
IMPROVEMENT FOR RECRUITMENT AND RETENTION STRATEGIES

Case: Aiya Restaurant Chain



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ABSTRACT

The commissioner of this thesis was Aiya Restaurant Chain, a newly opened yet well known restaurant chain in Vietnam. The core idea of this restaurant is to provide its customers with high quality and hygienic street-side foods. Currently, the restaurants have to face the difficulties in recruitment activities, due to too high turnover rate that threatens the development of the company.

The aim of this thesis was to provide a set of tactics to improve current recruitment and retention in Aiya. Primary and secondary researches were used in the study. Several interviews were conducted with the owners, and a survey among employees was done to formulate the overall picture of current situation in Aiya. The theory covered in this thesis includes the recruitment theory, Rethinking Retention model theory and motivations theories that are closely related to the retention topic.

The empirical evidence indicated that there is a need for improvement in methods and recruitment sources, as well as the retention strategy applied in Aiya. The response rate was 60 per cent due to the reason that many employees did not have access to the Internet, however, with the experiences of the authors in restaurant industry, the outcomes are reliable. Based on the theory and current situation analysis, the author offers a set of tactics as a solution to reduce turnover rate and increase the effectiveness of recruitment in Aiya. The recommendation was made focusing on recruitment and retention area.

Keywords recruitment, retention, Rethinking Retention model.

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1 INTRODUCTION

1.1 The important of human resource management

Human resource management can be understood as a set of management activities, comprise of recruit, select, train, motivate and develop employees in order to satisfy both personnel and organization needs, goals and objectives. (Shivadrurappa, D & Raachandra, K & Gopalakrishna, KS 2010, 5.) (Sarma, A.M. 2009, 16.)

In today's business environment, Human Resource Management plays an important role in the effectiveness of an organization. In a particular point of time, the good quality of human resource decides the differences between competitors, which might leads to success or failure of the whole system. For that reason, companies usually fall into two categories: super performance and poor performance. Super performance companies always possess people with high skills, knowledge and abilities, which are considered valuable competitive advantage to gain success. On the contrast, poor performance companies with lack of skilful human resource will have to suffer from failures eventually. (Shivadrurappa, D et al. 2010, 3.)

Hence, the crucial role of Human Resource Management is undeniable. According to Shivadrurappa, D et al. (2010, 12), effective Human Resource Management can generate significant values to the organization:

- Organization is able to attract and retain competent and capable employees. Recruitment planning supports the organization fully in terms of human resources, to fulfil different positions in required period.
- It is easier to recognize best candidate for opening position via recruitment and selection procedure. In addition, it helps to make sure they are appointed to the right job.
- Employees will have chances to enhance their current skills, knowledge, abilities and attitudes in performance assessment and training procedure.
- Encourages employees to exceed their work.
- Organization will offer maximum chances for employees' development.
- Valuable in attaining company's goals, efficiency and effectiveness.
- The stability between job seekers in labour market and available jobs is preserve.
- Support in produce appropriate and effective employment.
- It helps to generate cooperative, friendly and united relationship between separate work teams.
- Provide employees with opportunities to develop their skills and proficiency.

- The standardization of wages helps to diminish employees' income divergence.

Recruitment and retention are important parts of human resource management activities. Only with with effectual recruitment and retention plan can the company enjoy the values listed above.

1.2 Aiya restaurant chain

Vy Le, the owner of the restaurant chain shared that the ideas about the restaurant sparked base on one of her hobbies from the childhood: enjoying street-side foods. However, this habit brought her many problems, as her stomach was too sensitive and the foods were not hygienic enough to be congested without stomachache. Despite the risks of feeling ill afterwards, she has never lost her apetit for those delicious dishes. As many other Vietnamese claims, the mobile vendors sell much better food compared to the restaurants. There the idea kept growing in her head: why not create a place that serves delicious yet hygienic foods? The Aiya restaurant opened in 2009, as the first and only restaurant in town with menu full of mobile-vendor foods prepared with high hygienic standards. At that time, the food hygiene issue was generating major attention in Vietnam; and many customers supported the opening of Aiya.

Besides the traditional street-side foods, the menu changes according to season and the creativeness of the chef. New dishes come every month, to bring new experience to the customers. Though street-side foods are originally suitable for brunchs or snacks only, Aiya decided to make a twist and introduce new main course foods, to appeal customers who are seeking for a full meal. Nowadays, the restaurants also have deliver-to-home service, which make it an even more convenient option.

Although the owner did not have much experience in the restaurant industry, Aiya restaurant chain still reaches the success, because it was introduced at the righ time with a suitable concept. Currently, Aiya has five branches locating in difference districts, and the owner is planning on more expansion in 2013. (Aiya information, 2011)

Because the restaurant promotes a young and dynamic culture, most of the employees are under 35 years old, except the chefs. Many of waiters and waitresses are students and only consider the job at Aiya as temporary. Therefore, the HR department has always worked under the pressure of substitution for sudden quits that happen frequently.

1.3 Purpose and objectives

A stable labor forces are in necessity to facilitate the development of Aiya. The restaurant is confronting a challenge in human resource activities. The turnover rate is too high, especially in service related area. Though the recruitment activities happen on weekly basis, it is not effective enough to fill in all the positions, especially in the high season. This study is made to

find out the nature of this challenge, and propose effective solutions to reduce turnover and more effective recruitment tactics to complete the current strategy. Thus, the research question is:

- How to improve the current recruitment and retention strategy in Aiya?

The research question will be discussed in four objectives.

The first objective is to introduce the theory related to recruitment and retention. In the retention theory part, the author also presents some motivation theories, as they are closely related to the retention strategy. These theories will be used as the theoretical background for the whole thesis.

The second objective is to study about the current recruitment and retention strategy on Aiya. The information is gathered through several email interviews with the owner.

The third objective of this thesis describes the questionnaire and analyses the results. The survey was conducted among the employees, to measure the effectiveness of current recruitment and retention strategy. Together with the information provided by the owner, this formulated the whole picture of current situation in Aiya, and supported the author in devising the suggestions.

The last objective of this study is to provide the suggestions to improve the current recruitment and retention strategy in Aiya restaurant chain. The suggestions include a set of recruitment and retention tactics that is practical and easy to apply. The recommendations are based on the theory and empirical research outcome, and catered to the expectation of the owner: to be effective and cost-efficient.

1.4 Research methods

This study is based on desk research in addition to field research. The theoretical knowledge is based on books, e-books and other publications. The author also used articles on the Internet, as an additional source. General information about Aiya was taken from the slides and documents provided by the owner.

The phone and email interviews with the owner are done several times to gather as detailed information as possible, and are considered as the main sources of information for current situation analysis. The empirical evidence is generated through the surveys. The author also uses his own experiences in the industry to analyze the results of the questionnaire and formulate the suggestions.

2 THEORY BACKGROUND

2.1 Recruitment

2.1.1 Definition of recruitment

As stated by K., Rashmi T. (2010, 11), one of the precise definitions of recruitment is:

“The activity that generates a pool of applicants, who have the desire to be employed by the organization, from which those suitable can be selected. “Lewis, 1985”

In other words, recruitment is a stage that attracts candidates who have interest in working for the organization. Subsequently, it helps to create a precise list of candidates by pick out most qualified applicants. Since they have suitable qualities for the opening position or have the ability to develop, all needed skills in an acceptable period. However, the performance of this stage depends primarily on the effectiveness of basic job analysis task. (K., Rashmi T. 2010, 11.)

2.1.2 Sources of recruitment

- Internal Sources

When there are some job vacancies to fill, an internal source is a comfortable option. This can be done through either promotion or transfer. The employee who has required knowledge and skills for the jobs can be assessed against other external applicants, and the best one will be selected. (K, Rashmi, T. 2010, 183.)

Recruiting from internal sources was proof to carry several benefits. It acts as a great motivator that encourages current employees to improve their performances for better career opportunities. The attrition rate is lower, as the recruitment, selection and induction costs and pending time reduce greatly. Besides, the mutual knowledge between the employee and the organization eliminates major risks associated with new recruit. The transferred or promoted employees also understand company culture, which help them adapt more quickly to the new positions. (K, Rashmi, T. 2010, 183.)

Nonetheless, the number of appropriate applicants from internal recruitment process is quite restricted. These applicants are familiar with company culture, so they neither bring new way of thinking nor fresh atmosphere to the company. Outside applicants who are very new to the company have more chances to create new values along the way of culture adoption. The selection process also needs to be fair and transparent. Ambiguous process may result in resentment across the organization. (K, Rashmi, T. 2010, 183.)

- Present Employees

In order to find internal candidates through promotion or transfer effectively, job posting, personal records and skills bank are significant for the process. In that, open job positions need to be announced to all employees through posting on bulletin board or on company local network. The posting must have information about qualifications, supervisor, work schedule and pay rate. (Gary Dessler, 2005, 162.)

In addition, company database with record of employees' skills and knowledge is important for qualification stage as well. It helps to reveal if the personnel have suitable background for the opening position or their level of skills and knowledge is way below for the job expectation. It also shows whether the candidates have potential to develop their skills via further training or not. Based on that, it makes sure you already considered thoroughly for the opening. (Gary Dessler, 2005, 162.)

- Former Employee

Everything has pros and cons and so does rehiring former employees. In the positive perspective, it reduces the risk ratio compare with hiring new employee with uncertain abilities. Besides, former employees have already acquainted with company's culture, styles and ways of doing things, which helps them to adapt well in a short period. However, the management needs to consider carefully. Rehiring a former employee with good attitude and skills that had to leave the company for unavoidable personal reasons, for instance, is much more safe and potential than try to re-appeal someone that the company lets go. Frequently, these may come back with less-than-positive attitude, and much more difficult to deal with. Another potential risk is offering former employees higher positions to attract them back to the company. Current employees observing this may think that the best way to get ahead is to leave the company and wait for a better offer. (Gary Dessler, 2005, 163.)

There are several ways to take adverse reactions under control. Frequently, people behave adversely because they feel mistreated. Therefore, the key point to solve problem relating to adverse behaviours is making the rehired person feels that the company really care for their benefits. For example, to credit rehired employees with the accumulated years of service at their previous positions, or to ask if they are comfortable and ready to be back to work are good ways to reassure them that the company also think their side. (Gary Dessler, 2005, 163.)

- External Sources

Sometimes, company has to find candidates for opening position from outside sources as well, instead of only internal source. The reason is that it has to depend on company's recruitment strategy at that time. Plus, internal source can't always provide enough personnel from firms' current work force. (Gary Dessler, 2005, 163.)

After that, company has to choose the most appropriate cost-effective and method of recruitment. With a big number of variety methods to use, employer needs to approach carefully because each of them has more or less effective depend on different situations. For that reason, employer often has different methods to use for each certain point of time. Sometimes, it is good to use a combination of methods for the same vacancy as well. (Derek Torrington, Laura Hall, Stephen Taylor, 2005, 125.)

When comparing methods of recruitment by organizations with the actual ways people often find their jobs, it is quite interesting to know that informal methods like word of mouth is as popular as formal methods – advertisement. In 2002, Labour Force Survey made a research over a million people to know how they found their current job. The results presented in table 2. (Derek Torrington, et al, 2005, 125.)

Advertisement in local press	84%	Recruiting temporary employees	43%
Specialist journal & trade press	73%	Executive recruitment consultants	41%
Corporate website	72%	Promotional events/ careers fairs	37%
Recruitment strategies	71%	Work placements	34%
National newspaper advertisement	64%	Speculative applications	34%
Internal intranet	61%	Secondments	32%
Word of mouth	58%	Commercial job-board internet sites	15%
Job centers/ Employment service	46%	Radio/ TV	14%
Education liaison	45%	Posters/ Billboards	13%

Table 1 Usage of various methods of recruitment by 557 organizations in 2003

Source: Table compiled from data in CIPD (2003) *Recruitment and Selection Survey*. London: CIPD

	Men	Women
Hearing from someone who work there	30%	25%
Reply to an advertisement	25%	31%
Direct application	14%	17%

Private employment agency	10%	10%
Job center	9%	8%
Other	12%	9%

Table 2 Methods of obtaining a job

Source: Labour Market Trends (2002), 'Labour Market Spotlight', Labour Market Trends, and August.

- Advertising

People can see employment ads everywhere, from newspapers to business or professional magazines. It has become a part of their working life, where they had to respond to one or more of those ads to find a job. In some extent, those ads were replaced by Web-based recruiting as a new trend, but with a quick look through every newspaper and magazines, print ads are still using a lot for employment recruiting. In order to create a successful recruitment ad, the advertising medium and the ad's construction are important. (Gary Dessler, 2005, 164.)

The Media

To choose the most appropriate medium (among local newspaper, the Wall Street Journal, television or Internet) for recruitment advertising, the position that company is looking for plays an important part in it. For instance, the best solution to find suitable candidates for blue-collar help, clerical employees, and lower-level administrative employees, is local newspapers. Meanwhile, special skill workers can only be found by ads on national newspapers or professional magazines. In other words, these examples state that employer needs to place their advertisement on suitable media to reach to the pool of potential employees. (Gary Dessler, 2005, 164.)

