

# **FACTORS THAT MOTIVATE MALDIVIANS (LOCALS) TO WORK IN RESORTS**

*April 2008*



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**A Survey Conducted for the Ministry of Tourism & Civil  
Aviation by Laurel Maldives Pvt Ltd, Maldives**

*April 2008*

## **Executive Summary**

This document is the report of a survey undertaken by Laurel Maldives Pvt Ltd at the request of the Ministry of Tourism & Civil Aviation. A team of professionals were involved in the conduct of this comprehensive study. The survey looks into the factors that motivate locals for resort employment in resorts where relatively more locals work. The survey includes a detailed analysis and recommendations for future action.

The survey comprised visits to five resorts. A total of 310 local employees were interviewed through a questionnaire containing 61 questions, which were filled by them. The study team also met with three staff groups in each island separately. The management of each resort also filled a data form with a questionnaire comprising 61 questions. The team also observed facilities provided for the staff in the resorts.

According to the findings locals are motivated to work in resorts where they are treated well and paid fairly. They have noted in order of preference freedom, food, sports, accommodation, salary, environment (resort culture), job security, training, good management, and proximity to Male' or home island as factors motivating locals. The local employees have also noted poor accommodation, inadequate rules, discrimination, job insecurity, unavailability of leave, and low pay as some of the factors that keep locals away from resort employment.

In the light of this study it can be said that every resort can attract locals for employment provided their requirements are fulfilled. For this to occur the employer and the regulator have certain obligations. As per the locals view they want sufficient rules with proper enforcement. The locals also want resort owners and operators to incorporate modern human resource practices into their management.

Furthermore the study has created the need for all the concerned stakeholders including resort owners, operators, regulators, non-governmental organizations and the media to take positive steps to educate the public to take employment in the tourism sector. Finally the need is there, for the locals to refrain from primitive employment practices such as taking leave for Ramazan and other religious festivals.

## **Table of Contents**

### **1. Background and Overview**

- 1.1 Introduction
- 1.2 Background Information
- 1.3 Objectives of the Study
- 1.4 Methodology used in the Study
  - 1.4.1 Study Design/Research Instrument
  - 1.4.2 Sampling Technique
  - 1.4.3 Sampling Size
- 1.5 Assumptions and limitations

### **2. Survey Findings**

- 3.1 General Data collected from all the five resorts
- 3.2 Data collected from over 310 individual employees in 5 resorts
- 3.3 Data collected from the top management of each resort
- 3.4 Data collected from senior and junior employees
- 3.5 Data collected from the management through a form

### **3. Conclusions and lessons learned**

### **4. Recommendations**

- a. Realistic Measures to Attract Locals for Employment
- b. Provision of Basic Amenities
- c. How to Motivate Locals
- d. Other measures to be adopted to Retain Locals

### **5. Annex**

- a) Questionnaires filled by individual staff
- b) Questionnaires filled by the management
- c) Questions posed to the top management
- d) Questions posed to the senior employees

## **1. Background and Overview**

### **1.1 Introduction**

This is the final report of the study conducted to identify factors that motivate locals to work in resort hotels. It contains five different components. Each component looks in detail on a key aspect of the study.

The first part of this document looks at the background and provides an overview covering the introduction, objectives of the study, and the methodology used in this study. It also provides information on the current situation examining expatriate labour, unemployment in Maldives, and employment of locals in Maldivian resorts.

The second component of this report contains data gathered from the study. They include information from interviews with 310 employees, five focus group discussions with senior employees, five focus group discussions with junior employees, five meetings with top management and inspection of the facilities in the five resorts. The raw data is presented in this section.

The third section of this report comprises analysis of the data and information. It provides lessons learned and the conclusions made from the study.

The fourth section of this study outlines recommendations for future action. It includes measures that can be taken by various stake holders to keep locals in resort employment.

The fifth section provides the annexure. They include individual survey questionnaire, data form filled by resorts, and questions raised with the focus group discussions.

### **1.2 Background Information**

Tourism began in Maldives in 1972 in a small manner. Since then it has been growing steadily contributing to national development. According to the Ministry of Tourism & Civil Aviation's statistics there are 91 resort hotels in the country. In addition the Tourism sector is also served by live board safari boats of which to this there are several safari yachts operating in the territorial waters of the country.

Today tourism contributes more than 20 percent of the country's gross domestic product (GDP). It has also become the biggest economic activity in the country benefiting every single segment of the community.

Resorts are today an important source of employment for Maldivians. Given the total number of resort beds, it is estimated that more than 20,000 jobs are in the resorts. According to the regulations of the Ministry of Tourism & Civil Aviation, 50 percent of the employees of each resort must be locals. However many resorts have more expatriates than locals today.

On the other hand The Ministry of Higher Education, Employment and Social Security allow employers to recruit expatriates provided that locals are not available for the required position. The Labour Ministry also has stringent rules that are expected to slow down expatriate labour recruitment. However the influx of expatriate labour is on the increase. Many believe that it is increasing at an alarming rate. According to the Labour Ministry's statistics 12,322 expatriates were working in the tourism industry by the end of January 2008.

At present there are heated debates on the issue of the employment of locals in resorts. Many arguments are based on assumptions and emotions. Some say that locals are not prepared for resort employment. The others say that locals are neither treated well nor paid fairly. The media and the general public tend to accuse resort owners and operators for their indifference to locals. On the other hand resort operators and their sympathizers criticize the locals for failing to seize opportunities in the resorts.

According to a news article in the local daily Haveeru, Maldives Association of the Tourism Industry (MATI) has requested the government to increase quota for the expatriates, citing that the resorts have a shortage of labour. MATI's argument is that in order to operate resorts appropriate human resources are required.

Although there are no valid statistics on local unemployment, some believe that there is underemployment in the country due to excessive expatriate labour. In

particular youth are believed to be unemployed due to foreign labour force. Most debates on comments on this issue are based on assumptions and emotions.

In today's human resource management context, people have to be looked after well. Successful organizations consider their employees as the biggest asset of the company. The employees are paid fairly and looked after well. Staff empowerment has become the cornerstone of business's success. In this respect special considerations are given to develop and train them. Apart from job security they are provided with several benefits such as health insurance, and various bonuses.

### **1.3 Objectives of the Study**

The broad purpose of this study is to find the factors that motivate locals to work in resort hotels in Maldives.

#### **General Objective:**

To identify factors that motivate locals to work in resort hotels in Maldives.

As per the terms of reference provided by the Ministry of Tourism & Civil Aviation this study includes the following specific objectives:

- a. To describe the total number of employees in the island with the percentage of local employees.
- b. To compare the number of local and expatriate staff in respect to their working departments.
- c. To categorize total number of staff in each category (such as managerial, supervisory, functional) and the local representation in each.
- d. To outline the details of staff remuneration, welfare, and other benefits
- e. To observe the general arrangements for staff food, accommodation, and recreational activities.
- f. To explore the existing sports and other leisure facilities for the staff.
- g. To identify extent to which staff involvement (opinions sought) in matters related to them.
- h. To outline the existing system in place in response to employee complaints and grievances
- i. To identify the career opportunities for staff development.
- j. To describe the opportunities exist for professional development through proper training.
- k. To identify the factors that motivate local staff to remain on the job.
- l. To identify factors influencing employment, resignation, and termination (reasons why local staff terminate jobs) in the resorts.

## **1.4 Methodology used in the Study**

### **1.4.1 Study Design/Research Instrument**

This study was conducted by using qualitative and quantitative data. A self-administered questionnaire was developed to obtain the quantitative data and focused group discussions were held with various levels of staff in order to obtain the qualitative data.

### **1.4.2 Sampling Technique**

Stratified Sampling of resorts based on high local employee ratio.

Simple random sampling for administering the questionnaire.

Targeted group members for the Focus Group Discussions.

