



**FACULTY OF SOCIAL SCIENCES,
NORWEGIAN SCHOOL OF HOTEL MANAGEMENT**

MASTER'S THESIS

STUDY PROGRAM:

International Hotel and Tourism
Leadership

**THESIS IS WRITTEN IN THE FOLLOWING
SPECIALIZATION/SUBJECT:**

Leadership

Diversity Management

Employee Retention

Human Resource Management

ISTHEASSIGNMENT CONFIDENTIAL? No

TITLE: What diversity management practices do hotel managers and employees view
as important for retaining employees?

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ACKNOWLEDGE RECEIPT OF 2 BOUND COPIES OF THESIS

Stavanger,/..... 2015

Signature administration:.....

EXAMINATION FORM FOR MASTER’S THESIS

Norwegian School of Hotel Management

Study program: Master in International Hotel and Tourism Leadership

Specialization: Leadership, diversity management, employee retention

Year: 2015

Is the assignment confidential? NO YES until: _____ month _____ year (Max 2 yr)

<i>To be completed by the department</i>	
Thesis submitted in 2 copies:	_____ (date)
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Abstract

Research shows that the hotel industry is noted for high rate of turnover. Again, diversity management practices have been found to be a good human resource tool helping to manage and retain diverse workforce. A lot of studies have been done on employee retention and diversity management separately but the two concepts are related therefore there is the need to look at them together. This thesis aims to explore what diversity management practices do hotel managers and employees view as important in order to retain employees in three hotel chains in Stavanger.

A qualitative research method was used to collect data through interviews. The findings of the research revealed that top leadership commitment, diversity as part of an organization's strategic plan, succession planning, recruitment, employee involvement, empowering women employee involvement, fair promotion and career advancement, diversity training for employees, programmes aimed at increasing cultural awareness and flexible work time are viewed as important by both managers and employees in order to retain employees. The research also found that low salary, lack of growth and development of employees and the location of the hotels in the oil city of Stavanger are major causes of high rate of turnover.

The research is expected to add to the body of knowledge and research in the area of improving diversity management practices and workforce retention in the hotel industry in Stavanger.

Keywords: Diversity management, Diversity management practices, Employee retention

Foreword

The hotel industry is made up of diverse workforce and it has been found through research that hotels are suffering from high rates of turnover. Because of this I deem it necessary to research into what practices help manage diversity to help solve the turnover problem in hotels in Stavanger, Norway.

This thesis would not have been completed without the help of some individuals who contributed in diverse ways. I would like to thank God Almighty who gave me life, strength and knowledge to complete this thesis. I would also want to thank my advisor Tone Therese Linge for her enormous contributions, help and support for a successful completion of this thesis. I would also want to express my sincere gratitude to all managers and employees who granted me interviews in order to complete this research. I owe a special thanks to all my lecturers especially Torvald Øgaard for their support and of the University and for granting me an opportunity to upgrade myself. Last but not least, I would like express sincere thanks and acknowledgement to my family and friends especially Mr. Yankey, Mr Opuni and my children for their encouragement and advice.

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1. Introduction

The main focus of this study is to explore the views of hotel managers and employees on diversity management practices considered relevant or important for workforce retention within three major hotel chains in Stavanger Norway. The author acknowledges the existence of various hotels in Norway, but resource constraints for the project including time and money made it impossible for the author to examine all hotels in Norway. The aim of this introductory chapter is to provide a general overview to the study. The chapter is broken down into six parts. The first part describes the background to the study and rationale. The second part describes the research problem. Following this is a description of the research aims and objectives, while the next section describes research methods and questions for the study. The importance of the study and contribution to knowledge, including the structure of the study and relationship with subsequent chapters are provided in the last sections. The final section provides a summary of the work.

Employee retention is a serious issue for organizations and managers because employees are the organizations' human resource base and a failure to retain them leads to turnover which costs organizations a lot of money. Research has shown that turnover is a big problem within the hotel industry. According to Boxall & Purcell (2003) employees contribute significantly to their organizations in terms of abilities, skills and knowledge, which also help in gaining competitive advantage. Resulting from this is the need for organizations to put in place strategies to curb this problem and to have an upper hand over their competitors and the hospitality industry is of no exception. One of such strategies is diversity management practices.

1.1 Background and Rationale

Globalization is turning the face of the market by creating opportunities as well as coming up with new challenges for organizations (Lattimer, 1998). Because of this, many organizations are embracing diversity management practices. Also, the changing demographic composition of today's workforce has compelled many organizations to practice diversity management. Hotels have the ability to enhance their competitive position through the development of effective diversity management practices because the industry is noticeable by a strong global focus and an increasingly diverse workforce (Manoharan et al., 2014). Diversity management includes differences in variables such as gender, age, religious belief, sexual orientation, disability, experience and values (Wrench, 2002). The core objective of managing diversity emerged as a result of voluntary corporate initiatives to help in recruitment and retention of employees found in a diverse social identity groups (Konrad, Prasad & Pringle, 2006).

The hospitality industry has been found to be the biggest and the most speedily expanding industry in the whole world whereby hotels are described as 'vehicles of globalization' because they accommodate tourists and business travelers from all over the world (Linge, 2012). A research on hotel workplaces in Oslo and Akershus conducted by Jordbus-Lier et al, 2010 (cited in Linge, 2012) found that the workforce in hotels are low skilled, flexible (i.e. insecure), they represent multi-cultural labor markets and they have little language skills. The researchers found further that the workforce in the Norwegian hotel industry is made up of a high percentage of part-time workers, who do not have permanent labor contracts, they receive few benefits, their jobs require little formal education or occupational training and on top of it all they receive low wages. Again, they found that the hotel industry has a high number of gender

and ethnic segregation. For instance, a high percentage of the workers are women comprising of 60% as compared to 43% in other sectors but few are found at the management level. Many of these workers are young people and majority of them are foreigners/migrants. The hotel industry is also subject to high labor intensity (Linge, 2012) and there is no doubt that there is high turnover rate in the industry.

1.2 Problem

Retaining employees is a major problem in the hospitality sector, more so at a time of growing expansion in the service sector and the cost involved in workforce development is high. Research shows that turnover is a big problem within the hotel industry as hospitality industry has a higher number of turnover compared to other industries (Hoque, 2000). Employees serving as human resources play vital roles for industries. The hospitality industry depends greatly on the services of employees. Again, the hospitality industry especially hotels are highly diverse with multi-cultural work environment. Therefore, it is a problem as organizations and managers look for ways to manage diversity as well as to minimize turnover. It is not only important to have a diverse workforce but it is also necessary to know how to retain them. Collings and Mellahi (2009) argue that companies that fail to retain their employees loss investment. Relatively, there has been a lot of research on diversity management and employee retention separately. For example, “Ethnic diversity and challenges for the Norwegian hospitality industry” by Tone Therese Linger in 2012, “Why diversity management fails” by Reidar J. Mykletun in 2007, “Talent management” by Hughes and Rog in 2008, and many more but none has been done on finding what kind of diversity management practices that are important for retaining employees especially in the hotel industry in Norway.

1.3 Research Aims and Objectives

The aim of this research is to examine the views of hotel managers and employees on diversity management practices considered important for retaining workforce within three major hotel chains in Stavanger, Norway and also to find out the importance of managing and retaining diverse workforce to their hotels.

1.4 Research Methods and Questions

The study would employ the use of qualitative research techniques involving the use of semi-structured interviews. Interviews would be conducted on three levels in each organization: the manager, the middle manager (HRM), and the employees. The reason for conducting three interviews of different levels in each organization is to find out their perspectives or views on diversity management practices (DMP) and also find out from the employees the kinds of DMPs they think motivate them to stay.

The research questions for this thesis are:

1. What diversity management practices do hotel managers and employees view as important for retaining employees?
2. What diversity management practices are they applying in their workplace?
3. What are the importance of managing and retaining diverse workforce to their hotels?

1.5 Importance of the Study and Contributions to Knowledge

As indicated earlier, the hotel industry is made up multi-cultural workforce and turnover is also a problem as mentioned earlier, it is therefore important for management to manage

diversity well as well as finding what kind of diversity management practices that can help retain employees in order for the industry to compete with other industries.

Kreitz, (2008) explains that diversity specialists and business leaders argue that there is a need to take seriously the competitive advantage of a diverse workplace in terms of redefining their management and leadership if organizations want to survive in the twenty-first century. Diversity management is one thing and finding out which of the diversity management practices positively influence employees' status in the organization to help retain them is also another thing. Managers and leaders must develop diverse organizations and ensure that they manage diversity well to take greatest advantage of it and find out the best practices they should apply to retain their employees. Therefore, the main contributions to knowledge of this study are that the findings would:

1. help to add to the body of knowledge and research in the area of improving diversity management practices and workforce retention in the hotel industry in Stavanger
2. enable policy and decision makers including managers of hotels to rethink their policies on diversity management and employee retention in response to the growing hospitality sector and the influx of migrant labour in Norway.

1.6 Chapter Summary

The first chapter presented the introduction to the thesis. The chapter contained the explanation of the problem, stated clearly the research questions, and discussed the purpose of the study by stating what the thesis will contribute to the hospitality industry. The chapter also

described the methods the researcher would use in collecting data as qualitative research method employing a semi-structured interview. The next chapter provides a literature review for the study.

1.7 Outline

This study consists of six chapters. Chapter one consists of introduction, background and rationale, the problem, research aims and objectives, research methods and questions, importance of study and contributions to knowledge, chapter summary and outline. Chapter two contains theoretical framework of diversity management practices and employee retention. Chapter three looks at the method. The method consists of research method, the design, data collection, sample reliability and validity and data analysis. Chapter four contains the findings of the study from the three organizations. Chapter five looks at the discussions of the findings. The final chapter contains the conclusion. This chapter summarizes the study in addition to recommendations for further research.

2 Theoretical Framework

2.1 Literature Review

It is important to look at some research done about the subjects, diversity management practices and employee turnover in order to better understand and present the underlying theoretical perspective for the research questions. This chapter looks at the definitions and theories on diversity management, diversity management practices and diversity management as a competitive advantage to businesses. The theories behind employee retention such as employee involvement and engagement, recruitment and supervision, training and development, and compensation and rewards are also looked at. This chapter also includes the connection between DMPs and employee retention. The theories associated with the research are taken from comprehensively reviewed books, articles and web pages.