Furthermore, the developing of technology helps to enhance company's creativity in finding more ways to approach potential applicants. At here, Electronic Arts, the world's leading publisher for video game, can represent as an example. The company decided to focus their marketing programs on online gaming magazines, where most of company's best job candidates often hang out. In particular, information about Electronic Arts' internship programs is placed at the back of its video game handbook. By doing this, firm database currently has over 200,000 potential job applicants available. At the same time, special tracking software is used to support Electronic Arts in seeking candidates with particular skills, as well as facilitate company's communication (through e-mail) with applicants in its database. (Gary Dessler, 2005, 164.)

Constructing the Ads

Effective recruitment advertisements need to comprise four-point guide, which are Attention, Interest, Desire and Action (A.I.D.A.), in order to catch readers' interest. Otherwise, it will be miss or ignore as many other ones. (Gary Dessler, 2005, 164.)

The first step in designing recruitment advertisement is to define its objectives and then techniques to achieve them. The main target of recruitment ads is to attract sufficient applications of qualified and potential applicants, from which the employer can select the best and most-suited person for the job. Therefore, when employers write job advertisement, the first principle is to give sufficient information about their ads. By doing this, the advertisement will only attracted suitable applicants to apply for the job, and discouraged unsuitable applicants. (Margaret Foot & Caroline Hook, 2008, 158.)

According to Margaret Foot and Caroline Hook (2008, 158.), the following kind of factors should be considered to include in the recruitment advertisements:

✓ Organization name and information

It is naturally that people want to know about organization from recruitment ads before applying. For that reason, information about organization's prospects and the potential benefits offered by the employer can be consider as a selling point.

✓ Job title and major duties

In advertisement, the job title and the summarized of its main duties should be the same in the job description. So that potential candidates can have a good idea of the open job requirement.

✓ Competencies required

This part provides information about required abilities that the organization is looking for.

✓ Opportunities and challenges

Sometimes, it is not attractive enough if information about job tasks is listed as requirements. An advertisement that is focus on describing the opportunities and challenges is much more appealing, because people tend to enjoy the feeling of achievement and treasure chances to develop.

✓ Salary and benefits

Salary and benefits of a job can be the attractive factors for applicants' consideration on whether to apply for the job or not.

✓ How to apply

There are many ways to request interested applicants apply for the open position. However, the most suitable possibilities have to depend on the number of applicants that organization expected or desired, and the capacity of department responsible for receive applications. After consider those factors, organization will choose any of the following:

- Call in person
- Attend an open day interview event
- Phone or leave a message on a 24-hour answer machine requesting an application form.
- Write a letter applying for the post
- Contact a particular person
- Request and return an application form
- Request further information
- Send a curriculum vitae (CV) and covering letter
- Send a CV or acquire and return an application form online
- Apply by a certain date.

- College recruiting

In order to be effective in recruiting students, an organization should be successful and have good reputation; because they want to make their resumes look impressive. Today, students tend to find concrete information about actual working life inside organization, relationship between members, and any recent bad publicity about company if possible. So that they will have a comprehensive sense about working for the company like. As a result, some companies start to run online and interactive chat sessions with students whose skills company has interested in. With this approach, company can get in touch with students, without paying much effort, and students gain more information about company as well. (Arthur, Diane, 2005, 36.)

For some businesses, setting target schools and building relationship with these schools is one of the important step to identify potential employees as early as their sophomore year, as well as to reduce high expenditure in searching for students in a wide range of schools. The target schools need to have good quality academic programs, a particular level of reputation, and high variation of student population. (Arthur, Diane, 2005, 36, 37.)

- Contingency workers

Individuals who work less than forty hours a week, do not have comprehensive benefits and possess portable skills to carry from job to job are considered as contingency workers. These workers often accept work depend on when employer's need for them, in particular, when company urge to fill an opening position or need extra workers for special events within a period of time; but most of them have one to two assignments in six month period. Contingency workers work for almost every field and profession, such as part timers, freelancers, contract employees, and consultant. (Arthur, Diane, 2005, 37.)

People look for contingency jobs for different reasons. It could be to earn additional income, like teachers seek extra work during summer vacation; retirees tired of working full time job; women that responsible for taking care of children or elder; and students. Others refer to work as contingency workers for long-term employment. Some others see contingency jobs as a

method to develop skills and gain experience in a specific field or profession. Many favour contingency jobs because they have flexible work schedule or accept them like a stopgap before finding a new full time job. (Arthur, Diane, 2005, 37.)

- Employee referrals

Among number of recruitment sources in company, employee referral program is seen as one of the most expeditious, cost effective and moral boosting method. It uses spearling the word technique to let everyone in the organization know about the opening position. Firstly, the information starts from manager in charge of the department with the available position to other department's managers, then it spread out among employees. Through whom the information is distributed to friends, relatives, and acquaintances. Especially, the worthy and reliable current employees can bring good quality applicants to organization. (Arthur, Diane, 2005, 37.)

Furthermore, incentives and rewards can be applied to this method to make it more effective. In particular, employees are rewarded whenever they recommend a quality candidate who is good enough to satisfy organization's criteria. For most of organization, the reward is usually cash and its value is ranged from non-exempt hire to top-level executive. While other organization use saving bonds, gift certificates and commodities as the reward. Regard to hard-to-fill position, company may offer higher value incentives to employee with qualified applicants. (Arthur, Diane, 2005, 37.)

Generally, employee referral program helps employers to save time and money compare to other recruitment sources, like advertising and employment agencies. Plus, employees are gladly to receive reward and it can boost the their moral in the working place. (Arthur, Diane, 2005, 37.)

- Employment agencies and search firms

These recruitment sources are well know among companies mainly because:

- ✓ They have good resources of applicants to choose from, and even have ability to attract people who are apparently satisfied with their current jobs at another company.
- ✓ Organizations can often fill their opening position quicker with employment agencies and search firms help.

However, cost is one of the main reasons that employers do not want to maintain services at employment agencies and search firms. Although each agencies and search firms have different fee structure, they collect service fee after company decided to hire referred applicants. (Arthur, Diane, 2005, 39.)

3 RETENTION

3.1 Staff turnover

The term “turnover” has been studied and explored much since 1970s; however, there is still no standard reasons that drive employee to leave the organization. Price (1977, 10) considers turnover as the ratio of the number of employees who have left the firm to the average number of workers in a given period. Later on, Abassi and Hollman (2000, 333-342) defines staff turnover as the rotation of employees within the labour market, between employment and unemployment state. Under management’s point of view, turnover refers to the entire process to fulfill a vacancy. Each time an employee leaves, a new employee needs to be hired and trained to replace the old one and ensure the working flow. Turnover rate is also used as an indicator to measure employee relation effectiveness in an organization.

Turnover is affected strongly according to the change of labour market and the economy. When the economy is strong, plenty available jobs make more room for development opportunities and encourage people to change employers, which lead to higher turnover rate. Conversely, during recession, employees tend to keep the jobs, due to high uncertainty in labour market. (Torrington, Hall & Taylor 2005, 164). Recently, many management gurus believe that there is no more “jobs for life”, in which people engage to their jobs for several years, for the length of time an employee works for a firm has fallen significantly. Torrington et al. (2005,165) argues that this is not true. People do stay when they enjoy working for the organization. In fact, nearly a third of workers have engaged with their current employers for more than ten years.

Staff turnover is divided in two categories: voluntary and involuntary. Involuntary turnover happens when an employee is forced to leave by the management or the resignation is not employee’s will. For instance, an employee is dismissed due to poor performance or policy violation falls into involuntary group. Voluntary turnover occurs when employees leave of their own free will. In some cases, voluntary turnover is predictable, such as resignation due to age, or health-related issues. However, the most troublesome group is unpredictable voluntary turnover, which consists of employees who leave for current job dissatisfaction, or better job opportunities (Booth & Hamer 2007, 289-307). Turnover can also be divided into functional and dysfunctional group. When the departure of an employee is considered as an improvement for the firm, the turnover is functional and vice versa.

3.1.1 Key drivers of staff turnover

Defining the reasons of turnover is one of the most important steps that every organization needs to take before making decisions of turnover management. However, information about the reasons people leave is difficult to collect. Most commentators suggest exit interviews – short inter-

views with leavers to ask their reasons of leaving. The shortcoming of this method is that there is no certainty whether these employees tell the truth or not, and in most cases they are hesitate to reveal the real reasons. However, exit interviews can be helpful and more effective if conducted sensitively and confidentially by human resource department instead of line manager, to create the most comfortable atmosphere for the leavers. (Torrington et al. 2005, 167)

Among variety of different reasons, there are many that organizations do not have the power to influence. For instance, one of very common reason that affects every employee is retirement. People do not necessarily leave for a single reason. In many cases, they decide after weighing different factors, and the mixture of reasons is more complex to define. Torrington et al. (2005, 168) divides the drives of turnover into four categories:

✓ Outside factors

These factors associate with situations that employees leave for reasons that are unrelated to their job. For example, a person has to depart from current job because his family moves to another city, or a woman has to terminate her job to take care of her young child. In these cases, the employee has to suffer from the pressure of choosing between working and personal issues before they make decision. These factors are beyond the control of organizations and unavoidable. Nevertheless, in necessary cases, the management can reduce the shock of sudden by being more flexible and provide different choices to employees, such as part-time or remote working.

✓ Functional turnover

As briefly introduced above, this category consists of all resignations that are accepted or welcomed by employer, and sometimes also the employee. A major example is departure due to poor performance or lack of conformity with organization culture. Though these resignations are reasonable and less harmful to the organization, it also comes with downsides such as lost opportunities and unnecessary cost. The main solution to reduce turnover rate of this group is improve recruitment and selection procedures, to ensure that people assigned to specific positions are capable of doing their job in the first place. A minor part of this category is not because of employee's lack of ability, but lies in organizational factors such as management scheme changes. Usually, changes result in new pressures and workplace ethics that are hard for the employees to adapt in short time.

✓ Push factors

This category consists of the factors regarding dissatisfaction with job or the organization that lead to undesirable turnover. Push factors relate with wide range of issues, in which the most common is listed below:

- Lack of development opportunities
- Boring tasks

- Ineffective supervision
- Low levels of employee involvement
- Personality clashes

These issues can be addressed and solved in advance; however, many organizations fail to do this because they do not have any procedure to explore signs of dissatisfaction at early stage. The employees who are unhappy with their jobs have no chance to communicate their opinions and feelings with management; naturally, will try to seek for a better working place elsewhere.

✓ Pull factors

While push factors are internal problems that derive from within the organization, pull factors are those forces that come from rival employers. Good team of talented employees has always been the desire of every employer, while real talents available in labour market are limited. Attracting employees that are currently work for the competitors not only bring human resource benefit to the organization, but also create disadvantages to its rival.

Frequently, the employee decides to leave or stay after considering which decision is more beneficial to them. The most common reasons is better compensation, which enables the employee to enjoy better living standards. However, financial benefit is not always the only reason. Superior working atmosphere, chance to work with particular people, or interest in changing the working field may also be the reasons for departure. In order to avoid losing talents because of these pull factors, the organization has to pay strict focus to two main lines. First, strong awareness of what rivals are offering is significant, for adjusting current-offering packages accordingly. The second requirement is to ensure that the employee is satisfied and appreciate their current benefits. This calls for effective communication with the employee, to listen to their expectation and help them aware that the unique benefits the organization is providing cannot be found in any other places.

3.1.2 Job Embeddedness model

Mitchell and his colleagues introduced the Job Embeddedness model in 2001. The model is based on Kurt Lewin's field theory and the psychological concept of embedded figures. Field theory asserts that human interactions are affected by both proximal and distal connection in their life space. Embedded figures in psychology are the figures appear to attach to the backgrounds tightly that it is difficult to detach (Besich 2005). To name the model Embeddedness, Mitchell et al. (2001, 1104) explains this word like "a web or net in which an individual can become stuck." Applying this to organization context, this means the employees are connected firmly with the organization; thus, it will be more difficult to make decision regarding leaving.

Michell et al. (2001) states that Embeddedness construct has three dimensions.

The first dimension is organizational fit, which is the congruence of employee's personal values and goals to those of the organization, and how employee's abilities and knowledge support this compatibility. The greater the compatibility is, the greater the fit. Organizational fit is an important variable in recruiting and retaining employees. The increasing level of organizational fit comes along with the decrease of turnover and voluntary quit.

The second dimension is organizational links, which is the degree to which employees connect to other people and engage to activities in the organization. In Embeddedness model, these links are considered as the strands of the web. It is believed that the stronger the links are, the more embedded the employee may become (Mitchell et al., 2001).

