The impact of training and development on retention of seasonal staff

Chaita Aikaterini and Kalfoglou Despoina

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Student Name: Chaita Aikaterini
SID: 1109170001

Student Name: Kalfoglou Despoina
SID: 1109170012

Supervisor: Dr. Alexandra-Paraskevi Chytiri

We hereby declare that the work submitted is ours and that where we have made use of another’s work; we have attributed the source(s) according to the Regulations set in the Student’s Handbook.

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Abstract

The tourism and hospitality industry in Greece play a significant role in the whole economy, therefore, challenges of the industry have to be addressed. As the industry is highly dependent on employees, Human Resources Management (HRM) techniques are essential in recruiting, training and retaining employees in the industry. The dissertation researched the question if training and development opportunities can contribute positively to retention. The basic assumption of the paper was that training and development opportunities provided for seasonal staff positively influence retention rates and decrease turnover. The dissertation examined the question through a literature review and a primary researched that put a management company, Hip Hospitality, in focus. The paper concluded, that despite the literature strongly suggest, that training and development opportunities increase motivation and engagement and through this it contributes to better retention rates in practice, Hip Hospitality lacked a centralized training and development plan, but returner employees still displayed satisfaction regarding the topic. Therefore, it is concluded that the lack of organized training and development programs does not necessary decrease the motivation of employees.
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1. Introduction

For industries, which are highly dependent on the performance of the workforce, Human Resources (HR) became an essential tool for finding the suitable employees. The HR personnel not only help finding the suitable employees, but also ensuring that the employee stays with the company and provide the best possible performance. Therefore, the examination of different HR strategies and tools is essential for professionals in order to identify best practices.

The dissertation addresses this field by focusing on the possible improvement of one HR process, namely retention. It is a challenge for businesses to keep employees on the long-term, whose experience and process knowledge cannot be substituted and which is lost for the business if the employee resigns. However, in some cases, it is difficult for HR personnel to justify spending on activities, which are spent on retention.

According to the Benefits of Management Training Programs, HR departments have been searching for proof that they were getting a significant return on investment (ROI) since the early 20th century when they were called “Personnel” departments. HR departments have been working to justify their expenditures for employee training to upper management and to accountants so they could continue designing the programs they intuitively believed were essential (Choi & Dickson, 2009). However, employee turnover makes it difficult to HR department to justify investment in the development of employees. This justification is even more challenging in case of industries, where turnover rates are high.

The tourism and hospitality industry is such an industry and in the industry, the performance of businesses is also dependent on the performance of the employees. The dissertation focuses on the tourism and hospitality in Greece as the country is a world widely known tourist destination. On the one hand, the tourism and hospitality industry is one of the biggest industries of the Greek economy and in recent years has served to shore up the Greek economy against the recession and functioned as a powerhouse to reduce unemployment. But on the other hand, tourism industry is seasonal in Greece, which also makes employment rates dependent on the season (Ikkos & Koutsos, 2019). This seasonality also has a negative impact on employee retention, as seasonal workplaces are considered to be unattractive and unstable by employees (Krakover,
Therefore, justifying investment on training and development programs for seasonal workers could be even more challenging to HR professionals.

This study aims to contribute to existing research on the involvement of employee training and development in improving retention rates. The main aim of our dissertation is to examine the importance of training and development of seasonal staff and how this can affect turnover in hospitality industry in Greece. The research question of the dissertation is if training and development opportunities can contribute positively to retention. We assume and we stem from there that training and development of seasonal workers can increase retention rates as it is considered as an important motivational factor for seasonal workers.

In order to examine the question, the thesis chose to examine the company Hip Hospitality, which is one of the biggest hotel management companies in Greece. As being the market leaders in hotel management and having 470 seasonal employees, Hip Hospitality can also reflect on the issues of the Greek hospitality industry as well.

The thesis begins with a literature review, which presents the issue of. It also explores the literature in employee retention, emphasising on the link with high turnover prevention. Moreover, training and development and its contribution to employee retention are explored in the literature. It is followed by a chapter, which describes the methodology and the different methods used in the research.

The second part of the dissertation includes the presentation and analysis of HRM practices of Hip Hospitality. Firstly, observations related to the company are presented and their practices regarding HRM and retention are described and analysed. Secondly, a primary research was carried out in a form of a survey, which surveyed the satisfaction and attitudes of employees at Hip Hospitality in order to see their attitude towards training and development and also to see how the company approaches the question.

The thesis closes by summarizing the findings of the literature and the primary research and also makes recommendations on how Hip Hospitality can improve employee motivation through training and development in order to decrease turnover rates.

2. Literature Review

2.1. Introduction – Overview of the tourism and hospitality industry
Based on the latest annual report of the World Tourism Organization (UNWTO), the tourism and hospitality has been showing constantly growing tendencies since 2010 (UNWTO, 2018). International arrivals reached the number of 1,323 million globally in 2017 and compared to the previous year, arrivals increased with 84 million (UNWTO, 2018, p. 10). The number of arrivals also suggests that the industry has a significant global impact as well. The industry shares 10.4% of the global GDP and provides more than 319 million jobs, which makes up 10% of the global labour market (WTTC, 2018, p. 6).

In Greece, tourism and hospitality industry is one of the major industries and it is not only significant due to its share in the economy, but also because the industry remained the strength of the Greek economy during the period of recession, providing seasonal and permanent jobs (Ikkos & Koutsos, 2019, p. 4). In 2018, Greece welcomed 30.1 million tourists, which generated € 15.9 billion in revenue (Ikkos & Koutsos, 2019, p. 5). Moreover, the tourism sector is one of the few areas to draw the interest of investors and as a result of its significance; it could function as a key driver of growth in Greece (Ikkos & Koutsos, 2019, p. 2). In 2018, the industry reached a growth of 6.9% while the overall economy only performed a growth of 2%, meaning that the area of tourism and hospitality grew three times faster than the overall economy (WTTC, 2019, online). Due to the dispersion of tourist destinations across Greece, tourism and hospitality play a crucial role in the national income in many of the country's regions. However, tourism and hospitality is intensely seasonal due to the fact that Sun & Sea holidays, which make up the largest European product market, are also Greece's main tourism product (Ikkos & Koutsos, 2019, p. 4). This is also reflected on the dispersion of arrivals and revenues: 80.2% of arrivals and 84.4% of revenue was recorded during the high season, between April and September in 2018 (Ikkos & Koutsos, 2019, p. 5).

Due to its size and significance, the continuous development of the tourism and hospitality industry in Greece is in the focus of researchers and academics. The industry faces several challenges, such as structural issues, the lack of centralized planning and analysis or the oversupply of product and services (Buhalis, 2001, p. 473). From a human resources perspective, one of the major challenges for, not just in Greece but, globally is the high turnover rates in the industry. The following chapter presents how turnover impacts the industry and what consequences it has on the performance of businesses.
2.2. The issue of turnover

In the competitive business environment, employee retention and turnover is a major focus for companies. As it was already mentioned before, turnover is a considerable issue for businesses and businesses in the tourism and hospitality industry are no exemptions. Price (2001) defined turnover as “the movement of members across the boundary of an organization” (p. 600).

Before elaborating further on the significance of turnover for businesses, it has to be highlighted that the dissertation primarily discusses voluntary turnover and not involuntary turnover. The major difference between the two is that while in the first case, employees leave the company based on their own decision in the second case employees are let go by the company (Price, 2001, p. 601). While the area of involuntary turnover is not essentially in the focus of researchers, the research on the root causes, prevention and impact of voluntary turnover are one of the most researched topics of human resources management (HRM) (Morella, Loan-Clarke, & Wilkinson, 2004, p. 163).

The following chapter discusses the significance of turnover, the different root causes identified by the already existing literature and also presents the case of Greece.

2.2.1. Definition and significance of turnover

First of all, employee turnover has significant costs for the organization. Recruitment time and expenses, separation costs, training costs and ramp-up time all contribute to the additional costs of replacing an employee (Price, 2001, p. 603). However, studies differ on the extent employee replacement can impacts on the organization. The study of Porter (2011) found that the costs regarding the recruitment of a new employee can generate additional extra costs for the company which make up between 50 and 100 % of the salary of an employee (p. 57). But the study of Allen, Bryant and Vardaman (2010) estimated higher costs and calculated, that the additional costs emerging from recruitment of a new employee can be between 90 and 200 % of the salary of an existing employee. The While Porter (2011) focused on entry-level positions, Allen, Bryant and Vardaman (2010) also included higher-level positions in their study. Therefore, the costs of turnover are higher when it comes to replacing more experienced employees in higher positions based on the comparison of the above-mentioned studies.

Secondly, the voluntarily leaving of an employee also has an impact on the social
cohesion of the organization. On the one hand, it can demotivate employees, who remain with the company and make them feel uncomfortable for not pursuing better opportunities outside the organisation (Gawali, 2009, p. 141). On the other hand, if an employee leaves the company who was popular among his or her peers it can also decrease working moral, which can even lead to other employees considering resignation. (Batt & Colvin, 2011, p. 695). However, according to Surji (2013), managers can minimize the negative impact of a resignation on other employees (p. 63). It is the responsibility of managers, to maintain good moral in the team and ensure that the cohesion of the team remains intact. Although financial impacts are hard to minimize in case of turnover, the maintenance of high moral and motivation can be sustained by good management if managers are specifically focused on the impact of turnover on employees (Surji, 2013, p. 64).