2.1.1 Diversity Management

Diversity management has become one of the human resource strategies and an increasing number of organizations are making effort to boost inclusiveness through proactive efforts to manage diversity (Gilbert & Ivancevich, 1999). Diversity management includes recruitment, selection, development and employee retention of a diverse workforce to realize business goals, labor market shifts, globalization and competitive advantage (Konrad et al., 2006). Managing diversity was initially adopted by United States of America and Canada as human resource intervention (Konrad et al., 2006) and since then, some countries are also practicing it because of numerous benefits. Some researchers have defined diversity management in various contexts.

Diversity management has been defined as “a corporate or managerial initiated strategy. It can be proactive and is based on operational reality to optimize the use and contribution of an increasingly diverse national workforce” (Ivancevich & Gilbert, 2000, p. 88). Mor Barak provides a more comprehensive definition that entails the general idea behind diversity management; “Diversity management refers to the voluntary organizational actions that are designed to create greater inclusion of employees from various background into the formal and informal organizational structure through deliberate policies and programs” (Mor Barak, 2011, p. 235). This definition depicts that diversity management is voluntary as mentioned earlier. Though managing diversity and ensuring progress in organization is difficult, companies are making efforts to practice it. Practicing DM gives organizations the upper hand over competitors as well as overcome the legal obligation issues. Good management of the growing diversity of organizational workforce has been a strategic concern that organizations are striving to achieve. DM creates a competitive advantage in areas of marketing, problem solving, resource acquisition as well as safeguarding the organization’s international recognition (Cox & Blake, 1991).

There is a need for a programme which goes beyond having just a little understanding and knowledge about diversity and its management that enables organizations to create differences in such a way that organizations can identify, value and manage the differences to bring on board success and also to add value to a business’ performance (CIPD, 2005). Some people might think that DM should be one of the responsibilities of the HR but Mor Barak (2011) argued that it should not be seen as a sole responsibility of HR function in the organization, it must be of concern of all within the organization. Organizations must therefore take DM seriously and put it into practice because as Kreitz (2008) asserted, DM is one of the elements that helps organizations to sustain people’s enthusiasm to work with others who do not

share common culture, experiences and values. Once diversity management has become one of the human resource's strategies, it would be of importance to put into practice.

2.1.2 Diversity Management Practices

For hotels to benefit from demographic, ethnic and cultural diversity, they have to apply appropriate diversity management practices (Manoharan et al., 2014). The challenging part is identifying which practices are best in managing diversity. There have been few empirical researches done on diversity practices to find out whether they will produce the most favorable results (Kreitz, 2008). Diversity management practices has been defined by Yang & Konrad (2011) as a set of formalized practices developed and implemented by organizations to help them manage diversity effectively.

Aronson, 2002 (cited in Kreitz, 2008) outlined the following as best practice examples which has been implemented by various organizations: *Top leadership commitment*—he explains that diversity policies must be established and communicated by top-level management in the organization. *Diversity as part of an organization's strategic plan*—the author argues that a diversity strategy and plan should developed in accordance with the organization's strategic plan. *Diversity linked to performance*—this practice as argued by the author means that a more diverse and inclusive work environment can yield greater productivity and help improve individual and organizational performance if diversity is linked to performance. *Measurement*—with this, the author demonstrates that there must be a set of quantitative and qualitative measures to find out the impact of various aspects of an overall diversity program. *Accountability*—he suggests here that leaders are should be held responsible for diversity in such a way that by their performance assessment and compensation are linked to the progress of diversity initiatives. *Succession*

planning—this point suggests that there should be a strategic process to help identify and develop a diverse pool of talent for an organization’s potential future leaders. This point relates to another point *Recruitment*—in which the author demonstrates that organizations should recruit qualified and diverse candidates for employment. *Employee involvement*— employees’ contributions in driving diversity in the organization are important and must not be overlooked. *Diversity training*—last but not least, organization should inform and educate management and staff about diversity’s benefits to the organization and individual (Kreitz, 2008).

Aronson also discovered that for organizations to gain positive effect on individually focused diversity practices such as training, mentoring, networking and evaluating responsibility should be assigned at the institutional level (Kreitz, 2008). In addition, Groysberg and Connolly (2013) recommend that organizations should support flexible work arrangement in which parent for instance can have time for their career and take care of their children. Ivancevich & Gilbert (2000) also discussed most of Aronson’s practices or initiatives such as promotion and career advancement strategy, networking, compensation programmes, outreach programmes, top management support, diversity management training and mentoring.

Again, Manoharan et al. (2014) for their work on hotel managers’ use of formal and informal diversity management practices found that general managers in Australian medium-size hotels are using informal identity-conscious diversity management practices to manage their diverse employees. With the informal identity-conscious practice, recruitments are done through ethnic news papers, approaching refugee camps, and rewarding existing employees to bring in referrals. Training and development is offered through the ‘buddy system’ where non-English speaking employees work with experienced employees to help them understand on-the-job

training. Performance management practice is whereby extra feedback is provided to improve performance out-comes.

It will be necessary to combine different diversity management practices because combination of effective management practices or initiatives can be a competitive advantage because of the synergies arising between different components which become difficult to identify. This is because the cost involve in copying exactly the whole programme is too much for competitors as suggested by (Yang & Konrad, 2011). Research shows that most organizations are practicing diversity management to gain competitive advantage.

2.1.3 Diversity Management as a Competitive Advantage

A research conducted by Chartered Institute of Personnel And Development (2005) found that organizations that do not manage well and follow the right practices concerning diversity will incur more cost and experience poor performance. Business leaders, academics and consultants have approved the ‘valuing diversity’ approach to diversity management and point out that those organizations that manage well a diverse workforce stand to gain competitive advantage (Cox & Blake, 1991).

Cox & Blake (1991) argue that organizations that fail to integrate its workforce increase cost in a form of turnover rates, low job satisfaction leading to productivity loses and absenteeism which also cost the organization. Resource acquisition has been also found to be one of the advantages of DMPs. Firms that work hard in terms of diversity initiatives do not only gain positive image but also gain competitive advantage for getting best personnel though the labor pool shrinks and changes composition as skilled workers are being attracted by such firms Cox & Blake (ibid). Another area in which diversity management is seen as a competitive

advantage is marketing. Multi-national organizations benefit from the insight and cultural sensitivity bring on board by diverse personnel and if well manage, will positively affect market activities both at the international and domestic levels (Cox & Blake, 1991; Allen et al., 2008; Mor Barak, 2011). Firms with higher cultural diversity is able to mirror maximize diverse product markets and will definitely have more complex inimitable social resources, and employees helping organizations to get better access to international markets (Konrad et al., 2006).

Creativity and Problem-Solving has been found as competitive advantage from managing a diverse workforce. Creativity, innovation and problem solving capabilities are enhanced as critical analysis of issues comes from heterogeneous group (Cox & Blake, 1991; Allen et al., 2008; Gilbert et al., 1999). Greater organizational flexibility is also an advantage from DM. The system flexibility argues that companies that manage diversity are able to adjust and react to today's changing environment faster and at less cost. This is due to two factors - increasing cognitive flexibility and a higher organizational flexibility such as openness to new ideas, processes and ability to handle change (Cox & Blake, 1991).

Aside these business responsibility goals associated with diversity management, there are other social advantages. Corporations that are healthy means their society is also healthy and a healthy society in this modern world is the one which all races, ethnic groups and all people have equal career opportunities (Konrad et al., 2006). Diversity management has helped many organizations avoid racial discrimination cost, for example, avoiding payment of financial penalty that may damage the organization's image, winning government contracts and attracting customers from corporate clients who also understand diversity (Mor Barak, 2011; Wrench, 2002).

The fact that there are numerous advantages to diversity management does not mean there are no disadvantages. Lack of proper management of diverse workforce can lead to increased absenteeism, creates tension and misunderstanding between employees, communication difficulties and this can lead to low productivity and higher turnover (Washington, 1993; Mor Barak, 2011). Research shows that human beings desire or prefer to work in homogeneous group than heterogeneous group and this makes the implementation of diversity management difficult (Kreitz, 2008). It is therefore important to find which of the diversity management practices encourages people to work together in harmony to foster employees' retention as well as minimizing turnover.

2.2 Employee Retention

Employee retention has been defined as “the effort by an employer to keep desirable workers in order to meet business objectives” (Frank, Finnegan & Taylor, 2004, p. 13). The authors further said that the main purpose of retaining employees is to achieve the objectives of the business. Employee retention has become a great concern to every industry because failure to do so may result in high cost of turnover which affects the organization's objectives.

Research indicates that the cost of replacing an employee due to turnover in the hotel industry costs an organization one third of an annual salary of a new-hired employee (Lockyer, 2007). Hinkin & Tracy, 2000 (cited in Lockyer, 2007) stated that a large number of employees leave the hotel industry for another as compared to other industries. This eventually affects the quality of service in the hotel industry. Again, research shows that the level of turnover in the hotel industry is higher than other industries (Hoque, 2000; Yam & Raybould, 2011). Some reasons attributed to the high level of turnover in the hotel industry especially employees at the front

desk is inflexible nature of their work where they work 24/7, and low skill level require when entering the industry (Yam & Raybould, 2011). Other reasons for high level of turnover in the hotel industry are poor working conditions, employees putting in more effort and receiving less pay and lack of opportunities to develop themselves (Allen, 2008). Because of the turnover problem, it is important for organizations to find ways and means to retain their employees and many writers have come out with some strategies to solve the problem.

2.2.1 Employee Involvement and Engagement

Giving employees job challenge, involvement and varying their task (intrinsic rewards) and employees learning, giving performance - related salary, and development (extrinsic rewards) are all important steps in job satisfaction which lead to retention (Allen, 2008; Taylor & Walsh, 2007). It is necessary to involve and engage employees because Ramsay (2006) found that employees that are engaged are five times more likely to stay in their organization as compared to those who have less engagement. Management caring about its employees, giving employees opportunity to upgrade their skills and career, valuing the relationships of colleagues and managers within the organization and making employees feel that they are part of the organization, providing positive feedbacks as well as valuing their contributions are forms of promoting employee engagement (Hughes & Rog, 2008; Allen, Bryant & Vardaman, 2010).