The last dimension is organizational sacrifice, indicates the tangible or intangible benefits that employees have to give up in case of leaving. The tangible benefits include pension package, bonus, while intangible sacrifices refer to seniority, chance to work with great colleagues. This dimension identifies how the employee perceives the financial and psychological loss associate with the departure. The significance of those benefits varies from one employee to another, depending on factors such as their current financial situation, life goal, etc. (Besich 2005)

Unlike previous models, which mostly studied about the attitudes and perceptions of employees, Embeddedness focuses on aspects of organizations and community that the management has more influence. Besides, this model takes non-work factors, such as religious and community activities, into consideration. It also includes new facets of organization, such as teamwork, project groups, and other work-related connection. The significant improvement of the model compared to traditional ones is taking the assumption that people may leave by many reasons apart from being dissatisfied or some attitudinal justification. (Besich, 2005)

3.1.3 The impact of staff turnover

There are many arguments about the impact of staff turnover, whether it is harmful to the organization or not. There are arguments about the benefits of certain amount of turnover that seem reasonable. First, it is true that every organization need to revitalize to avoid stale and stunted; and new work force certainly can be a part of rejuvenating plan. This is especially true at management level, because new leadership is the fastest way to enable changes. New work force also comes with new ideas and experiences, and these contributions boost the organization to be more dynamic and fresh. For the organizations operating in highly uncertain environment, where changes happens unpredictably, certain degree of turnover helps

manager maintain better control over labour cost. In idle time, the manager can delay hiring new people to replace leaving employees and wait until busy season, when the demand is back and the profit is high enough to budget recruitment. Moreover, in many case, turnover are “functional” rather than “dysfunctional”, if the recruitment process is good enough to replace leavers with more effective employees (Torrington et al. 2005, 166)

The other side also succeeds to provide persuasive arguments against employee turnover. First of all, turnover is expensive. It comes together with a list of costs ranging from placing recruitment ads to selection process and training period. The new employee with lack of experience and knowledge about organizational culture may work less effectively, which results in losses that are not easily measured. Secondly, the person leave the company means a resource of time and money invested to training process was lost. The damage will be greater, if the leaver decide to work for the organization’s competitor. Finally, high turnover rates are argued to be the result of poor management, because people usually leave due to dissatisfaction of their jobs. A high turnover rate is equal to a negative message sent to labour market. When people perceive the organization with poor image, it is more difficult to attract good employees in the future. (Torrington et al. 2005, 167)

In conclusion, Torrington et al. (2005, 168) propose that the decision to decrease turnover varies from organization to organization. The level of damage that employee turnover creates to the employers different depends on many factors, such as the industry the organization operates in. For example, a chain of fast food restaurants successfully manage its business with turnover rate in excess of 300 per cent, which mean employees stay for approximately only four months (Ritzer 1996, 130; Cappelli 2000, 106). However, in special industries where employees need to establish and maintain personal relationships with customers, a turnover rate of 10 per cent is enough to cause damage. If the replacement process is facilitated because of plentiful supply and the training is not costly, an organization can manage with relatively high turnover rate. On the contrast, if the jobs require high portfolio and training is time/money consuming, the organization should consider reducing turnover as an important assignment. In any case, an organization with lower turnover rate naturally always possesses advantages to those with higher rate operating in the same field. Therefore, how to retain people and maintain reasonable turnover rate are important assignments of all time.

3.2 Definition of retention

Retention is defined as systematic efforts made by employers to build and foster working environment, so as to retain the employees to work for the organization for longer time (Recruitment and employee retention strategies, 2010, 9). To hire an employee is only the very first step. An organization still has a long way to go, in order to build and strengthen the employment relationship as a basis for employee retention.

Retention strategy includes a wide range of methods, from using financial incentives to adding psychological value to the jobs. Researches prove that financial benefit is not the only favorable tool. Recognition, work-life quality, communication within the organization, wellness programs are also important approach to complete an effective retention strategy. Nevertheless, all retention practices aim to reduce barriers and enable the employee to participate more actively in the workplace, by ensure a safe and healthy working environment as well as flexible work arrangement. In turn, the employees generate benefits for the company through their longer commitment and higher productivity. (Finders & Keepers, Recruitment & Retention Strategies, 2010, 5.)

3.3 Application of motivation theories in retention

Employee satisfaction is a very important aspect of retention, because more than 50 per cent of turnover is resulted from being dissatisfied of current work. On the other hand, under human resource point of view, the terms “job satisfaction” and “motivation” are interrelated. Effectively motivated employees are more satisfied with their jobs; and satisfied employees are proven to be more productive and committed to the employers. Hence, in order to formulate the overall picture of retention strategy, the following part of this thesis introduces Maslow’s hierarchy of needs and Herzberg’s two factors theory, to generate more insightful knowledge of motivational aspects.

3.3.1 Maslow’s theory

All human beings have needs that they want to satisfy. The primary needs refer to basic physical needs such as food, sleep and water. These needs are biological and common in every individual. The influences of these needs on behavior changes, thus, are easy to recognize. Meanwhile, the secondary needs, which belong to psychology, are more ambiguous. These needs arise at certain stage in one’s life, during learning and development, for instance, the desire to be loved or be connected. Identifying and explaining secondary needs are more complicated, because this type of needs varies depending on many external factors, such as the culture one grows up in. However, secondary needs are accountable for most of employee behaviours in the organization.

The psychologist Abraham Maslow introduced “Hierarchy of needs” for the first time in 1943 and this theory still remains popular in the present time. The hierarchy of needs is one of the most popular in content theories that highlights the factors that drive humans’ behaviors and motivate them. This theory is base on two principles: deficit and progression. The deficit principle states that the needs that are satisfied are no longer motivate the behaviors; people only act to fulfill the deprived desire. The progression principle defines that needs at certain level only come when the lower-level needs were satisfied.

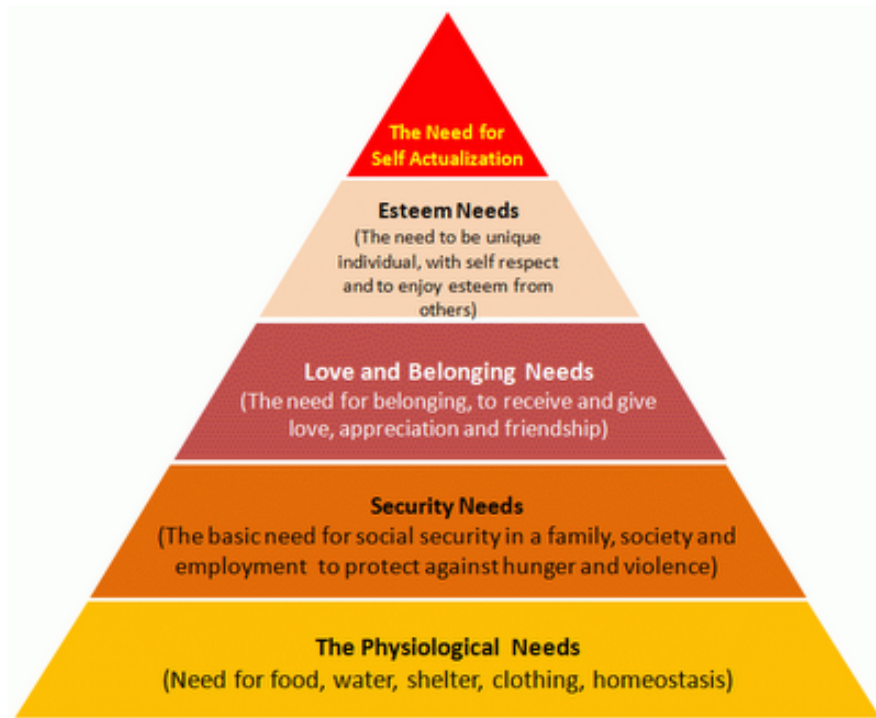


Figure 1 Maslow hierarchy (John A. 2006)

Physiological needs are at the lowest level in the hierarchy. This level of needs consists basic means of living, for example, food to eat and shelter to live in. Though these needs are basic, Maslow emphasizes that they have the overall influence onto other needs. A person who is hungry tend to think about nothing but foods, and the desire to eat can be huge enough to push other needs to second priorities. In an organization context, physiological needs are relevant to basic salary, working hours and physical comfort when doing job. (John A. 2006, 49-52)

When physiological needs are satisfied, the next level of needs emerges. Security needs are the need to be protected and secured from dangers. Applying to working life, these needs consist of the insurance, work safety condition, job security as well as financial benefit that assure certain living standards.

The third level of hierarchy is social needs, which refer to the desire to love and beloved, as well as engage to the society. In working life, these needs can be translated to the relationship with coworkers and supervisors or the interaction with customers. These relationships, if managed effectively, satisfy employee social needs by creating sense of being connected.

The esteem needs are the needs to be highly evaluated, by one self and others. Self-esteem needs refer to the desire for confidence, independence, competence and ability of to accomplish tasks. Besides, one also needs to be esteemed by other people expressing through the desire to be recognized and appreciated. (Dessler 2005, 438.)

The highest level of needs is self-actualization, which denotes the desire to develop and improve to become actualized in what one is potential. In organization context, these needs are the desires for development and promotion opportunities, or creative and challenging jobs. (Dessler 2005, 439).

Though Maslow’s theory and its principles were not verified and considered valid, the idea of this theory can be helpful for managers to understand employee needs. The highest level of needs defined in the hierarchy also portrays the ideal attitude and status of an employee. According to Greenberg & Baron (2003, 195), self-actualized employees tend to perform with highest productivity.

3.3.2 Herzberg’s two factors theory

Frederick Herzberg introduced the two factors theory in the book “Motivation to work” in 1959. The theory provides framework for management to understand factors that motivate and dissatisfy the employee. Base on a insightful research conducted by in-depth interviews with more than 200 employees about the moments of positive and negative feeling about their jobs, Herzberg came to the conclusion to divide behavior driven factors to two categories: hygiene factors and motivators.

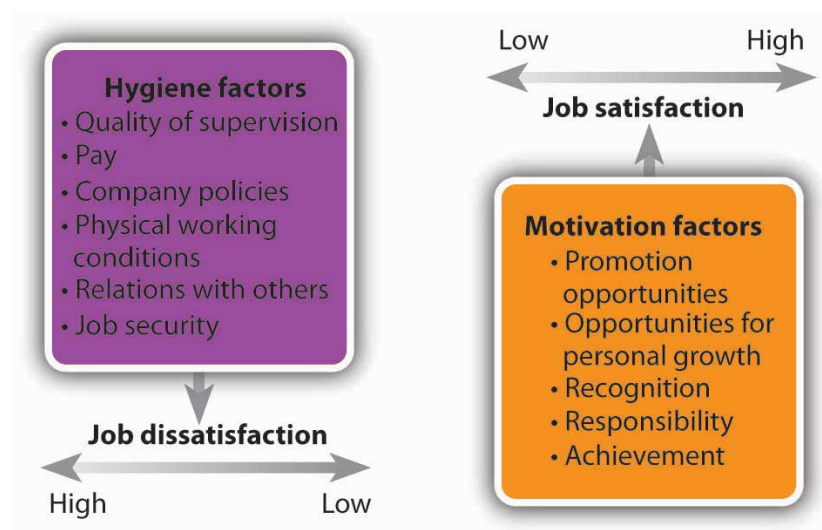


Figure 2 Herzberg’s two factors theory (Internet)

Hygiene factors consist of factors where dissatisfaction can arise from, for instance, company policies, job security, employment relations and working conditions. Though these factors do not motivate people, they can lead to dissatisfaction if not managed effectively. Motivators include achievement, growth opportunities, the sense of recognition, and job responsibility. These factors are the keys to job satisfaction, which can motivate people to improve the performance. According to Herzberg, the opposite of dissatisfaction is no dissatisfaction, and the opposite of satisfaction is no satisfaction. The employee remains in neutral status in case there is no

motivator, as well as they would be neither dissatisfied nor satisfied once level of hygiene factors is adequate. (Herzberg et al. 2010.)

In conclusion, Herzberg's theory considers hygiene factors tools to prevent dissatisfaction. However, these factors cannot be based on to improve the satisfaction among employees. Only motivators are capable factors to rely on in terms of motivation and improve productivity.

3.4 Rethinking retention model

Dick Finnegan develops rethinking retention model in 2009. The model was developed base on his experiences in the field, and is known as effective program to create and improve retention strategies in organizations. The model presents a process-driven approach that can be implied to daily practices. It has been reinforced in large organizations throughout the world, such as Wegmans, HealthOne, PetCo, Hard Rock, Hilton, MITRE, Wyndham, and Whole Foods Market.