### **1.4.3 Sample Size**

310

The survey consists of the following activities:

- a) A visit to each resort
- b) Selection of a random sample of 20% of the total local employees in each resort for interviewing and questionnaire.
- c) Meeting the General Manager/top official and his deputy in each resort
- d) Focus group meetings consisting of senior employees
- e) Focus group meetings consisting of junior employees
- f) Inspection, observation and recording of staff facilities in each resort.
- g) Information collected on a form from the management of each resort.

Interview with individual staff included a questionnaire with 61 questions. Most of this data are quantitative in nature. The questions in the questionnaire covered eight different aspects of human resource management. They are considered to be important in the modern human resource management context. It contained the following areas of human resource management:

- a) General information
- b) Employment (job) information

- c) Wages and benefits
- e) Training and development
- g) Appeals & termination of employment
- d) Work environment
- f) Empowerment and motivation
- h) Views on the management

Meetings with the General Managers were aimed at finding information on the factors that motivate locals to work in a resort and other aspects relevant to employment. Meetings with junior and senior employees were aimed at finding information on the factors that motivate them to work in resorts. Most of these data are qualitative in nature.

### 1.5 Assumptions and limitations

Since this research is a descriptive study to find out the factors that motivate locals for resort employment in resorts where relatively more locals work, the use of multiple data collection methods was planned thus it is assumed that the qualitative and quantitative data obtained in the study is sufficient for the scope of the research. The respondents may be influenced by the collection of the questionnaire by a senior staff member.

More comprehensive and in-depth study with comparison to resorts with fewer locals would give a better picture since comparative studies will show the differences to be compared. However, due to time constraints and the limitations of the requirement of the Terms of Reference (TOR), this survey was specific to one particular group of resorts.

## 2. Survey Findings

### 2.1 General Data collected from all the five resorts

#### a. Detailed General Information of the Resorts as provided by the resorts

Resort	Rooms	Beds	Operator	Total Staff
Bandos	225	450	Local	575
Banyan	48	96	International	215
Conrad	150	300	International	553
Huvafenfushi	43	86	Local	230
Thulhagiri	69	138	Local	142

Table 1

*b. Number of Local (L) and Expatriate (E) Staff by Categories.*

Resorts	Bandos		Banyan		Conrad		Huvafenfushi		Thulhagiri	
	L	E	L	E	L	E	L	E	L	E
Managerial	25	1	20	12	6	25	9	13	6	3
Supervisory	42	4	53	13	33	34	18	6	5	5
Functional	399	104	106	11	353	102	128	56	80	43
	466	109	179	36	392	161	155	75	91	51

*Table 2*

*c. Ratio of Local (L) and Expatriate (E) Staff by Resorts*

Resorts	Bandos		Banyan		Conrad		Huvafenfushi		Thulhagiri	
	L	E	L	E	L	E	L	E	L	E
Managerial	1:	0.04	1:	0.6	1:	4.16	1:	1.44	1:	0.5
Supervisory	1:	0.09	1:	0.24	1:	1.03	1:	0.33	1:	1
Functional	1:	0.26	1:	1.10	1:	0.28	1:	0.43	1:	0.53
Total	1:	0.23	1:	0.20	1:	0.41	1:	0.48	1:	0.56

*Table 3*

*d. Percentage of Local (L) and Expatriate (E) Staff by Resorts*

Resorts	Bandos		Banyan		Conrad		Huvafenfushi		Thulhagiri	
	L	E	L	E	L	E	L	E	L	E
Managerial	96	4	62.5	37.5	19	81	41	59	66.6	33.4
Supervisory	91.3	8.7	80.3	19.7	49	51	75	25	50	50
Functional	79.3	20.7	91.6	8.4	78	22	70	30	65	35
	81	19	83	17	71	29	67.4	32.6	64	36

*Table 4*

e. Number of Local (L) and Expatriate Staff by occupations/departments

Resorts	Bandos		Banyan		Conrad		Huvafenfushi		Thulhagiri	
	L	E	L	E	L	E	L	E	L	E
Staff										
Administrations	6	1	2	2	1	2	1	2	2	0
House Keeping	60	0	23	1	74	8	28	0	16	1
Front Office	25	0	17	6	94	12	22	1	8	0
HR Management	8	0	1	0	16	9	6	2	1	0
Food & Beverages	118	40	42	10	95	56	16	34	12	18
Finance (accounts)	34	3	1	7	14	4	8	3	2	1
IT	1	0	1	0	-	-	2	0	-	-
Marketing & Sales	6	0	-	0	4	6	4	2	2	0
Transport	47	0	23	1	-	-	24	0	22	0
Engineering	12	0	14	2	60	14	12	17	7	0
Maintenance	24	8	8	0	16	6	3	6	3	5
Diving & W Sports	9	6	7	4	-	-	7	2	0	9
labour	36	10	9	2	-	-	-	-	5	5
Others	60	41	31	1	13	8	22	6	11	12
Spa	-	-	-	-	5	36	-	-	-	-
TOTAL	466	109	179	36	392	161	155	75	91	51

Table 5

f. Ratio of Local (L) and Expatriate Staff by Occupations/departments

Resorts	Bandos		Banyan		Conrad		Huvafenfushi		Thulhagiri	
	L	E	L	E	L	E	L	E	L	E
Staff										
Administrations	1:	0.16	1:	1	1:	2	1:	2	2:	0
Housekeeping	60:	0	1:	0.04	1:	0.10	28:	0	1:	0.06
Front Office	25:	0	1:	0.35	1:	0.12	1:	0.04	8:	0
HR Management	8:	0	1:	0	1:	0.56	1:	0.33	1:	0
Food & Beverages	1:	0.33	1:	0.23	1:	0.58	1:	2.13	1:	1.5
Finance (accounts)	1:	0.08	1:	7	1:	0.28	1:	0.37	1:	0.5
IT	1:	0	1:	0	-		2:	0	-	
Marketing & Sales	6:	0	-		1:	1.5	1:	0.5	2:	0
Transport	47:	0	1:	0.04	0:	0	24:	0	22:	0
Engineering	12:	0	1:	0.14	1:	0.23	1:	1.41	7:	0
Maintenance	1:	0.33	8:	0	1:	0.37	1:	2	1:	1.66
Diving & W Sports	1:	0.66	1:	0.57	-		1:	0.28	0:	9
labour	1:	0.27	9:	0.22	-		-		1:	1
Others	1:	0.68	1:	0.03	1:	0.61	1:	0.27	1:	1.09
Spa		-	-		1:	7.2	-		-	
TOTAL	1:	0.23	1:	0.20	1:	0.41	1:	0.48	1:	0.56

Table 6

*g. Local Staff Turnover in the resorts for the past six months*

<b>Resort</b>	<b>Total Local Employees</b>	<b>No Terminated</b>	<b>No Recruited</b>	<b>Turnover Percent</b>
Bandos	466	73	70	16
banyan	179	12	12	7
Conrad	392	24	31	6
Huvafenfushi	155	8	12	5
Thulhagiri	91	4	8	4

*Table 7*

**2.2 Data collected from over 310 individual employees in 5 resorts**

These five resorts had local staff population of 1283. As a sample for the survey more than 24 percent (310 people) of the staff were taken. The data collected from these respondents are mainly quantitative in nature. The data covers all the seven different areas relevant to human resource management. The following table shows the demographic composition of the respondents from all the 5 resorts.

**a) Demographic percentage of the surveyed respondents**

<b>Gender</b>		<b>Age Group</b>				<b>Status</b>		<b>Kids</b>		<b>Region</b>				<b>Education</b>			
Male	Female	16-24 yrs	25-44 yrs	45-54 yrs	55 yrs	Married	Single	Have	Without	North	Male'	Central	South	Basic	Primary	Secondary	Tertiary
96	4	31	61	6	2	64	36	52	48	48	6	10	36	11	42	37	10

*Table 8*

96 percent of the respondents were males.

92 percent of the questioned were all below 45 years of age.

62 percent are married meaning most working in the resorts will be with families.

52 percent of the respondents had children.

