Duty Managers in a Five-Star Resort in Mactan, Cebu: A Turn-over Rate Analysis

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Abstract—Widely believed is the concept that employee turnover can have unfavorable effects on a company's effectiveness and success. By having information about the circumstances behind the turnover rate of its workers, the organization has the opportunity to manage the identified reasons and consequently reduce turnover. This study was aimed to determine what was the turnover rate of Duty Managers in a five-star resort in Mactan, Cebu during the period 2004 – 2013, and the factors behind the turnover. Descriptive analysis method was used, with 18 Duty Managers as the respondents, whereby the research tool for gathering data was the questionnaire. The results of this study showed that there was a high turnover rate of the Duty Managers in the five-star resort in Mactan, Cebu during the period 2004 – 2013. The factors that affected the high turnover rate are higher management support, career advancement opportunities, recognition, company culture, personal reasons, and internal promotion or transfer.

Keywords—turnover rate, five-star resort, duty managers, management support, career advancement opportunities

I. INTRODUCTION

IN 1993, a five-star hotel and resort establishment with luxurious facilities and amenities and high quality customer service opened its doors in Mactan, Cebu, Philippines. To this date, the resort places a significant value on its guest satisfaction index, in which the resolution of guest issues and complaints is a key component. One of the stewards of guest issues and complaints, among other responsibilities, are its Duty Managers. In the recent ten years, it has been my personal observation that Duty Managers in the resort did not stay for long in their position, and that there were gaps in between Duty Managers' tenures. This shortage was invariably

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filled by the other junior or senior managers or heads of department, resulting in compounded duties for the "designated" Duty Manager, and sometimes watered-down coverage of the areas of responsibility. Mowday (cited in Ton and Huckman 2007) offered the contention that following the departure of employees, turnover may require additional work to be absorbed by the remaining employees whose capacity is already stretched. All these may have negative effects on levels of service, guest experience and value (Davidson, 2010). This observation on the Duty Managers leaving the establishment prompted me with some questions in mind that are yet to be answered. Hence, I am keen on conducting a study that will examine the turnover rate of the Duty Managers of a five star resort in Mactan, Cebu during the period 2004–2013.

II. THEORETICAL FRAMEWORK

This study is anchored on the theory of Maslow's Hierarchy of Needs. In 1943 Abraham Maslow postulated his theory that human beings are motivated to achieve certain needs. He introduced the five levels of needs ranging from the very basic to the more complex. He stated that there is a general pattern of needs recognition and satisfaction that people follow in generally the same sequence, and that a person could not pursue the next higher need in the hierarchy until his currently recognized need was substantially or completely satisfied (Gawel 1997).

Fig. 1: Schematic presentation of Maslow's Heirarchy of Needs applied to duty managers of a Five-star resort in Mactan, Cebu

Maslow's hierarchy of needs is presented as a five-level pyramid. The first or bottom level is the physiological needs or the basic needs, sometimes called biological needs. In a company like a hotel resort, the paid wages of a duty manager could very well determine the "purchasing power" of a person to obtain his basic needs. Once the physiological needs are met, individuals are dominated by the second level which is the safety and security needs. These are the need to protect oneself from danger, bodily harm, threat, injury, loss, or deprivation (Ronra and Chaisawat, 2011). In a hotel organization, this level of need may include a duty manager's need for job security and safe working conditions designed to protect the employee. After satisfying safety and security needs, individuals seek to fulfil their social needs. Despite work, the need to have time for family or intimacy with a partner is apparent. Whereas, other needs in a hotel setting may be realized through acceptance in formal and informal work group, or functional department, identification in a successful team, and company teambuilding activities. Tanner (2015) wrote that employees desire to work in an environment where they are accepted in the organization and have interaction with co-workers. After fulfilling the lower needs, an individual shifts to his personal ego needs, the fourth level need. Self-esteem or satisfaction with oneself equates with one's sense of worth, importance, status symbol and responsibility. Taylor (2014) mentioned that the key to build employee's self-esteem is to offer both praise and constructive criticism. Maslow contends that when the other four levels of need are satisfied, individuals are inclined to focus on the fifth level which is self-actualization or self-fulfillment. This means reaching one's full potential as a human being. Manifesting this need in his professional life, a duty manager is likely to pursue higher knowledge, mastery of craft or skills, opportunities to innovate and be creative on the job.