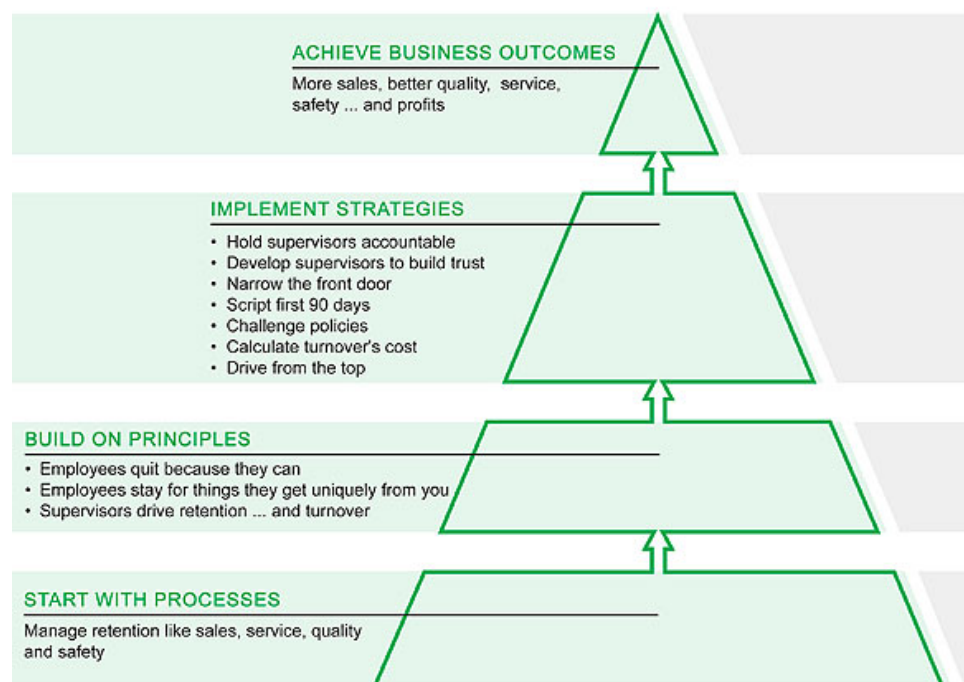


Figure 3 Rethinking Retention Model (Dick Finnegan 2009)

The figure 3 provides a graphic demonstration of an organization-wide model to retain employees. Among the 3 Ps (Product, People, Process), Finnegan claims that process is the stem of every organization. The process includes all formal and informal practices occur in the organization everyday. The products are the outcome of designing and production process, as well as people are hired, trained and rewarded according to a certain procedure. Therefore, in order to manage retention, the organization needs to build the strategy and applies it to the organization-wide process.

For decades, several problems in marketing, sales and services have been solved as common issues of all departments; however, retention has traditionally been the responsibility of HR section only. In fact, effective retention requires full management participation, as well as being treated as “ongoing staple of performance” (Finnegan & Richard 2009, 3)

- The three principles

There are three basic principles that are considered as the foundation of retention.

- ✓ Employees quit jobs because they can

Exit surveys and various studies reveal several reasons why employees quit, such as salary, supervisor quality, career development or better opportunities. While these reasons are understandable and true in certain cases, the reason lies under all of them is simple – the economy and society allow them to do so. The turnover rate is affected strongly by the situation of the labour market, which changes accordingly to the economy status. In other words, high turnover is “a price of good economic times”. (Finnegan & Richard 2009, 18)

However, this principle does not imply that turnover is totally out of control. It only emphasizes that turnover is difficult and complex problem to solve, especially in dynamic labour market time. When the employees have more choices available, they tend to be less patient for deficiencies in current organization. As a result, in order to prevent employees from leaving, the organization needs to be particularly proactive.

- ✓ Employees stay for things they get uniquely from the employer

In several cases, employees choose to stay though they can leave for a better job. The reasons can be tangible benefits such as short distance from house to work, flexible working schedule, or right to buy company products with lower price. It can also be intangible, for example, opportunities to work with trusted supervisor and colleagues, or chance to learn new skills. In general, the retention happens when the employees aware that the benefit current organization offers is unique and cannot be found elsewhere. Finnegan calls these unique offers that make the employees stay as “glue”, with the definition of “glue” aligns closely to the “embeddedness” mentioned in Mitchell and Lee’s model (See). In order to identify the “glues”, the most effective way is through one-to-one interview with the employees, conducted by the supervisors. While people hesitate to answer the truth why they leave, they are more eager to reveal the reason to stay (Finnegan & Richard 2009, 21)

To define the target group of employees who organizations should offer the “glues”, Finnegan and Richard (2009, 23) suggests dividing employees into three groups:

- WOWs: The group of employees that “walk on water”, which means their performances are always good.
- Wet Socks: The group of employees that usually perform proficiently but sometimes slip
- Snorkels: The employees that most of the time have performances under average standards.

In accordance with this division, WOWs and Wet Socks are target groups for “glues” offering. Nevertheless, identify the “glues” and make offers are not enough, to make the “glues” works, the organization has to successfully communicate them with the employees to ensure that they are aware of these offered values.

- ✓ Supervisors build unique relationships that drive retention or turnover

In the book “First, break all the rules”, Buckingham and Coffman say on their first page: “If you have a turnover problem, look first to your managers.” One of Kenexa studies on the relationship between supervisor and employee reveals that people leave for lack of fit with supervisor, dissatisfaction with financial benefits and dissatisfaction with learning environment. However, the two latter reasons were also influenced by the relationship they have with supervisors. Thus, the researches concluded that “offering high salary or providing good learning and development environment may not be enough to retain employees.” (Finnegan & Richard 2009, 25.)

To sum up, supervisors have extremely important roles in retention, because most of problems derive from the relationship with supervisors. Traditionally, organizations solve retention problems using staff-driven programs, which is easier to exercise. In fact, poor supervisors waste good programs; and good employees still choose to quit working with ineffective supervisors anyway, regardless how many programs the organization do. (Finnegan & Richard 2009, 25.)

Together with three principles, Finnegan and Richard (2009, 27) also propose seven new retention tools:

- ✓ Hold supervisors accountable for achieving retention goal

According to a TalentKeepers’ recent survey, only 14 per cent of organizations set retention goals at the first-line manager level. Setting goals for supervisors is considered as first priority in Rethinking Retention model, as they are the one who work with the employees and understand them the most. Not all supervisor welcome retention goals, and the management need to communicate to them that turnover rate reduce has become a daily practice. The expectation should not be too high at first, cause it can put unnecessarily pressures on supervisors.

- ✓ Develop supervisors to build trust with their teams

Strong data has proved that “trustworthiness is the most important retention skill for supervisors to retain their workers”. A survey made by TalentKeepers within over 100,000 employees working for nearly 100 organizations in different industries, the question is which quality is the most important in the relationship with their supervisors. The answers are the same in every organization: the employee chose building trust to be the most desirable. Another survey conducted by Sirota among 64,000 employees to acknowledge about people’s expectation when joining companies. The expectations of both young and old workers that dominated the result was “being treated with respect, be dealt with equitably, and gain a sense of both work and personal levels” (Finnegan & Richard 2009, 30)

- ✓ Narrow the front door to close the back door

The hiring and retention are related strongly. The process of hiring and training usually answer two questions: “Can the employee do the job?” and “Will the employee do the job?” but neglect the important one: “Will the employee stay?” (Finnegan & Richard 2009, 32)

Retention should begin during recruitment and selection process. Hiring employees that see the organization and themselves as a good match will reduce largely the chance of sudden leaving in the future. An example of reliable source of recruitment is referral from current employees. Referrals tend to be capable person with good performance, because the current employees usually do not recommend a bad one to avoid embarrassment because the referral fails to do the job. ((Finnegan & Richard 2009, 33.)

- ✓ Script employees’ first 90 days

In the organizations that turnover rate is high, early turnover is frequently accounts for more than half of total rate. Finnegan and Richard (2005, 34) suggest 90 days to be the early turnover period, base on their field experience. The company should practices glue-building management during this time. However, depending on the organizations, continuing efforts beyond this period can be made if necessary. This 90-day time is the most important time, base on which the employee consider and make decision to stay or to quit. To offer unique values at this point is significant to reassure the employee that the decision they made earlier regarding joining the company is right. Besides, to strengthen the bond of employee and organization, there is a need to redesign or create the process, in which the employees can find answers for their questions about their job, supervisor, colleagues and company policies.

- ✓ Challenge policies to ensure they drive retention

This tactic requires the management to investigate and examine current process to filter factors that drive the employee away. The mostly concerned areas of the policy, under employee point of view, are pay, healthcare and work flexibility. ((Finnegan & Richard 2009, 37.)

Creating and maintaining effective compensation policy that satisfy both employees and employer are almost impossible. Every employee expects higher salary, while employer always considers how to cut cost. However, amendment in pay system, for example, better pay for outstandingly good performer, should be made in time to retain good people. Besides, healthcare and working flexibility are policies that have strong effects on turnover. The organization has to find a way to bring its benefits and employees' benefits into harmony rather than conflict.

✓ Calculate turnover's cost to galvanize retention as a business issue
Every manager knows that high turnover results in cost, however, not many of them know exactly the amount it costs the organization in given period. To calculate and communicate the numbers to executives and managers bring two benefits: the figures can be used effectively to build retention momentum, and the retention issues become more tangible and easier to measure. ((Finnegan & Richard 2009, 41)

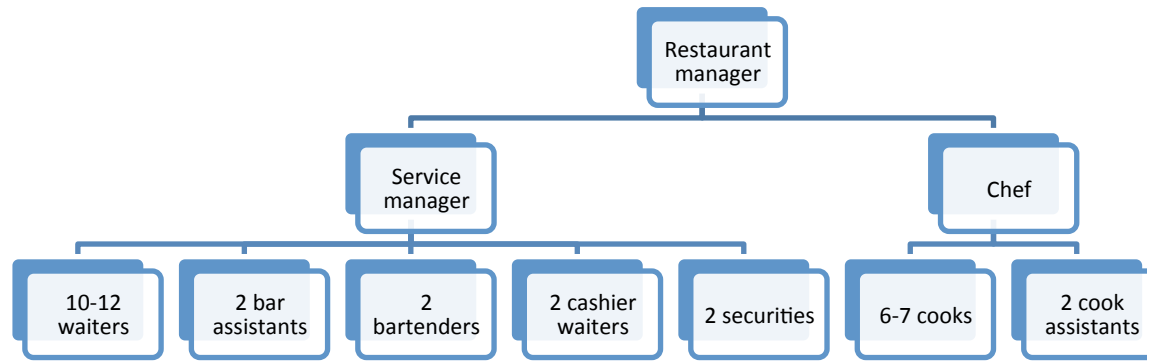
✓ Drive retention from the top, because executives have the greatest impact on achieving retention goals

Many organizations do not see retention as a major issue that deserves attention of top management. In several cases, HR is the highest level where retention problems can reach. Retention hardly appears in organization annual reports or strategic plans. There is usually no training program for management exclusively about retention. Nevertheless, retention strategies cannot be successful without the participation of top management, to make sure that all departments are ready to the same goals. For instance, marketing department can support retention by ensuring branding and internal marketing materials are persuasive and updated. Having the whole organization consider retention as an important part of working routine surely generates more positive results than taking it as an extra work. ((Finnegan & Richard 2009, 44.)

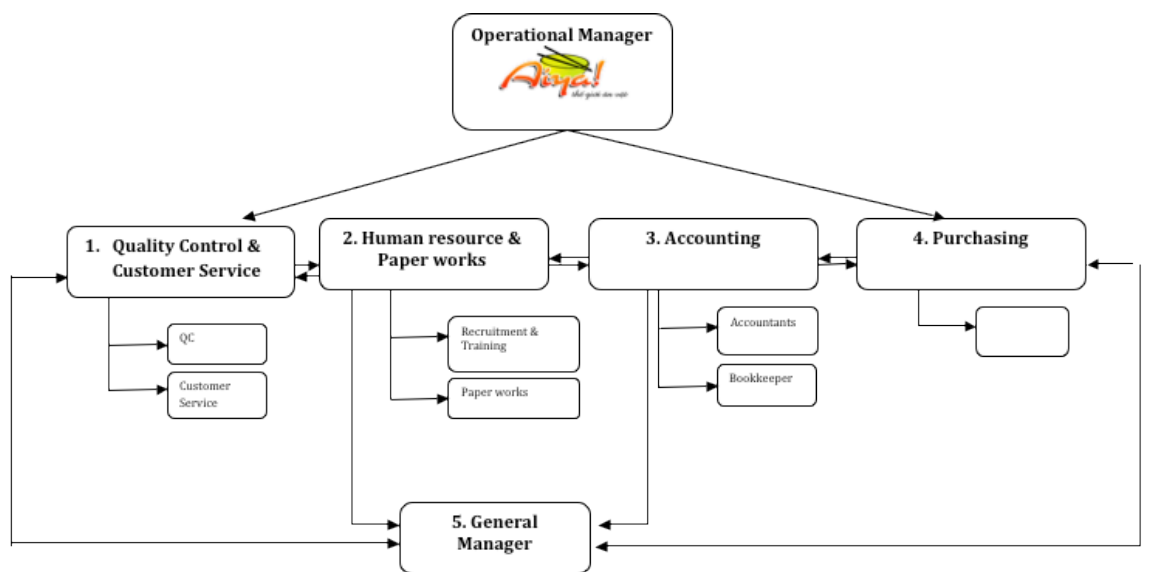
4 THE CURRENT RECRUITMENT AND RETENTION IN AIYA

At the present time, the human resource system in Aiya restaurant chain is as demonstrated in the charts below:

- In each restaurant



- In the office



4.1 Recruitment strategy

The current strategy used in Aiya was built by the owner, based on her understanding about the nature of industry and the human resource situation of the restaurant. Ms. Vy Le recognizes clearly the fact that Aiya staff team is in uncertain status, with changes in service team members every week in peak time. To cope with the problem, recruitment activities are designed to happen in two different methods. The first recruitment method is currently applied for service-related positions only. It takes place on weekly basis, as a sufficient source to provide substitutes in time because the turnover rate in service team is extremely high at the moment. Even in case the restaurant does not have vacancies, the recruitment is still kept on. However, the criteria will be stricter; good candidates will take part in a training course and work as a trainee in the position, before they are qualified to replace substandard old employees. The second recruitment happens a week after a vacancy emerges. All employees are obligated to make

announcement regarding quitting jobs at least two weeks in advance. Therefore, a week will be used for recruiting new employees, and another week is for the training session. In general, all employees will have to work as trainee for one month, before they become permanent staffs of Aiya.