94 percent of the respondents were from islands other than Male'.

90 percent of them had education below secondary.

**b) Basic data on employment of locals**

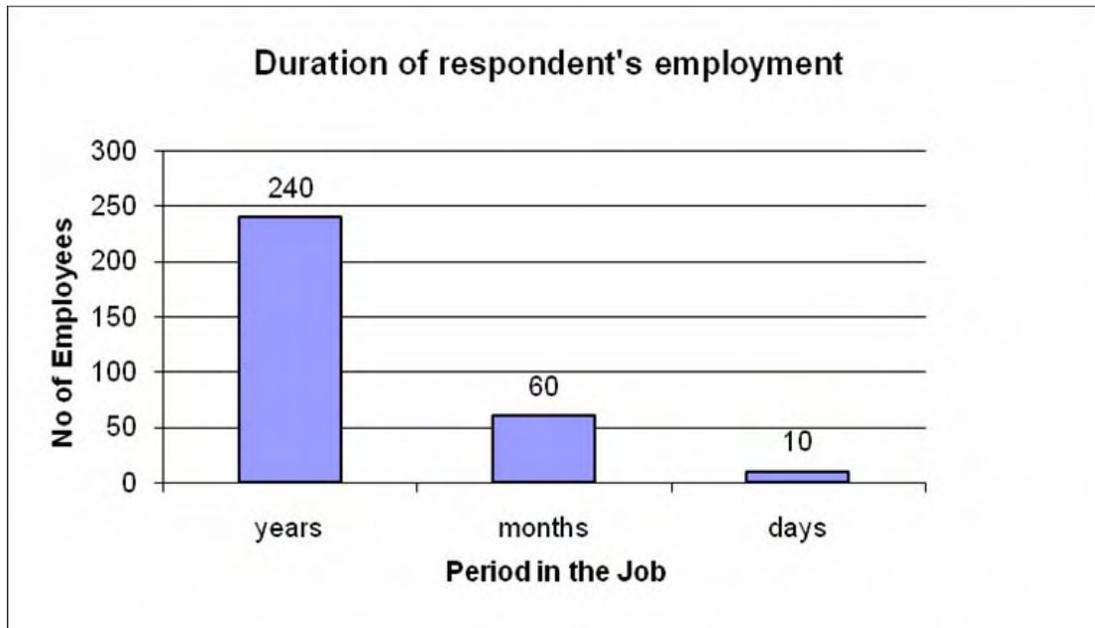


Figure 1

i) 240 respondents (77 percent) were in the resorts for more than a year. One or more years of employment in a resort can be hypothesized that the employees satisfaction on the employment in the resort.

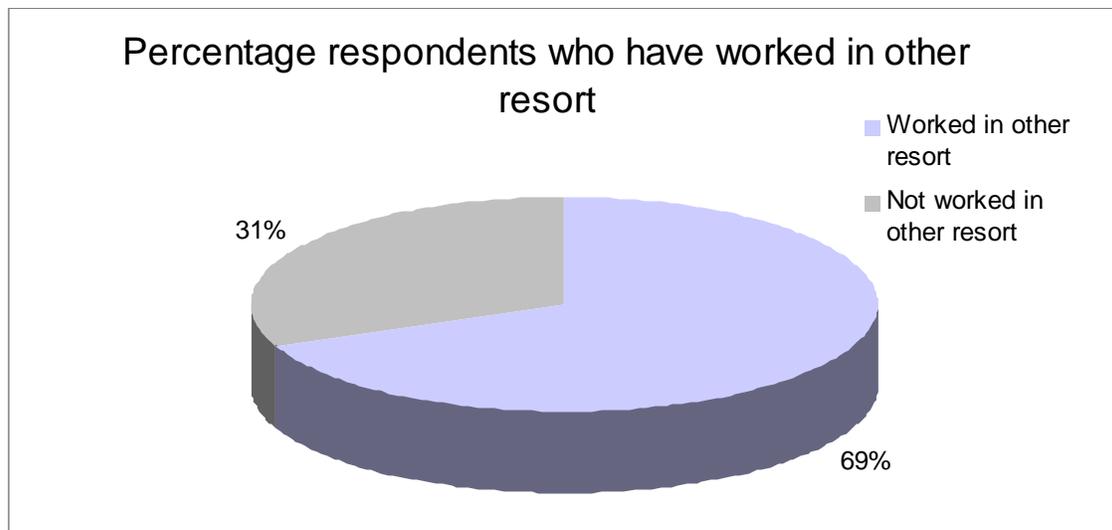


Figure 2

ii) 69 percent of the respondents worked in other resorts. In certain cases people give up jobs when they are de-motivated. The data gathered from employee groups and top management states that locals give up their jobs for the following reasons:

- i) Inconsistent salary (not receiving salary on a regular basis)
- ii) Discrimination between expatriates and locals
- iii) Family problems
- v) Poor HR practices in resorts

It may therefore mean that the majority of the staff in these five resorts are currently working with satisfaction.

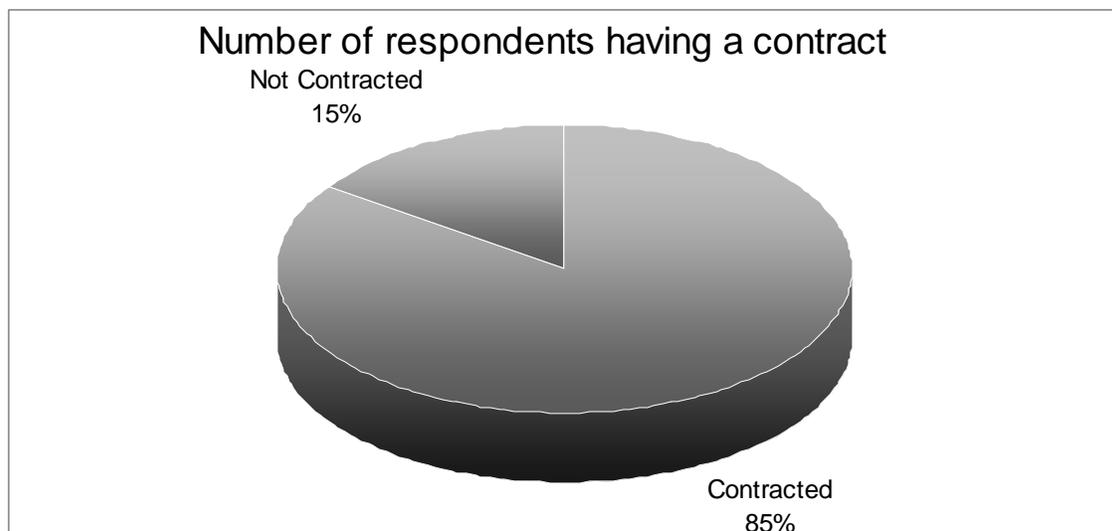


Figure 3

iii) As per the above graph 85 percent of the respondents had a contract with the employer. An employee contract usually gives a sense of job security. And according to the gathered data, more than 95 percent had a letter of appointment from the employer. About 90 percent of the employees had a detailed job description.