Thirdly, turnover also contributes to the loss of knowledge at the organization. On the one hand, the loss of a team member can cause a gap in knowledge, which decreases the performance of the team and overall can contribute to the deterioration of the performance of the overall business (Ton & Huckman, 2008, p. 56). However, this impact can be minimized by managers through managing handover and providing additional education for the employees (Trequattrini, Massaro, Lardo, & Cuozzo, 2019, p. 69).

Additionally, turnover also influences the quality of customer service negatively (Curtis & Wright, 2001, p. 56-57). When employees who are directly facing the customers loose their motivation, the quality of the service employees provide of the customer decreases. This is especially important in case of the tourism and hospitality industry, because good customer service is essential in the industry to retain guests Curtis & Wright, 2001, p. 58). When the quality of customer service decreases, the dissatisfaction of guests increases, which can have a direct negative impact on revenue (Heavey, Holwerda, & Hausknecht, 2013, p. 451).

The above mentioned negative impacts of turnover are not industry dependent, however, there are studies, which support that these impacts can be observed also in the tourism and hospitality industry as well. The study of Davidson, Timo and Wang (2010) and the study of Tracey and Hinkin (2008) both proved that turnover creates additional costs for businesses in the industry. This can cause major problem for hotels, which are workforce dependent because premature turnover may waste the investments on workforce
development (Beckert & Walsh, 1991, p. 38). As it was already mentioned, customer satisfaction is especially important in the tourism and hospitality industry as dissatisfaction of customers can lead to loss of revenue. Denvir and McMahon (1992) emphasized that new employees not only lack knowledge on the hotel and therefore can seem less professional in the eyes of the customer but can also cause inconveniences for regular customers (p. 143-144). But also in this case, management has an important role in managing turnover. On the one hand, if managers assist in the training in the employee the negative impacts arising from unfamiliarity can be minimized and, on the other hand, management can also maintain the positive attitude of the staff (Iverson & Deery, 1997, p. 80-82). Consequently, the role of managers and leadership are important in managing the negative impacts of turnover.

2.2.2. Root causes of turnover

The previous chapter presented the significance of the examination of turnover and the negative impacts it can have on individual and organisational performance. This chapter explores the various reasons behind voluntary turnover, to discover why employees decide to leave their jobs.

Grotto et al. (2017) compared the different theories, which addressed the different indicators that could influence turnover. The below figure illustrates the most well known theories concerning turnover, which are elaborated on in the chapter.

Figure 1. History of influential turnover models

Source: Grotto et al., 2017, p. 446
The first major model was the model of March and Simon (1958) who approached the topic from a rationale perspective. Their most important assumption was that employees base their decisions on rational choice and would begin to consider leaving the company if they perceive that the effort put into work and the benefits received are not in balance. Mobley (1977) extended the model of March and Simon (1958) and introduced job satisfaction to the model, creating the intermediate linkages model. Mobley argued that employees would began to consider leaving the company if the level of satisfaction begins to decline and make the decision to leave when it reached a certain point. Job satisfaction can be designed as satisfaction ‘with the intrinsic and extrinsic aspects’ of the job (Tongchaiprasit & Ariyabuddhiphongs, 2016, p. 33). However, these models only considered the decision of the employee and based their theory on the level of satisfaction, not including internal factors. Also, these models did not examine the indicators thoroughly, which could change job satisfaction.

Job satisfaction is still in the focus today and used as an indicator of turnover. There are several studies, which examine the connection between turnover and job satisfaction in the tourism and hospitality industry in different contexts: in hotels (Tongchaiprasit & Ariyabuddhiphongs, 2016; Nadiri & Tanova, 2010), in casinos (Chan, Wan, & Kuok, 2015) or in restaurants (Ghiselli, La Lopa, & Bai, 2001). The common in these studies is that all conclude that job satisfaction is linked to turnover and unsatisfied employees would eventually leave their job. But despite several studies on the strong linkage between job satisfaction and turnover, models defining the indicators that impact job satisfaction were missing.

Expanded turnover models introduced new indicators during the 1980’s, which influence the decision of employees such as the availability of jobs on the labour market, organizational commitment, and other environmental indicators. Price (2001) introduced exogenous variables (environmental, individual and structural variables) and endogenous variables (job satisfaction, organizational commitment, intention to stay and job search behaviour). These variables all contribute to the employee leaving or remaining in at the company. Overall, it can be said that expanded turnover models recognized the complexity of turnover and began to focus on a set of indicators instead of just job satisfaction.

During the 1990’s a change emerged in the approach of examining turnover. While previous models approached turnover fundamentally on the basis that employees made
rational decision based on different indicators, unfolding models of the 1990’s introduced push and pull factors. These models were the first ones, which did not look at turnover as a linear phenomenon, but as a dynamic variable. Lee and Mitchell (1996) created their unfolding model of turnover and tested it on hospital nurses who decided to leave their job. The data supported their assumptions that individual indicators also play a significant role in the decision of the employee to leave their job and individuals go through different psychological processes while making their decision.

In the early 2000’s another major change emerged in examining turnover. Researches began to focus not on what make employees leave the company not on the factors that would motivate them to remain. These studies collected the indicators that influence employees to stay in their position. The last stage of turnover models is called as turnover and control by Grotto et al. (2017, p. 450-451). These studies highlighted the role of management and the organization in influencing employees in leaving or staying. Maertz et al. (2007) highlighted that policies of an organization that focus on increasing employee engagement and motivation can decrease turnover rates, while Long, Perumal, & Ajagbe (2011) argued for the responsibility of direct management in focusing on individual needs and motivation to increase employee retention.

Based on the negative impacts of turnover, it can be argued that turnover can have a significant influence on individual and organisational performance, therefore, the management of turnover is a challenge for companies. The following chapter focuses on turnover specifically in Greece and presents how and why turnover poses a challenge to the Greek tourism and hospitality industry.

2.2.3. **Turnover – the case of Greece**

From the discussion regarding the negative influence of turnover, it can be argued that it is a challenge for businesses to minimize the impact of turnover in order to prevent the realisation of such negative impacts. Companies in Greece have the same struggles regarding turnover, just as any other companies. In a 2019 survey carried out by Randstad, companies were asked to mark their main challenges from an HR perspective.
Figure 2. HR challenges for Greek companies

<table>
<thead>
<tr>
<th>major human resources challenges</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>increasing performance and productivity</td>
<td>43.8%</td>
<td>40.4%</td>
</tr>
<tr>
<td>attracting talent for the next phase of growth</td>
<td>36.5%</td>
<td>35.8%</td>
</tr>
<tr>
<td>retaining top performers</td>
<td>36.5%</td>
<td>35.1%</td>
</tr>
<tr>
<td>managing expectations on compensations package</td>
<td>30.1%</td>
<td>29.8%</td>
</tr>
<tr>
<td>avoid losing top talent to competitors</td>
<td>21.1%</td>
<td>29.6%</td>
</tr>
<tr>
<td>shortage of local talent</td>
<td>24.0%</td>
<td>26.8%</td>
</tr>
<tr>
<td>creating an open and flexible environment</td>
<td>35.3%</td>
<td>26.6%</td>
</tr>
<tr>
<td>developing talented leaders</td>
<td>22.8%</td>
<td>24.9%</td>
</tr>
<tr>
<td>employer branding</td>
<td>23.2%</td>
<td>24.0%</td>
</tr>
<tr>
<td>managing skill shortage</td>
<td>21.7%</td>
<td>21.7%</td>
</tr>
<tr>
<td>managing internal change programs</td>
<td>18.8%</td>
<td>18.0%</td>
</tr>
<tr>
<td>keeping employees well informed</td>
<td>19.0%</td>
<td>17.1%</td>
</tr>
<tr>
<td>internal/external mobility</td>
<td>9.2%</td>
<td>12.0%</td>
</tr>
<tr>
<td>workplace inclusivity (e.g. diversity, transparency)</td>
<td>6.7%</td>
<td>4.6%</td>
</tr>
<tr>
<td>other</td>
<td>1.5%</td>
<td>0.9%</td>
</tr>
<tr>
<td>none of the above</td>
<td>0.6%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

Source: Randstad, 2019, p. 10

Issues regarding retention and turnover were marked as main concerns. Attracting talent was ranked as the second main challenge for companies while retaining top performers ranked as third and avoiding losing top tales ranked as fifth. Overall, from the top five challenges for companies three actually concerned employee retention and attraction. 15.5% of the surveyed companies reported to expect higher turnover rates than in the previous year (2018), while 59.1% expected that their turnover rates would be similar in 2019 as in 2018 (Randstad, 2019, p. 21) Although the survey of Randstad focused on the Greek economy as a whole and all industries, the study of Chalkiti and Sigala (2010) found that the tourism and hospitality industry faces the same challenges and tendencies regarding turnover in other industries (p. 35).

As it was already presented before, the tourism and hospitality is one of the largest industries in Greece, generating € 15.9 billion in revenue (Ikkos & Koutsos, 2019, p. 5).
The industry has a key role in the Greek economy and is one of the most profitable industries of the country (Ikkos & Koutsos, 2019, p. 5).

