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# Voluntary Termination In Restaurants: An Exploratory Determination of Causes

## **Abstract**

Each year high numbers of employees voluntarily terminate their employment with restaurant organizations. The author reports the results of an exploratory determination of the reasons why a group of employees who left during a three-month period did terminate with the organizations. The subjects were examined as a total group and as subgroups identified by position. It was found that 47.8 percent of the time the manager is able to influence the factors which may lead to voluntary separation from the organization.

## **Keywords**

R. Thomas George, Voluntary Termination in Restaurants: An Exploratory Determination of Causes, Employee turnover, Labor cost

# Voluntary Termination in Restaurants: An Exploratory Determination of Causes

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*Each year high numbers of employees voluntarily terminate their employment with restaurant organizations. The author reports the results of an exploratory determination of the reasons why a group of employees who left during a three-month period did terminate with the organizations. The subjects were examined as a total group and as subgroups identified by position. It was found that 47.8 percent of the time the manager is able to influence the factors which may lead to voluntary separation from the organization.*

The growth in the number of eating establishments and the changing labor pool are having a demonstrated impact on present and future staffing. The National Restaurant Association<sup>1</sup> predicted a labor shortfall of 193,000 to 349,000 workers by 1990. This estimate could range from 785,000 to 1,127,000 employees by 1995. The association<sup>2</sup> further reports that 30 percent of the managers responding to its survey were having some problems filling positions for cooks and 27 percent were having some problem filling dishwasher positions. This same report suggests that the length of service in the retail trade is considered "short time."<sup>3</sup> As staffing becomes more competitive, the need for sound data concerning employee turnover and retention increases.

In attempting to determine the rate of employee turnover, Woods and Macauley<sup>4</sup> studied six restaurant and six hotel chains. For restaurants, a turnover rate range of 50 to 150 percent was found and for hotels, a range of 50 to 110 percent noted. For many hospitality organizations, these levels of employee turnover have been accepted as normal for the industry and something to be lived with. That is, there has always been and will be a high rate of employee turnover.

Accepting a high rate of employee turnover also means accepting an increased labor cost. The Wasmuth and Davis<sup>5</sup> examination of employee turnover in 20 large hotels (minimum of 300 rooms) estimated that hourly employee turnover costs the average organization \$1,500 per incident. Furthermore, the cost of turnover for staff was \$3,000 per incident. Using an average cost of \$2,500 per incident, an establishment with an employee turnover of 10 individuals per month (120 per year) could have an annual turnover cost in excess of \$300,000.

Barrows,<sup>6</sup> in reviewing the literature related to employee turnover and its implications for hotel managers, found job satisfaction, organizational commitment, and situational factors must be considered when examining employee turnover. Additional reasons people leave hospitality organizations were identified by Wasmuth and Davis<sup>7</sup> and Woods and Macauley.<sup>8</sup> Among those frequently given were quality of supervision, the pay and benefit package, working conditions, a lack of status, quality of coworkers, and overall job satisfaction. Fernsten and Brenner<sup>9</sup> found that the dissatisfaction with the work itself had the strongest and most consistent influence on intention to leave the hotel and hospitality industry.

While it is acknowledged that employee turnover creates problems in staffing various positions, it has also been suggested it might be a benefit to the organization.<sup>10</sup> Assumptions were made that new people bring enhanced enthusiasm and commitment to the work setting. Employers are able to get rid of the "deadwood" in the organization as low performers leave and are replaced by those thought to be more capable of performing the job activities.

Turnover of employees also may create additional opportunities for promotion and movement within the organization. DeMicco and Giridharan<sup>11</sup> suggest that employee turnover be managed. There should be a "...conscious monitoring of both the costs and benefits involved in the turnover process in order to achieve optimum levels of cost efficiency." With proper monitoring, some levels of employee turnover may be useful. Harkins and Kurtz<sup>12</sup> further suggest the monitoring of quality and not just quantity of employee turnover. They propose the development of a key person "hurt" factor in identifying when employee turnover becomes a problem.

The most important factors in reducing employee turnover, according to Wasmuth and Davis,<sup>13</sup> were found to be the quality of supervision, selection and training, and working conditions. Additional factors listed as somewhat important to the employees were job status, wages and salaries, and group cohesiveness. Woods and Macauley<sup>14</sup> offer nine short-term and nine long-term prescriptions for the reduction of employee turnover. The short-term ideas were related to maintaining the flow of communication in the organization and were most easily implemented at the operating unit level. The long-term methods were to help create the type of company for which people would want to work and involved the establishment of personnel policies to be implemented over time.