Allen (2008) mentioned “connection” as an important contributing factor that lures employees to stay in their organizations. Connection means creating relationships with others on job and off job. He suggested three types of connections that boost employee retention: 1) Links- relationships build with others, for example, mentor and co-worker relations. 2) Fit- how friendly one feels about his/her job and the organization and 3) Sacrifice- the outcomes and sacrifices one

has to consider when leaving his/her job in connection with ones relationships with other workers, financial reward and the work.

For organizations to retain employees, which Chambers, Handfield- Jones, Hankin & Michaels III (1998) talked about ‘a winning employee value proposition’ means that if an organization want to appeal to its brand and products, it has to first appeal to the employees. That is how an organization represents itself internally and externally through the organization’s culture and values.

2.2.2 Recruitment and Supervision

In order to reduce turnover and retain employees, Allen et al (2010) mentioned recruitment and supervision as important factors. For recruitment, the researchers said that organizations that provide realistic job preview (RJP) during recruitment ensure employee retention. Further, employees that are hired through employee referrals have better retention compared to those hired through other forms of recruitments. With supervision, Allen and colleagues suggested that supervisors and managers should be trained on how to lead, develop efficient relationships with subordinates and they should be given tips on retention management skills. Also, supervisors and managers should be evaluated on employee retention and management should identify and eliminate abusive supervisors.

2.2.3 Training and Development

Research has proved that training and development is also another motivating factor for employee retention. Organizations are spending huge sums of money in training and developing their employees and this is serving as investment to the organizations. Employees are likely to stay in their firms if they are given opportunities to train and improve themselves because

offering them training and development reduce their desire to leave. For firms that want to retain their employees and make them marketable provide job- specific training and developmental opportunities that are linked to tenure (Allen et al., 2010). This was also confirmed by Hausknecht, Rodda & Howard (2009) that it is important to strategies training to fit specific employee group rather than following a universal strategy. These training and development make employees feel that they also belong to the firm and increase their commitment towards the firm, Hom & Griffeth, 1995 (cited in Allen et al., 2010).

Employees that are given challenging task and work perform at a high level and make them more committed to their organizations. Still on training and learning in general that helps employees grow and develop themselves, Govaerts, Kyndt, Dochy & Herman (2011) differentiated two types of training approaches; 1) the gap approach where training is given to employees who lack skills to their job and 2) the appreciative approach where training are given to help organizations gain competitive advantage whereby employees are trained to develop their skills and talents. This approach also helps management to tap their identity and skills of its human resources towards the achievement of the organizational objectives which is the main focus of employee retention. Last but not least, compensation and rewards also, help retain employees.

2.2.4 Compensation and Rewards

Compensations and rewards cannot be overlooked when it comes to employee retention. Griffeth & Hom, 2001; Heneman & Judge, 2006 (cited in Allen et al., 2010) outlined the following concerning compensation and rewards leading to employee retention: Rewards are to be channeled to individual needs and preferences, justice and fairness must be observed when

decisions are made towards payments and rewards, some types of rewards and positions should be in a way that fit with the organization and Human Resource strategy and the rewards are linked directly to retention. Compensation and rewards should base on employee performance and must be competitive enough to attract and retain employees (Arnold, 2005).

A research on workforce in the hospitality industry shows that, the hourly paid employees are more motivated to stay in their organizations. The reason being that there are flexible work and cash bonuses and also the employees benefit a lot from the incentive paying programmes in mentorship (Deery, 2008). The level of hierarchy of employees also account for their retention. Employees at the higher level of the organization's hierarchy stay longer because they develop relationships, advance themselves, and become more satisfied therefore being committed to organization and its prestige. Employees at the lower level of the hierarchy are only motivated by extrinsic rewards (Hausknecht, Rodda & Howard, 2009). Organizational culture also influences employee commitment to stay in the organization. Employee retention strategy is not a sole responsibility of Human Resource department, but it is the HR's responsibility to ensure that the implementation of these strategies is executed effectively in other departments through policies and practices (Hughes & Rog, 2008).

2.3 Human Resource and Retention in the Hospitality Industry

Strategies for managing human resources in hotels have been regarded as complex and formal though a certain hotel unit might have proper human resource department (Hoque, 2000). The flexibility of a hotel chain also depends on the appropriate HRM whereby proper monitoring skills and training are given to staff as suggested by Hoque. Human resource management plays vital role in employee retention; therefore HR department must put in place appropriate

strategies to help retain employees. In addition, Enz (2010) also mentions training, rewards and benefits as three factors that are appropriate in creating human resource strategies and the future of these HR strategies for an organization depends on the employees' abilities and skills. These three factors have discussed earlier as some of the factors contributing to employee retention. Even though there is no empirical research done on connection between diversity management practices and employee retention, it can be seen that the two are somehow connected.

2.4 Theoretical Summary-Connecting Diversity Management Practices and Employee Retention.

One of the aims and objectives of diversity management is to reduce turnover (Allen et al., 2008; Cox & Blake, 1991) and this is in connection with the aim of employee retention. Turnover continues to be a challenge for organizations and therefore, companies have found that diversity management practices and employee retention programmes can help solve the problem.

The ability to attract, recruit and retain employees can be seen as a common goal to both diversity management practices and employee retention. Organizations practicing diversity have realized the positive effect of attracting both minority and majority individual (Olsen & Martins, 2012; Cox & Blake, 1991).

Last but not least, the practices of both diversity management and employee retention are connected. For example, combining practices such as employee involvement, training, development, mentorship, holding leaders accountable, cost reduction techniques, rewards and compensation, recruitment and supervision are attributes to both diversity management and employee retention. It is therefore necessary to find which of the DMPs do hotel managers and employees view as important in order to retain employees.

3. Method

Research scholars have come up with a process one has to go through when conducting a research: Selecting and defining research problem, planning a design for the study, collecting data, analyzing the data, interpreting the data and informing others in a written form (Neuman, 2014; Bryman, 2012). These processes are in line with the definition of *methods* as “the collection of specific techniques we use in a study to select cases, measure and observe social life, gather and refine data, analyze data, and report on results” (Neuman, 2014, p.2).

The aim of a research is to get closer to the truth. This means that the results from a research does not guarantee a 100% foolproof or offer complete truth (Neuman, *ibid*). A research is conducted to discover new knowledge and insight about a theme or topic. Neuman (2009) argues that a good research does not lead to a final conclusion but leads to further questions. A researcher may be satisfied if the results from the research answer his/her research question. There are two major methods that researchers use when conducting a research: a) Qualitative method where one gets deeper into human situation (emphasizes words) in the collection and analysis of data through interviews and focus groups, and b) Quantitative method where the research is based on numbers (emphasizes quantity) in the collection and analysis of data through questionnaires, experiments, surveys, etc. (Bryman, 2012; Neuman, 2014). Therefore, qualitative research depends on the quality of words while quantitative research depends on the quantity of numbers. This research is of qualitative method.

3.1 Qualitative Method

As I stated earlier, a research may either be of a quantitative or qualitative but this research is of qualitative nature. Qualitative method aims to gain in-depth understanding of

human behavior for decision making (Saunders et al., 2009). It also answers the question of “how”. Qualitative method is appropriate for this thesis because the researcher want to go deeper in finding answers to the research questions as well as finding out “why are” and “how come”. According to Neuman (2014) qualitative research examines a specific case in detail that happens in natural flow of social life. Since this research want to go deeper in finding out people’s perspectives concerning DMPs and employee retention it was appropriate to use qualitative research method. Bryman (2008) explains that qualitative research focuses on words rather than quantification when it comes to data collection and it also view the relationship between the theory and the research and that is exactly what this research will do. Studies have explored that interview is one of main tools for collecting data in qualitative research; therefore this study will employ interviews to collect data.

3.2 Explorative Design

The choice of research design depends on the research question and the purpose. This study seeks to explore a phenomenon by investigating what DMPs do hotel managers and employees view as important for retaining employees. The research design chosen for this study is of an explorative nature. The explorative design is necessary when the aim of the research is to seek insight and ideas, clarify, develop concept, to understand a problem or a phenomenon and if a subject has not yet been explored (Saunders et al., 2009; Neuman, 2014). This design fits the purpose of this particular study because the study is seeking insight and ideas, clarification, discover and to understand the problem. According to (Neuman, 2014) explorative design addresses “what” question, is the answer to “there is” question and it also helps to learn more about the concept. This fit the concepts of this research as “there is” already the concepts of

diversity management and employee retention but yet to explore what DMPs really help retain employees in the hospitality industry.

3.3 Interview

Interview is a unique conversation between interviewer (researcher) and the interviewee whereby the interviewee share understandings and experiences (Rubin & Rubin, 2005; Bryman, 2008; Kvale, 1996). Because the information I need cannot be answered so easily there is the need for people to explain their answers as well as describing their experience. According to Bryman (2008) there are two types of interviews when dealing with qualitative research; semi-structured interviews and un-structured interviews. This study employs semi-structured interviews.

3.3.1 Semi- Structured Interview

A semi-structured interview which is also called focused interview is based on narrowing research question to a specific one depending on what the interviewee has answered earlier about the previous questions. The structure of the previous questions relied on being general and broad about the topic which will lead to further question (Rubin & Rubin, 2005). Because this research aims at extracting respondents' perspectives and insight about the topic it is proper to use semi-structured interview to help the researcher obtain answers to the research question and also allow for comparing respondents' subjective answers to the literature review. With semi-structured interview, questions are created by the interviewer that will be asked in his/her own way.