Figure 3. The Greek tourism and hospitality industry 2017-2018

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>% Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues (m €)</td>
<td>14,203</td>
<td>15,864</td>
<td>11,7%</td>
</tr>
<tr>
<td>Overnight stays (th.)</td>
<td>209,855</td>
<td>227,012</td>
<td>8,2%</td>
</tr>
<tr>
<td>Arrivals (th.)</td>
<td>27,194</td>
<td>30,123</td>
<td>10,8%</td>
</tr>
<tr>
<td>Length of Stay (days)</td>
<td>7,7</td>
<td>7,5</td>
<td>-2,3%</td>
</tr>
<tr>
<td>Spend per Person (€)</td>
<td>522,3</td>
<td>526,7</td>
<td>0,8%</td>
</tr>
<tr>
<td>Spend per Night (€)</td>
<td>67,7</td>
<td>69,9</td>
<td>3,3%</td>
</tr>
</tbody>
</table>


As the above table shows, the industry managed to increase its performance. Overall revenue increased by 11,7 %. This increase is mostly due to the increased number of arrivals (10,8 %) as spend per person (0,8 %) did not increase significantly. Also the number of average nights tourists spent in Greece decreased from 7,7 days to 7,5, however, tourists spend more by 3,3 % per night.

But the industry is not only important from the perspective of revenue but also from the perspective of employment.

Figure 4. Employment in the tourism and hospitality industry 2017-2018

Source: Ikkos & Koutsos, 2019, p. 17.
On the one hand, Figure 3 shows that employment in the tourism and hospitality industry is seasonal. Season begins in Q2 (April) and ends at the beginning of Q4 (September). This is also reflected on employment numbers, which peak in the industry in Q3 (High season). However, if quarters are compared, a slight increase can be detected in employment rates from 2017 to 2018.

Seasonality in the industry poses a distinguishable challenge compared to other industries. In the case of Greece, seasonality means that most actors of the industry (hotels, bars etc.) operate from April until October in the country, when summer weather conditions attract tourists. However, seasonality makes positions unattractive for job searchers as it is considered unstable and workers in the industry do not consider long-term engagement with their current employers in most cases (Krakover, 2000, p. 456).

In Greece, the industry similar issues in terms of turnover as the global tourism industry: the loss of knowledge, increased costs of recruitment and lack of motivated employees (Chalkiti and Sigala, 2010, p. 38). However, managers consider that the main issues, which make employees leave, are out of their hands and they do not have influence on turnover (Chalkiti and Sigala, 2010, p. 35). This way of thinking is opposed to previous findings, which suggest than HRM can contribute to employee retention and suggest that HR managers do not focus on turnover strategies.

After overviewing the consequences turnover can have on businesses, its root causes and the case of tourism and hospitality in Greece, the following chapter provides an overview on employee retention theories.

### 2.3. Employee motivation theories

The negative influence turnover can have on businesses and the possible causes of turnover were already presented. It was argued that turnover is a considerable issue for businesses. And as it could be seen through the example of Greece, turnover is a significant issue in the Greek tourism and hospitality industry. HRM has an important role in preventing employees leaving the company, as it can tackle the issues, which concern employees (Long, Perumal, & Ajagbe, 2012, p. 61). The following chapters look at the possible ways employees can be retained and at the different theories related to retention.

#### 2.3.1. The Maslow’s hierarchy of needs applied to business
As turnover was recognized as an issue in business and HRM, theories emerged whose aim was to reflect on these issues and to make an attempt on establishing techniques, which would help businesses retain employees. One of the most well-known management theories, which is related to retention, is the theory of Abraham Maslow, which was created in 1943, but remained influential up until today. Although the theory initially emerged in the field of psychology, today it is used in sociology, business management and also in HRM, however, it has to be highlighted that the model only applies in western type societies based on competition but not in collectivist societies, for instance, because the perception of society regarding work and needs are fundamentally different in these societies. (Gambrel & Cianci, 2003, p. 158).

The hierarchy built by Maslow is best presented in a pyramid form as it is depicted in figure 5.

*Figure 5. The Maslow pyramid of the hierarchy of needs*

![Maslow pyramid](image)

*Source: Self-edited based on Maslow, 1943*

Maslow distinguished between five basic human needs in his theory. Needs are understood “*as a circumstance in which something is necessary, a thing that is wanted or required*” (Rodrigues & Rosales, 2011, p. 1030). Individuals can have different needs based on their individual circumstances. As it can be seen in figure 5 the different needs are built on each other, which reflects the fact that, according to the theory of Maslow, higher needs can only emerge if basic needs are satisfied. The first human need is among *physiological needs*, which are the foundation of the pyramid. This layer includes needs which are the conditions of human survival, such as water, nutrition, sleep, health, clothing or housing. The second group is *safety*, which considers the physical and mental
security of the individual and emerges when physiological needs are fulfilled. Safety in this case does not only mean being free from physical threat but it also includes economic and emotional well-being. Examples which are present in this category are job security, being free of the threat or wars or crime. The so-called love needs follow safety needs. This layer includes the need for feeling and being loved, affection and to belong somewhere from a social perspective. As Maslow himself summarized it this needs are the ‘most commonly found core in cases of maladjustment and more severe psychopathology’ (p. 379).

The fourth layer of the pyramid includes esteem needs. These needs include self-respect and self-esteem but not only from the individual but also from society. Because of esteem needs, individuals aspire to get their work recognized and acknowledged and to build a reputation for themselves. On the top of the pyramid, there is the need for self-actualization. This means that the individual should fit the life situation he or she is in in order to be satisfied and motivated.

The relevance of Maslow’s theory in management in retention is based on the idea that employees, whose needs are satisfied, would perform higher and would be more loyal to the organization (Rodrigues & Rosales, 2011, p. 1030). Organizations have to consider the status in which are the needs of the employees and help them to maintain or increase the fulfilment of their needs.

#### 2.3.2. Herzberg’s motivation theory – two-factor theory

The two-factor theory or motivation-hygiene theory was created by Frederick Herzberg. It is closely connected to the theory of needs developed by Maslow, as it is founded on the same assumption, that the needs of individuals are built in a hierarchy and the fulfilment of certain needs are more essential than others. A main difference between Maslow and Herzberg is, that while Maslow examined and understood needs in everyday life, Herzberg focused his model already in the workplace.

Herzberg distinguished between two sets of factors, which can increase and decrease the motivation of the individual independently. Figure 6 illustrates the two set of factors.

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*Figure 6. Herzberg’s motivation factors*
The first set of factors is called motivators or motivating factors. These factors, if present, can increase the motivation of the individual, which also increases engagement and performance. These factors can include recognition, possibility to grow as an individual and a professional, engagement in decision-making or a challenging work.

On the other hand, the second set of factors are defined as hygiene factors. These factors include basic needs for individuals, such as salary, good management, good relationship with colleagues, job security, benefits and good and safe working conditions. In case these factors are missing, employees can become demotivated, which decreases their level of engagement towards the company and can also decrease performance.

Based on the two set of factors, Herzberg also distinguished between four scenarios, which are summarized below (figure 7).

As it is also presented below, the first scenario where the level of motivation and also the level of hygiene factors are high. This is the most ideal situation and this scenario, which management and companies should aim to create for their employees. In this scenario, employees are highly motivated, have only a negligible number of complaints, which can be easily resolved. In this scenario, as the motivation of the employees is high, their level of performance and engagement can be expected to be high as well.

The second scenario is when hygiene is high but motivation factors are low. In this case, employees have their fundamental needs fulfilled, such as a competitive salary or a well-equipped office for example, therefore, employees do not complain about these issues. However, if motivation factors are low, employees are not as engaged and motivated as the employees will not show interest in their work, due to the lack of challenges, responsibility or ownership for example.

The third scenario is the opposite of the previous one, when motivation factors are high but hygiene factors are low. In this case, the individual enjoys work and is motivated to perform at a high level but as the fundamental needs of the individual are not met, the employee has several complaints and requests towards the management.

The last scenario, which is rather inconvenient from the perspective of motivation and engagement, is when hygiene and motivation factors are both on low levels. In this case, employees can complain about their circumstances and also are not motivated to do their jobs properly. This situation can also lead to the employee leaving the company.

The model of Herzberg has been tested in several industries. The study of Bassett-Jones and Lloyd (2005) examined the relevance of the study. As the theory was created in the 1950s’ it is important to reevaluate its validity from time to time, as work environment has
significantly changed ever since. Bassett-Jones and Lloyd (2005) found that the factors are still present on both the motivation and hygiene side, however, the importance of salary and motivation decreased throughout the years and factors which relate to 'intrinsic satisfaction' became more important.

Lundberg, Gudmundson and Andersson (2009) tested the two-factors theory on seasonal workers in the hospitality industry and found based on the empirical observations that the theory is still valid today and also in the hospitality environment (p. 896). The main motivations of employees were the fulfilment of higher needs and indicators such as wage and benefits proved to be less significant.

2.3.3. Vroom’s Expectancy theory

Expectancy theory was created by Victor Vroom in the 1950’s. The theory of Maslow and Herzberg focused on the definition of fundamental needs and their fulfilment. Although motivation and engagement related to motivation was already mentioned at the theory of Herzberg, it is the theory of Vroom, which actually focuses on the consequences of the fulfilment or non-fulfilment of needs. Similarly to Herzberg, Vroom created his theory to examine the working environment specifically. His basic assumption of Vroom is that employees are able to consciously decide their behaviour based on three variables, which are *expectancy*, *instrumentality* and *valence* and the combination of these variables shows the strength of motivation (motivation force) as well.