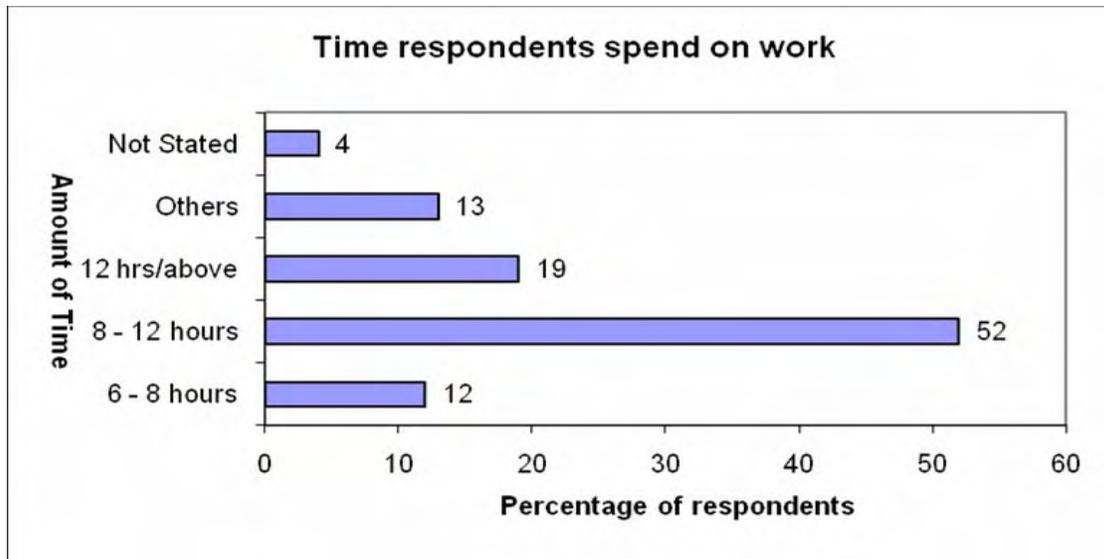


Figure 4

iv) As per the above graph 63 percent of the respondents on an average work for less than twelve hours or up to twelve hours a day. 19 percent on an average work for twelve hours or more a day. Given the usual work hours in the corporate sector, it appears that the time and duration of work fit to existing systems. Good management is one of the motivating factors identified by the respondents. According to 46 respondents (15 percent), good management is among the five factors that motivate them.

### c) Salary & Benefits

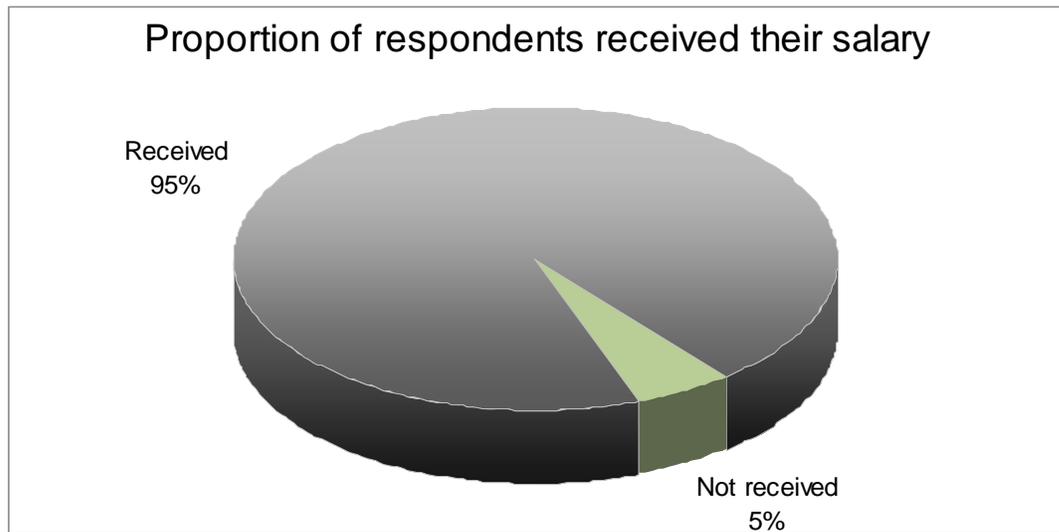


Figure 5

i) The above graph shows that 95 percent of the respondents received salary and other benefits regularly without any hindrance. According to the information collected from various sources, this is a key factor that motivates locals. The graph below shows staff choosing salary among the eight motivators in each resort. 138 respondents (45 percent), chose monetary benefits among the five motivators for resort employment.

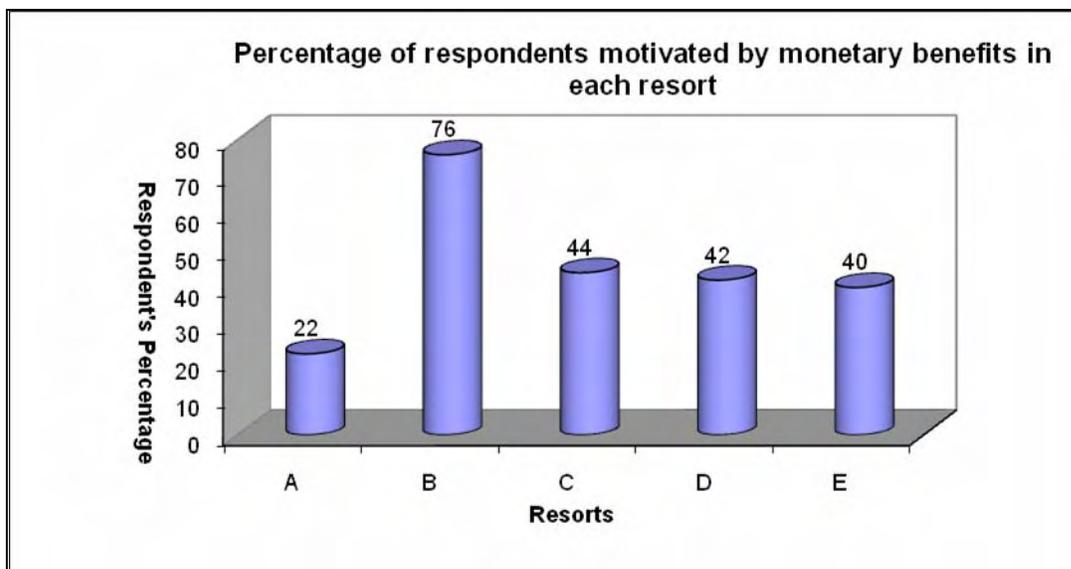


Figure 6

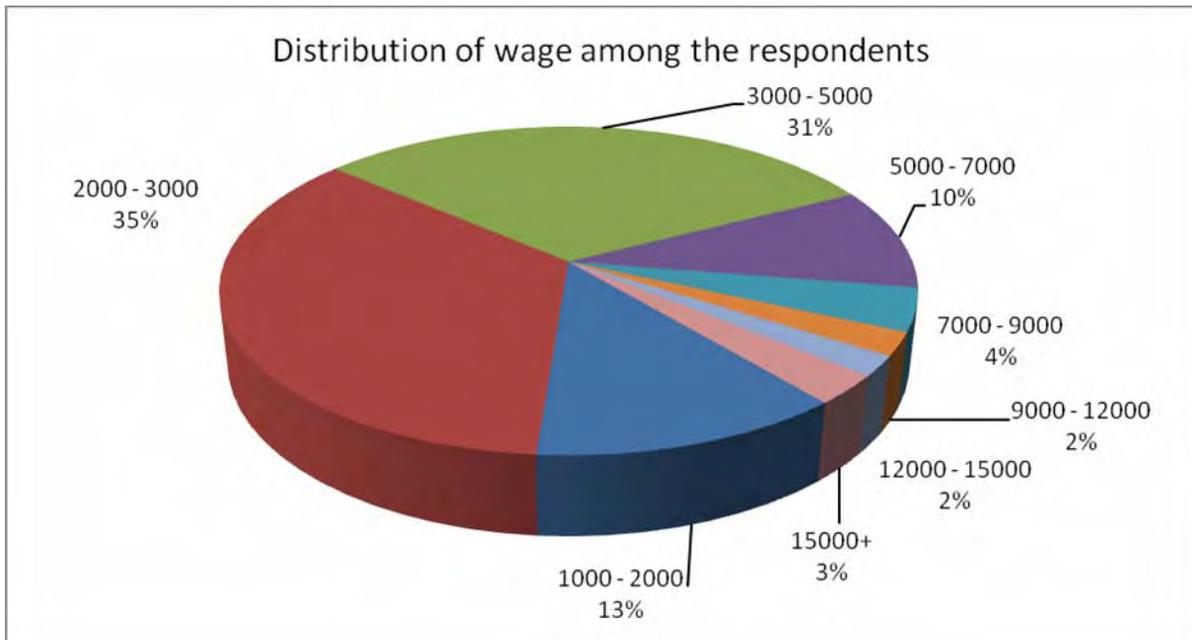


Figure 7

ii) As per the above graph 3 percent the respondents earn more than MRf 15,000 as basic monthly salary. 2 percent earn more than MRf 12,000 monthly. 2 percent earn more than 9,000 monthly. 4 percent earn more than MRf 7,000. 10 percent earn more than 5,000 monthly. 31 percent earn more than 3,000 monthly. And 12 percent earn more than MRf 1,800 monthly. According to the data collected with service charge staff in three resorts get more than MRf 7000 monthly. Finally, more than 37 percent respondents noted their satisfaction of the current salary in these resorts.

iii) 100 percent of the respondents received service charge. About 50 percent said that they receive regular salary increment. According to them increment is given yearly and is based on performance. Sometimes increment timing is at the discretion of the management.