3.4 Ethics

Ethical issues cannot be overlooked when it comes to qualitative research that employs the use of interviews. As I have indicated earlier, a qualitative research goes deeper into individuals' personal lives. According to Kvale (1996) ethical issues should be considered right from the start of the research to the end; (a) Aside the scientific value attached to a research, ethical issues should be also considered when it comes to how to improve the situation of people investigated. (b) The consent of the interview subjects must be sought to participate in the study and researcher must also consider how much details of the design should be disclosed to the subjects since it may affect them. (c) The researcher has a moral obligation to clarify and ensure the confidentiality and anonymity of the interviewees. (d) Ethical issues are also found in transcribing and analyzing the interview and last but not least, (e) in reporting the data collected, the researcher has a moral responsibility to consider the consequence the report may have on the interviewees and their respective organizations (Kvale, 1996).

Because this study is going deeper into interviewees' perception, I have ethical responsibility to ensure confidentiality and anonymity of the interviewees. I sought the consent of the participants to involve them in my research. I informed them through emails the purpose of my research and the reason why I am conducting interview to collect data. I was therefore careful not to disclose much information about the research aim since this can affect how interviewees would respond to the research questions. I informed the participants about confidentiality and anonymity of the interview and asked their permission to record the conversation to help me analyze the data. I assured them that the audio recording will be deleted after the analysis. I repeated this verbally to each respondent when the interview started.

3.5 Conducting the Interview

Open questions were set for the interview because the researcher wants a discussion that will provide detailed answers to the research question. Confidentiality and anonymity was repeated during the interview though interviewees were informed earlier in the interview request sent to them by e-mail. The researcher observed during the interview that confidentiality and anonymity made the interviewees felt comfortable and spoke more openly. In order to create interviewing environment and build a positive relationship with the interviewees as suggested by (Bryman, 2012; Kvale, 1996), I opened up by talking calmly and conducted the interview in a form of conversation and this made the interviewees also opened up and gave more information.

Because the researcher's aim is to elicit interviewees' subjective perspectives about the topic, leading questions were not given but encouraged them to answer in their own ways. Some of their answers allowed the researcher to use *probe* to get more clarifications. Bryman (2012) defined *probe* as a situation where the interviewer request for further information to clarify an answer or to add more information to complete an answer. In my case, I used *probed* by asking "could you say a little more about that?" and sometimes nod as I give eye contact. As Bryman (ibid) advices interviewers to show courtesies after interview, I thanked them for given up their time.

3.6 Sample

Unlike quantitative research whereby random sampling is commonly used, purposive sampling is also commonly used for qualitative research (Bryman, 2012). With purposive sample, Bryman (ibid) meant that the researcher does not choose participants randomly but the researcher chooses sample that is relevant to the research questions. In other words the

researcher chooses case/participants with knowledge and insight into his/her topic. Bryman (ibid) states further that with purposive sample, the researcher has a clear motive for choosing that sample. A gain, areas and participants sampling is another common strategy in qualitative study (Bryman, 2012).

With this in mind, I chose hotels from the same area. All the three hotels belong to different hotel chains in Stavanger. Two sampling groups were chosen for this research: the managers and employees in each of the three organizations. The reason for this is that though the objective of this research is going deeper into finding out what DMPs help retain employees, it is of great importance not to solicit only managers' view but also that of the employees'. Even though managing diversity is the responsibility of the leaders in an organization, the end results are meant for the employees. Therefore, finding out employees' view point about the subject is important and will help management to choose right practices to help retain their employees.

The sample plan from the onset of the research is to test one GM, one HRM, and two employees from each of the hotel chains selected. The reason for this selection being that I want to find out what DMPs do GMs deem important, find out from HRMs the actual DMPs they are practicing since it is part of their professional responsibilities and also to interview some employees to gain deeper understanding from them as they are working with people from different cultural backgrounds and what the employees want from their management to motivate them stay with the organization. Because this research is about real life situation, I was expecting some unpredictable factors that may occur and my prediction was not far from what actually happened especially with the achieved sample.

3.6.1 Achieved Sample

Sample representation of the interview findings of this study is going to be done individually within each organization. Respondents and their organizations are being held anonymous. Participating organizations will be called Organization A, Organization B, and Organization C. However, the organizations were not chosen randomly, they were chosen to represent different hotel chains in Stavanger, each of the hotels is being represented in terms of quantity as compared to other hotels in Stavanger and each of the organizations are similar in sizes in terms of their abilities. As stated in the sample, the intention was to interview four people from each hotel but this did not happen.

Organization A

One GM, one HRM and one employee were interviewed from Organization A. The GM of this particular hotel is a 36 year old male holding a Bachelor Degree in Hotel Management and Administration. He has worked in this organization for 7 years. He is also the ambassador for diversity management in Nordic hotels. The HRM is a 34 year old female holding a Bachelor Degree in Hospitality Business and Management and she has worked in this organization for 2 years. She has responsibility over three different hotels within the same chain in Stavanger. She has also occupied the same position for 7 years in her previous organization. The female employee is a 23 year old with Secondary School Certificate. She is at the house keeping department and has worked for 3 years in this organization.

Organization B

I wanted to interview the GM, the HRM and two employees but I was informed that the GM is too busy and also the HRM is at their head office in Oslo. The Booking and Sales Manager

(BSM), the Front Desk Manager (FDM) and one employee were interviewed in organization B.

The BSM is a 30 year old female with a master degree in International Hotel and Tourism Leadership. She has been holding the position for 3 years in the organization. The FDM is a 29 year old female with a bachelor degree in Hotel Management and has been holding the position for 4 years. One employee (female) at the Conference and Meetings) is also interviewed. She is a 26 years old student studying a master degree programme and she has been working there for 2 years.

Organization C

Unfortunately, no manager had time for me to interview. Two employees were interviewed. Employee 1 is 28 year old male student studying a master degree programme. He has been working as a waiter for 2 years in organization B. Employee 2 is also a female master student aged 26 and has been working at the house keeping department in organization B for 3 years.

Organizations	Gender	Age	Education	Position	Years in Org.
A					
	Male	36	Bachelor in Hotel Mgt.	GM	7
	Female	34	Bachelor in Hospitality Bus. Mgt.	HRM	2
	Female	23	Secondary School Certificate	Employee(Housekeeping)	3
B	Female	30	Master in International Hotel and Tourism Leadership.	BSM	3
	Female	29	Bachelor in	FDM	4

			Hotel Management		
	Female	26	Master Degree	Employee Conference and Meetings	2
C					
	Female	26	Master Degree	Housekeeping	3
	Male	28	Master Degree	Waiter	2

Figure 1: Achieved Sample

3.7 Reliability and Validity

Studies have shown that precision and accuracy are important qualities in research measurement. Neuman (2014) writes that reliability and validity are used to ascertain the credibility, truthfulness and believability of a research. He further states that reliability and validity can never be achieved in a perfect research. Reliability means that the researcher's results or findings must be consistent and stable if replicated under similar situations. On the other hand, validity is the boundary line between truth and untruth (Kvale, 1996; Neuman, 2014). In other words validity finds out if a research is measuring what it was intended to measure. Neuman (ibid) writes that the principles of reliability and validity of quantitative research is different from that of qualitative research.

The concept of *reliability* and its consistency in the context of qualitative research is based on observations (interviews in this case) and how we observe should be consistent over time. Meaning that no matter how many times we measure the results should not differ (Neuman, 2014). A researcher may use different measures when dealing with qualitative research because, people differ from one another and also there may be changes over time during the period of data collection. Even though a qualitative researcher develops deep relations with people through interactions that may progress over time, the result will not be inconsistent. The reliability in the

context of qualitative research depends on the researcher being thoughtful and consistent in observing and measuring to make the research dependable (Neuman, *ibid*).

The results from this research are reliable and can increase reliability if the same research is to be done in another area with other organizations. This is because (a) though the organizations chosen for this research belong to different hotel chains, they are all within the same market industry. (b) Though finding out what DMPs help retain employees have not been researched into, the concepts of diversity management and employee retention are not unfamiliar to such organizations. They have been researched before but in different situations.

The *validity* of a qualitative research rest upon the authenticity and truth of the data collected for the research as compared to real life situation and on how good the research can fit in to real world. The empirical statements of the research is deemed valid if they are supported by many empirical data and also if the researcher is able to link the concepts to empirical measures (Neuman, 2014). The author writes further that less emphasis is placed on matching abstract concept to empirical data, rather the researcher's objective must capture the perspectives and experiences of people under study and compare to social life. Validity is further grouped into two: internal validity which means that some features in the research design can affect the purpose of the study or if there is truth in the findings with respect to the research units under study. External validity on the other hand means whether the findings from the research can be generalized and applicable to other situations (Neuman, *ibid*).

This research relied on the concepts of theories of diversity management and employee retention. The questions for the interview were carefully developed with theoretical background and the questions are relevant. Because, the purpose of the questions was to find answers to the

research questions concerning diversity management practices and employee retention and also to find out what DMPs help retain employees. Answers to the questions answered the research question.

There is a disadvantage of generalizing the findings from a qualitative research because while in quantitative research the sample can be selected randomly, it is not the case in the qualitative research. Therefore it is difficult to generalize the findings from this study. However the findings from this study can be relevant for other similar organizations, especially in the hotel industry. Furthermore, the findings can be relevant in any organization under human resource management concerning the issue of using diversity management practices as one of the tools to address employee retention. Further studies should be done in other organizations to examine whether the same results can be found.

3.8 Data Analysis

Understanding core concepts and discovering themes that describe what the researcher has examined is the objective of data analysis (Rubin & Rubin, 2005). The authors state further that when a theory is put together to answer a research question then the analysis is done.

Neuman (2014) talked about coding when it comes to qualitative data analysis. Coding is the process of organizing raw data into categories and themes or creating concepts (Neuman, *ibid*). According to (Neuman, *ibid*) there are three stages in coding qualitative data: *Open Coding*-this is the first stage in coding where data collected is put into categories or codes and examine them while you look for relevant themes. *Axial Coding*- this is the second stage in coding where one concentrates more on the categories or concepts instead of the actual data and compares categories to find possible links and connections. At this stage, new questions may be

raised and also some coded concepts or categories may be dropped. *Selective Coding*-this is the last stage in coding whereby the researcher goes back to previous codes and examines them to look for data that can support the already developed categories.