III. OBJECTIVES

The main objective of this study is to analyze the turnover rate of Duty Managers in a five-star resort in Mactan, Cebu. Specifically, this study sought to analyze the rate at which the duty managers are moving out from their employment in the five-star hotel during the years 2004 - 2013 and the factors affecting it.

IV. METHODOLOGIES

A. Design

Descriptive analysis design was used in this study. It refers to research that provides an accurate portrayal of characteristics of a particular individual, situation or group. It is a means of describing what exists, discovering new meaning, determining the frequency with which something occurs, and categorizing information.

B. Respondents

The respondents of this research were the Duty Managers of a five-star resort in Mactan, Cebu who worked between January 2004 to December 2013. This study utilized purposive sampling, a type of selective, non-probability sampling technique where the subjects investigated are based on the judgment of the researcher.

C. Location/Environment

The study was conducted in Cebu only, where the resort is located. This five-star luxury property which is part of a large international chain of hotels and resorts, is built on an expanse of 13 hectares in Lapu-Lapu City, and is connected to the main island of Cebu by two modern bridges.

D. Tools/Instruments

The primary tool used by the researcher for gathering data in determining the turnover rate and factors of duty managers in the resort, was the questionnaire. One questionnaire was created for the Human Resources personnel. A separate questionnaire was devised for the Duty Managers. To establish credibility and reliability of the instrument, a draft of the questionnaire was first submitted to the researcher's adviser for comments and corrections. Then the revised questionnaire was presented to two Education professors and one HRM professor, for their review and suggestions. Likewise, the researcher used the parallel form method by administering it to ten (10) resigned hotel employees from various hotels and resorts.

E. Statistical Treatment/Analysis

The statistical tools used in the analysis and interpretation of data were frequency distribution, simple percentage, and ranking.

V. RESULTS AND DISCUSSION

A. Respondents' Profile

In the collection of data, the respondents' profile is worthy to note in order to understand responses, and to be able to break down overall survey responses into meaningful groups of respondents later on. Table 1 shows the respondents' profile of the Duty Managers studied.

Out of 18 total respondents, 7 were found out to be between 22-29 years of age when they were duty managers, while the remaining 11 were in the 30-40 age range. Out of the same number, 11 of the respondents were already married at the time of their employment, whereas 7 were single. 18 respondents at the time had completed college level and held a Bachelor's degree. Likewise, there appeared to be a greater majority of the older duty managers than the younger ones in the resort. There was a combination of the older Generation X managers (born between 1965-1979) and the under-thirty-years-old Generation Y managers (born between 1980-2000) working together during various years (see following Table 2).

According to Amato and Vollmer (2013), the skills and priorities of workers in Generation X differ from Generation Y. Whereas the Generation X

TABLE 1: RESPONDENTS' PROFILE

Respondents	Age as Duty Manager	Civil Status during employment			Highest Educational Attainment		
		Single	Married	Others	Bachelor's Degree	Master's Degree	Doctoral Degree
1	22	✓			✓		
2	24		✓		✓		
3 & 4	25	✓			✓		
5	25		✓		✓		
6	28	✓			✓		
7	29	✓			✓		
8	30	✓			✓		
9	31	✓			✓		
10 & 11	32		✓		✓		
12	33		✓		✓		
13	34		✓		✓		
14	38		✓		✓		
15 & 16	39		✓		✓		
17 & 18	40		✓		✓		
Total		7	11		18		

Outside salary, Generation X appreciates benefits followed by flexibility because they are already raising their families; on the other hand, the perk most desired by Generation Y is work promotion. In Maslow's hierarchy of needs, Generation X's needs fall under the first and second categories which are basic pay and benefits package; and the safety and security needs in terms of company work regulations and fair labor practices.