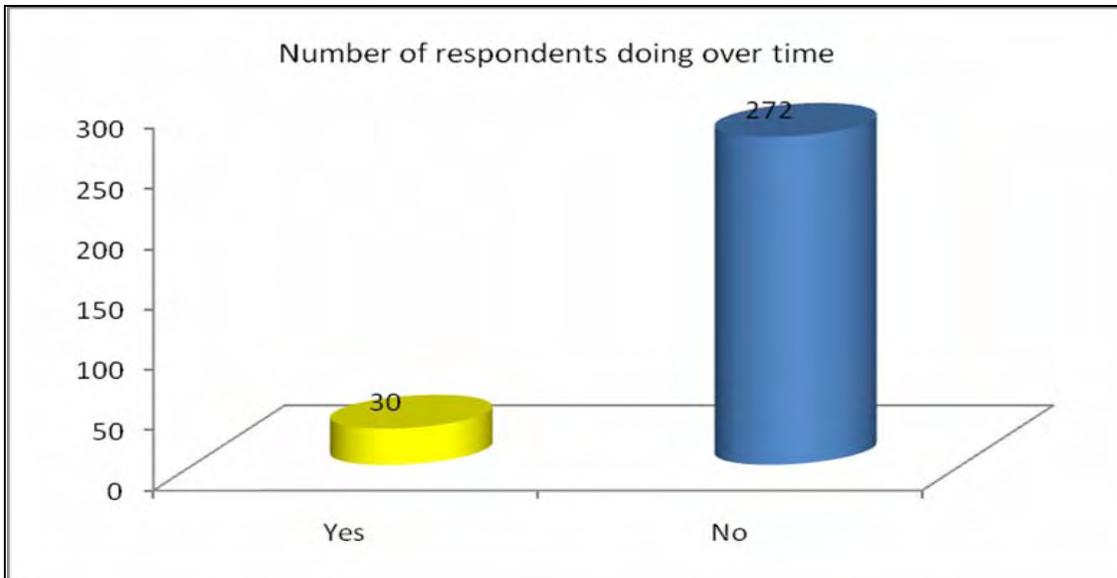


Figure 8

iv) According to the above graph only 30 said they work over time. And according to other data, less than 10 percent said that they received over time allowance. Over time work and flexible work hours relate to work environment. Work environment is among the eight motivators identified by 132 respondents (43 percent) as per the below graph.

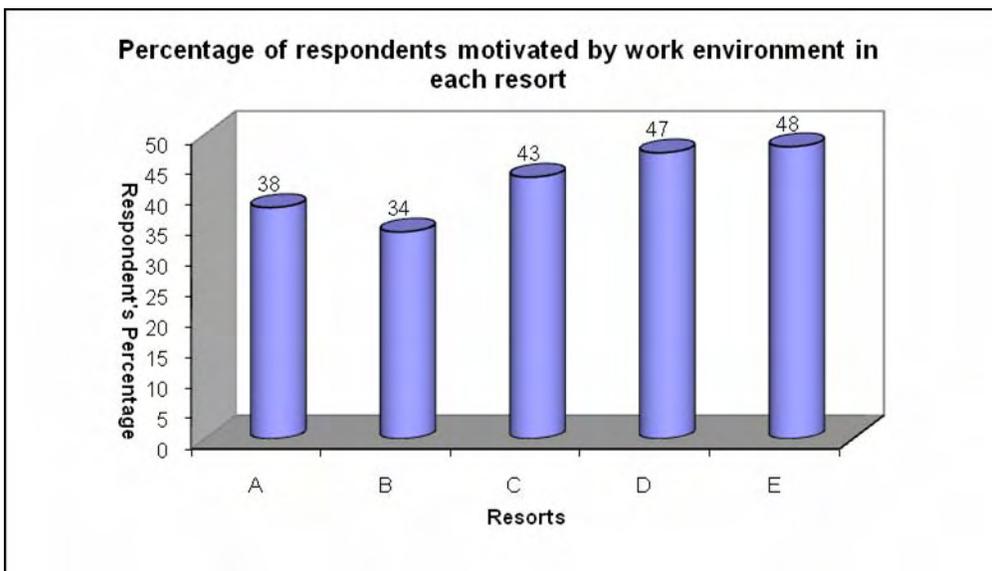


Figure 9

v) More than 80 percent of the respondents said they get other benefits too. More than 90 percent of the respondents said such benefits include airfare for annual

leave or annual bonus. More than 72 percent said that they received Ramazan allowance during the month of Ramazan.

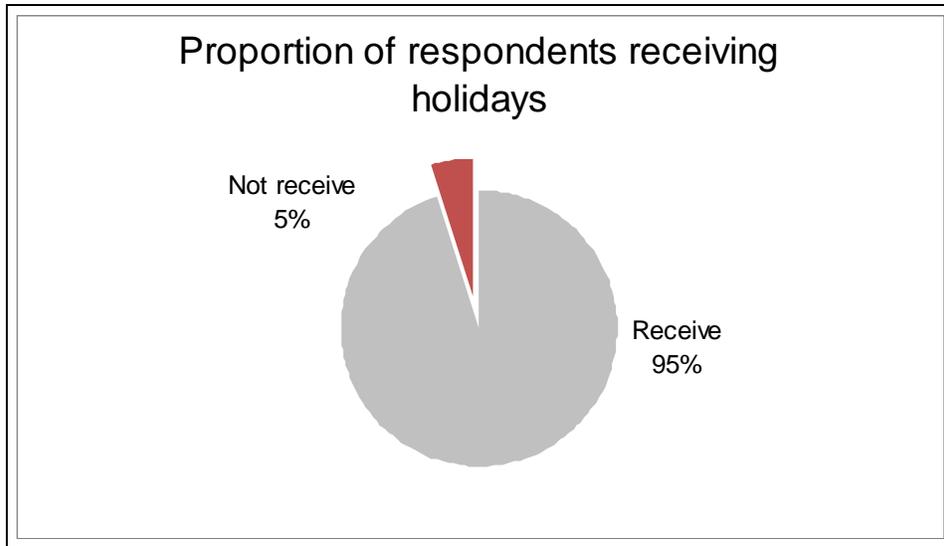


Figure 10

vi) Ninety five percent receive annual leave with pay. And they get a minimum of twenty days for the leave. The length of leave varies from one resort to the other. One resort provides leave (accumulation of off days) four times a year.

vii) More than ninety percent said that they receive leave following special occasions or important incidents. It means that staff in these resorts gets leave for occasions such as wedding, child circumcision, child birth, or sickness of an immediate family member. The discussions with the employee groups made the study team clear the importance of such leaves. The staff also expect to receive such leave on time.

Regular leave is part of a good management system. Apart from that they also get leave on other occasions. In the focus group discussions both employee groups noted improper management of leave as a reason for locals to leave resort employment. According to the below graph 46 respondents (15 percent) noted good management as among the biggest motivational factors for them to stay in their respective resorts.