*Figure 8. Theory of expectancy* 

Expectancy is the variable, which shows what the individual expects from his or her own performance or to put it another way is if the employee believes if his or her efforts will lead to good performance. Companies can motivate employees to increase their self-confidence through providing them modern tools, guidance and continuous trainings to increase their knowledge. Also, there are some fundamental conditions, which have to be fulfilled for the employees to be able to see the result of their efforts, which are the availability of resources, appropriate skills and managerial support.

The second variable in the theory of Vroom is instrumentality. This is the belief of the employee that in case of hard performance, good results will be rewarded and recognized. The reward of reaching results can be different and it also depends on the needs of the individuals. Rewards can include financial rewards (salary raise, bonuses) and also non-financial rewards (recognition, awards). Just as in the case of expectancy, instrumentality has also some basic conditions in order to motivate the employee. First, the employees have to be aware of the reward they might receive in case of good performance and clear rules have to be set. Secondly, employees have to trust management to be fair when rewarding people and thirdly, transparency has to be showed towards employees by the management to ensure fairness.

The third variable is valence, which is how important the employee considers the outcome of his or her own work. If a person considers the goals of the company and his or her individual goals, the individual will make more effort and have a higher performance but it also has the opposite influence.

The three variables are built on each other and are in an order. The first order is effort, performance expectancy. This is the ability of the individual that he or she can assess if his or her efforts lead to a certain performance that is required to reach results. The second order is performance, outcome expectancy, which is the ability of the individual assess the outcome of his or her performance (Vroom, 1964). If based on the assessment of the employee the outcome is favourable, the employee will put more effort to his or her performance. However, if the expected outcome in not received, firstly, the employee becomes demotivated and the lack of motivation eventually can lead to the resignation of the employee (Vroom, 1964).

2.3.4. Mitchell et al’s job embeddedness theory
The theory of Mitchell et al (2001) belongs to the theories that emerged in the early 2000’s and began to apply a different approach on how to retain people. The previous three theories focused on the psychological processes employees go through until they make a decision to leave. However, Mitchell et al (2001) placed the focus on the indicators, which make an employee stay and did not focus on the psychological process. Job embeddedness “represents a broad constellation of influences on employee retention” (Mitchell et al, 2001, p. 1109). In their model, Mitchell et al (2001) distinguished between three critical aspects.

The first one is the so called links, which are “formal or informal connections between a person, and institutions or other people” (Mitchell et al, 2001, p. 1110). Links include work and also non- work related relationships that an individual has and also the different types of connections in and outside of work with colleagues, friend or family, which can be emotional, economic or social. The more links a certain individual has, which are directly related to his or her job, it is more likely that the individual will not consider leaving the company.

The second aspect is fit, which presents “the extent to which their job and community are similar to or fit with the other aspects in their life space” (Mitchell et al, 2001, p. 1109). It describes the perception of the individual on how compatible the individual considers him or herself with the community and how comfortable the individual feels living and working in the community.

The third aspect is sacrifice, which considers “the ease with which links can be broken--what they would give up if they left” (Mitchell et al, 2001, p. 1109). This aspect shows how much sacrifice an individual would have to make, financial, social or other kind, if the individual would leave the job. This can mean sacrifices such as losing possible promotion, colleagues who became friends or simply the well- known environment.

According to the theory, the more embedded an individual is, it is less likely to consider leaving the company because in this case, job satisfaction and organizational commitment also remain high. However, these attributes not only matter in case of the workplace but also outside of work. Figure 9 summarizes the different aspects related to work and also to society.
Job embeddedness theory has been tested in different environments and its different impacts as well. Opposed to Maslow’s theory, it was found that job embeddedness theory is applicable in societies with different cultural backgrounds as it was observed in case of collectivist and individualistic societies as well (Ramesh & Gelfand, 2010, p. 807). Job embeddedness was also examined in relation to employee performance. The study of Nafei (2015) proved that high job embeddedness has a positive impact on employee performance, moreover it decreases organisational cynicism. The study of Sekiguchi et al (2008) also supports that high job embeddedness increases performance and decreases the possibility that the individual would leave the company. However, their study also argued that leadership can influence job embeddedness negatively and positively as well.

The chapter presented the different retention theories and development on the changes of the different factors, which can increase and decrease the motivation of an employee. Motivation is a key factor in preventing turnover. On the one hand, highly motivated employees do not consider leaving the company. On the other hand, the lack of motivation of an employee can make the employee consider resignation (Long, Perumal, & Ajagbe, 2012, p. 63). The following chapter explains how training and development fits into these theories and what the role of training and development is in the tourism and hospitality industry.

2.4. Training and development as a source of retention

The previous theories presented focused on several aspects of how an individual can be motivated and where motivations are rooting. This chapter focuses on training and development only and its relevance in motivating employees.
When it comes to the theory of Maslow, training and development can serve as a source of motivation and engagement when needs are focused on the upper two layers and the fundamental needs are satisfied thus the need of satisfaction of higher needs emerges. However, the study of Benson (2003) used the pyramid created by Maslow and concluded that training and development can help satisfy needs on several levels. On the one hand, it can enhance security needs, as training can increase the confidence of employees in using the tools, programs and other equipment relevant to their work. As their confidence increases, the awareness of the employee on the level of his or her performance also increases. Consequently, employees can judge their performance, and if they judge their performance as satisfying, it increases their feeling of job security. It makes them feel secure and it increases their confidence and their feelings regarding job security. Also, training can help to satisfy the needs of self-esteem not just because it increases confidence but because it also improves self-efficacy, which also increases the performance of the individual (Lunenburg, 2011).

In case of the theory of Herzberg, training and development opportunities are considered as motivating factors; therefore it is assumed that their presence increases motivation. The study of Tabassi et al (2012) argued the same and found that training and development opportunities serve as motivators at the workplace and their presence can enhance performance. Moreover, the study of Pangesti et al (2013) found that at companies where training and development programs are in place, job satisfaction is higher as there are more motivating factors present.

In case of Vroom’s expectancy theory, training and development has to be separated slightly. Training opportunities and participation in training opportunities appear on the effort level, while development opportunities are perceived as rewards. Employees are more likely to take advantage of training opportunities if they consider it rewarding (McEnrue, 1989). But concerning development, Chiang and Jung (2008) argued that development opportunities can increase the effort the individual is willing to put towards the company or into its work.

At first sight, it is not completely clear how training and development can fit into the job embeddedness theory of Mitchell et al. however; both can increase embeddedness with regards to fitness on the job. Training possibilities can make the job more interesting and help to equip employees with the necessary tools to carry out their work, which can increase their feeling of fitness for the job (Holton, Mitchell, & Lee, 2006). The study of
Bergiel et al (2009) focused on the development and promotion with regards to job embeddedness and found that opportunities increase embeddedness in the context of fitness and sacrifice as well.

### 2.4.1. Training and development in the hospitality industry

The previous chapter explained how training and development fits to the examined turnover theories. However, in order to more efficiently support the idea that training and development in the hospitality industry can decrease turnover, this chapter focuses on the empirical application of these theories. There are several studies, which measured the impact of training and development in the hospitality industry.

Bharwani and Butt (2012) explored the impact of training in development based on business performance and argued, that for business in the hospitality industry it is essential to introduce training and development programs for two main reasons. On the one hand, these programs can enhance business performance through increasing service quality and on the other hand, such programs also increase the loyalty of the employees.

Costen and Salazar (2011) examined the influence of training and development on job satisfaction, loyalty towards the company and the employees’ intent to stay within the lodging industry in the United States and came to similar conclusions as Bharwani and Butt (2012). In case of all the four examined lodging companies, Costen and Salazar (2011) found that those employees who perceive training and development possibilities as a new opportunity to earn skills, which can further their career are more satisfied with their jobs and therefore, more loyal and as a consequence, less likely to leave the business.

The previously mentioned studies mostly focused on large medium size or larger businesses. However, Jameson (2000) highlighted that small first is the tourism and hospitality industry operate differently and in their case, there is a gap in the literature regarding training and development. Jameson (2000) argued that these small businesses cannot be treated the same way and although training and development is still important in the case of small businesses, the topic has to be addressed from a different perspective and further research is necessary in this field.

However, the study of Kyriakidous and Maroudas (2010) addressed this question and examined 89 SMEs all over the United Kingdom to see the impact of training and development programs on their performance and concluded that “successful
organizations adopt an informal approach which is integrated into the culture of the organization, providing a positive training and development environment where employees are more likely to be retained” (p. 32).

The study of Mapelu and Jumah (2013) also examined the impact of training in development on staff turnover by surveying 350 employees of medium size (50+ beds) hotels in Kenya. Although their survey showed the same results, that training and development has a positive impact on turnover, their study also highlighted that it cannot be the sole strategy of hotels and when focusing on retention, other indicators, such as working environment, salary etc, also have to be considered.

These studies all support the positive impact of training and development on turnover and the study of Poulton (2008) also proved the opposite. Poulton (2008) examined the impact of bad training practices on business performance and turnover in the hospitality industry. The study argued that poor training practices create a bad working environment and generate tension in the workplace. Moreover, in case of poor training, employees are more likely to leave due to the low level of job satisfaction.

