Are they leaving or staying: A qualitative analysis of turnover issues for Generation Y hospitality employees with a hospitality education

Eric A. Brown [a],[*], Nicholas J. Thomas [b], Robert H. Bosselman [c]

[a] Department of Apparel, Events, and Hospitality Management, Iowa State University, 18B MacKay Hall, Ames, IA 50011-1121, United States
[b] School of Hospitality Leadership, DePaul University, United States
[c] Department of Apparel, Events, and Hospitality Management, Iowa State University, United States

ARTICLE INFO

ABSTRACT

This research examines Generation Y hospitality employees with respect to why they would leave, or have left, the hospitality industry, what would cause them to return if they had left, and the perceived positive and negative career related traits of the hospitality industry. This research confirms Generation Y employees desire an exciting and challenging career, but also indicates they may be thinking more long-term in their career than typical Generation Y employees. Discussion and implications include how the results are useful for hospitality graduates, hospitality educators, and industry professionals.

© 2015 Published by Elsevier Ltd.

1. Introduction

Employee turnover is a continuous challenge in the hospitality industry. There is validation within the academic literature on a variety of variables that positively and negatively influence both voluntary and involuntary turnover, some examples include employee motivation (DiPietro and Condly, 2007), accuracy of job information, relationship quality, job satisfaction (Choi, 2006), job demands, and emotional exhaustion (Babakus et al., 2008). Much of the literature related to turnover intention in the hospitality industry focuses on Baby Boomer and Generation X employees because they were the majority of employees present at the time of the research. While study of these employees is, and was, important from the standpoint of a variety of stakeholders at various levels of hospitality organizations (investors, senior management, line-level management, and HR practitioners), the researchers who conducted this study believe the topic of turnover needs further study. In particular, what can be done to reduce turnover and turnover intention of students who complete hospitality management programs and transition into jobs within hospitality. More specifically of interest is how the population of Generation Y, or Millennials, compare to previous research that focused on different generation populations.

2. Review of literature

This review of literature is broken into two core areas. The first area will present a summary of Generation X and Y attributes; including how they are similar and how they differ; and their perceptions of careers in hospitality and tourism. The second and final core area relates to turnover. This section will document previous research about Generation Y's and turnover from hospitality industry positions.

As the Sages (born between 1925 and 1945) and the Baby Boomers (born between 1946 and 1964) begin to leave the workforce, the remaining employees for the foreseeable future will be comprised of Generation X (born from 1965 to 1980) and Generation Y (born from 1981 to 2000) members. With this in mind, it important to identify various attributes these generations have in common, as well as how they differ. According to a recent Gallop (2013) article, Generation Y, also known as the Millennials, and Generation X each comprise 32% of the total U.S. labor force. In 2007, these numbers were 25% for Millennials and 33% for Generation X (U.S. Bureau of Labor and Statistics, 2007). The difference in numbers was logical because many individuals who fall into the Generation Y category were still working through their education in either grade school (K-12) or in higher education. However, as Millennials age, they will become a larger proportion of the overall workforce.

Members of the workforce who are categorized as members Generation Y could have potentially been born over nearly a two-decade period, an immense amount time when discussing the innovation that the hospitality industry has undertaken. Today,

* Corresponding author. Tel.: +1 515 294 8474; fax: +1 515 294 6364.
  E-mail addresses: ebrown@iastate.edu (E.A. Brown), nthoma15@depaul.edu (N.J. Thomas), drbob@iastate.edu (R.H. Bosselman).

we are able to check-in from our phones and through geo-location know the moment a guest enters our lobby. While these examples focus on the delivery of service, the expectations of new entrants into the hospitality industry has also evolved.

Three decades ago hospitality managers were focused primarily on the expectations of Generation X and Baby Boomers. Baby Boomers were existing employees, and Generation X was entering the workforce and moving upward through the layers of bureaucracy. Today, this has changed. The Baby Boomers are beginning to leave the workforce, Generation X is moving into middle and senior leadership positions, and the new line-level and entry-level leadership positions are being filled by workers from Generation Y. This shift in the composition of the workforce demands that operational managers continue to refine their knowledge of about what motivates their workers in hopes that the negative repercussions of motivation dips does not lead to failure in service delivery and turnover.

The origins of generational research are limited within hospitality academia. To gain a theoretical foundation for studying generations in hospitality academia, there is a foundational work in sociology (Edmunds and Turner, 2002; Eyerman and Turner, 1998; Mannheim, 1952; Turner, 1998). More recently, sociologists are examining how historical events define a generation (Eyerman and Turner, 1998). In a similar way to the Vietnam War and Title VII of the Civil Rights Act influenced Generation X, Generation Y has been influenced by the terrorist attacks of 9/11, smart phone usage, social media, and the first African American president.