The most frequently used recruitment channel is popular recruitment websites in Vietnam; this is also confirmed as one of the most effective sources at present. The company made no agreement with any of these websites regarding candidate quality. It basically joined the site as an employer looking for staffs. The open positions will also be advertised on Muaban newspaper, and put in front of all branches. The announcement will also be sent to different colleges and appear on their information board. The employees also acknowledge about the opening position, and freely introduce it to their friends or relatives. For special positions such as restaurant manager, the company also works with headhunter to ensure the quality of the employee. Besides full-time staffs, the restaurants also maintain a list of available part-time waiters to fill in in emergency cases.

For each position, there are different sets of standards required. Job descriptions were developed for all positions from the beginning; however, the owner did not provide any sample of these to the author. Nevertheless, the owner created a list of basic qualities for a person to become Aiya's staff. Firstly, candidates must be honest and there is no cheating sign on the resume. Though the restaurants do not require experience for service-related position, candidates are expected to be active, hardworking, willing to learn and fond of communication. For those who apply for positions in kitchen, experience in handling foods is necessary. After the candidate is prescreened through basic standards of the restaurants and specific requirements of the job, the human resource manager will conduct the interviews for all positions, and make decision for basic customer service positions. The candidates of important positions such as managers or officers need to be interviewed directly by the owner subsequently.

Every new employee receives a training session before start his trainee period. The training purpose is to guide the employee proper way to complete the tasks, as well as introduce job-related procedure. Besides the training session a week prior to work for all positions, there is periodic training for waiters on every Monday. The staffs responsible for training are also in charge of checking the service quality in all branches, to ensure the effectiveness of training courses. Those employees with good performances will be chosen for advanced training. For instance, best waiters will be instructed the skills to collect customer feedbacks or push the sales of particular dishes.

4.2 Retention strategy

Presently, there is no specific retention strategy in Aiya. A system for incentives and criticizing was developed. As it showed in the information sent to the author, the criticizing side is focused more than the incentives side. The only incentive that is officially applied in Aiya is monetary in-

centive. Every month, the performance of each employee will be evaluated in five aspects:

- Quality of work done
- Time to get work done
- Working attitude
- The compliance with regulations
- The proactive and creative level

The good employees will be noted for better yearly extra compensation. In contrast, those with insufficient performance will be notified privately, then in the public, before having salary deducted. Besides, there has never been any survey concerning employee satisfaction conducted in Aiya, thus, the level of employee satisfaction remains unknown.

5 THE EFFECTIVENESS OF CURRENT RECRUITMENT AND RETENTION PLANS

In this chapter, the author will describe the method and procedure used to collect empirical evidence. The questionnaire and the results will also be analyzed under two main topics: recruitment and retention. The results of this questionnaire, together with the information from the management, is expected to provides a complete view of current recruitment and retention situation in Aiya restaurant chain.

5.1 Method & procedure

The questionnaire were built base on the theories introduced in previous chapter and the current recruitment and retention strategies of Aiya. The questions were constructed to be as simple, clear and relevant as possible. Before being posted to Google Docs, the survey was sent to the owner for evaluation and approval. Afterward, the link was distributed to target employees through email by human resource manager of Aiya.

The author decided to choose Aiya Bui Thi Xuan as the target place to distribute the questionnaire, because this is the biggest branch of Aiya and the office also locates here; therefore it is easier to reach both officers and workers, which matches the owner's expectation. The sample size is forty employees, out of which twenty-four filled in the survey. The response rate was sixty percent. Though the number is not impressively high, this rate is quite satisfying, as the biggest obstacle in collecting the answers is the fact that many workers did not have access to the Internet.

The questionnaire (Appendix 2) was sent with a cover letter (Appendix 1), in which the author explain clearly that all the answers would be treated anonymously, and the analysis would not go down into detail of any individual answer. There is no way to track back to the respondents; thus, the employees are expected to answer freely and truthfully. The responses are

highly appreciated, because they are not only huge support to the author in terms of completing the thesis, but also contribute greatly to the future benefits of the respondents.

The questionnaire consisted of fourteen questions in total. There was one question that asked the respondents how long they had worked at Aiya. Twelve questions were multiple choices with rating scale from one to five. The last question was an open question, where respondents could freely write their opinions.

5.2 Mean working time of Aiya's employees

According to the results, 75 per cent of employees have worked for Aiya for one to three months. Only 25 per cent of employees have worked for three to six months. None of respondents' working time is longer than six months, which means that the restaurant is suffering from very high turnover.

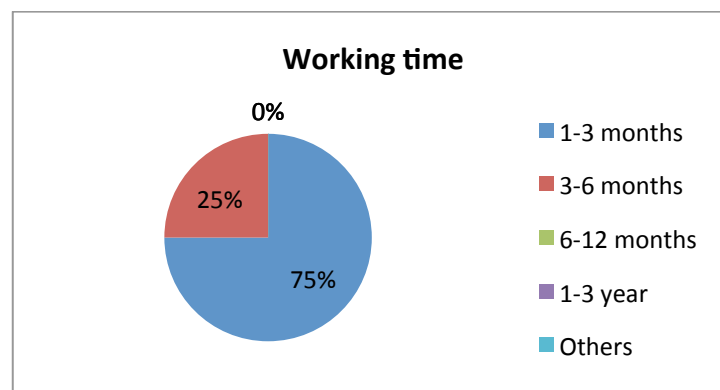


Figure 4 Working time

5.3 Source of recruitment

According to Gary Dessler (2005, 160.), to approach the effective sources of recruitment is the significant step to ensure the quality and efficiency of human factors in a company. The second question was established to find out which recruitment sources is preferred by the employees. Common sources are listed with scale from one to five. One was standing for “do not use at all” and five is “extremely frequently”. The figure 2 illustrated the answers of respondents.

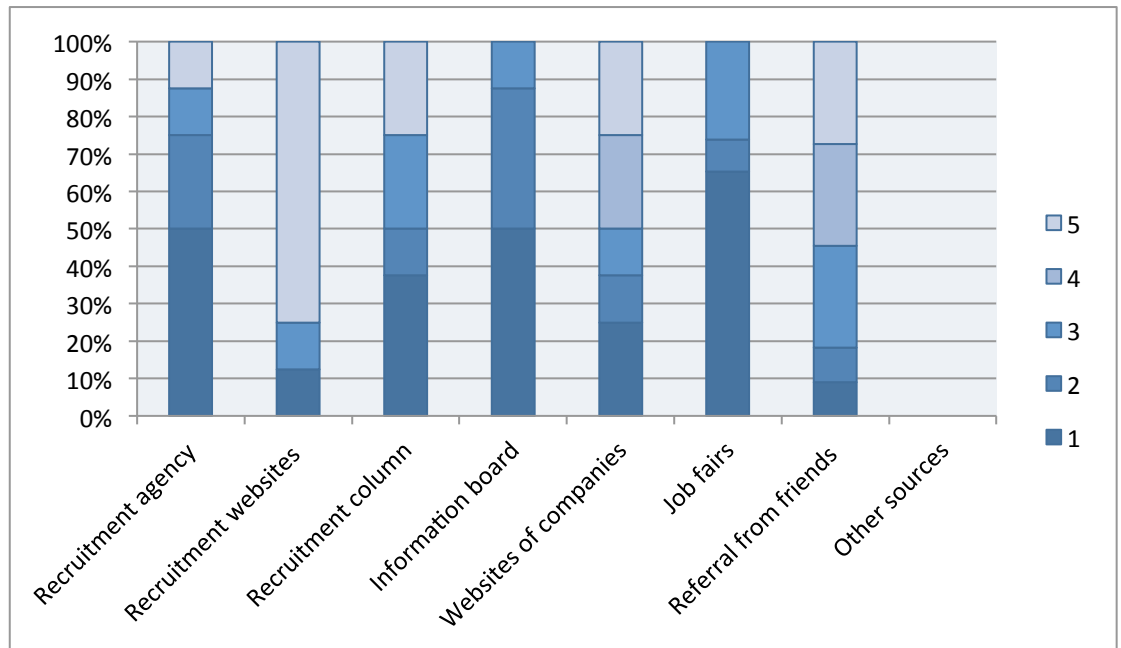


Figure 5 The frequency of recruitment sources used

Recruitment websites were the most used source; 75 per cent of Aiya employees used this source extremely frequently to look for jobs. The job fair, however, were the least preferable source, with 62.5 percent of employees did not use it at all. The information board of colleges, universities and vocational school was also not interesting places for the employees in terms of searching for jobs. Nevertheless, 50 per cent of the employee usually directly visited the companies’ websites for open positions; and seeking for the referral from friends and relatives were also regularly used. Recruitment column, the traditional recruitment source, was still preferred and used frequently by 25 per cent of the employees who chose five for this option.

While the second question asked the respondents the frequency of recruitment sources they had been using in general, the third questions asked them which source led them to the current position in Aiya. The set of options to choose from was the same with the second question. The answer is demonstrated in the table 1.

Sources	Number of employees	Percentage
Recruitment agency	0	0%
Recruitment websites on Internet	12	50%
Recruitment column on newspapers and magazines	0	0%
Information board at your college/university/vocational school	0	0%
Aiya’s website	2	8.3%
Job fairs	0	0%
Referral from friends or relatives	10	41.7%

Other sources	0	0%
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Table 3 The sources led employees to current positions

The table shows that the two main sources that led employees to the current position were recruitment websites on the Internet and the referral of friends or relatives. Only two employees knew the positions by visiting Aiya's website, which is also an Internet source. The number showed that currently, Aiya has not used available labor resources effectively. Together with the problem in retaining people, the lack of workers is inevitable and this can cause severe damage to the company.

5.4 The restaurant image

The image of company is an important factor that contributes greatly to the decision of taking job and planned working time. In the fourth question, the author tried to find out the image of Aiya under the employees' view, to ascertain whether the image building is effective and supportive to the recruitment. The respondent could choose all possibilities. The result showed that 50 per cent of employees did not know anything about the restaurant before they started their job. 12.5 per cent knew that Aiya was "a reliable restaurant providing delicious food and professional service". 37.5 per cent knew of Aiya as its widely promoted image – "The first restaurant serves hygienic street-side foods". Only 25 per cent of employees perceived the restaurant as a potential place to develop the career, and identified Aiya as "a young and dynamic restaurant with plenty career development opportunities". Nevertheless, none of them knew about the friendly working environment in advance, though the owner emphasized that the friendly and open atmosphere and culture were the advantages of Aiya to attract the employees.

5.5 The relevance between job-related information and reality

It is too often that soon after starting to work for a company, an employee finds out that the real job he is doing is totally different from what stated in the job description in the beginning. Neglected job-related information happens frequently in small-sized company in Vietnam, where there are many tasks and duties while not many people to handle the workload. This lack of clarification can affect negatively not only to the satisfaction level of the employee and their decision to continue working in the long term, but also the opportunities of finding a suitable candidate for the position. Therefore, the fifth question was formulated to see the level of relevance in job-related information and real-life working in Aiya. The respondents were required to rate the relevance according to the scale from one – not relevant at all, to five – extremely relevant.

	1	2	3	4	5	In total	Mean
Tasks and duties	0	0	0	15	9	24	4.38
Job responsibilities	0	0	0	6	18	24	4.75

Working conditions	0	0	9	9	6	24	3.88
Skills and qualifications needed to perform the job	0	0	3	15	6	24	4.13
Job procedures related to the job	3	0	9	6	6	24	3.5
In total	3	0	21	51	45	120	4.13

Table 4 The relevance of job-related information to the reality

As showed in the table 1, all the employees rated the relevance of tasks, duties and job responsibilities with a four or five. However, the working condition had lower score, when 37.5 per cent gave average value, and only 25 per cent perceived the condition as extremely relevant. The job procedures, one of the most important information as it showed the employees how to get jobs done, had the lowest score. 12.5 per cent thought that the information given was not relevant to the reality at all. In total, though the mean score 4.13 was not harmful to recruitment activities yet, there was room for improvement, especially in the information regarding working conditions and job procedures.