2.4.2. Training and development perceived in Greece

The 2019 survey of Randstad also examined why employees leave their positions. The below figure depicts the answers of the respondents.
As figure 10 presents, employees who left their position marked the lack of improvement opportunities as the second most important reason why they left their positions both in 2018 and 2019. Moreover, the significance of improvement opportunities increased by 0.8% from 2018 to 2019. This suggests that Greek employees have the need for development opportunities and such opportunities could increase retention levels. However, the engagement of Greek companies is rather limited when it comes to providing training and development opportunities for employees.

Katou and Budhwar (2010) examined 178 companies and found that not only training and development opportunities, but HRM practices focused on retention in general are rather limited mostly due to the lack of financial resources. Although their study did not focus on the tourism and hospitality industry, the study of Chalkiti and Sigala (2010) suggest that tendencies in the tourism and hospitality industry are the same.

Also, when it comes to employee retention, training and education does not receive such attention as other fields. Although the study examined companies from the manufacturing industry, the study of Vazakidis, Stavropoulos and Galani (2013) found that engagement in HRM is not dependent on the industry or the size of the business.
Despite the lack of focus on this issue, the following studies, with specifically focus on the tourism and hospitality industry, suggest that the industry in Greece could benefit from applying motivation increasing practices and providing training and development opportunities. Maroudas, Kyriakidou and Vacharis (2008) found that HRM practices have direct impact on the performance of luxury hotel staff and recommended for hotel managers to create training and development programs to increase performance and engagement, which decreased turnover. The study of Varvaressos, Papayiannis and Laloumis (2016) came to similar conclusion during their examination of luxury hotels and claimed that to maintain quality services and competitiveness in hotels, hotel managers should pay more attention on employee satisfaction. The study of Meliou and Maroudas (2011) also suggest for HR managers and managers in the hospitality industry to create more career development programs for employees to increase service quality and reduce turnover.

To summarize the finding of the literature review, it can be said that based on the literature, employee turnover is an issue for businesses in the tourism and hospitality. Retention strategies related to motivation suggest, that by increasing the motivation of employees, engagement can also be enhanced, which has a positive impact on turnover rates. Moreover, training and development opportunities are sources of motivation and therefore, also contribute to retention. But despite the positive connection between training and development and retention, there is a gap between literature and practice and Greek businesses in the tourism and hospitality industry to do focus on retention as much as the literature suggest companies should, mostly due to financial limitations.

3. Methodology

3.1. Research design

The literature review of the dissertation explored the significance of turnover for businesses, the theories on retention and motivation, the role of training and development in these theories and also their applications in the tourism and hospitality industry. The second part of the thesis provides a primary research on a chosen hospitality management company, Hip Hospitality, which company deals with the management and operation of luxury hotels in Greece and through a survey, examines the attitude of employees towards training and development and the importance of these factors from the perspective of the employees. By focusing on the attitude of employees regarding
training and development, the paper aims to examine the relevance of training and development in retention.

In order to do so, the dissertation applies a casual research design, which means that the dissertation aims to explore the nature of the relationship between retention and training and development. Casual research design allows researchers to gain a deeper insight on a phenomenon, which has influence on the topic of examination (Bhattacherjee, 2012). In the case of this research, the major topic is employee turnover, with an emphasis on seasonal staff, and training and development is considered as the variable, which can influence turnover.

When it comes to HRM, some argue that causal research models are not reflecting on tendencies appropriately because studies focus on one variable and exclude other possible variables. Consequentially, due to the large number of data, the actual impact of variable are hard to define and in some cases, variables with high importance are overlooked (Medsker, Williams, & Holahan, 1994). However, casual research models are effective if the implications of a certain phenomena are targeted as the subject of examination (Cheng, 2017). As the objective of the dissertation is to explore the specific relationship between turnover and training and development, and not to identify HRM tendencies from big data, the usage of a casual research design is justifiable.

The research in the dissertation was carried out in two main forms in order to explore already existing research but to also contribute to literature by providing and examining primary data. The first part of the dissertation is a literature review on the tourism and hospitality industry in Greece, turnover in the industry and the different models and motivation theories regarding retention. The second part of the research was carried out through observation and a survey research.

The survey was carried out in an online format. The survey questions were sent to the sample group. The population examined by the study are the number of seasonal workers in the hospitality industry in Greece, which is more than 200,000 people (Ikkos & Koutsos, 2019). From the populations, the sample of the dissertation is made up from the employees of Hip Hospitality, which means 470 seasonal workers, who were chosen through non- probability sampling. A non- probability sampling is a sampling method, when the sample of the study is chosen based on certain criteria. In case of this research, 4 main criteria were applied. First was that the respondents had to be seasonal workers.
Secondly, the participants of the survey had to work for Hip Hospitality, which company is in the focus of the examination. Hip Hospitality has 521 employees overall, out of which 470 are seasonal workers. These employees are all seasonal employees and worked for Hip Hospitality from April 2019 until October 2019. The 470 people include employees who worked at one of the hotels of Hip Hospitality for the first time this season and also employees who have worked more seasons in one of the hotels of Hip Hospitality but not necessarily in the same hotel.

Within the types of non-probability sampling, the sample was chosen based on convenience sampling. Convenience sampling is a sampling technique when the sample of the population is chosen due to their availability and convenience (Bhattacherjee, 2012). In the cases of the thesis, as one of the writers herself has worked multiple seasons in a hotel managed by Hip Hospitality it was convenient to analyse the company. The personal connection helped to make sure that the survey reached the employees, as the HR manager who has the email addresses of all employees of Hip Hospitality could send out the survey to all of the employees. The survey could not be sent out by the writers themselves, because Hip Hospitality is not allowed to share the contact of employees due to data protection.

3.2. Data collection and analysis

The dissertation collected primary data in two forms. First, unstructured interviews were carried out by talking to employees at two hotels about their experiences and several discussions with the human resources manager, who could provide an insight to the staffing and different HR practices used by Hip Hospitality.

As it was mentioned, one of the researchers has previously worked several seasons under the employment of Hip Hospitality; therefore, over the discussion with employees, her personal experiences were also integrated during the analysis of Hip Hospitality. On the other hand, the second researcher herself was not involved in the company, therefore, she could observe the questions from a different perspective.

This way, a better analysis could be provided about Hip Hospitality as possible bias by the observer who was involved was balanced by the not-involved observer. The observations were summarized and described and also data regarding the company were analysed and interpreted.
The second part of the research also includes a quantitative research. As it was already discussed, the sample of 470 people was chosen and the questionnaire was sent out to them via e-mail and was also shared in Facebook groups, which were created by the employees of different hotel units as well to keep contact or discuss schedule changes during the season. A survey was chosen to explore the attitudes of employees regarding training and development and identify its importance among their motivations to remain with a certain hotel managed by Hip Hospitality.

The questionnaire was designed to measure attitudes of the employees of Hip Hospitality towards training and development and to see if there is a connection between employees who return each summer and the training received while working for Hip Hospitality. As the theoretical findings suggested, there is a connection between retention and training and development opportunities. The aim of the survey was to examine if employees at Hip Hospitality consider training and development as a source of motivation and if training and development is related to the employees returning each season.

The survey was created in Google docs to make it easily accessible for the respondent and also to make data analysis easier afterwards. Online questioners are easier to analyse and more accurate than dissertation questionnaires as it eliminates the possibility of human errors during data processing (Bhattacherjee, 2012).

The first set of questions concentrated on the experience of the employees and the possible reason behind why someone would or would not return to the hotel where he or she worked last season. The second set of questions focused on the basic needs on the employees and if the training and development opportunities at Hip Hospitality fulfil their needs. The third question group was created around motivators and aimed to see if training and development opportunities serve as a motivator for employees or not. The next set of questions examined the expectations of the employees and if their long term perspectives regarding the hospitality industry. The fifth question group examined job embeddedness regarding the hotel they returned to, to receive information regarding the importance of other factors as well. The last question group focused on demographics to receive data regarding the employees who filled out the questionnaire.

In case of demographic questions and the first set of questions regarding data on returns dichotomous (yes or no) and nominal responses were possible. This option was chosen as the purpose of these parts of the questionnaire was to collect data. Fort the rest of the
questions, interval-level response possibility was chosen, because these parts focused on measuring the attitudes of the employees. More precisely, the response opportunities consisted of a 5-points Likert scale but responders were also given the opportunity not to answer to a question they would have felt oversensitive. As in case of Likert scale analysis, the median analysis is the most suitable, therefore the most frequent answers are taken into consideration and pie charts are used to illustrate the answers (Bhattacherjee, 2012).

From the 470 people sample, 171 answers were received so the 36.38 % of the sample responded to the questionnaire. 60 % of the respondents were female and 38.8 % of the respondents were male and 2 respondents (1.2%) were not willing to enclose details regarding their gender. The biggest proportion of respondent was from the age group 25-34, who made up the 63.5 % of the respondents. This was followed by the age group 18-24 (25.9 %), the age group 35-44 (8.2%) and then the age group 45+ (2.4 %). There were no respondents under the age of 18. Regarding the age profile of the respondent it can be said that mostly young people filled the questionnaire.

Respondents were also asked to provide details regarding the locations they have worked in the past in general, not necessarily in the employment of Hip Hospitality. 15.3 % of the respondents worked only in the mainland exclusively while 72.9 % worked on islands. 11.8 % of the respondents reported that they have worked at both locations, which suggest that islands are the main target locations for seasonal workers.