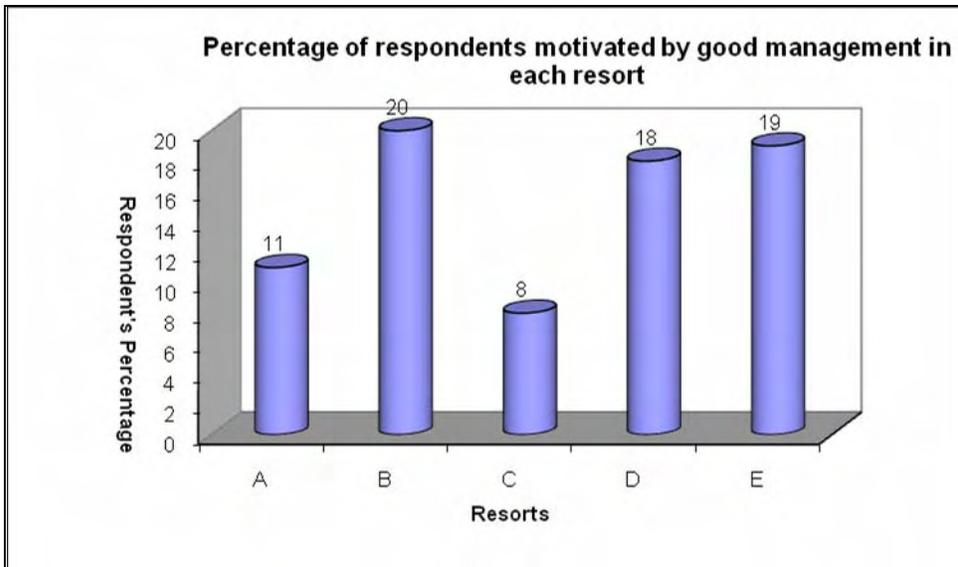


Figure 11

viii) Over 95 percent of the respondents said that they receive medical care for on the job accidents. Usually they get medical assistance through free medical care provided to them. The process varies from resort to resort. In one resort medical insurance is provided to all the staff. This is an important part of employee benefits.

**d) Work Environment**

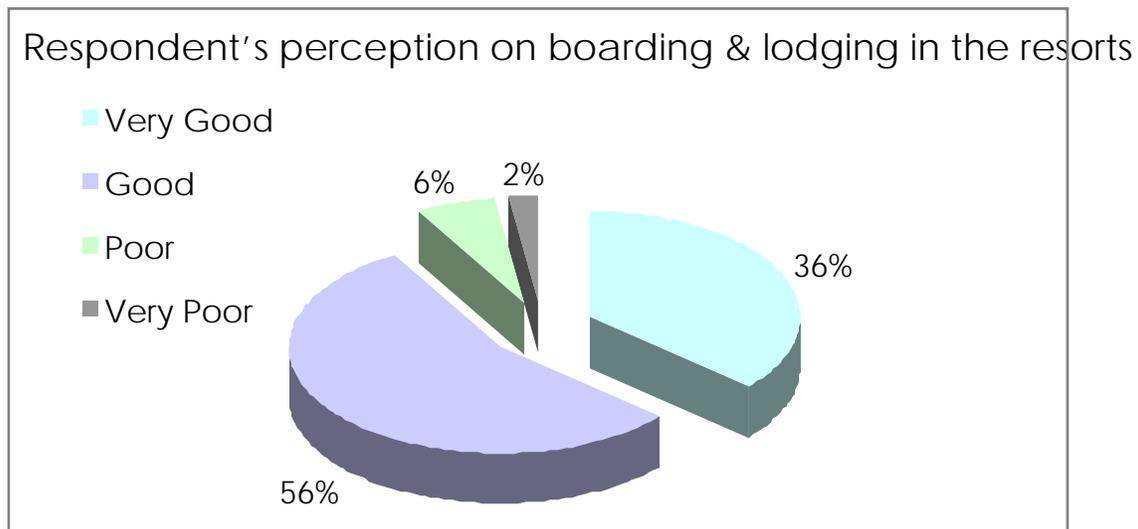


Figure 12

i) 92 percent are happy with the accommodation. Only eight percent say that accommodation is very poor. According to the inspection of the staff facilities only

one resort had a poor standard of accommodation compared to the other four resorts. This view was supported by the staff response too.

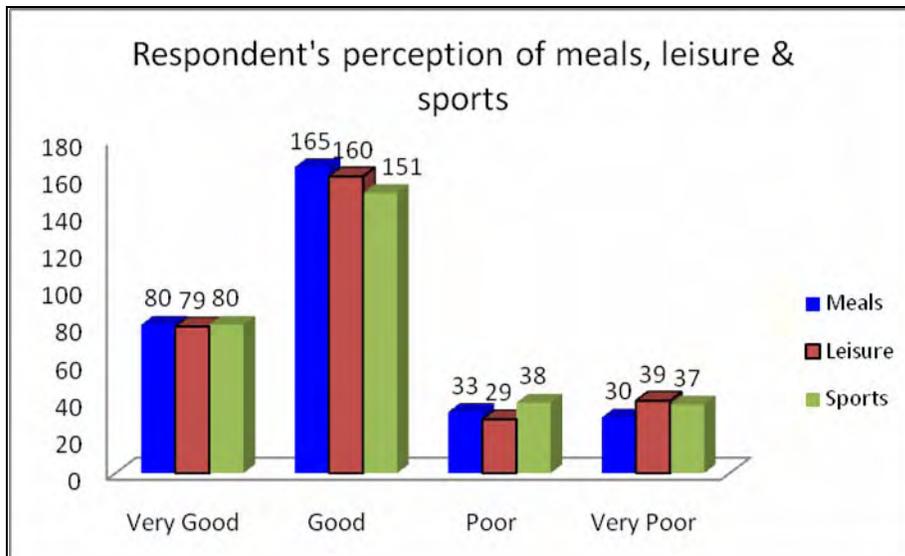


Figure 13

ii) As shown in the above graph 245 respondents (79 percent) were happy with the food provided by the resorts. However in one resort it was said to be poor compared to other resorts. 239 respondents ((77 percent) were happy with leisure activities offered in the resorts. 231 respondents (74 percent) were pleased with the facilities for sports in the resorts. These are important motivators for their employment. According to the respondents, staff shop and staff cyber café' are in all the resorts. Staff library (reading corner) is found in three of the five resorts selected for the survey.

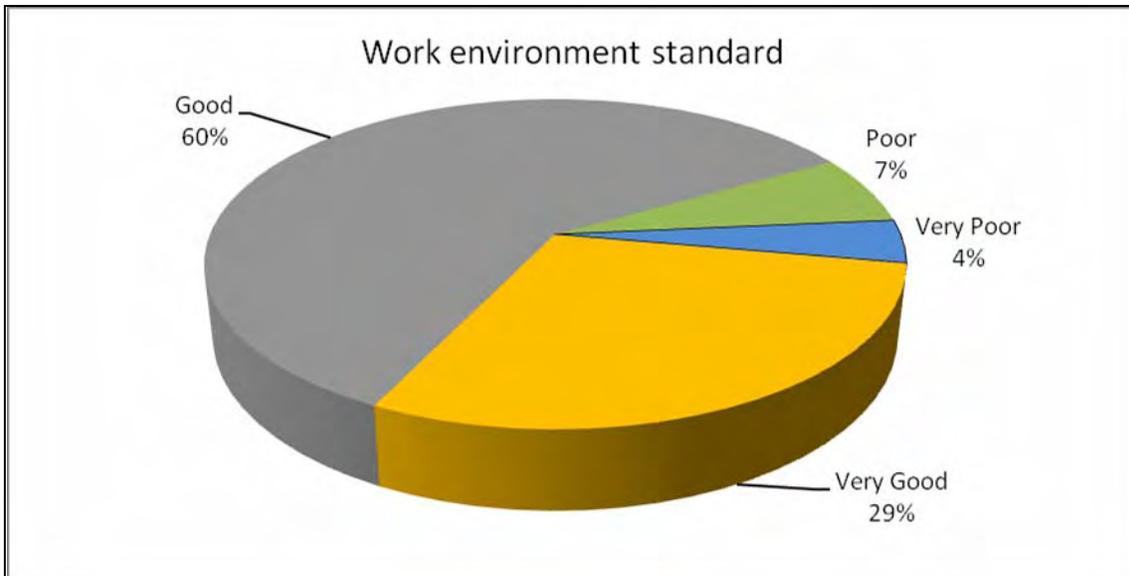


Figure 14

iii) As shown in the above graph more than 89 percent said that they were happy with work environment in the resort. The respondents have also noted work environment as a factor that motivates them for resort employment. More than 85 percent find the environment safe and conducive for work in the resorts. More than 85 percent said that the managements provide required resources to execute their jobs.