### **Examining Voluntary Turnover May Be Helpful**

When seeking to fill a position recently vacated, many managers focus on the individual with respect to ability and willingness to do the job, and how soon the applicant can start. To reduce the possibility that the newly-hired employee will become a turnover statistic, a manager might consider the specific reasons why capable employees voluntarily leave the organization. Addressing these causes of voluntary termination may be helpful in reducing the

overall level of employee turnover. While the exit interview is often the time used to determine these causes,<sup>15</sup> a departing employee may not want to give a negative reason for leaving, fearing the organization might not give a "good" recommendation in the future, even when assurances to the contrary are given.

This study was undertaken to determine the reasons individuals would give for leaving an organization after they had left the establishment. A second purpose of the study was to determine if individuals from different positions would give different reasons for their termination. It was not a purpose of the study to determine the rate or the cost of employee turnover.

A questionnaire was developed to elicit information from the study group to determine certain demographic information, job-related experience, and reasons for termination. The survey instrument consisted of 15 items with predefined response categories. The survey was conducted by telephone and consisted of the interviewer asking the questions and writing the responses in the appropriate category. An "other" category, with space for comments, was available if the subject response did not fit any of the identified categories. The responses of the subjects were taken at face value.

The subjects in the study had been hourly employees of a regional restaurant chain. Seven units of the chain were selected by the organization for this study. The selected units were typical of all units of the chain and were not singled out as having extraordinary turnover problems. All units were within a defined geographical area to aid in the collection of data and to assure that economic and labor market conditions would not be a discriminating factor for termination. The subjects represented all hourly positions in these full-service restaurants. A total of 128 individuals from the selected units voluntarily left the organization within a three-month period. These were voluntary terminations. That is, the individuals made the decision to leave; the termination was not initiated by management. Of this number, 67 (52.3 percent) were contacted by telephone. The remainder could not be contacted because the telephone number was changed or disconnected and the individual could not be reached, or the individual moved, was away at school, or was in the service.

The data were examined for frequency and percentage of response of the total group and for each of the position subgroups. The small sample size and limited number of people in each of the subgroups indicated that statistical tests to compare the responses of the subgroups may not be valid. The results of the study are presented in both tabular and narrative form.

The subject group of 67 consisted of 27 (40.3 percent) males and 40 (59.7 percent) females. They ranged in age from 16 to 50, with the greatest number being in the 19 to 21 age group (28.4 percent) and the 16 to 18 age group (23.9 percent). Completion of four years of high school was indicated by 32.8 percent (45) of the subjects. Examination of marital status indicated that 68.7 percent were single and 31.3 percent married at the time of termination from the

**Table 1**  
**Participants in the Study by Position and Sex**

Position	Total		Male		Female	
	n	%	n	%	n	%
Cooks/kitchen prep	13	19.4	9	13.4	4	6.0
Buser/dish washers	16	23.9	16	23.9	0	0.0
Wait staff	24	35.8	1	1.5	23	34.3
Host/cashier	14	20.9	1	1.5	13	19.4
<b>Total</b>	<b>67</b>	<b>100.0</b>	<b>27</b>	<b>40.3</b>	<b>39</b>	<b>59.7</b>

organization. Of those contacted, 58.5 percent earned less than \$4 per hour. Table 1 presents the subjects by position and gender.

It was found that individuals who lived more than two miles from the restaurant were three times more likely to leave the organization than those who lived less than two miles away. Of those leaving, 49.3 percent worked the evening shift, 32.8 percent worked the day shift, and 17.9 percent alternated shifts. Total work experience, including previous employment, of fewer than 90 days was indicated by 50 percent of the subjects. Table 2 presents a summary of the data concerning how long the subjects were with the organization prior to their leaving.

Within a three-month period, 35.8 percent of the employees surveyed had left the organization. Over two-thirds of the employees left their unit within six months of their date of hire. Fewer than four

**Table 2**  
**Length of Service With Organization at Termination by Position**

Time with organization	Total		Cook/KP		Bus/DW		Wait staff		Host	
	n	col %	n	col %	n	col %	n	col %	n	col %
0-1 month	8	11.9	2	15.4	0	0.0	4	16.7	2	14.3
1-2 months	7	10.5	2	15.4	4	25.0	0	0.0	1	7.2
2-3 months	9	13.4	1	7.7	2	12.5	3	12.5	3	21.4
3-6 months	22	32.8	4	30.8	6	37.5	7	29.1	5	35.7
6-12 months	12	17.9	3	23.4	3	18.8	3	12.5	3	21.4
1-2 years	6	9.0	1	7.7	1	6.2	4	16.7	0	0.0
2-5 years	3	4.5	0	0.0	0	0.0	3	12.5	0	0.0
<b>Total</b>	<b>67</b>		<b>13</b>		<b>16</b>		<b>24</b>		<b>14</b>	