As all research the study has certain limitations. In case of this research, limitations regarding access to data occurred. Hip Hospitality was cooperative during the research in providing certain type of data and reaching out to the employees, however, they were not willing to enclose written HRM statistics and reports. Information about these could only gathered from management at the company and also regarding HRM practices no reports were enclosed with us, only the data provided by management and employees. The study also has its time constraints. It only focuses on employees, who were working for Hip Hospitality in one specific season (April - October 2019) but did not get in contact with employees, who left the company and worked different seasons.

To improve further research on the topic, on the one hand, it would be advisable to target employees, who left the company and examine the specific reasons behind their decision of leaving. Moreover, it would be also useful if an impact study was carried out. The
research proposes recommendations on the training and development at Hip Hospitality; however, measuring the impact of certain HRM procedures introduced would give more accurate results.

4. Data Analysis

4.1. Hip Hospitality

4.1.1. Hotel Portfolio

Hip Hospitality is a Greek company, which deals with the management and operation of several luxury hotels. The company was founded in 2012 and has become one of the market leaders on the field of hotel management in Greece ever since. Currently, the portfolio of the hotels consist of 13 hotels, which are fully run by Hip Hospitality but the company has worked together with 21 hotels overall. In the 8 hotels, which are no longer part of the portfolio, the company delivered their full services in all cases, which means the creation of the feasibility study, managing the pre-opening stage and provide 360-management for at least one year.

Figure 11. Portfolio of Hip Hospitality

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Location</th>
<th>Service</th>
<th>Operating Season</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADORNO BEACH HOTEL &amp; SUITES</td>
<td>Mykonos</td>
<td>Feasibility Study</td>
<td>Summer</td>
</tr>
<tr>
<td>MELOGRANO VILLAS - ASTYPALAIA</td>
<td>Astypalaia</td>
<td>360 management</td>
<td>Summer</td>
</tr>
<tr>
<td>BELLA MARE HOTEL</td>
<td>Corfu</td>
<td>Sales Management</td>
<td>Summer</td>
</tr>
<tr>
<td>FTELIA BAY HOTEL</td>
<td>Mykonos</td>
<td>360 management</td>
<td>Summer</td>
</tr>
<tr>
<td>ORABEL SUITES</td>
<td>Santorini</td>
<td>Sales Management - Marketing Management</td>
<td>Summer</td>
</tr>
<tr>
<td>HIDEOUT SUITES</td>
<td>Ios</td>
<td>Pre-opening Services - Sales Management</td>
<td>Summer</td>
</tr>
<tr>
<td>IOS PALACE HOTEL &amp; SPA</td>
<td>Ios</td>
<td>360 management</td>
<td>Summer</td>
</tr>
<tr>
<td>LANGO DESIGN HOTEL &amp; SPA</td>
<td>Kos</td>
<td>Pre-opening Services - 360 Management</td>
<td>Summer</td>
</tr>
<tr>
<td>POSEIDONION GRAND HOTEL</td>
<td>Spetses</td>
<td>Sales Management</td>
<td>Summer</td>
</tr>
<tr>
<td>SUMMER SENSES</td>
<td>Paros</td>
<td>Pre-opening Services - 360 Management</td>
<td>Summer</td>
</tr>
<tr>
<td>THE EDITOR HOTEL</td>
<td>Athens</td>
<td>Pre-opening Services - 360 Management</td>
<td>All year</td>
</tr>
<tr>
<td>WHITE COAST (Opening 2020)</td>
<td>Milos</td>
<td>Business Plan, 360 Management &amp; Pre-</td>
<td>Summer</td>
</tr>
</tbody>
</table>
Hotels in the portfolio of Hip Hospitality and the services offered are summarized in figure 11. The portfolio of the company mostly consists if hotels that are situated in Greek islands. As it was discussed previously, tourism and hospitality industry are dependent on good weather and seasonality, which can be also seen on the portfolio of Hip Hospitality as almost all hotels are situated on islands and only operate during the summer season. There is only one exception, The Editor Hotel, which is an exception from all perspectives as it is situated in the mainland and operates all year long.

Hip Hospitality therefore proved to be a good subject for the study as due to the seasonal operation of their hotels also most their staff is employed seasonally. Hip Hospitality has to make sure that before the opening of the season, all hotels are staffed appropriately, which means that every season the company faces the issue to attract their old employees again for the upcoming season, which can spear them significant training costs, or to hire and train completely new employees to their hotels, which requires more training and is less cost efficient.

Therefore, it is a challenge for the hotel each year to ensure staffing and to find employees who have the appropriate skills. There are employees who return to the same hotel each year or in other hotels managed by Hip Hospitality but the number of new employees each year makes up close to 25% of their workforce. 25% is a high number as it means that each year, almost quarter of the staff has to be trained from the beginning again.

However, this data is only based on the discussion of the HR manager, as Hip Hospitality could not provide official calculations regarding turnover. Despite claiming that turnover is an issue for them and staffing the hotels each season is a challenge Hip Hospitality does not seem to consciously focus on measuring and decreasing turnover.

4.1.2. Services

Hip Hospitality offers a wide range of services as it can also be seen on figure 11. It offers sales management and the management of sales related tasks, such as revenue
prediction, presentation of the hotels on the domestic and international market and the promotion of hotels world widely. Sales operations offered by Hip Hospitality are:

“IDS Online Distribution Management

Sales Management

Reservations Executive Training

Contracts Development with Tour Operators & Travel Agents, Competition Analysis

Revenue & Yield Hotel Management Services

Reporting & Forecast

Representation in International Fairs” (Hip Hospitality, n.d.)

Over sales services, Hip Hospitality also offers marketing services, which not only include traditional marketing service, such as online and offline advertising, but it also offers branding services. Another service offered by Hip Hospitality is feasibility analysis, which can help hotels improve their position on the market, build a business and sales strategy and create a budget plan.

Such services are offered not only when a hotel is already operating and wants to improve revenue but Hip Hospitality also offers pre-opening services. This also includes sales and marketing services, creating the feasibility study for the hotel and carrying out complete pre-opening management services.

Their 360 management service incorporates all the above services after the opening of hotels and also includes human resources management. It can be said that the 360 management service is the continuance of pre opening services. As Hip Hospitality offers the complete operation of hotels in this package, not only HRM but also recruitment and the planning of employee retention programs are their responsibility. HRM services and practices of Hip Hospitality are described and analysed in the previous chapter.

4.1.3. HRM, recruitment and retention practices

Based on the website of Hip Hospitality, their HRM services consist of the following:

“The management of the hotel’s human resources department includes the selection, the training and the replacement of the staff, in order to create a stable professional environment, achieve the smooth operation and provide high quality
services to guests. Our services also include the staff budget creation and detailed job descriptions” (Hip Hospitality, n. d.)

When a hotel orders services from Hip Hospitality that include HRM, Hip Hospitality follows a certain procedure. First of all, HRM and sales professional overview the hotel based on the number of rooms, guests and services offered by the specific hotel and identify the needs of the hotel regarding the staff. After the number of necessary staff and the type of positions are identified, Hip Hospitality also plans the budget available for staffing. This is not an individual budget plan, but it is incorporated into their sales services where the full budgeting of the hotel is defined.

After the planning phase, the recruitment process starts each year to find employees for the hotels, which are under the management of Hip Hospitality. The difficulties in finding new staff were already discussed, but the ways of recruitment have to be mentioned as well. Over the classic strategies, such as online and offline job advertisement, Hip Hospitality targets directly schools of hospitality management in Greece to gather new staff. Moreover, the company relies significantly on the network of the employees and has a tendency to hire employees offered by staff.

After recruitment, the staff of each hotel are trained at the location. The training is usually carried out by more experienced employees, who have knowledge on operations and also on the peculiarities of the hotel. The training is not exclusive for the new employees but is divided into two parts. New employees receive on the job training. For new employees, training is more detailed as they have to get familiar with the tools and processes used by the hotel and also the hotel itself.

At this stage, expectations towards the employees are explained. It is clearly defined towards the employees what hotel managers expect from them, not just regarding their everyday work but also regarding how to communicate with the customers and also how to approach issues to avoid the dissatisfaction of the guests. These are also expressed towards returner employees.

The training for returner employees is different, as due to their experience it requires less time and effort. Experienced employees are made aware of the changes made compared to the previous year and also introduced to new business processes, but their actual training is rather limited.
Despite facing challenges every year regarding staffing the hotels, the company does not put much effort into retention practices. First of all, the training offered to experienced employees is rather basic and it only consists of on the job training. There are no additional trainings offered for employees, which would help increase quality.

Secondly, as the employees reported, off-season the company does not keep contact with the staff at all. After the end of the season, the first contact with the staff occurs approximately a month before the opening of the new season and the date employees should return. This means that usually from the end of September or beginning of October until mid-March there is no communication between Hip Hospitality and the employees the company would like to employ for the next season.

This is problematic as there is competition among hotels to find quality staff for each season. Several of the employees reported that during the off-season period they were approached by different hotels with job proposals.

Moreover, there is also a lack of training opportunity in the hotels, especially for experienced employees. Newcomers also only receive training to be able to do a certain job but neither newcomers nor experienced employees have the chance to participate in trainings that would enhance their skills. However, as theory supports, this would be beneficial as it could increase quality and would also contribute to decreasing turnover.