#### e) Training and Development

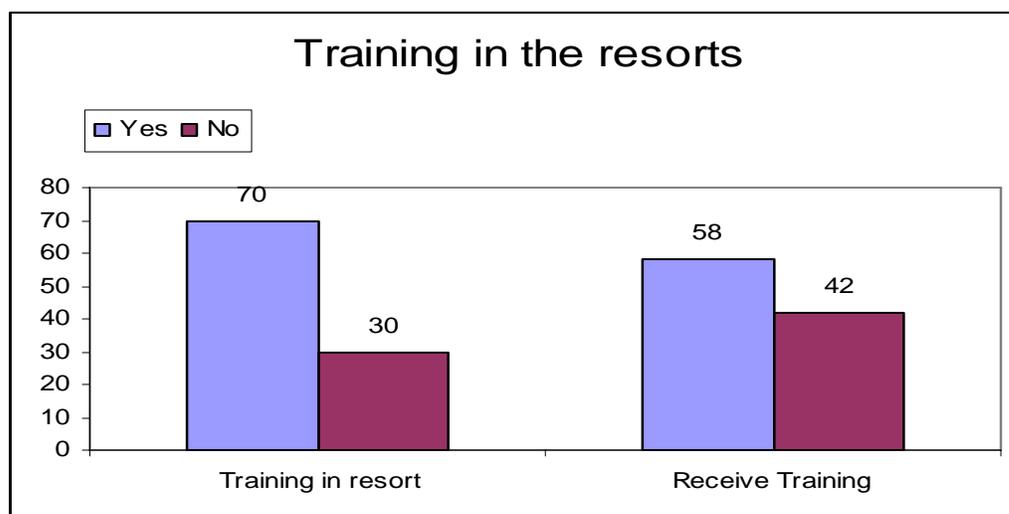


Figure 15

i) 70 percent said training was conducted in the resort and 58 percent said they received a training while on the job. 37 percent said that they can obtain assistance from the resort management to have further training if requested. Respondents have noted training as a factor that motivated their employment.

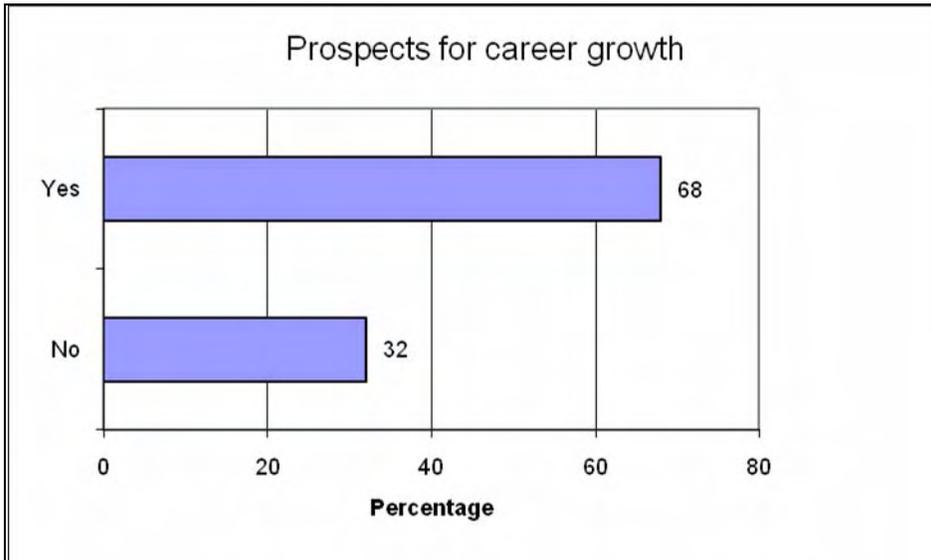


Figure 16

e) 68 percent say that they have opportunity for career development. This includes relevant job specific training and promotion to higher jobs. According to the data there are many locals filling senior positions in these resorts. As shown in the below graph 97 respondents (31 percent) consider training among the biggest motivators for their employment in resorts.

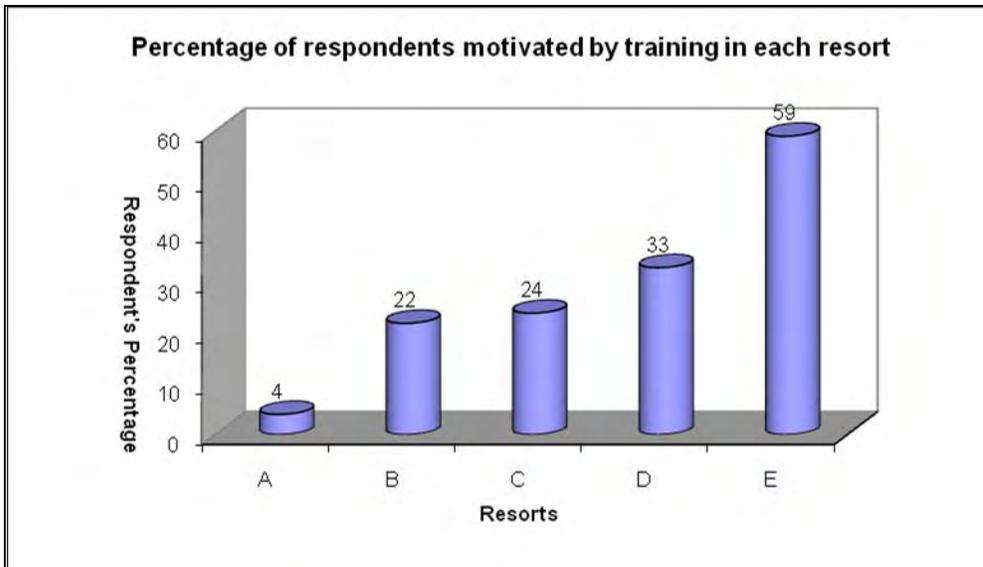


Figure 17

**f) Employee Empowerment**

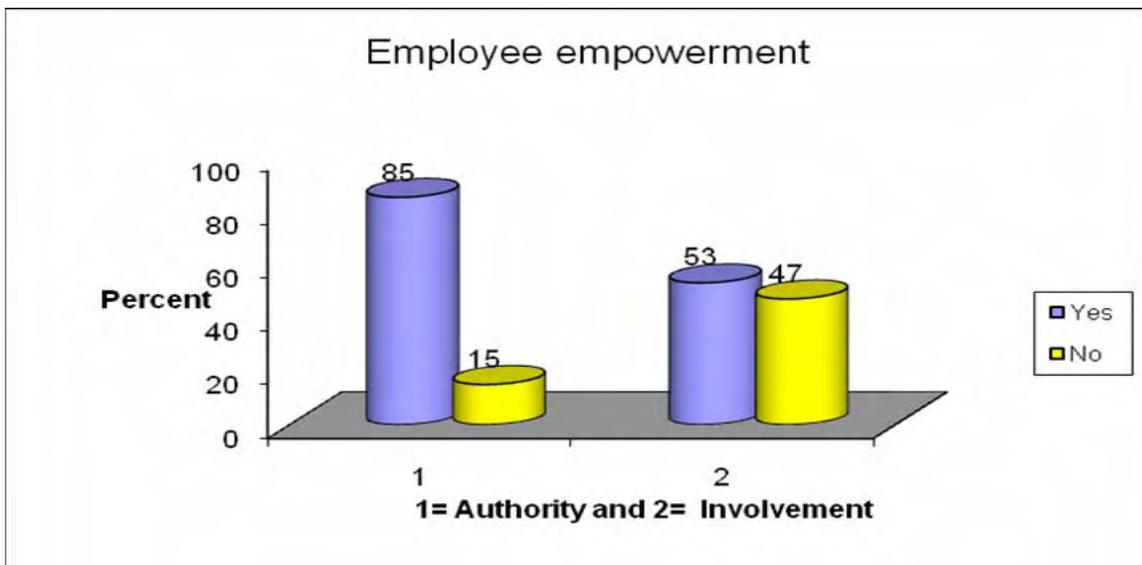


Figure 18

i) 85 percent say that their involvement (input) is sought in managing staff related affairs. More than 53 percent say that they are given responsibility and authority to discharge their duties.