5.6 The effectiveness of training session

The training session is significant, as it not only provides the basic information about the job to the employee, but also helps the new comer to be familiar with the working environment and company culture. An informative and effective training session is also a way for the company to show the respect to the employee, based on which mutual trust can be built later on. The question six and seven were formulated to collect the opinion of current employee in Aiya about the training session they received when started the jobs. In the question six, basic and necessary information that should be included in the orientation was listed, and the respondents were asked to mark any information that they received during the training. The result is demonstrated in the table below.

Information	Percentage
Company mission and your role in it	63%
Company's expectation at your position	50%
Work-related rules and regulations	63%
Company human resource policies (includes: working hour, paying period, overtime bonus...)	63%
Introduction of supervisor and colleagues	63%
Your benefits when working at the position	75%
Advancement or promotion opportunities and procedures	50%
Facility tour	50%

Table 5 Information in the training session

None of the information was marked by all the employees. The information that is distributed most effectively was the employees' benefits when working at the positions, when 75 percent of respondent confirmed

that they received this information in the training. 63 per cent recalled the acknowledgement of company mission and their roles in it, the work-related regulations and human resource policies. 63 per cent was introduced to the future colleagues, which is a rather inefficient number, as this activity is particularly important to incorporate the new member into the existing community. Besides, only half of the employees knew about the company expectation about their jobs, the opportunities and procedure of promotion, and the facilities of the restaurant after the training session. These numbers also reflected that the training activities have not been standardized, which led to the difference in level of information received between employees.

Aside from being informative, the atmosphere of the training is critical, since it is the first impression of the new comers about the future environment they will work in. The seventh question inquired the employees to rate different characteristics of the training they received according to the scale from one to five. One stood for “not at all”, and five stood for “extremely”. The result is displayed in table 4.

Characteristic	1	2	3	4	5	Mean
Informative	9	0	7	2	6	2.83
Interesting	3	0	10	3	8	3.54
Friendly	2	0	6	4	12	4
Useful	6	0	4	2	12	3.58
In total	20	0	27	11	38	3.49

Table 6 The characteristics of training sessions

The characteristic that generated lowest score was the informativeness, with mean score 2.83. 37.5 per cent of respondents thought that the training was not informative at all, while only 25 per cent gave the highest score. However, 50 per cent agreed that the training was extremely useful and friendly. The mean score of all characteristics are 3.49. This indicated that there were many points that needed improvement to make the training become an effective part of recruitment and retention plan.

5.7 The retention factors

There are many reasons, for which the employees decide to leave jobs or stay working for longer. The eight questions asked the respondents directly why they were still at their current positions. The author listed four options to choose from, and an open option for the respondents to fill in if their reasons are different from the four listed. The respondents can choose more than one answer.

Reasons	Percentage
There is no other choice available	0%
The compensation and financial benefit is good	13%

Good working environment	38%
Company's brand name	38%
Others	38%

Table 7 Reasons to stay working for Aiya

None of the employees continued to work for Aiya because they have no other option. This is good because when an employee considers the company as his last option, he will change as soon as he has another choice. Nevertheless, only 13 per cent saw financial benefit as a reason to stay. 38 per cent found Aiya good working environment and brand name as the reasons to continue their jobs. Thirty eight per cent marked "other" option, however, they did not write the specific reasons that led to the decisions of staying. Obviously, the compensation and financial offers from Aiya were not attractive enough to act as a key factor to retain potential workers. The owner also stated that the company has not yet been able to afford any financial benefits improvement at the moment. Nevertheless, there are people still staying for other reasons than money, and this is a good point to start at.

According to Retention Model theory, the relationship between the employee and their direct supervisor plays an important role in staying or leaving decision. Herzberg's two factors theory also lists quality of supervision into hygiene factors, which create dissatisfaction if not managed effectively. The ninth question was formulated to investigate the overall status of worker-supervisor relationship in Aiya, to seek for the chance of development. The question raised different common issues that usually occurred in the work place, both negative and positive. The respondents were asked to rate the frequency they faced these issues. The scale was from one – never, to five – extremely frequently. The answers are demonstrated in the table below.

Issues	1	2	3	4	5	Mean
Compliments or encouragements from supervisor	3	0	11	7	3	3.29
Personal meetings with supervisor as friends	9	3	3	6	3	2.63
Supports from supervisor in performing daily tasks	0	1	2	11	10	4.25
Supervisor helps you with personal problems	7	5	6	4	2	2.54
Supervisor listens to your opinion	0	0	8	12	4	3.83
Supervisor takes your work credit	12	9	2	1	0	1.68
Insults from supervisor	21	0	3	0	0	1.25
Supervisor invades your privacy	24	0	0	0	0	1

Table 8 The frequency of worker-supervisor relationship related issues

87.5 per cent of respondents gave the value four or five for the fact that they received support from their supervisors in daily tasks. The issue with the second highest score is opinions being listened by supervisor, with the

mean value 3.83. Only 12.5 per cent had never received compliments or encouragements from supervisors, and 12.5 per cent got compliments very frequently. Most of the employees gave this issue the average score. Aside from the connection in the work place, the personal relationship between supervisors and collaborates in Aiya had quite low score. 37.5 per cent of respondents had never met supervisors as friends, and 29.2 per cent did not get help from supervisor for personal problems. Nevertheless, the employees stated that supervisors did not intrude on their privacy at all; and only 12.5 per cent of employees sometimes got insults by supervisors. The most frequently happened negative issue was that supervisors took the work credits of the employees. Fifty per cent answered that this happened at least once. Even though the act did not happen on regular basis, it can destroy the sense of achievement of the employees and demotivate them. Thus, though the mean scores of these negative issues have not yet been alerted, the company should strive continuously to minimize them to the lowest value.

5.8 Non-monetary incentives

Besides preventing issues that lead employees to job dissatisfaction, improving motivation factors is necessary in retaining work force. The current finance situation does not allow the company to develop its monetary incentives to a new level, however, the owner is eager to make change in incentive system, as long as it does not add up too much to the cost. While monetary incentive effectiveness can be observed clearly in short term, especially in the decision to start working for a company, non-monetary ones do affect on the decision of staying. A right set of non-monetary-monetary incentives can help to satisfy the four upper needs in Maslow's hierarchy, which cannot be bought by money.

The tenth question was formulated to collect the opinions of the employees about the importance of non-monetary-incentives in terms of retention. The rating scale is from one – not important at all, to five – extremely important. The results showed that 75 per cent of respondents thought that these were extremely important. 12.5 per cent gave moderate score and 12.5 per cent thought that non-monetary incentives were not very important. This result showed a need for improvement of non-monetary incentives in Aiya as an effort to retain its personnel.

In the eleventh question, the author listed different non-monetary incentives and asked the respondent to rate the importance of these in their decision of staying to work for Aiya or leaving for another job. The result was illustrated in the table below.

Incentive	1	2	3	4	5	Mean
Promotion opportunities	3	0	0	0	21	4.5
Opportunities to learn and experience new things	2	6	0	7	9	3.63
Flexible working hours	0	2	0	10	12	4.33
Comfortable working environment	3	0	5	4	12	3.92
Working with friends	10	3	7	3	1	2.25
Good relationship with supervisor	0	2	7	7	8	3.88

Good relationship with colleagues	0	0	4	9	11	4.29
Supervisor recognition of good performance for promotion/rewards	2	0	0	7	15	4.38
Opportunities to contribute to decision-making process	2	0	0	13	9	4.21
Opportunities to contribute to the improvement of company through employee feedback	0	1	3	8	12	4.29
Independence and autonomy in performing tasks	0	0	7	11	6	4.52
Constructive feedback for future learning and improving	0	0	5	6	13	4.33
Effective and helpful training programs	3	0	2	7	12	4.04

Table 9 The importance of non-monetary incentives 1

87.5 per cent of respondents agreed that promotion opportunities were extremely important. 66.7 per cent also appreciated the opportunities to experience new things, though 25 per cent thought that this was not very important. Remarkably, 91.7 per cent of employee gave four and five value to flexible working hours. This is understandable since many of Aiya work forces are students, who consider the job at Aiya to be part-time and temporary only. The comfortable working environment were preferable with the mean score 3.92, however, working with friend were not very significant incentive. The relationship with supervisors were rated as very/extremely important by 62.5 per cent, while 91.7 per cent considered the relationship with colleagues as an important factor in their staying decision. The employees also showed that they cared about being an active element in the company. 87.5 per cent saw opportunities to contribute to decision-making process as good incentives, and 83.3 per cent would be motivated if their feedbacks contributed to the improvement of the company. All the respondents gave positive value to the incentives regarding the autonomy in performing tasks and receiving constructive feedback. The mean score of 4.52 and 4.33 reflected the critical role of these incentives in the decision making of the employees. According to the author, the result not only verifies the effectiveness of the incentives listed, but also states a positive fact that the employees does have great interest in contributing to the development of Aiya, and are willing to improve themselves. This attitude is very critical, as without the willingness, no incentive can motivate and engage the employee to the company.

The twelfth question consisted of various tangible non-monetary incentives, such as coupons and discount offers, to observe which were favorable to the employees. The result was displayed in the table below.

Incentive	1	2	3	4	5	Mean
Restaurant coupons	8	5	5	3	3	2.5
Movie tickets	12	6	2	4	0	1.92
Free lunches, snacks or beverages	4	5	7	6	2	2.88
Employee discount	6	4	3	5	6	3.04
Extra holiday	2	4	3	7	8	3.63

Table 10 The importance of non-monetary incentives 2

Overall, the tangible non-monetary seemed to be unattractive to the employees. Most of the respondents answered that restaurant coupons, movie tickets or free lunches were not important to them. The two incentives that generated positive mean value are employee discount at the restaurant and extra holiday. Fifteen out of twenty four respondents thought that giving extra holiday were an effective and important incentive.

5.9 Satisfaction level

The satisfaction level related directly to the staying or leaving decision of the employees. The author designed the question thirteen to measure the satisfaction of respondents in each particular issue.

Issue	1	2	3	4	5	Mean
Quality of supervision	0	5	12	7	0	3.08
Working condition and facilities	0	2	13	6	3	3.42
Relationship with colleagues	0	0	10	8	6	3.83
Relationship with supervisor	0	0	14	7	3	3.54
Job security	0	0	9	12	3	3.75
Salary and financial benefits	0	2	18	4	0	3.08
In total	0	9	76	44	15	3.45

Table 11 Employee satisfaction level in specific issues

In all issues, the value that was given the most was “three”, which means neither satisfied nor dissatisfied. The issues generated lowest mean score were the quality of supervision and financial benefits. The highest score issues were relationship with colleagues and job security, however, the score is still below “four”, which mean that the satisfaction in these issue were also not very remarkable. Overall, the employee satisfaction seemed to be in idle status. They do not feel very satisfied or dissatisfied for anything. This also means that in case the employees find another more interesting workplace with better prospect, they will be more than eager to leave jobs. In order to improve the retention, the company must find out a way to boost the satisfaction level out of its current situation.

5.10 Unique benefits from Aiya

The Retention Model theory suggests that the employees would stay for the unique benefits that they can only get from the company. In the last open-ended question, the author asked the respondents to list the benefits they received when working for Aiya, which they thought was valuable and unique. 70.8 per cent of the employees answered that there were no unique benefit that they could think of. Some of benefits were discussed by a minor part of the employees, such as:

- The opportunities to taste different good foods (1 employee)
- Good place to start working to collect experience for the future (2 employees)
- Be treated well by the supervisor, the performance was well-recognized (1 employees)
- Permanent job, good financial benefit (1 employee)

6 SUGGESTIONS

The suggestions regarding recruitment and retention in this chapter is interrelated. The recruitment strategy proposed is expected to facilitate the retention activities in Aiya. The author aims to provide the restaurant with the effective aided solutions that not only solve the current problem in hiring and retaining, but also act as the basis for further development. The suggestions were formulated based on the theory, the survey results, current strategies used in the restaurant, as well as the author's own experiences in the industry.

6.1 Recruitment strategy

6.1.1 Diversified recruitment sources

The survey results showed that Aiya had not been using all available recruitment sources. The most active source used was Internet employment websites. Though this is also the most effective way to approach young candidates, it cannot reach all the potential applicants. Despite the rapid development of infrastructure that make it easier for every Vietnamese to use the Internet, many students do not even have their own computer and network at home. Concentrating solely on online recruitment activities is equivalent to casting out the group searching for jobs through offline channels. Base on studied theory and the results of survey, besides maintaining current methods of recruitment, the author strongly recommend Aiya to diversify its sources, thus, increase the effectiveness of recruitment.