**Table 3**  
**Reasons Given For Leaving the Organization**

<b>Reason for leaving</b>	<b>Total n col %</b>	<b>Cook/KP n col %</b>	<b>Bus/DW n col %</b>	<b>Wait staff n col %</b>	<b>Host n col %</b>
Low wages	6 9.0	3 23.1	1 6.3	1 4.2	0 0.0
Not enough hours	11 16.4	3 23.1	1 6.3	4 16.7	3 21.4
Schedule conflict	6 9.0	1 7.7	2 12.4	0 0.0	3 21.4
Poor benefits	1 1.5	0 0.0	0 0.0	1 4.2	0 0.0
Poor supervision	8 11.9	1 7.7	1 6.3	4 16.7	2 14.3
Heavy load work	1 1.5	0 0.0	0 0.0	1 4.2	0 0.0
School conflict	11 16.4	2 15.3	4 25.0	3 12.5	2 14.3
Physical condition	2 3.0	0 0.0	1 6.3	2 8.3	0 0.0
Moved	8 11.9	1 7.7	2 12.4	2 8.3	3 21.4
Family reasons	1 1.5	0 0.0	0 0.0	1 4.2	0 0.0
Other reasons	11 16.4	1 7.7	4 25.0	5 20.7	1 7.2
No reason given	1 1.5	1 7.7	0 0.0	0 0.0	0 0.0
<b>Total</b>	<b>67</b>	<b>13</b>	<b>16</b>	<b>24</b>	<b>14</b>

years of high school was reported by 67.2 percent of these respondents. Members of the wait staff appeared to remain the longest with the organization with busers/dishwashers and hostesses remaining the least amount of time. It was noted these latter two groups contained the highest percentages of subjects with fewer than four years of school and the highest percentages of individuals under 19 years of age.

Employees gave a wide variety of reasons for leaving the job. Table 3 shows some of these reasons given by the subject group.

Twenty-five percent of those leaving indicated low wages or unacceptable hours as the primary reason for termination. While it was not possible to determine if there was a relationship between persons leaving due to low wages and not enough hours, it would seem that total pay may have been a major reason for termination. More of the busers/dishwashers indicated a school conflict as the reason for termination than did any of the other subgroups. Poor supervision and insufficient hours were given as the primary reasons for termination by more of the waitresses than by any of the other subgroups.

#### **Managers Have Influence Over Employee Turnover**

The reasons for termination may be grouped into those the manager is most able to influence (wages, hours, scheduling, work load, and supervisory practices) and those the unit level manager is least able to influence (benefits, school conflict, employee physical condition, employee family reasons, and moving to a new location). When examined in this manner, it was discovered that 52.2 percent

of the employees left for reasons over which the manager had little or no influence. Those in which the manager did have an influence represented 47.8 percent of the total.

This study indicates that employee termination is most prevalent in the first six months of employment, although the first three months appear to be most crucial. This is the time employees are most influenced by the content of the job and the environment of the work place. Management involvement in the employee socialization process may be directed to have a positive influence on the employee and that employee's commitment to perform.<sup>16</sup>

The data suggest that managers may be able to bring about a reduction in the rate of employee turnover if they identify possible reasons for voluntary termination and adjust their hiring and supervisory practices. The manager might conduct exit interviews and then follow up, in two to three months, with a postcard survey to identify additional reasons for termination and what might be done to develop a work place leading to greater employee commitment. At that time the former employee may be less concerned about possible "poor or unfavorable" recommendations from the former employer. The survey may be anonymous.

The short-term prescriptions of Woods and Macauley<sup>17</sup> would seem to be of value in reexamining employment practices. While observing employment laws, unit managers should consider the effects of school attendance, commuting distance, and the personal needs of the individuals when making hiring decisions. If those in school are to be hired, as is often the case with busers, dishwashers, and hostesses, improved scheduling practices might result in individuals remaining with the restaurant for a longer period of time. While attempting to remain flexible, being more precise in informing potential employees of their work schedules may help to eliminate those who might develop conflicts. Working with employees in establishing work schedules and division of duties may help to reduce potential dissatisfaction.

Unit managers should consider, in the longer term, correcting those factors which contribute to voluntary turnover, using that additional effort toward the retention of employees rather than simply replacing employees who had decided to terminate their employment. Implementation of the principles suggested may result in a lower rate of voluntary termination, with reduction of costs and higher productivity for the establishment.



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