The next chapter presents and discusses the survey results and by putting it into context of the observations made discusses the possible issues and improvement opportunities.

4.2. Survey Results

4.2.1. Returning employees

Respondents were asked to disclose their experience in the hospitality industry. Only for 11.8% of the respondents the examined period was their first season working in the industry.
The majority of the respondent (51.8%) worked 2-3 years in the hospitality industry, meaning that these people have junior experience. 36.5 % of the respondents worked 4 or more years in the hospitality industry, which makes them experienced employees. It has to be emphasized that the question asked their experience in the hospitality industry overall, not at Hip Hospitality. However, the data allows concluding that Hip Hospitality currently prefers working with employees who have experience in the industry over newcomers. On the one hand, experienced professionals require less training and, in their cases, no fundamental training is necessary regarding a certain position, therefore, training cost can be decreased.

This assumption driven from the data regarding the experience of employees at Hip Management was also validated through our discussion with management. It was indicated by them that they prefer to hire employees with experience as in their cases the cost of basic training can be avoided. But it is not the only explanation, Hip Management also hires experienced employees as they expect experienced workers to be able to provide more quality work and make fewer mistakes than inexperienced employees.

Regarding experience, as for all respondents their last working season was in the employment of Hip Hospitality, more conclusions can be driven directly in connection to Hip Hospitality. At this point, respondents were also divided into two groups. The 20 respondents, who did not have previous experience, were asked if they would like to return to the same hotel the next year. 60 % (12 people) responded with yes and 40 % (8
people) said no. In their cases, no further questions were asked regarding returning only for those with more experience.

The following question was asked from the employees in case they have worked more than one season in the same place. Out of the 151 people with experience 120 answered that they have worked at the same hotel more than once and 31 answered no to the question. Those who worked more than one year at the same place were asked the main reasons behind their returning. Respondents were allowed to choose more than one answers here.

*Figure 13. Reasons behind returning*

![Chart showing reasons for returning]

It can be seen from the above chart that development opportunities proved to be the factor that was important for the most people. This suggests that development opportunities are a considerable factor in maintaining people. Financial reasons and good relationship earned the same importance (48 responses – 40%) and are the second more important factors.

For those who did not return to the same hotel, the reverse question was posed, and the reasons were asked why they did not return to the same place. In this case the responses of the 31 respondents are displayed.
Figure 14. Reasons behind not retuning

It is visible that the reason behind not returning to the same place for most respondents was not given and they marked other reasons. However, the lack of development opportunities, financial reason and bad management proved to be the most significant reasons for not retuning. It is an interesting observation that while good management did not receive such significance when employees decided to return, bad management was a reason to leave. This suggests that management is a hygiene factor for employees not a motivator.

4.2.2. Basic needs

The second group of questions intended to explore if the needs of employees at Hip Hospitality are satisfied. The first question asked if the financial needs of the employees are satisfied. The question was placed in a way that it did not examine if the basic financial requirement for food and housing are fulfilled but if the living standards pursued by the respondent can be achieved.
41.7% of the respondents answered that their financial needs are satisfied, 21.5% answered that they cannot maintain the desired living standard and 33.3% remained neutral. What is interesting is that 4 respondents who claimed that they returned to the same place to work only due to financial reasons also answered *strongly disagree* for this question. From the 18 people who answered that they cannot maintain their living standards from their salary 8 marked development opportunities as the main reason of returning to the same hotel.

Hip Hospitality did not enclose any data regarding salary bands during the research, therefore, it cannot be assessed if the salary of the employees is competitive on the market but management claimed that although they offer competitive salary for the employees, this is not necessarily the main source of retention. Hip Hospitality claimed that instead of focusing on financials, they rather focus on personal relationship with the employees and on ensuring that employees feel recognized in their work. The next question targeted this area and it seems recognition by management is adequate.
Figures 16. I have received recognition from my supervisors at the workplace I returned to during my first season.

Regarding recognition, employees expressed satisfaction. 62.4% answered that their managers recognized their work. Although claiming recognition is important, Hip Hospitality does not have any recognition system for the employees, neither a centralized one nor individual ones in the hotels. Therefore, it seems that this is more of the work of individual managers than the conscious work of Hip Hospitality.

The last two questions of the section focused directly on training and development. The first question examined if one of the basic conditions, which is proper instructions, are satisfied.

Figure 17. I feel I received enough and adequate instructions to carry out my job.
Based on the answers, 55.3% of the respondent employees found that the instructions were clear and adequate for them in order to carry out their everyday tasks. 29.4% remained neutral regarding the question and 12.8% disagreed or strongly disagreed with the statement. As it was presented before, there was no central material provided by Hip Hospitality to the employees and instructions for everyday work are provided by direct management and more experienced employees. However, adequate training is not monitored centrally by Hip Hospitality and this is also the work of local management. To make sure instructions are clear, hotel staff holds meeting, during which expectations and also issues are discussed but their regularity and length of the meeting also depend on local management. However, this seems to be satisfactory for most employees. The next question focused on development opportunities.

Those, who responded strongly disagree and have not worked more than one season at the same hotel (6 people) all mentioned bad management as the reason for not returning. Others who marked bad management as the cause of not returning remained neutral regarding this question.

*Figure 18. I am provided with development opportunities every year.*

61.1% of the respondents answered that development opportunities are provided for them every year, while 11.9% reported lack of opportunities and 24.7% remained neutral. Based on the proportion of employees who agreed or strongly agreed with the statement, it seems that Hip Hospitality provides satisfying development opportunities. There were 14 respondents to this question, who did not return to more than once to the
same hotel and answered strongly agree to the question. In their cases, none of them marked lack of development opportunities as a cause of not returning.

Similarly to trainings, there is no individual development plan offered for the employees. Promotion for employees is usually offered based on their performance and the number of years worked at Hip Hospitality. The individuals are chosen for promotion by local management and proposed to Hip Hospitality. Promotions are decided centrally, based on the needs of hotels and are offered to the employees when employees are approached by Hip Hospitality before the beginning of the season.

Overall it can be said, that except regarding financial needs, there is satisfaction among employees regarding recognition, training and development opportunities at Hip Hospitality.

4.2.3. Motivators

The next set of questions aimed to detect the motivations of the employees at Hip Hospitality and especially their attitude towards training as a motivator. As training is carried out by the employees of the hotels themselves, the first question aimed to see if the employees actually feel that they can learn from their peers.

*Figure 19. I can learn from people at my work*

The response to this question was overwhelmingly positive. Not only 48.2% of the respondents agreed with the statement but 36.5% strongly agreed. This overwhelmingly positive attitude of the employees suggests that the model used by Hip Hospitality seems to be satisfying to the employees as well. This suggests, that as Hip Hospitality is mainly
working with more experienced employees, the employees recruited at the company are able to share their knowledge and provide training. An interesting pattern regarding this question is the response of the 4 employees who strongly disagree with the statement. Interestingly, all four of them has only 1 year experience in the hospitality industry and although they all answered yes to the question if they would like to return to the same hotel, it seems that despite wanting to return they are not satisfied with their surroundings.

The next question directly asked if development opportunities motivate the employees and similarly to the previous question an overwhelmingly positive answer was given.

*Figure 20. Development opportunities motivate me to perform well.*

87.1% of the respondent strongly agreed or agreed that development opportunities serve as motivators for them. Therefore, development opportunities could serve as a retention tool and a motivator. At this point, it is important to look back to figure 18 to see if Hip Hospitality satisfies these needs. 61.1% agreed that they are provided with development opportunities, which is only a bit more than the half of the employees, however, development is a significant motivator.

This suggests that Hip Hospitality should give more attention to their development program to motivate and retain employees. There is no individual development plan at the company for seasonal workers, despite the company relying on their return each year. Therefore, an individual development plan, which does not necessarily have to be
centralized but could be created by hotel management who have direct relationship with the staff, would increase engagement and help employees clearly see their career path.

*Figure 21. I gained valuable experience during the season*

Regarding on the job experience, it also seems that employees feel the environment positive and they can improve themselves through their work experience. There was no disagreement among the respondents if they gained valuable experience. 42.4% strongly agreed while 48.5 % of the respondents agreed with the statement.

Hip Hospitality is attempting to work with experienced professionals and to maintain high quality services. This seems to have an impact on the employees as well as they consider their experience with the company valuable.

The theoretical part of the research suggested that financial motivators are no longer the most important motivators for employees. It could be seen, that employees of Hip Hospitality consider development as a motivator, but it seems that financial motivators are still the main motivators for them.

While 20% strongly agreed, 51.8 % agreed with the statement, as it is displayed by figure 22. Therefore, it can be said that financial rewards are still the main motivators for employees at Hip Hospitality. However, when looking back at figure 15 it cannot be argued that the company follows a strategy of providing financial rewards for the employees. As figure 15 showed employees were not completely satisfied with their salaries. Moreover, in practice, there are no financial rewards provided by Hip Hospitality. The management at Hip Hospitality allows employees to keep any tip they
receive, which is according to Hip Hospitality is a financial reward by itself as in case of working hard, employees can gather a significant number of tips.