Respondent No.	Date Started	Date Ended	No. of Years	No. of Mos.
15	11/ 2004	7/ 2005	0	8
13	3/ 2005	1/ 2006	0	10
16	9/ 2005	7 /2006	0	10
1	12/ 2004	12/ 2005	1	0
17	10/ 2004	11/ 2005	1	1
8	1/ 2010	2/ 2011	1	1
18	2/ 2010	3/2011	1	1
6	5/ 2006	9/ 2007	1	4
9	11/ 2012	7/ 2013	1	8
14	2/ 2013	10/ 2014	1	8
10	5/ 2008	7/ 2008	2	0
2	4/ 2004	5/ 2006	2	1
5	12/2005	6/ 2008	2	6
3	8 / 2008	3/ 2011	2	7
4	10/ 2005	2/ 2008	2	9
7	3/ 2011	5/ 2014	3	2
11	5/ 2004	2/ 2008	3	9
12	3 /2008	2/ 2012	3	11

employment of a duty manager was less than a year, while the longest was almost four years. Ten respondents rendered less than two years of service, while the other eight gave from two years of service and above. The findings concerning the eight duty managers who worked for at least two years in the resort follows a report from the U.S. Bureau of Labor Statistics (2014) that the leisure and hospitality industry has the lowest median tenure of 2.3 years among the public and private industries. Of greater significance is that the other ten of the respondents in this study held shorter employment terms than the cited norm.

TABLE 3:
MONTHLY BASIC SALARY

Starting Salary Range	Frequency	Ranking	Ending Salary Range	Frequency	Ranking
16,001-18,000	6	1	16,001-18,000	4	2
18,001-20,000	1	4	18,001-20,000	2	3
20,001-22,000	3	2	20,001-22,000	2	3
22,001-24,000	2	3	22,001-24,000	2	3
24,001-26,000	3	2	24,001-26,000	5	1
26,001-28,000	3	2	26,001-28,000	2	3
			Above 28,000	1	4

While Generation Y's needs fall more under the third category which is the feeling of importance, in terms of higher rank and prestige. With regard to education, clearly the college level qualification for the duty manager position was met by all the respondents surveyed (Specification Duty Manager, 1993). The findings support that the candidates were well matched to the duty manager position.

Results of the survey show that the shortest time of

Duty manager's salary in the resort in this study mostly started as low as 16,001, but in two instances the starting salary went as high as 28,000 pesos. When the individuals had resigned their position, the ending salary could still be almost the same as the starting salary of 16,001 or any of the other ranges, and above 28,000 in one case. Most of the respondents answered that their final salary was between 24,001 – 26,000

pesos. There is a big disparity revealed in this study within the starting salaries and similarly within the ending salaries of the respondents. According to Patel (2012) one has to pay well in order to get the best talent. If the perceived pay disparity is strong enough, what results is a severely unmotivated team member, perhaps even disgruntled. This factor is also the most likely to cause an important team member to seek employment elsewhere (Charlesworth, 2013).

B. Turnover Rate of Duty Managers

Turnover rate must be identified and acknowledged by each company, especially a service-oriented one such as the hotel industry. Understanding why workers come and go can help the business think of how to curtail the flow and be more successful in the long run? Table 4 presents the employment record pertaining to turnover rate of Duty Managers studied during the period 2004 – 2013 in the five-star resort.

TABLE 4:
TURNOVER RATE

Employment Record	HR Personnel's Answer
Duty Managers employed during the period 2004-2013	21
Duty Managers resigned during the same period	10
Duty Managers promoted or transferred during the same period	7
Duty Managers terminated during the same period	2
Duty Managers who remained in the position beyond 2013	2

The 10 Duty Managers or 47% who resigned out of the total 21 employed, becomes the voluntary turnover rate. In the same manner, involuntary turnover rate or nine out of 21 gives a 43% involuntary turnover rate. For purposes of studying the factors affecting turnover rate of the Duty Managers, both involuntary and voluntary turnover rates are deemed significant. These turnover rates can be described as high, considering the report of the 2011 United States survey of Catalyst (cited in Saez, n.d.) which revealed that the leisure and hospitality industry had an average turnover rate of 35.5%. Losing employees at a faster than average rate has serious consequences to the company in terms of high financial cost, loss of management time, lost productivity, lowered employee morale, customer dissatisfaction, and service errors (Merhar, 2013). It would be in the best interest of the resort where the subjects were employed to look closely into the factors affecting this high turnover rate.