I will analyze this study by focusing on individual organization and then combine the three organizations together. The reason is that respondents do not belong to one organization and also since everybody thinks or perceives things differently, their answers may differ. Again, though the organizations seem to have the same characteristics their management style may differ. Therefore there is the need to look at the organizations individually before linking them. I intend to use the same questions for all the three organizations but different questions may come out base on the answers given.

The findings from the interviews will be organized individually from each organization. Respondents will be coded base on their answers. It might happen that the same or different coding may arise from the interviews as a result of individuals' subjective perceptions about the topic. Discussions will follow and each organization will be discussed separately base on the findings. The answers of the three organizations will be discussed together. However the findings will be discussed base on the research questions.

4 Findings

The findings from the interviews will be treated separately as mentioned earlier. Respondents and their organizations are going to be kept anonymous but their respective positions will be revealed for the purpose of the objective of this thesis. A summary of findings for each participant is presented starting from the GM to the employees from each organization. The following are coded from the interviews with the Hotel Managers: Attributes of diversity, benefits from diversity management practices, diversity management practices currently existing at workplace, problems associated with diversity management practices, investing in people to avoid turnover, and diversity management practices that help retain employees.

4.1 Findings Organization A

General Manager (GM). According to the GM of organization A, managing diversity practices means acknowledging people's differences and recognizing these differences as valuable; it enhances good management practices by preventing discrimination and promoting inclusiveness.

Also, employee retention is achieved whereby an organization put in place some strategies that will persuade employees to stay. Attributes considered to be diversity are the demographical factors such as age balance, gender balance, disability, people from different cultural backgrounds, and other attributes like creativity, experience and women empowerment. The manager specifies the importance of DMPs as it strengthens cultural values within the organization, help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels and customer satisfaction. According to the GM, the main problem with DMPs is language as management and employees struggle to communicate effectively with each other.

With the problem of turnover the manager states that it is sad to see experienced employees leave the organization and this cost the organization a lot of money to recruit, train and retrain another set of employees. But the manager specifies that the organization has put in place some training and development, flexible work time and women empowerment programmes as part of diversity management initiative as well as giving attractive salary as it is the main challenge when it comes to turnover to encourage retention.

The manager believes the following are best diversity management practices his organization is practicing to help retain their employees; diversity as part of an organization's strategic plan, diversity linked to performance, succession planning and recruiting from diverse pool of applicants. However the manager admits that the organization is not doing much as few women occupy top executive positions and at the moment only Norwegians occupy top executive positions.

When I asked about the importance of managing and retaining diverse workforce the GM states that, it is important to embrace diversity and try to retain them because most Norwegians do not like the caliber of work done in hotels.

Human Resource Manager. According to the HR Manager, managing diversity practices is a managerial strategy designed by an organization to take care of people from different cultural backgrounds in the organization in order to achieve the business objectives while employee retention is where an organization makes sure that its employees stay. Attributes of diversity according the HRM are demographical factors such as age, gender, disability, sexual orientation and for their organization they employ students, and some refugees. With age, the HRM says the

organization's workforce is made up of both old and young generations as their skills, ideas and experiences are needed.

The HRM specifies that there are numerous benefits derived from diversity management such as strengthen cultural values within the organization, help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels and customer satisfaction. However, the main challenge connected to DMPs is language, this according to the HRM.

Concerning the problem of turnover, the HRM states that it is necessary to invest in people to avoid turnover. According to the HRM hotel business has become a temporal workplace for career advancement where everyone aims at working in the oil industry here in Stavanger. Because of that, the organization is investing in people by training and development, practicing diversity management and trying to give attractive salaries to help retain employees and to avoid the huge cost associated with turnover. She added jokingly that sometimes turnover creates opportunities for others to gain employment.

However, the HRM mentions the following as what the organization has put in practice when it comes to diversity management to help retain their employees: top leadership commitment, diversity as part of an organization's strategic plan, succession planning, recruiting qualified and diverse applicants and employee involvement and recognizing their contributions.

With question of the importance of managing and retaining diverse workforce the HRM states that managing and retaining diverse workforce helps an organization to gain a lot of money and also creates positive organizational reputation.

Employee (female) - House Keeping. Attributes of diversity, benefits from working with multi-cultural people, problems with DMPs, challenges of turnover, motivation to stay, expectations from management and diversity management practices that help retain employees are coded from the interviews with the employees.

The employee states that demographical factors such as age, gender, and people from different cultural backgrounds are the attributes of diversity. The employee states further that DMPs is important because working with people from different cultural backgrounds improves efficiency and motivation of existing employees, improves innovation and creativity among employees, enhances service levels and customer satisfaction and strengthens cultural values within the organization. However it becomes difficult dealing with different languages.

Concerning turnover, the employee emphasizes that it is a problem as existing employees find it difficult to adjust to new employees and at times it takes longer time to understand each other.

With the issue of motivation to stay in the organization the employee specifies that most of the employees including her are willing to stay if opportunities are created for them to develop and improve themselves as the system in place right now does not allow easy development. In connection to this, the employee states that it is their expectation that management creates opportunities, empowerment through training and recognizing their contributions.

The employee emphasizes strongly that though the organization is made up of multi-culture it is not inclusive as other nationals except Norwegians are not recognized and appreciated. According to the employee the following DMPs will help retain employees: Employee involvement, diversity training for employees, recruitment plans for diverse workforce, programmes aimed at increasing cultural awareness and flexible work time.

4.2 Organization B

Booking and Sales Manager (BSM). According to the booking and sales manager diversity management practices are the way people with intercultural backgrounds work in the same organization by sharing ideas and make work more effective to satisfy customers while employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain with the organization. The BSM states that age, gender, disability and experience are the elements of diversity and there are numerous benefits in managing diversity such as strengthening cultural values within the organization, it helps to attract and retain highly talented people, improves efficiency and motivation of existing employees, improves innovation and creativity among employees, enhances service levels and customer satisfaction and mutual understanding at workplace. Moreover the problem is language.

When it comes to turnover, the BSM states that they do not have problems because their employees are satisfied and the management appreciates every worker's contributions to the organization. However, in order to sustain this great achievement there is the need to improve and encourage employee retention by creating flexible work environment by involving everyone in the running of the organization and of course by paying an attractive salary. Workers from diverse cultural backgrounds give valuable insight into giving good customer service to diverse customers.

The BSM specifies the following as DMPs that her hotel is practicing and helping in retaining their employees; top leadership commitment, diversity as part of an organization's strategic plan, diversity linked to performance, succession planning, recruitment, employee involvement and women empowerment.

Front Desk Manager (FDM). According to the FD Manager, diversity management practices are about setting up a strategy to facilitate harmony with a diverse workforce. Employee retention is making sure that the employees stay with the organization. The FD Manager mentions age, gender, disability, minority and experience as characteristics of diversity.

The manager states that managing and retaining a diverse workforce strengthens cultural values within the organization and helps to attract and retain highly talented people, to improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels and customer satisfaction. The manager states further that managing and retaining a diverse workforce helps to avoid financial costs involved in recruiting and training new employees. However, the FD Manger points out that the main problem with such practice is language barrier as it takes time to understand each other. The FDM also confirmed that there is no problem concerning turnover.

Concerning improving DMPs and employee retention, the FD emphasizes that listening and encouraging employees to bring their contributions is an effective way to do that. Again, the FD Manager outlines the following DM as what the hotel is currently practicing which is helping to keep their employees: top leadership commitment, diversity as part of an organization's strategic plan, diversity linked to performance, succession planning, recruitment, employee involvement and women empowerment.

Employee (Conference and Meetings)-Female. The employee defines diversity management practices as an organization valuing and recognizing workers no matter their differences while employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain with the organization.

According to the employee, features of diversity are factors such as age differences, equality in gender, disability and experience. The employee states further that working with multicultural people strengthen cultural values within the organization, helps to attract and retain highly talented people, improves innovation and creativity among employees, enhances service levels and customer satisfaction. One cannot ignore language problems as immigrant employees find it difficult to express themselves. With turnover challenges, the employee says her department is not facing turnover so she sees no effect.

However when it comes to motivation to stay the employee emphatically states that getting job has become difficult and most of the employees might have left the organization. This is because there is lack of employee development: the employees are not given the opportunity to develop themselves and also, though the organization is made up of diverse workforce there is unfair treatment the employees. Their salary is also not motivating. According to the employee Norwegians are treated better than other nationals.

Concerning expectations from management the employee states that management should do something about communication. According to the employee communication in the organization is ineffective as essential letters and memos are in Norwegian and most of employees cannot read and understand Norwegian. The employee emphasizes that for them to be more motivated to stay in the organization management should formulate strategy beyond salary and benefits such as recognition, health & safety, and empowerment. According to the employee, the following DMPs will help retain employees: employee involvement, fair promotion and career advancement, recruitment plans for diverse workforce and flexible work time.

4.3 Organization C

Employee 1 (House Keeping) – Female. The employee defines diversity management practices as practices formulated by the organization to help take care of employees from different cultural backgrounds in order to attain the organization's goals while employee retention is whereby an organization puts in place some strategies that will encourage employees to remain in the organization. The employee specifies different cultures, different nationalities, experience and values as attributes of diversity. *For* the benefits derive from working with diverse workforce, the employee states there are a lot of benefits such as strengthening cultural values within the organization, improving efficiency and motivating existing employees, and improving innovation and creativity among employees when an organization practices diversity management. This employee also stresses on language problems.

Concerning turnover, the employee states that it is a problem as the existing employees strive to adapt to new employees. The employee emphasizes that the main cause of turnover in her department is lack of issuing permanent work contracts. The employee explains that some people have worked for three years without permanent contracts and this compels some of them to leave and another cause is low salary.

With motivation and expectation from management, the employee specifies that management should increase their salary, issue permanent contracts after one year and provide opportunities for career advancement. However, the employee specifies the following as what she thinks important to help retain employee: employee involvement, diversity training for employees, compensation programmes and flexible working time.

Employee 2 (Waiter) – Male. Employee 2 in organization C defines diversity management practices as a strategy set up by an organization to encourage inclusiveness in order to achieve

the organization's objectives and employee retention is defined as methods used to keep employees at workplace. According to employee 2 attributes of diversity are gender, sexual orientation, experience and values.

