

Abstract

The tourism and hospitality industry contributes a respective amount to the global economy with a GDP of 10.3%. Besides the economic importance of this industry, the demand of experiencing new places has risen over the past couple of years due to the ease and the new possibilities of traveling. Thus, making the accommodation sector more important than ever. Vienna as a destination increased tremendously in popularity with seven million arrivals in 2019. However, the hospitality industry is still facing one of the biggest human resource issues: employee turnover. Therefore, this thesis aims to uncover the main drivers of employee retention in the luxury hotel industry. The presented solutions are primarily intended for the management board of Viennese five-star luxury hotels in order to counteract employee turnover and foster employee retention.

For this thesis, the outcome is derived from collected primary and secondary information. For the primary research, the qualitative approach, in-depth interviews, were chosen. Eight semi-structured in-depth interviews were conducted in order to investigate the most crucial employee retention factors. For the secondary research, existing literature was used to define the problem and set a foundation for the ten questions of the in-depth interviews.

The results of the thesis display that employee retention is a very current issue. Employee turnover is often caused by the nature of the hospitality industry, low wages and unusual working hours. This can be counteracted by applying employee retention strategies. The striking similarities, regarding the retention factors, found in the literature and the primary research are providing a comfortable working environment, benefits and trainings. However, the most highlighted retention driver, in the primary research, is the good relationship to the work colleagues which is not often emphasized in the existing literature. Regarding the importance of monetary and non-monetary incentives, the primary and secondary research suggest that a balance is the key to success. Employee turnover does not only cost a tremendous amount of money, but also time and work. Thus, making employee retention strategies vital for the success of an organization.