✓ Campus recruiting & university partnerships

The owner claimed that the restaurant did make effort to recruit college and vocational school student, through posting the information about vacancies on these schools' information board. The survey indicated that none of respondents use this channel on frequent basis to find job. Actually, the author, once being the student of Tourism vocational school, can guarantee that the amount of students paying attention to school information board is quiet low. Often, the announcements posted there changed without notice, because students assume that important information will be communicated verbally or through documents.

The author suggests the restaurant to continue campus recruiting, however, in more proactive manner. Instead of sending mass mail regarding vacancies to these schools, a team of HR representatives should go to each school on periodical basis, to introduce about the restaurant and job opportunities. In this way, students who are interested in the positions can get fresh information about the hiring process or benefits, which usually left ambitious on short advertisements. This activity also aids the effort of Aiya to build good image as an employer – this will be mentioned more clearly in the latter part of the suggestions. The session does not need to be long and formal. It should create a warm, welcome and friendly atmosphere to generate attention, and encourage mutual communication. For instance, a brown bag lunch will do the job nicely.

Besides campus recruiting, building partnerships with different schools in the industry is also an effective way to maintain the source of freshly graduated student in field and part-time workers. This fits to the financial situation of the company, as these students usually do not demand high financial benefit; they are more interested in getting experience. The relevant knowledge basis also facilitates further training. Moreover, in restaurant industry, the students often start seeking for internship and part-time jobs during study. This is another potential source of labors as well.

✓ Word of mouth and referral from employees

Word of mouth has never lost its power. If the employees are happy with their jobs and share their experiences to other people, it is better than any other recruitment advertising methods. Good words from real people are always more worthy and objective than the employer advertises on their own. Satisfied employees act as “free agencies”, with their own applicant pool – their relationship network. Especially for important positions for which the owner would like to hire people with good credit, referrals from current employees will be the suitable choice. However, in order to use the word of mouth effectively, Aiya need to improve employee satisfaction throughout the company.

✓ Traditional recruitment channels

Posting advertisement on local newspapers is the traditional way to recruit. The owner said that Aiya did advertised about the open positions on some local newspaper. However, the survey showed that none of respondents knew about their positions through this channel. This can be a sign that the advertisement was not attractive or informative enough, or the newspapers chosen was not the choice of potential applicants. Many company choose newspapers with cheap advertisement price to save the budget. In fact, it would be waste of time and money if the advertisements could not reach its target viewers. Therefore, the company should choose suitable publication for recruitment ads, and check the result frequently to make changes in necessary cases.

6.2 Employer branding strategy

The way applicants perceive the company affect greatly on their decision to apply or not, and later on, to stay or leave. Effective employer branding activities reduce hiring cost and increase the overall quality of applicant pool, as well as the engagement to the company.

To practice effective recruitment, Aiya need a clear strategy to build the proper image of a competitive employer. Currently, it showed in the survey result that 75 per cent of the respondents do not perceive Aiya as any specific employer image. While Aiya is successful to define its value in customers' eyes, as the first high quality and hygienic street-side food restaurant, the image as an employer was still left vague. With experience in restaurant industry in Vietnam, the author acknowledged that most of the quality applicants with good resumes expects to work for a well-known employers. The reputation of the restaurant is the first item to be considered on the list, as it guaranteed the benefits, and added value to the resume later on. A restaurant with undefined image can never compete with other employers in field, even if it actually provides better benefit package. The statement "Do not judge a book by its cover" is simply void in this context.

Employer branding is unlike any other activities in the company. It requires time to show the first results, and need dedicated maintenance to keep the results valid. In this century of social media, it does not require lots of money to successfully build the brand. However, before making any move, there are many questions that need clears answers. The company needs to know about its current image as an employer. In Aiya case, there was almost no image at all, as employer branding has not been identified as a part of regular activities. The second question is regarding the company strengths and weaknesses. As the owner claimed, the strength of Aiya is its friendly and open working atmosphere. However, none of the current employees know about this until they started working for the restaurant. So, is there any other value that the restaurant has but the potential employees are not aware of? The restaurant needs to identify its own strengths as an employer at first.

Having the strengths clarified is not enough; they also need to be communicated to the right target. To maintain an active and creative work force to support its culture, Aiya aims to young people with good communication skills. Thus, using social media is an effective way to reach the target group. Social media tools not only help the company to communicate the messages to its target, but also to observe their behaviors, understand their values and listen to their feedback. At the present time, although Aiya has a Facebook page, it is mainly on the side of brand building for customers with information updated mostly about the discount and events happen in the restaurants. There is no effective channel to connect with potential employees yet. The author suggests Aiya to make its first approach, by uploading video recording the events organized for the employees, such as employees' birthdays, or special occasion such as Halloween. Through

these activities, the warm and open atmosphere of the company has chance to be revealed.

6.3 Grouping the employees

6.3.1 Nature of positions

Different positions do require different recruitment strategy. The owners state that she worried about the high turnover in every department in the company, and the position suffered from highest turnover rate was of waiters and waitresses. However, according to the observation of the author during the time working in the field, this is perfectly normal. In the restaurant industry, especially in Vietnam, no one wants to be a waiter forever. This job is always considered as a temporary job, as the salary is too low compared to living cost, and people will not choose it if they have other options. The students may take it as a part-time job, and full-time job in the summer, until they graduate and quit. In Vietnam, there is hardly any waiter with more than 3-year full time experiences that remains at the position. Besides, the jobs are not difficult to refill, as the required skills are minimum. Every restaurant knows this, and no one expected to retain the waiters. Instead of trying to retain these temporary employees, the company should choose the other way to ensure the readiness of applicant pool, to be prepared for sudden resignation of a waiter. Nevertheless, there can be exceptions. The employees with the best performance, adequate qualification and eager to continue working for the company should be introduced to promotion opportunities.

On the other hand, the managing and office positions, which account for more important tasks, and received better benefits, are expected to engage to the company for a long time. Therefore, the recruitment for these positions should be stricter, to find the most suitable and trustful people. Subsequently, the retention plan should concentrate on this group as well.

6.3.2 Performance-based grouping

According to Retention Model theory, the employees should be divided into different group based on their performances. In order to determine the performance of employees, the role of supervisors is very important. Without day-by-day observation, the judgments can be inaccurate and lead to irreparable damages. In the author's opinion, the dividing activity should be carried between managers only, to avoid the unnecessary anxious feeling among the employees. The grouping should only be conducted to define the focus of retention plan. It should not lead to any inadequate or unfair treatment, which is very harmful to the image of the company as an employer.

In general, the author recommend Aiya to take actions as demonstrated in the table below

Positions	Performance	Replace	Idle	Retain
Key	Always good			X
	Unstable			← X
	Always below average	X		
Basic	Always good *			X
	Unstable		← X	
	Always below average	X		

Table 12 Action regarding recruitment and retention

* Depends on the attitude and qualification also.

← The tendency of action if the performance does not improve in a certain time.

The employees at key positions with unstable performance, which means sometimes very good and the other times below average, are still in the list that the company would make efforts to retain. Nevertheless, depend on their improvement in the future, the company should make decision to drop them down to the “idle”, and even the “replace” list or not. However, the unstable employees at basic positions that can easily find replacement will be in the “idle” list, and replaced if the performance gets worse.

6.4 Retention

Without the recognition of the importance and benefits of retention throughout the company, the retention strategy cannot be built and implied successfully. Thus, first of all, Aiya needs to include retention into its corporation development plan, with specific goals to achieve in certain time. On top of that, the author recommends a set of activities to solve the turnover problems.

6.4.1 Tighten the recruitment to aid the retention

According to Job Embeddedness theory, in the end of the day, what keep employees stay are not necessarily financial benefits. They stay because they are “embedded” to the organization in three dimensions: organizational fit, links and sacrifice. While the latter two embeddedness dimensions can only be developed once an employee starts his job, the first dimension is manageable from the recruitment step. People tend to leave when they find out that the work place is not suitable for them, or they do not share the same value and goals with the company. They also leave when it turns out that the job is not like what they expected. To tighten the recruitment is intended to reduce the number of unfit applicants precisely in the beginning, to save time for both sides and ensure that the employees who sign the contracts totally understand about their future jobs.

For this purpose, Aiya can use Realistic Job Preview (RJP) as a tool to assist the recruitment. RJP is an overview, through which the applicants can see how the real jobs happen on daily basis. An effective RJP needs to present all the aspects of jobs that the applicants may face if they become employees. RJP can be flexible in form. However, according to the author, the best way to present is recording a short video for each position. These videos should be posted to the restaurants' website, online recruitment channels, and Facebook page. The videos presents not only the benefits and advantages of the jobs, but also the more important information that Aiya would like the applicants to acknowledge before they apply: the difficulties and pressure. The most significant characteristic of RJP is to be real, which is not easy to achieve. Many companies failed to communicate the downsides of the jobs to their viewers, as they afraid that the ugly reality will harm their images as employers. Most of RJP do not lie; yet they tell about the bright sides of jobs only, which turn RJP videos into normal job advertisements. To avoid this, the author suggests the human resource department of Aiya to look carefully into the daily works of each position to list all the possible difficulties. Subsequently, there should be a brainstorming session to find the best way to visually communicate these to the viewers. Because the target viewers are young, in the author's opinion, expressing the ideas in funny and creative way will create good effects.

There is an argument that no matter how well made the RJP is, it cannot reduce the number of applicants, because people cannot totally understand the difficulties until they experience it. Nevertheless, even in this case, the author believes that the effects of RJP do not only show during recruitments, but also after the employees start to work, and begin to face the real difficulties. They encounter in more prepared way, as they knew about these from the beginning, and they tend to cope with better than the employees that are unprepared.

6.4.2 Build the relationship between the supervisors and employees

The Retention Model theory emphasizes the relationship between the employees and their supervisor as one of the key reasons in an employee's decision to stay. Since the supervisors play an important role in retention, they need to be more active and responsible in order to reduce the turnover rate in Aiya. In fact, the negative incidents such as the supervisor insulting employees, or taking their work credits were happening in Aiya. Though these did not occur on regular basis, it would be much better to restrict them from occurrence. The supervisors may not understand that they need to concentrate on the retention as much as the other goals, and that the way they handle the relationship with employees can affect greatly on the productivity as well.

Firstly, to improve the turnover situation, a meeting between managers and supervisors is needed, to ensure that the management of the company understands thoroughly the significance of effective retention and their role in achieving this. The fact should be highlighted the most is, if a line

manager maintains good relationship with his employees, it also save time and increase the effectiveness of his own management job. By this way, the supervisors will not observe the relationship improvement as a favor done to the company and the employees, but also to his benefits. On the other hand, the owner should create an email, where the employees can send complaints regarding their supervisor, in case something unfair happens. The existence of this email should be announced widely in the company, to both the employees and supervisors.

There should be clear guideline, follow which the supervisors can learn and practice the proper way to build trust and maintain healthy relationship with the employees. Hereunder is the guideline the author proposes, base on Retention Model and Maslow theory:

✓ Give clear instruction

Anytime the supervisor delegate tasks to employees, he should instruct them clearly how to get job done. Many supervisors think that some tasks are simple and the employees will learn it through practicing, therefore the instruction was given very briefly. In fact, the clear instructions not only reduce the chance of error, it also reduce the stress of the employees because they know exactly what they are expected to do, and how to meet the expectation. The supervisor should use the simplest way to demonstrate the instruction, and make sure that the employees understand thoroughly. It does not require much time, but can create huge differences.

✓ Focus on communication

Beyond the physiological need, every human being has the need to be appreciated. This can only be satisfied through proper communication. Listening to the employees is important, as it helps to solve any newly emerged problems before they become major conflicts. However, there is one other skill that is equally vital: speaking. In fact, the employees need and have the right to know how they are doing, and in case they are doing well, they will be motivated if the supervisor recognizes it. If the supervisor keeps silent all the time, the employees will be confused and demotivated. The supervisors need to communicate their opinions to their employees, as an indication to show them the right path to follow and wrong path to avoid. Frequent communication also reassures the employees that they are supported, and their efforts are appreciated.

✓ Remember encouragement and compliments

The survey result showed that the respondents did not always receive the encouragement or compliment from their supervisors. People need the encouragement to happily continue their works with high productivity. The supervisors do not give credits, usually because of two reasons: they are too busy with other “more important things”, or the standards they set for good performances was too high that none of employee performance is good enough. Whatever reason it is, the supervisors should overcome it to be more generous, and give out credits in necessary cases. In order to rec-

ognize when to give compliments, the supervisors should maintain continue observation on employee behaviors and performances. The effectiveness of compliments and encouragements also depend on the attitude of giving, and if it comes at the right time. The employees are sensitive and can recognize right away if the supervisor really means it or not. A fake compliment is even worst than no compliment. So, the supervisor should make sure that they are sincere about it.