C. Factors Affecting Turnover Rate of Duty Managers

Compensation and Benefits: This is widely believed to be the single most considered factor for employees to be motivated in their work and to stay in a company.

Many diverse benefits were consistently given to the duty managers by the resort during their employment. It can be gleaned that the establishment generally follows what is mandated by law, and on top of that, other optional perks were offered. In the case of the mandated retirement plan of the company in which only 2 out of 18 duty managers answered, it was explained by HR personnel that this benefit was provided to all employees including duty managers, in their respective contracts; however, since none were qualified to avail at the time of their resignations, this could have been selectively omitted in the recollection of what was available to them. Having said the foregoing, the resort seems to be aware that, other than being an indirect means of compensating workers, benefits can be quite important in looking after the economic security and stability within the work force (Reference for Business, n.d.).

Trainings: It is often expected from a company to initiate trainings that will help the employees perform their jobs well. Different trainings are designed for the workers to acquire the knowledge and skills needed to produce the desired results for the organization.

Almost all of the hired duty managers were given varied trainings that are essential in the conduct of their duties and responsibilities. Whether the duty managers came from supervisory positions or were laterally transferred, the positive results of adequate preparation and training cannot be undermined. A duty manager who handles guest complaints and emergencies confidently and in the best interests of the hotel can avoid the expense of refunds, lost business and possible legal action for the hotel (Hotel Mule, 2012).

Higher Management Support: Support from the management in an organization is vital in the success of its workers. It comes in many forms such as financial, intellectual, technical, emotional, and others.

Notably, senior management support was felt by the duty managers chiefly in the delegation of job or authority, setting of their goals, and being provided tools and resources for their job. Lesser support was sensed in terms of time flexibility, management's resolution of problems in the workplace, incentive, and consistency. Aside from these positive support aspects, the negatives are negligible. I would like to give attention to the lesser support aspects as retrieved from the findings, because management support in Maslow's hierarchy of needs essentially relates to the need for importance. Firstly, workplace flexibility has been shown to have a strong impact on employee retention. Flexible work is important to both men and women, and is a powerful tool to retain talented employees (Sloan Center, n.d.). This is followed by the perceived lack of management's resolution of workplace problems. Good conflict resolution ability equals good employee retention (Myat, 2012). Lastly, some management inconsistency was alluded to in the findings, where consistency supposedly builds trust in the workplace and helps employees feel secure about their work responsibilities and workplace demands.

Career Advancement: An opportunity for career advancement in an organization is a good motivator. Through career advancement, individuals seek to improve their economic, intellectual, social and community status, and tend to be more committed to the company that provided for them.

In the area of internal career advancement there seemed to be some focus on the duty managers in the resort, but not enough. Most organizations spend a big amount of energy on talent acquisition, but it is harder work to draw out its potential, develop its capabilities further and satisfy it to make it want to stay (Vorhauser-Smith, 2012). Many companies underestimate the total internal career opportunities available to their employees. It is because their mindset is about traditional career paths that are hierarchical, based on technical proficiency and past performance, not potential. Or sometimes this is due to poor internal career management systems or ill-defined and communicated transfer and promotion policies. Clear opportunities for career advancement are an especially powerful employee motivator (Lipman, cited in Louie, 2013). This is driven by the fourth level of need or the need for importance in terms of possible promotion.

Recognition: In the workplace, acknowledgement and praise or recognition for a good job is sought by any hard working employee. This can be manifested in different ways by the company.