The employee outlines the following as benefits for organizations that practice diversity management: strengthening cultural values within the organization, improving efficiency and motivation of existing employees, improving innovation and creativity among employees, and enhancing service levels and customer satisfaction. The employee explains further that these practices have increased the number of customers/guests at the hotel.

Concerning problems as a result of turnover, the employee states that the hotel spends a lot of money in recruiting and training new employees and also it takes time for existing employees to get used to new employees at workplace.

However, the employee specifies employee involvement, diversity training for employees and flexible work time as DMPs that his organization is practicing and deems right in helping retain the employees. The employee outlines the following as benefits for organizations that practice diversity management: strengthening cultural values within the organization, improving efficiency and motivation of existing employees.

4.4 Summary of Findings

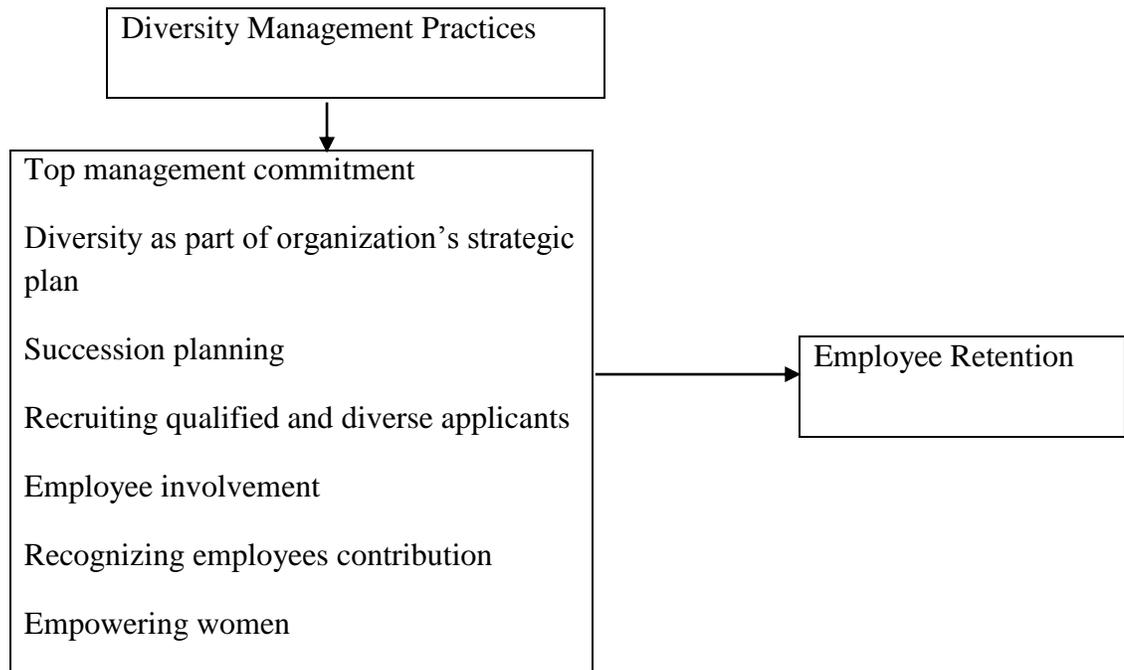


Figure 2: Managers' view

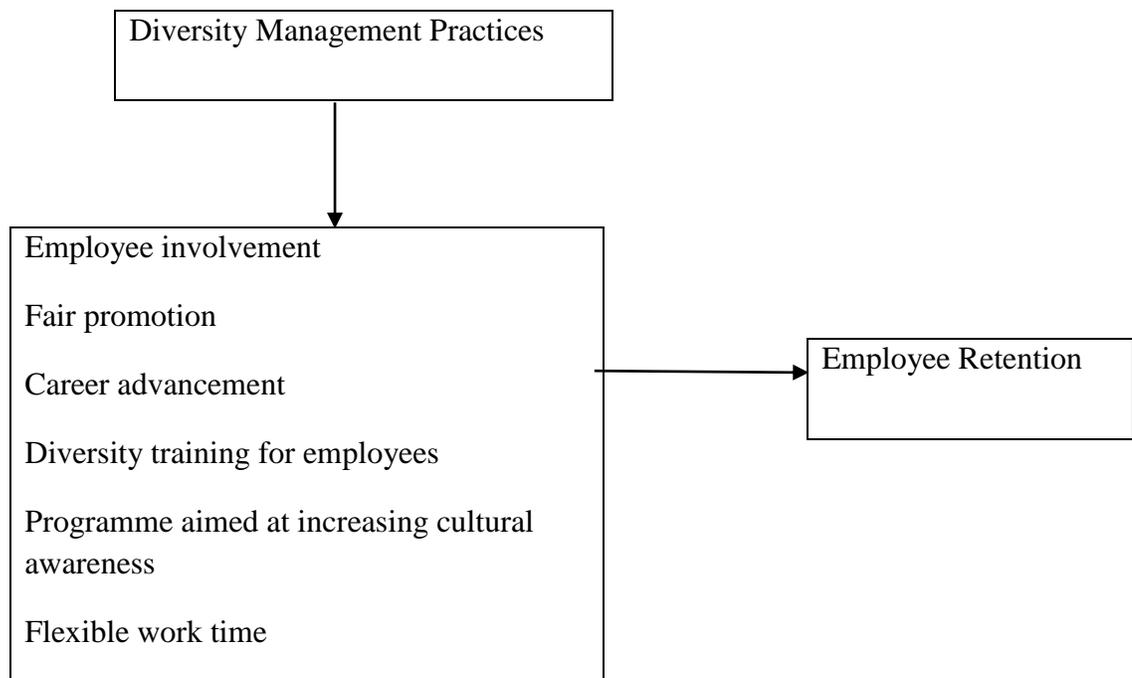


Figure3: Employees' view

Top management commitment
Diversity as part of organization's strategic plan
(blending old vs. younger generation)
Empowering women
Recruitment (qualified and diverse workforce)
Employee involvement (listening and valuing employees contributions)
Employing students and refugees

Figure 4: DMPs organizations are currently applying in their workplace

It helps avoid costs involve in turnover
It helps creates positive organizational reputation
To avoid labour shortage (because Norwegians do not like most of work done in hotels)
It helps give good customer services to diverse customers/guests

Figure 5: Importance of managing and retaining diverse workforce in hotels?

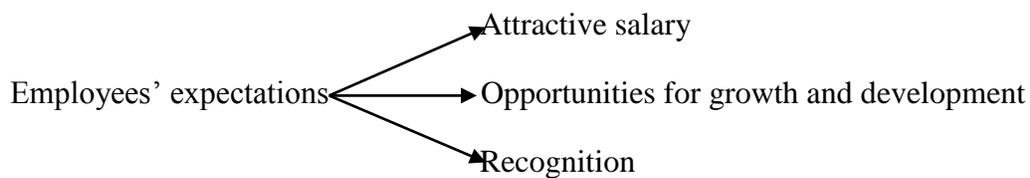


Figure 6: Expectations from employees

5. Discussions

This thesis is finding out what diversity management practices do hotel managers and employees view as important in order to retain employees in the hotel industry focusing on three hotel chains in Stavanger. From the findings it seems the managers and employees have similar points of view concerning the research question but there are some issues that differentiate the managers as well as the perceptions of the employees. This part of the thesis will therefore discuss each organization separately and then compare the three organizations.

5.1 Organization A

Both managers from organization A defines diversity management practices as a managerial strategy designed by an organization to take care of people from different cultural backgrounds by preventing discrimination and promoting inclusiveness in order to achieve the business objectives and employee retention as strategies put in place by an organization to ensure that employees remain in the organization. These definitions are similar to that of (Yang & Konrad, 2011; Frank, Finnegan & Taylor, 2004) definitions of diversity management practices and employee retention respectively. The GM mentioned that though the organization is made up of diverse workforce there are few women at the top executive positions and as at now only Norwegians occupy top executive positions. This implies that they are not doing much to close the gap and it therefore important that both managers admitted that there is more to done. All respondents in organization A mentioned gender, age, disability, experience and people from different cultural backgrounds are the attributes of diversity. This is in accordance with (Wrench, 2002) as the author specifies variables of diversity as gender, age, religious belief, sexual orientation, disability, experience and values.

Respondents in organization A strongly emphasized both business and social importance of diversity management. Respondents cited positive outcomes such as DMPs strengthens cultural values within the organization, help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels and customer satisfaction. This is in accordance of previous theoretical findings from (Cox & Blake, 1991; Allen et al., 2008; Mor Barak, 2011). Respondents in organization A mentioned language as main problem associated with the implementation of diversity management and this is not strange as (Mor Barak, 2011) stated communication difficulties as of the problems with implementation of diversity management. However the managers did not say anything about how to solve the problem and as long as the problem is not solved indicate communication barrier especially with the employees.

Concerning turnover problem, managers in organization A mentioned that casual workers turn to leave the organization as compared to permanent workers and that the main issue is about low salary. They stated further that this cost the organization a lot of money and this is in line with (Lockyer, 2007) indicating that the cost of replacing an employee due to turnover in the hotel industry costs an organization one third of an annual salary of a new-hired employee. The managers said the organization is investing in people by training and development, practicing diversity management and trying to give attractive salaries. But the issue is employees would not leave if their salary is attractive meaning that what is attractive salary to managers is not attractive to the employees. Another thing for discussion is that if there is high turnover rate with casual workers then the organization should make sure that employees are transferred from casual to permanent within shortest possible time to avoid turnover. The problem of turnover is not only economically expensive to the organization, it also makes the existing employees find it

difficult adjusting to new employees and it takes time to understand each other, this indicated by the employee.