However, this system is not necessarily fair, due to exposure. While bartenders, waiters, waitresses and receptionists are more exposed to the customer, there are several employees who do not have any exposure, for instance chefs, and in their case, the tipping system is not suitable.

Figure 22. I consider financial rewards as the main motivator to perform well

4.2.4. Expectations

The following questions aimed to detect the expectations of the employees of Hip Hospitality. This set of questions was not focused around the company but rather if employees see themselves in the hospitality industry on the long run, which is important from a motivation and retention perspective, as, based on the findings of the literature review, those employees who see their careers in the industry on the long-term are more likely to stay with the company.

The first question aimed to see why people began to work at the industry in the first place. 51.8% of the respondents claimed they are working in the hospitality industry only, because they came across a good job opportunity there. But 31.8% of the respondents disagreed with the statement, which means their motivations behind working in the industry is different and is probably more targeted.
Figure 23. I only work at the hospitality industry as there I found a good job opportunity.

But despite not choosing employment targeted in the hospitality industry, employees of Hip Hospitality seem to be interested in learning more about the hospitality industry and enhancing their skills. As figure 24 shows, 80% of the respondents agree that they would like to learn more about the industry and try different positions. For Hip Hospitality, this attitude can be a major source of retention. As employees want to improve their skills, Hip Hospitality should allow them to do so. This does not only mean that employees should be provided additional training to be able to learn more, but as they would like to try themselves in different roles, Hip Hospitality should consider moving their employees horizontally as well.

Figure 24. I have an interest in learning more about the industry and trying different positions.
69.9% of the respondents can see their future in the hospitality industry while 9.5% disagreed or strongly disagreed with the statement. What is interesting in their case is that despite not seeing their future in the tourism and hospitality industry, except of 1 neutral respondent they all agreed or strongly agreed that they would like to learn more about the industry and try different positions. This suggests that even those, who do not plan their future working in the industry, are interested in learning more about it.

*Figure 25. When I think about my future I see myself working in the hospitality and tourism industry.*

4.2.5. Embeddedness

The last four questions aimed to examine job embeddedness to see how connected employees are to their workplace and environment, as job embeddedness can also decrease turnover according to the literature. The first question looked at the relationship among staff members. 75.5% of the employees maintain good relationship with their colleagues. However, 26 people, which is the 20.3% of those who responded, answered that they had good relationship with their peers, answered that they would not like to return to the place they worked previously. This data suggest that good relationship among staff is not necessarily enough to keep the employees.
Despite some employees not getting along, 91.7% of the respondent reported that in case they returned to the workplace they had worked before they could create friendships there. Therefore, it can be concluded that from a personal perspective, job embeddedness is high among the employees and they can function as a team during the season. Responses in figure 28 regarding the relationship of employees off-season also suggest the same. More than half of them employees (57.3%) reported that they miss their colleagues during the off-season period. Although Hip Hospitality tries to maintain good relationship among employees in their hotels through local management, there is no actual community building from their part. However, this could also be a possibility for Hip Hospitality to create an advantage of the good relationship among the employees and increase their engagement off-season as well.

It is true that employees are based all over Greece and even some of them work abroad in the off-season period therefore it would be difficult to organize personal meeting, technology still makes it possible for employees to keep in touch. Hip Hospitality should take advantage of this factor to increase embeddedness and decrease turnover.
Figure 27. I have made friendships at the workplace where I have returned.

Figure 28. I have been missing my colleagues and the place I have worked last season.

The last question directly asked the employees if they consider the place they worked last season as a good workplace. The answers provided to the question can be seen at figure 29.
Figure 29. I feel that the workplace (hotel/bar/etc.) I worked last season matches my expectations towards a good workplace.

So far, employees responded positively to several questions regarding their previous workplace. They responded positively to development opportunities, the responders were also satisfied with training, their colleagues and also with the experience they gained working at one of the hotels managed by Hip Hospitality. However, when it came to the overall picture, respondents were not as satisfied.

11.8% answered strongly agree and 38.8% agreed that their last season workplace matched their expectations regarding a good workplace. 27.1% remained neutral regarding this question, 17.6% disagreed and 2.4% strongly disagreed.

It suggests that there is still room for improvement regarding job satisfaction of the employees, which is fundamental regarding retention.

5. Conclusion

Employee turnover in the tourism and hospitality industry in Greece is a challenge for businesses in the industry from several perspectives. On the one hand, as the literature review of the dissertation found high turnover rates have several negative implications on businesses, such as increased costs of training, decreases performance and team moral, disruption of the social cohesion at the company and decreased revenue.

As a consequence of these negative implications, it is important to examine the root causes of employee turnover and also to focus on the different ways high employee turnover rates can be prevented. The dissertation aimed to contribute to the topic of
retention in the tourism and hospitality industry in Greece. The research question of the dissertation was if training and development opportunities can contribute positively to retention. The basic assumption of the dissertation was that training and development of seasonal workers can increase retention rates as it is considered as an important motivational factor for seasonal workers.

Firstly, a literature review was concluded. The literature review presented the role of the tourism and hospitality industry in Greece and found that the industry has major significance in the Greek economy. The literature review also discussed why the examination of turnover is relevant in the industry and argued that turnover has to be addressed because of its negative implications on business performance.

The literature review also described the development of theories, which focus on the root causes of turnover. Based on the finding it can be said, that throughout the years, more and more indicators were introduced that influence if an employee considers leaving the company. It could be also seen, that while theories at the beginning mainly focused on employee satisfaction, modern theories consider more indicators, internal and external as well, then previous studies.

As it was also emphasized in the literature review, motivation has an important role in retention. Employees who are motivated in their job are more likely to remain with the company than those who lack motivation in their everyday work. The literature presented four different motivational models that could be applied by management in order to retain employees. These motivational models contribute differently to increasing motivation of an employee and as the models offer suggestions on how to increase motivation they also contribute to retention strategies.

Afterwards, the literature review discussed how training and development can fit into these theories and is can serve as a source of motivation. The literature suggested that training and development contributes positively to the level of engagement of employees and to their performance. As it was concluding in the context of motivation theories, as engagement increases, the chances of an employee leaving decrease. Therefore, through influencing engagement and motivation, training and development also contributes to retention.

The literature review also examined the case of Greece specifically and found a controversy between the literature and practice. Firstly, it was presented that despite
turnover being an issue for the tourism and hospitality industry in Greece, there is a lack of focus on measuring and preventing turnover, mostly due to financial limitations. Consequently, there is a lack of focus on providing training and development opportunities for the employees and embed these opportunities into retention strategies.

The second major part of the paper carried out a primary research that focused on the company Hip Hospitality, which company deals with the management and operation of luxury hotels in Greece. The analysis of the company identified, that the retention practices and training and development opportunities offered by Hip Hospitality comply with the findings of the literature review. Hip Hospitality does not have any strategies on how to retain employees, despite claiming that the turnover of seasonal staff in their hotels is a challenge for them. Moreover, Hip Hospitality does not focus on the training and development of the employees either. There is no centralized training material for the employees or development plans and training is organized and carried out by local management and experienced employees. To balance the lack of centralized training, Hip Hospitality prefers to hire employees with experience to avoid training costs, which would be higher in case of employees without experience.

The primary research also involved a questionnaire that was filled by the seasonal employees of Hip Hospitality. Based on the survey, several conclusions can be made regarding the attitude of employees concerning training and development. First of all it could be seen that training and development is an important motivation factors for employees and that it is considered by employees as a primary factor when they decide to return or not the next season. The employees expressed their satisfaction regarding the current training and development opportunities at Hip Hospitality. Therefore, it can be argued that Hip Hospitality does not necessary need to introduce centralized training methods and individual development plans for employees, based on their high level of satisfaction. However, in order to see the impact of the introduction of such practices, it would be necessary to carry out and impact study as well.

Looking back at the research question, it can be said, that training and development is an important factor when it comes to increasing the motivation and engagement of the employees as both the literature review and the primary research came to this conclusion. However, the positive connection between training and development opportunities and retention was only supported by the literature review. The primary research of the paper
only detected, that returner employees are satisfied with their training and development opportunities but could not define the extent it contributes to retention.

List of References


**Appendices**

Appendix 1. Questionnaire Question

How many seasons have you worked in the hospitality industry?

Would you like to return to the workplace (hotel/bar/etc) where you worked last season?

Have you worked more than one season at the workplace (hotel/bar/etc) where you worked last season?

I returned to the same workplace (hotel/bar/etc) because of…

I did not return to the same workplace (hotel/bar/etc) because of…

I can maintain the desirable living standards using the salary I receive for my seasonal work.

I have received recognition from my supervisors at the workplace I returned to during my first season.

I feel I received enough and adequate instructions to carry out my job.

I am provided with development opportunities every year.

I can learn from people at my work.

Development opportunities motivate me to perform well.

I gain valuable experience during the season.

I consider financial rewards as the main motivators to perform well.

I only work at the hospitality industry as there I found a good job opportunity.

I have an interest in learning more about the industry and trying different positions.

When I think about my future I see myself working in the hospitality and tourism industry.

I get along well with my colleagues at my seasonal workplace.
I have made friendships at the workplace where I have returned. 
I have been missing my colleagues and the place I have worked last season. 
I feel that the workplace (hotel/bar/etc.) I worked last season matches my expectations towards a good workplace. 
Where the hotel unit(s) you have worked was(were) based? 
What is your age? 
What is your gender?