misunderstandings on instructions and low performance.

Here, I present the final resolution of the possible solutions in a hierarchical way, according to the order of importance:

1. It is important to ensure the creation of some knowledge management programs like employees-oriented forums, within the complex or in the complex's website, where they can exchange ideas, shared experiences, tips and solutions of tasks related issues.
2. Furthermore, managers should apply a more flexible, approachable and comprehensive managerial style in order to reinforce good communication among employees and employers, creating a more participative environment where employees can be involved in achievement of organization objectives which increase commitment and shared vision.
3. Employers should take more notice and follow apprentice's process, as they can become an important source of employees, reducing cost of training and hiring expenses, as well as, improving many areas of the company, imprinting innovation, morale and high innovation.
4. Another action that should be employed is the implementation of evaluation schemes on job performance and abilities, in order to facilitate promotions of employees, addressing the coherent allocations according to good performance and employee ability that fits the new position which will lead to a reduction of

unrealistic expectations, dissatisfaction and produce increased self realization and motivation, as well as, organizational recognition.

5. Last but not least, it is important to conduct a final interview to employees that have decided to renounce from their job, in order to get some feedback and address possible problems that were not taken into account that they perceived.

Recommendations

It is important take some measures to ensure success of these actions. Therefore managers have to decide meticulously what kind of issues employees should take part in and what kind of issues they should not. Otherwise, there will be an intrusion by employees in many corporative issues that can lead to a conflict of power.

On the other hand, it is necessary to create a well-organized induction program for employees & apprentices for more profitable use of knowledge management programs that will be reflected on their job performance.

Moreover, it is imperative to create a functional evaluation scheme to measure performance, taking into account problem resolving, efficiency, time, etc; and the employees' abilities to solve problems, reconcile and notice the kind of relationship he/she has with their colleagues to verify how capable he/she is to fulfil the new positions requirements.

Finally, employers should give significant attention to exit interviews as it can become an important source to get realistic feedback from employees and the image of the organization. Therefore it is important to carefully elaborate questionnaires and be impartial and neutral at the time of interviewing.