When it comes to the question of improving diversity management practices to encourage employee retention and diversity management practices that help retain employees, the results of this study from organization A showed that diversity as part of an organization's strategic plan, diversity linked to performance, succession planning, recruiting from diverse pool of applicants, employee involvement and recognition of employees contributions are what organization A practices. These practices are good because according to (Kreitz, 2008) most organizations are now following these practices but the problem with organization A is that the execution is not well done. This is because when I asked the employee about motivation to stay in the organization and the employees' expectation from management, the findings came out that there is lack of opportunities for development. Moreover, the employees expect management to empower them through training, provide flexible work time, recognize their contributions and set up programmes aimed at increasing cultural awareness. According to (Hughes & Rog, 2008; Allen, Bryant & Vardaman, 2010; Allen, 2008; Taylor & Walsh, 2007; Ramsay, 2006) giving employees opportunities to upgrade themselves, providing positive feedback, valuing their contributions and providing flexible work time are all strategies of retaining employees. Though organization A has the above diversity management practices to help retain employees, the implementation is not well done.

The managers have their own perspectives with the question of the importance of managing and retaining diverse workforce. The GM thinks that Norwegians do not like the caliber of work done in hotels therefore the need to employ other nationals and to retain them in order to carry on with the hotel business in Norway. For the HRM, it creates positive

organizational image and competitive advantage and saves the organization money. This can be related to the Cox & Blake (1991) view about firms gaining positive image and competitive advantage for getting best personnel when they initiate diversity management.

5.2 Organization B

In organization B, both the BSM and the FDM had similar definitions for diversity management practices as a way people with intercultural backgrounds work in the same organization by sharing ideas and make work more effective to satisfy customers while employee retention is a systematic effort by employers to create and foster an environment that encourages current employees to remain with the organization. However, the employee defined diversity management practices as an organization valuing and recognizing workers no matter their differences. All respondents in organization B mentioned age, gender, disability, minority and experience as attributes of diversity.

With benefits from practicing diversity management all the respondents from this organization specified that DMPs strengthen cultural values within the organization help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels and customer satisfaction. These business and social benefits are in line with previous theoretical findings of (Cox & Blake, 1991; Konrad et al., 2006). Again, the major problem with the implementation of DMPs according to respondents in organization B is language jet the managers failed to talk about how they are going to solve the problem. I assume that the GM would talk about it if I had gotten the chance to interview him.

Organization B has no problem with turnover. The BSM and FDM asserted that the organization has no problem concerning turnover because employees are satisfied and the

management appreciate every worker's contributions to the organization. One might easily say that this organization has done well but when I interviewed the employee she revealed that it is true that the organization has no turnover problem. But the employee added that this is not to say that they are satisfied, the reason being that it is difficult to get job these days and that 'half a loaf is better than none'.

Concerning improving DMPs and employee retention the BSM said there is the need to improve and encourage employee retention by creating flexible work environment by involving everyone in the running of the organization and of course to give attractive salary while the FDM also emphasized that listening and encouraging employees to bring their contributions is an effective way to retain employees. The question here is that if there is the need to improve then how come the organization has no problem with turnover? Because the employee interviewed in this organization emphasized that there is lack of employee developmental programs in that the employees are not given the opportunity to develop themselves and again, though the organization is made up of diverse workforce there is no fairness in treating the employees and their salary is also not motivating. Allen et al. (2010) suggest that firms that want to retain their employees and make them marketable should provide job- specific training and developmental opportunities to lure them. Moreover, diversity condemns discrimination but the employee complained about discrimination.

The BSM stressed on the importance of managing and retaining diverse workforce in that hotels having their customers/guests from different nationalities demand diverse workforce to bring on board different perspectives and understanding to give better services to the customers. This is in agreement with the literature as (Cox & Blake, 1991; Allen et al., 2008; Mor Barak, 2011) specify that multi-national organizations benefit from the insight and cultural

sensitivity bring on board by diverse workforce and if well manage, will positively affect market activities both at the international and domestic levels. The employee mentioned recognition, health & safety and empowerment as their expectations from the management.

The managers in organization B specified top leadership commitment, diversity as part of an organization's strategic plan, diversity linked to performance, succession planning, recruitment, employee involvement and women empowerment as DMPs that are set up by the organization to help retain employees. Meanwhile, the employee added involvement, fair promotion and career advancement, recruitment plans for diverse workforce and flexible work time as what she thinks help retain employees. (support it with literature). (add importance of managing and retaining employees).

5.3 Organization C

Both employees in organization C defined diversity management practices as strategy set up by an organization to encourage inclusiveness in order to achieve the organization's objectives and employee retention as whereby an organization formulates strategies that will encourage employees to remain in the organization. Their definition is in line with the view of DMPs and the employee retention in the literature ((Yang & Konrad, 2011; Frank, Finnegan & Taylor, 2004). The employees mentioned gender, sexual orientation, experience, values and different cultures being attributes of diversity. Both employees acknowledge the importance of diversity management as the one that strengthen cultural values within the organization, improve efficiency and motivation of existing employees, and improve innovation and creativity among employees while employee 2 added enhancement of service levels and customer satisfaction. But both strongly stressed on language problem.

From the findings employees in organization C are worried about turnover in that both employees state that the hotel spends a lot of money in recruiting and training new employees and also it takes time for existing employees to get used to new employees at workplace. Employee 1 confirms that the main cause of turnover in her department is lack of issuing permanent work contract and low salary, “some employees have worked for three years without permanent contract”. This is a big problem as it deprives casual employees a lot working benefits such as getting paid while on vacation. It is unfortunate that managers were not interviewed to get their views about this because it is a delicate issue which should be addressed.

Salary increment, issuing permanent work contract and providing opportunities for career enhancement and employer sending employees to famous international hotels for training are the motivation and expectations from employees in organization C. This is laudable idea because guests come from all over the world so, getting international training help satisfy customers/guest more and it also widens employees experience.

Again, managers were not interviewed to find out what diversity management practices they view as important to help retain employees however employees interviewed specified that employee involvement, diversity training for employees, compensation programmes and flexible work time are important for employee retention.

5.4 Organization A, B and C

All the three organizations have similarities in answering the interview questions with slight differences. Organization A, B and C defined diversity management practices as a managerial strategy designed by an organization to encourage inclusiveness in order to achieve business objectives specifically to satisfy guests. Going back to the definition of Yang & Konrad (2011) the three organizations have added that the implementation of DMPs does not only help

manage diversity effectively but also help satisfy guests. All the organizations made mention of formulation of strategies by employers to ensure that employees remain in the organization as definition for employee retention. Their definition of employee retention is similar to that of (Frank, Finnegan & Taylor, 2004). The three organizations view gender, age, disability, experience and people from different cultural backgrounds are the attributes of diversity while Organization C added sexual orientation and values. Considering variables of diversity management such as gender, age, religious belief, sexual orientation, disability, experience and values giving by Wrench (2002) indicate that the organizations are aware of diversity management and they are practicing it. Moreover, organization A includes students and refugees into its workforce, organization A and B have also focus on women empowerment.

The organizations strongly emphasized both business and social benefits of diversity management. They emphasized that DM strengthens cultural values within the organization, help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, and enhance service levels, customer satisfaction and gaining organizational reputation. Creativity, innovation and problem solving capabilities are enhanced as critical analysis of issues comes from heterogeneous group (Cox & Blake, 1991; Allen et al., 2008; Gilbert et al., 1999).

The findings come out that though there are a lot of benefit, the main challenge with the implementation of DM according to the three organizations is language. A communication difficulty is one major problem associated with implementation of DM (Washington, 1993; Mor Barak, 2011). However, the organizations did not mention how they are going to solve the problem meaning that the problem still leaves with them.

Organizations A and C have problem with turnover and according to managers the major cause is low salary and also casual workers tend to leave more as compared to permanent workers. The managers said they are giving attractive salaries to lure them but according to the employees their salaries are not attractive enough to motivate them to stay in the organization. Many authors have emphasized the importance of attractive salaries to help retain employees. Organization B has no problem with turnover and according to the managers the organization has achieved this success because employees are satisfied and appreciated and that employees are involved in decision making. This is good attempt as Chambers, Handfield- Jones, Hankin & Michaels III (1998) suggested 'a winning employee value proposition' whereby if an organization wants to appeal to its brand and products, it has to first appeal to the employees. But it seems the organization does not communicate with the employees to find out their problems, because employees are not leaving just because it is difficult to find job these days.

All the managers in the three organizations admit that employee involvement, motivation, investing in employees and inclusive workplace are necessary for employee retention. Previous researches have shown that employee involvement, investing in employees and motivation are strategies to reduce turnover and retain employees. However all the employees interviewed expressed their dissatisfaction towards their leaders. The question that arises is that if the managers think they are doing their best concerning these issues why is it not appealing to the employees? It could be that they are not implementing them effectively. From the findings employees are not motivated because there is lack opportunity for growth and development, no recognition and above all low salaries. Because of this the employees expect their leaders to provide opportunities through training for them to improve and upgrade their career. The employees expect management to recognize all of them and not only Norwegians, and their

salaries should be increase because the employees think they put in more effort and receive less reward. This is in agreement with Allen (2008) saying that employees putting in more effort and receiving less pay leads to high level of turnover in the hotel industry. One employee expects that the organization sends employees outside for training. Though only one employee expects this it can be of help to the organizations. Sending employees to five star hotels for example will add more knowledge and experience which will help in satisfying customers and also go competitive advantage.

Managers in organization A agree that it is important to manage and retain diverse workforce in hotel industry as it helps organizations reduce the cost involved in turnover, create positive organizational reputation and also there is the need for diverse workforce because Norwegians do not like most work done in hotels especially housekeeping and general cleaning. For managers in organization C, managing and retaining diverse workforce in the hotel industry is important because having customers/guests from different nationalities demand diverse workforce to bring on board different perspectives and understanding to give better services to satisfy the customers.

When it comes to diversity management practices that help retain employees which is the main research question the managers from the three organizations agreed on top leadership commitment, diversity as part of an organization's strategic plan, succession planning, recruiting qualified and diverse applicants, employee involvement and recognizing their contributions, and empowering women. Moreover the employees mentioned employee involvement, fair promotion and career advancement, diversity training for employees, programmes aimed at increasing cultural awareness and flexible work time. These outcomes from the study are also in line with Aronson, 2002 (cited in Kreitz, 2008) and Wrench (2002) stating that these practices mentioned

by both managers and employees are practiced by many companies as a strategy to increase inclusiveness. Another thing that calls for discussion is that organizations are trying to empower women but the women are not taking executive positions, *“We are encouraging women to be included in executive positions but they don’t come for such positions when opportunities come”*. This problem was also found by Linge (2012) that, a lot of the workers in hotel industry are women comprising of 60% as compared to 43% in other sectors but few are found at the management level.