Nearly all of the respondents enjoyed a financial reward in the form of a bonus in acknowledgment of their efforts for the ending year. Employers often use performance management systems to determine the amount of salary increases and bonuses for workers who meet or exceed performance expectations, or upon reaching organizational goals (Mayhew n.d.). Most of the respondents also received a commendation or citation in the form of a certificate, or were given a merit increase, or a recommendation, in that order. However, four of the respondents shared that they did not feel appreciated or recognized enough by the company.

Not all organizations offer bonuses. In a recent survey, roughly 43 per cent of large public companies belonging to the Fortune 500 stated that they do not award year-end bonuses, perks or gifts to employees (Challenger, Gray & Christmas, Inc. cited in Wolters Kluwer Law & Business, n.d.). Therefore, the duty managers in this study were very privileged to have enjoyed a financial reward from their employer. Also, the other forms of recognition that they received can be considered as best practices by the company to motivate and keep them. Nonetheless, in four instances, the lack of recognition and appreciation is notable. Recognition is a key success factor even at higher levels of management. As in the previous section about career advancement, recognition falls under the need for importance in Maslow's hierarchy of needs. Where there is omission of recognition and appreciation, it could become elemental in the turnover of some duty managers in this study.

Company Culture: A company culture that embodies the same principles as the individual worker is the best fit.

Majority of the subjects answered that they experienced a positive company culture in the resort. However, also appearing high on their list were high stress and heavy politics, which are negative concerns. It is further noted that up to one third of the respondents reported other less desirable workplace traits such as gossip in the corridors, tolerance of faction, blame, backstabbing, and envy and grandstanding. A positive workplace culture leads to increased productivity, better employee morale and the ability to keep skilled workers (McFarlin, n.d.). In this type of environment, the duty managers seem to be encouraged to stay. Their social needs or need for belonging appears to be fulfilled. Conversely, the negative conditions and attitudes present also have a powerful impact. For example, duty managers felt that heavy politics interfered with their daily responsibilities. As for high stress, it pulls down job satisfaction and organizational commitment (Yin-Fah, 2010). Given some of those unwanted scenarios, there would still be the likelihood that the employees would leave.

Personal Reasons: There are several reasons why employees give up their post, and a number are personal in nature. Table 11 suggests some common personal reasons that the respondents selected from.

Although employees' personal reasons are beyond the control of the company, it is of some significance that duty managers cited family as the number one reason they left under personal circumstances. Closely related are work-life balance and better schedule, two of the other personal reasons chosen. With regard to the reason of looking for a higher paying job, this may be connected to the findings in the earlier section of this study which showed that the starting salary fell mostly in the 16,000 – 18,000 range, and the tendency that the final salary may have stayed within the same range. The desire for work-life balance and family time are apparent in the findings of this section. Conflict between work and family has real consequences and significantly affects quality of family life and career attainment of both men and women. Inflexible work arrangements are a primary reason top talent leaves an organization.

Other Reasons: Apart from the previously discussed factors, Table 12 contains information on other reasons affecting the turnover of the duty managers in a five-star resort in Mactan, Cebu from 2004 – 2013.

VI. CONCLUSION

Based on the findings of the study, the following conclusions are drawn:

• **Turnover Rate:** The high turnover rate of the Duty Managers of a five-star resort in Mactan, Cebu between 2004 – 2013 is indicative of some less than ideal conditions in the organization that were brought to light in this study.

• **Factors affecting turnover rate.** Due attention to the factors affecting the high turnover rate will greatly aid in reducing this resultant rate, improving retention, and consequently lead to company success.

VII. RECOMMENDATIONS

Primary Recommendation: The researcher primarily recommends that the hotel shall produce a well discussed, carefully planned Employee Retention Plan.

Secondary Recommendation: After implementation of the suggested retention plan, a similar study in a future time frame should be conducted to assess the outcomes and to verify the success of the retention plan. If the turnover rate has been remarkably reduced, then it is recommended that the strategies stated will be permanently adopted in the company's policies and procedures.

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