2.1. Generation X

Members of Generation X have a strong desire for teamwork, autonomy, independence, flexibility, and work–life balance (Tulgan, 2004). Tulgan (2004) also identified that members of Generation X show skeptical perspectives toward hierarchical relationships, and have a negative view toward titles in an organization and have issues with organizational loyalty. However, members of Generation X also have an ability to learn new technology quickly and have a desire to embrace diversity (Burke, 2004). Compared to Generation X, Generation Y shows more cultural diversity and considers education the key to their success (Weingarten, 2009).

Generation X members are pragmatic, self-sufficient, skeptical, flexible, tech savvy, and entrepreneurial. They also search for a difficult challenge, while members of Generation Y try to make a difference in their life, the life of others, and for their organization (Ruble, 2013). These two generations show unique characteristics in their view of careers. However, both generations approach the world with a little cynicism and distrust toward politics, organizations, society, government, and the world as a whole (UNJSPE, 2009; Park and Gursoy, 2012).

2.2. Generation Y

Generation Y members value honesty and respect in their organization. They build loyalty based on their sincerity, not on the length of work (Kerslake, 2005). Members of Generation Y are conditionally loyal to their organization as long as they achieve their own personal goals. Additionally, they are willing to seek a new job if they think their preferred conditions are not met (Kerslake, 2005). Even though they value leisure and vacation, members of Generation Y have high expectations of promotion and pay raises (Hill, 2002).

Members of Generation Y exhibit traits of being confident, well-educated, self-sufficient, tolerant, team builders, and socially/politically conscious. While these traits offer good insight into Generation Y, and some similarities exist when compared to Generation X, differences in views of work between the

generations exist (Ruble, 2013). Richardson (2010a) demonstrated current issues surrounding careers in the hospitality and tourism industry. This included hours of work, salary offered, career development, and work–life balance. In accordance with these issues, researchers found members of Generation Y highly value personal life, pay and promotion, flexibility, and challenges in their jobs (Barron et al., 2007; Blomme et al., 2010; Brown et al., 2014; Morton, 2002; Richardson and Thomas, 2012; Twenge, 2007; Weingarten, 2009).

Generation Y members value their non-work time for leisure and vacations and consider their job a source to fund their lifestyle (Kerslake, 2005; Morton, 2002). Members of Generation Y enjoy challenging jobs that provide a sense of significance and enthusiasm; however, they lose the value of a job easily. With this in mind, organizations can potentially have a positive influence on turnover reduction of Generation Y employees by engaging them with jobs that are fulfilling, significant, and challenging (Macey and Schneider, 2008; Gursoy et al., 2013). Overall, engaged Generation Y employees who are satisfied with their job will be committed to the organization, which can develop higher levels of job performance and lower turnover rates and intentions in the workplace (Macey and Schneider, 2008; Park and Gursoy, 2012).

2.3. Turnover

Numerous researchers observed lower levels of organizational commitment and higher turnover rates with Generation Y employees compared to other generations in a variety of industries (Lancaster and Stillman, 2002; Martin and Tulgan, 2001; Twenge, 2007). The high turnover rate of Generation Y members could be due to their weak psychological contract with the organization, which can lower their organizational commitment and levels of organizational loyalty (Blomme et al., 2010; Rousseau, 1989).

More seriously, a high rate of staff turnover is commonplace and considered a problem due to its high cost in the hospitality industry (Gustafson, 2002; Solnet and Hood, 2008). Low wages, long working hours, being out of the social pattern, and limited career opportunities can lead to hospitality industry employees being apt to have a high intention to leave the industry and move to other industries with better working conditions (Blomme et al., 2008, 2009; Kusluvan and Kusluvan, 2000; Walsh and Taylor, 2007). Arthur (1994) described such a problematic situation in the hospitality industry as "boundaryless cross-company career moves." McCabe (2001) emphasized that multidirectional career systems emerging across industries have led to the possibility of mobility within different sectors of industries including hospitality and tourism (Baruch, 2004; McCabe, 2001). Due to multidirectional career systems, organizational commitment and loyalty have become a derivative consequence and has led to a superficial relationship among employers and employees (Baruch, 2004).

Compared to other generations, members of Generation Y are the hardest to retain in the workplace for two main reasons. First, Generation Y employees value their personal life and are willing to leave their current job if they decide the change is more beneficial for them. Second, they experience the biggest age gap in the workplace, which can be a crucial determinant of intention to leave the job (Barron et al., 2007; Weingarten, 2009). Weingarten (2009) stated that Generation Y members are very demanding and want quick responses and results. Generation Y employees value diversity, equality, tolerance in the workplace, compensation, and a defined organizational culture (Morton, 2002). Martin (2005) depicted this generation as independent, entrepreneurial, challenge taking, creative, technologically savvy, and knowledgeable. Even though they seek managerial support, they prefer to conduct tasks using their own methods at their own pace (Martin, 2005).