The managers from all the organizations have the same perspective about low salary but it seems their challenge is no matter what they do the oil companies in Stavanger are offering better incentives and salaries lure employees.

6. Conclusion

6.1 Summary

The results of this study come out that diversity management practices such as the managers from organizations A and B view top leadership commitment (*a vision of diversity demonstrated and communicated throughout an organization by top-level management*), diversity as part of an organization's strategic plan (*a diversity strategy and plan that are developed and aligned with the organization's strategic plan*), succession planning (*an ongoing, strategic process for identifying and developing a diverse pool of talent for an organization's potential future leaders*). Moreover, recruitment which is (*the process of attracting a supply of qualified, diverse applicants for employment*), employee involvement and recognizing their contributions and empowering women are also viewed as important in order to retain employees according to the managers. However, the employees from the three organizations mentioned employee involvement, fair promotion and career advancement, diversity training for employees, programmes aimed at increasing cultural awareness and flexible work time as what they view as important in order to motivate them to stay.

Concerning diversity management practices the organizations are currently applying in their hotels, the findings came out that top management commitment, diversity as part of organization's strategic plan (blending old vs. younger generation) and Succession planning. Apart from these the organizations are also applying recruitment (qualified and diverse workforce), employee involvement (listening and valuing employees' contributions) and employing students and some refugees

The study results also show organizations A and C are facing turnover problem and that the major cause is low salary and the location as oil companies in Stavanger are enticing

employees with attractive salaries and incentives. But the managers have set up some DMPs and employee retention strategies especially attractive salaries and development programmes to help solve the problem.

It was also noticed from the study that though managers claim that they set up strategies to solve the turnover problem the implementations are not effective. This is because according to the employees there are lack of opportunities for growth and development, lack of recognition and low salary and these are causing turnover.

The study again found that it is important to manage and retain diverse workforce in the hotel industry because by so doing it helps hotels reduce the cost involved in turnover, create positive organizational reputation, satisfy diverse customers/guests and also there is the need for diverse workforce because Norwegians do not like most work done in hotels.

6.2 Theoretical Implications

Even though diversity management and employee retention has not been researched together a lot of researches have done on diversity management and employee retention separately. From the literature review the aim of diversity management practices is to foster inclusiveness at workplace (Yang & Konrad , 2011) and when this is managed effectively can lead to employee retention (Cox & Blake, 1991). This study indicates that all the three hotels are inclusive in terms of age, gender, disability, experience and values. Organizations A and C are facing turnover problems as hotel industry has become a temporal workplace for career advancement and this is line with Hinkin & Tracy, 2000 (cited in Lockyer, 2007) stating that a large number of employees leave the hotel industry for another as compared to other industries.

Both managers and employees stressed the need for programmes that foster the growth and development for employees to motivate them to stay in the organization and this is in accordance with Allen et al. (2010) confirming that for firms that want to retain their employees and make them marketable provide job- specific training and developmental opportunities that are linked to tenure. Therefore, the organizations must take proper steps to address this issue since lack of growth and development is a major concern for the employees' aside low salaries.

Considering the questions of DMPs that help retain employees, the result of this study is similar to that of Kreitz, (2008) and Wrench (2002); however the problem is that the managers do not seem to implement the practice effectively because the employees are experiencing something different from what the managers are implementing.

6.3 Management Implications

This study can be of help to the entire management of hotels especially to the human resource department. Turnover has become a great concern for the hotel industry and the people who work in the industry are diverse, therefore the need to know the kind of diversity management practices to help overcome the problem of turnover. It might be of great help to managers if they receive further training in diversity management and employee retention. Also, this research has shown that there is the need for managers to communicate effectively with their employees to find out their perceptions and expectations that will motivate them to remain in the organization.

One major case of turnover from the findings of this research is low salary. Though managers cannot do anything about salaries, they can use some diversity management practices such as employee involvement, fair promotion and career advancement, flexible work time,

empowering women and diversity training for employees to create conducive workplace to motivate employees to stay. Again, management can follow some suggestions given by (Hughes & Rog, 2008; Allen, Bryant & Vardaman, 2010) such as management caring about its employees, giving employees opportunity to upgrade their skills and career, making employees feel that they are part of the organization, providing positive feedbacks as well as valuing their contributions to promote employee retention.

6.4 Limitations of Research

One limitation of this research is difficulty in data collection. The organizations selected for this study were heavily scheduled to the extent that after six weeks of interview request one organization turn down the request and the researcher has look for another organization. This affected the rest of the research as more time was spent on data collection and the researcher could not follow work plan with deadline set by supervisor. The reliability of this research may be affected in negative way; this may come through observer and participant biases. The fact that this research used 'purposive sample' may have effect on external validity because people chosen randomly may have deferent responses to the questions. Another limitation is the sample size. The plan sample was to interview 12 people consisting of 2 managers and 2 employees from each organization but the achieved sample was 8 and even no manager was interviewed in organization C. This could affect the result from organization C and it can affect the generalization of the results to all hotels in Stavanger. Last but not least, the research was done by only one researcher and so the analysis, findings and discussion might not be so effective as two or more people sharing ideas and insights.

6.5 Recommendations for Further Research

It has been seen from this research that diversity management and employee retention have a lot in common and go hand-in-hand therefore, it will be interesting to research into the relationships between the two. Quantitative research method can be used for the same topic as this will allow for numbers, facts and testing hypotheses as well as larger sample to boost generalization. Another interesting topic for research is to find the reason why women are not taking top executive positions because from this study managers are trying to include women in top executive positions but they are not coming forward. Last but not least, there is the need for further research for example to find out whether the same results can be found in other organizations, and using other types of studies such as case study and survey.

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Appendix A

Interview Questions for Managers

General:

- 1) Age:
- 2) Gender:
- 3) Position:
- 4) Education:
- 5) How long have you been employed in this organization?

Interviewee's Perception

- 6) Is this organization made up of people from different cultural background?
- 7) What sorts of attributes do you consider to be diversity? (Demographical factors, experience, Values,)
- 8) How would you define diversity management practices?
- 9) How would you define employee retention?

Diversity management practices in workplace

- 10) Does top management in your organization see DMP as an important issue? How?
- 11) In your opinion, how would you describe diversity management practices currently existing

within your hotel?

12) How do you promote diversity management practices in your organization?

13) Which of the following diversity management practices does your organization practice

(Kreitz, 2008):

- (a) Top leadership commitment (*a vision of diversity demonstrated and communicated throughout an organization by top-level management*).
- (b) Diversity as part of an organization's strategic plan (*a diversity strategy and plan that are developed and aligned with the organization's strategic plan*).
- (c) Diversity linked to performance (*the understanding that a more diverse and inclusive work environment can yield greater productivity and help improve individual and organizational performance*).
- (d) Measurement (*a set of quantitative and qualitative measures of the impact of various aspects of an overall diversity program*).
- (e) Accountability (*the means to ensure that leaders are responsible for diversity by linking their performance assessment and compensation to the progress of diversity initiatives*).
- (f) Succession planning (*an ongoing, strategic process for identifying and developing a diverse pool of talent for an organization's potential future leaders*).
- (g) Recruitment (*the process of attracting a supply of qualified, diverse applicants for*

employment).

(h) Employee involvement (*employee's contributions in driving diversity throughout an organization).*

(i) Diversity training (*organizational efforts to inform and educate management and staff about diversity's benefits to the organization).*

14) What other practices, apart from these, do you practice?

Benefits from diversity management practices

15) What kind of improvements and changes have you observed as a result of DMP in your

organization?(Examples: strengthen cultural values within the organization, help to attract and retain highly talented people, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, enhance service levels and customer satisfaction, help overcome labour shortages, reduce labour turnover, lower absenteeism rates improve access to new market segments)

16) What are the challenges this organization is facing because of the implementation of DMP?

Employee retention

17) Do you see turnover as a problem for this organization?

i) Why?

18) What do you think about employee retention and how does it affect this organization?

19) If we want to improve diversity management practices to encourage employee retention

within the hotel, how do we do it?

20) What kind of DMP do you think will help retain your employees?

21) Tell me the importance of managing and retaining diverse workforce to your hotel.

Appendix B

For Employees

General:

- 1) Age:
- 2) Gender:
- 3) Position:
- 4) Education:
- 5) How long have you been employed in this organization?

Interviewee's Perception

- 6) Is this organization made up of people from different cultural background?
- 7) What sorts of attributes do you consider to be diversity? (Demographical factors, experience, values,)
- 8) How would you define diversity management practices?
- 9) How would you define employee retention?

Diversity management practices in workplace

- 10) Which of the following diversity management practices do you think will help retain employees?

(Kreitz, 2008; Wrench, 2002):

- a) Employee involvement (*employee's contributions in driving diversity throughout an organization*).
- b) Diversity training for employees
- c) Fair promotion and career advancement (*programs to eliminate barriers to improve diversity*)
- d) Recruitment plans for diverse workforce
- e) Compensation programmes (*fairness and justice observed in compensation and rewards*)
- f) Programmes aimed at increasing cultural awareness
- g) Flexible work time
- h) Outreach programmes

11) What other practices, apart from these, do you think should be implemented?

Benefits from diversity management practices

12) What kind of improvements and changes have you observed as a result of DMP in this

hotel? (Examples: *strengthen cultural values within the organization, improve efficiency and motivation of existing employees, improve innovation and creativity among employees, enhance service levels and customer satisfaction, reduce labour turnover, lower absenteeism rates,*)

13) What are the challenges you are facing because of the implementation of DMP?

Employee retention

14) Do you see turnover as a problem for this organization? Why?

15) Do you have intentions to stay / leave this organization now?

I) Why?

16) What do you think about employee retention and how does it affect this organization?

17) What kind of DMPs do you think will motivate employees including you to remain in this hotel?

18) What do you expect that management do to improve and add to the existing practices to help retain employees in this hotel?

Appendix C

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