- ✓ Keep employees involved in decision-making

There are many departmental problems that the supervisors can involve the employees into the process of decision-making. This activity actually satisfies the esteem need in Maslow hierarchy, as it shows the individual employee his importance in the whole picture, and that he is trusted. The employees also tend to be eager to support the decision made by themselves, rather than the one that delegated from beyond. Besides this, participating in decision-making process is as well a chance for the employees to understand more about the department's activities, and feel more confident about their abilities and their position in the company. Last but not least, when the department sits down to brainstorm for a solution, the members get closer to each other and the working atmosphere improves naturally. The activity is highly recommended to be incorporated to daily work in Aiya and believed to bring positive effects, as in the survey, 87.5 per cent of respondent see opportunities to contribute to decision-making process as very important non-monetary incentives.

- ✓ Be approachable

The supervisors need to show the positive attitude, that they are willing to support the employees anytime. The employees should feel encouraged to knock the supervisor' door, whenever they come up with suggestions, complains, or simply need an advice. This is not simple, and definitely cannot be practiced if the supervisors keep building barriers between themselves and the employees. Many Vietnamese managers classify themselves into a higher level than the employees, which intentionally shows through their behaviors at work. They create fear among the employees, and ruin the opportunities to build connection. If there is any fear or distrust left, the employees will not share anything with their supervisors, as they cannot predict his reactions. Therefore, being patient with a consistent leader style, while maintaining open policy is necessary.

6.4.3 Improve the quality of 90 first days

- ✓ Quality of training session

The survey result revealed that current training session in Aiya was not informative enough, and had not been standardized, which led to uneven level of basic knowledge between the employees. Only 50 per cent of the respondents knew what the company expected from them. Ineffective

training session results in wondering employees that are lack of knowledge, and need more time to complete the jobs properly. Without understanding about company rules and regulations, the employees make mistakes more often. In addition, as Aiya does have strict system to punish these mistakes, employees always work with stress, and the dissatisfaction accumulates until they decide to leave jobs.

Thus, an effective training program restricts these undesirable problems from happening. The program should be standardized to ensure every employee start to work with the same package of information. Because the employees are at young age, the training should be conducted in more interesting way than lecturing with power point presentation. Workshop or simple games that requires participation of the new employees are better methods that help them to memorize the information and get familiar with the working environment and new colleagues.

During this time, it is also important that Aiya made efforts to communicate company expectation to the new employees, and know about their expectations in return. This can be done with supports from the supervisors, or through periodic surveys.

6.4.4 Enhance employee value proposition (EVP)

Employee value proposition (EVP) is the measurement of the balance between the rewards and benefits the employees receive from the company in exchange for their performance. It is crucial that the employees that the benefits are sufficient to their performance. According to the survey, the respondents do not care much about coupons, movie ticket or employee discount; and they do not consider these incentives as important in their staying or leaving decision. However, they responded strongly to the other set of incentive, regarding the opportunities to develop, contribute and be recognized. These can become the unique set of benefits that the employee can only find in Aiya, which increase their embeddedness to the restaurant. In detail, besides the benefits mentioned above in suggested strategy, hereunder is effective benefits the company should promote to retain the employee:

- ✓ Promotion opportunities: As a new chain of restaurants in the industry, Aiya has not possessed stable human resources yet. According to the owner, there are many positions that were not fulfilled, and new positions come up almost every month. This leaves a lot of room for promotion opportunities. However, the information was not communicated to the employees effectively. Aiya should learn more about the expectations of its employees to understand which position they aim to in the future, and prescreen the capable candidates for future promotion. The employees should be encouraged and counseled at the right time when they come up with any question regarding promotion opportunities.

- ✓ Opportunities to learn and experience new things: This can be attained by organizing interesting advanced training session, catered for each department. The supervisors can create chances for the employees working in the same department experience all the related tasks, to improve their skills and abilities.
- ✓ Flexible working hours: As long as the result of work is ensured, the supervisors can be flexible about the employees' working hours, depends on the cases. For instance, if a part-time waiter asks to change shifts because he is going to have an exam on that day, the supervisor should not create unnecessary stress to him.
- ✓ Comfortable working environment and good relationship with colleagues: the link among the employees can be strengthened through different work-related and entertaining team building activities. A cooking class hosted by Aiya chef for everyone in the company, or a picnic trip with full of team games will bring the employees together in no time, and give chances for them to learn more about each other.

7 CONCLUSION

This thesis was commissioned by Aiya restaurant chain; the first and only restaurant in Vietnam serves hygienic street-side foods. The core idea of the restaurant was introduced in the first chapter. The difficulty in human resource activities was also mentioned briefly. Up to this point, though the human resource department of Aiya had worked with strong pressure, the high turnover still created troubles and inconvenience to the overall operation of the restaurant. The purpose of this study was to offer a set of tactics to improve the recruitment and retention strategy in Aiya. The suggestions were expected to be easy to implement, as well as cost-efficient, yet effective enough to improve the current situation.

The theory framework of this thesis consisted of two parts. The first part was recruitment theory and different recruitment sources. The advantages and disadvantages of each source were also discussed in this part. The second part of the theory was regarding the retention. The definition of turnover and its driven factors was discussed. Besides introducing the Retention Model theory that directly aim to the retention, the author also included the motivation theories that closely related to the retention issue, such as Maslow hierarchy and Job Embeddedness model. The Retention Model theory also provided the general guideline to improve retention in a company, which contribute greatly to the suggestions in latter part.

In the third, the author presented the current recruitment and retention strategy used in Aiya. While the recruitment activities were provided in a clear look, with specific activities planned for different periods, the retention strategy was left vague. However, the owner was very active and supportive in providing the information, as well as discussing about the arising issues during writing time.

The empirical study in the fourth chapter played an important role in this thesis. It was conducted among the employees the biggest branch of Aiya – Aiya Bui Thi Xuan. This branch was chosen because the office was also located here, so the survey could reach both service related and office employees. Through the survey, the author expected to learn more about the patterns of employees' behaviours in searching for jobs, and measured the effectiveness of current recruitment activities in Aiya. It also aimed to collect the respondents' opinions about different issues regarding their decisions to stay to work for the company.

The result showed that online sources such as recruitment websites and company website was the most popular channel used by the respondents. Other channels that used by Aiya such as posting the vacancy information on the information board of colleges, or advertising jobs on the newspapers were less favourable, though some of them were used on a less regular basis. All of the respondents came to work for Aiya either knew about the job through recruitment websites or referral from the relatives, which means the recruitment activities in other channels were not effective enough.

The opinion of the respondents about the training session also showed that it is not informative and interesting, even though the respondent appreciate its friendliness side. The amount of basic knowledge, such as company goals and expectation to the position, employee benefits and work related regulations, which the employees received in the orientation, is unequal. This called for a need of standardization in training session to improve the effectiveness.

The relationship between supervisors and employees in Aiya was not very strong. Though most of the employees received the support from their supervisors in performing tasks, they did not often receive compliments or encouragements. Negative issues such as getting insults by the supervisors or work credits taken still happened; and this could cause great harm to the relationship.

None of the respondents stay to work for Aiya because they have no other choice, however, only 13 per cent claimed that the financial benefits were the reason. While the employees were not excited for benefits such as film tickets, coupons or discounts, they did show strong interest in the incentives related to working environment and opportunities. This was a bright sign, as the employee did care and wish to become a part of the company through direct contribution. The survey also showed that recognition and respectation were important incentives in terms of retentions.

Based on the theory background and the empirical study, the author offers a set of tactics to improve recruitment and retention strategy in Aiya. The recommendations include effective recruitment sources and channels, as well as the methods used to reach potential applicants. Besides, the branding strategy and the employee grouping methods were suggested, to enhance the efficiency of recruitment activities. The retention strategies pro-

posed emphasized on relationship building between supervisors and employees, as well as the importance of realistic job preview and employee value proposition. Overall, the outcomes of this study were expected to assist Aiya through its difficult time, reduce the anxiety and pressure of human resource department due to high pressure of turnover rate.

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COVER LETTER

Dear respondents!

I am last- year student in Hamk University of Applied Sciences and I'm doing my final thesis concerning how to improve food quality control process in Aiya restaurants.

Would you please spend a few minutes of your time filling out the following survey by clicking to the link below? The link will be available for two months so please answer by the 15th of October 2012. Your responses are very importance as they form an important practical framework used for exploring and improving the recruitment and retention strategy in Aiya.

Please click to this link to reach the questionnaire:

<https://docs.google.com/spreadsheet/viewform?formkey=dDdiQ21PVHBJYThnaEdTY1Q5ejJEb1E6MQ>

All the answers will be anonymous, analyzed and used only for this study. Besides, the questions are neutral and harmless. The only purpose of this survey is to gather in-depth information about the current strategies. There will be no judgements afterwards. Therefore, please keep your answers truthful.

Thank you for your participation.

Best regards!

Kiet Nguyen



QUESTIONNAIRE

EMPLOYEE SURVEY IN AIYA

1. How long have you worked for Aiya

- 1-3 months
- 3-6 months
- 6-12 months
- 1-3 year
- Others: _____

2. Please pick a number of the scale to show the frequency you use the sources listed below for job searching. (1 = never; 5 = extremely frequently)

- __ Recruitment agency
- __ Recruitment websites on Internet
- __ Recruitment column on newspapers and magazines
- __ Information board at your college/university/vocational school
- __ Websites of recruiting companies
- __ Job fairs
- __ Referral from friends or relatives
- Other sources: _____

3. How did you know about the current position at Aiya?

- __ Recruitment agency
- __ Recruitment websites on Internet
- __ Recruitment column on newspapers and magazines
- __ Information board at your college/university/vocational school
- __ Websites of recruiting companies
- __ Job fairs
- __ Referral from friends or relatives
- Other sources: _____

4. Prior to the point of knowing about the position, which information did you have about Aiya's brand? Mark all possibilities.

- No information
- A reliable restaurant providing delicious food and professional service
- The first restaurant serves hygienic street-side foods
- A young and dynamic restaurant with plenty career development opportunities
- A restaurant with friendly working environment



5. Please pick a number of the scale to show how much the these factors in the real job are relevant with those stated in job description (1= not at all; 5 = extremely relevant)

- The tasks and duties
- Job responsibilities

- Working conditions
- Skills and qualifications needed to perform the job
- Job procedures related to the job

6. Please mark any information included/introduced during training session in Ai-ya.

- Company mission and your role in it
- Company's expectation at your position
- Work-related rules and regulations
- Company human resource policies (includes: working hour, paying period, over-time bonus...)
- Introduction of supervisor and colleagues
- Your benefits when working at the position
- Advancement or promotion opportunities and procedures
- Facilities tour

7. Please pick a number on each line below to show your opinion of the training session in Aiya.

Informative	1	2	3	4	5
Not informative					
Enjoyable	1	2	3	4	5
Boring					
Friendly	1	2	3	4	5
Cold					
Useful	1	2	3	4	5
Useless					

8. Mark any reasons that lead you to the decision to continue working in Aiya

- There is no other choice available
- The compensation and financial benefit is good
- Good working environment
- Company's brand name
- Others: _____

9. Please pick a number from the scale to show how often the things listed below happen, and jot on the left of the item. (1= always; 5= never)

- Compliments or encouragements from supervisor
- Personal meetings with supervisor as friend



- Supports from supervisor in performing daily tasks
- Supervisor helps you with personal problems
- Supervisor listens to your opinion

- Supervisor takes your work credit
- Insults from supervisor
- Supervisor invades your private

10. Please pick a number of the scale to show the importance of non-monetary incentives** in terms of employee retention (1 = extremely unimportant; 5 = extremely important). ** Non-monetary incentives mean incentives and rewards that are not in form of money.

- 1 2 3 4 5

11. Please pick a number of the scale to show the effectiveness of these intangible non-monetary incentives in terms of employee retention. (1 = extremely ineffective; 5 = extremely effective)

- Promotion opportunities
- Opportunities to learn and experience new things
- Flexible working hours
- Comfortable working environment
- Working with friends
- Good relationship with supervisor
- Good relationship with colleagues
- Supervisor recognition of good performance for promotion/rewards
- Opportunities to contribute to decision-making process
- Opportunities to contribute to the improvement of company through employee feedback
- Independence and autonomy in performing tasks
- Constructive feedback for future learning and improving
- Effective and helpful training program

12. Please pick a number of the scale to show the effectiveness of these intangible non-monetary incentives in terms of employee retention. (1 = extremely ineffective; 5 = extremely effective)

- Restaurant coupons
- Movie tickets
- Free lunches, snacks or beverages

- Employee discount
- Extra holiday

13. Please pick a number of the scale to demonstrate your satisfaction regarding these issues. (1 = totally dissatisfied; 5 = extremely satisfied)

___ Quality of supervision



Title of thesis

- Working condition and facilities
- Relationship with colleagues
- Relationship with supervisor
- Job security
- Salary and financial benefits

14. Is there any benefit that you get from Aiya that you consider as unique and important? Please list all of these benefits.