ii) More than 76 percent of the respondents say that staff meetings are regularly held in the resorts. According to the data usually meetings are held on a monthly basis.

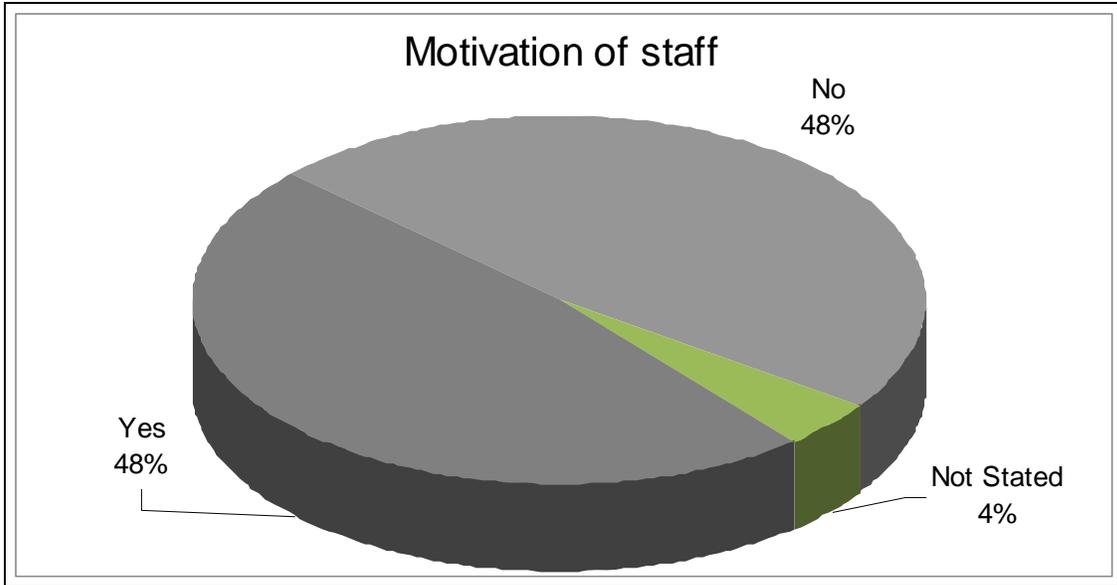


Figure 19

iii) About 50 percent say that the management conducts special programs to motivate the staff in the resorts.

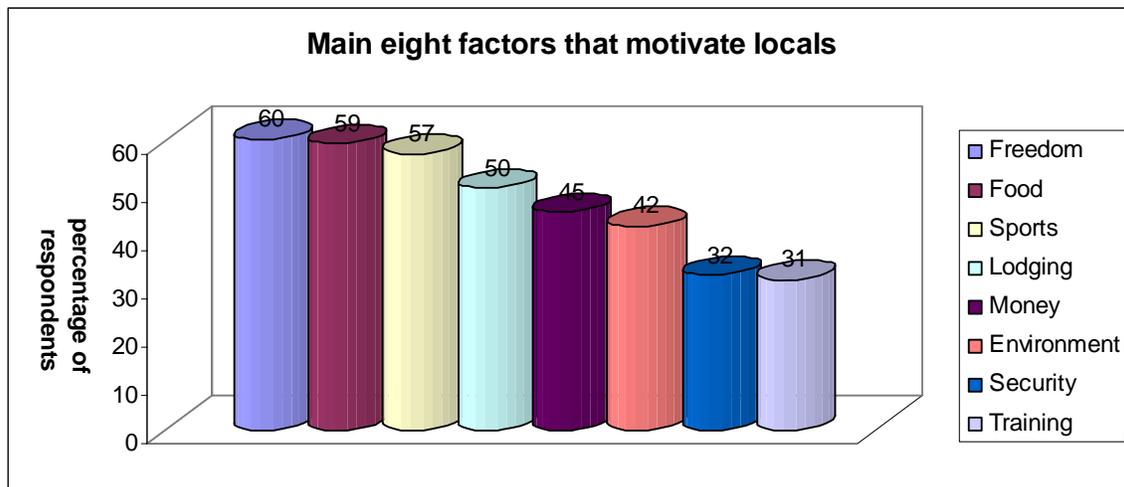


Figure 20

iv) As shown in the above graph 60 percent (187 respondents) consider freedom among the five main motivating factors for them to stay in resort employment. 59 percent (182) chose food. 57 percent (176) preferred sports. 50 percent (155) preferred lodging (accommodation). 45 percent (139) preferred monetary benefits. Other three factors are job security, environment, training, and promotion.

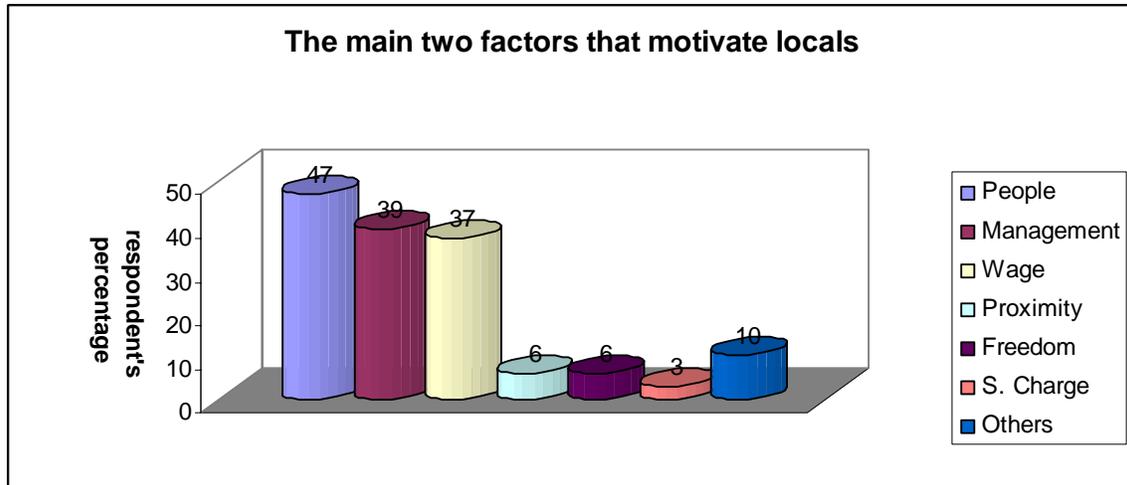


Figure 21

v) As shown in the above graph respondents noted several factors that motivate them to work in their respective resorts. 47 percent (145 respondents) believe in the employees (friendship/unity among employees) of the resort as the main factor for their motivation. 39 percent (121 respondents) consider a good management as the second factor. 37 percent (114 respondents) chose wage as the main motivational factor. Proximity to Male' or home island, freedom, and service charge are other factors.

**g) Complaints and Appeals**

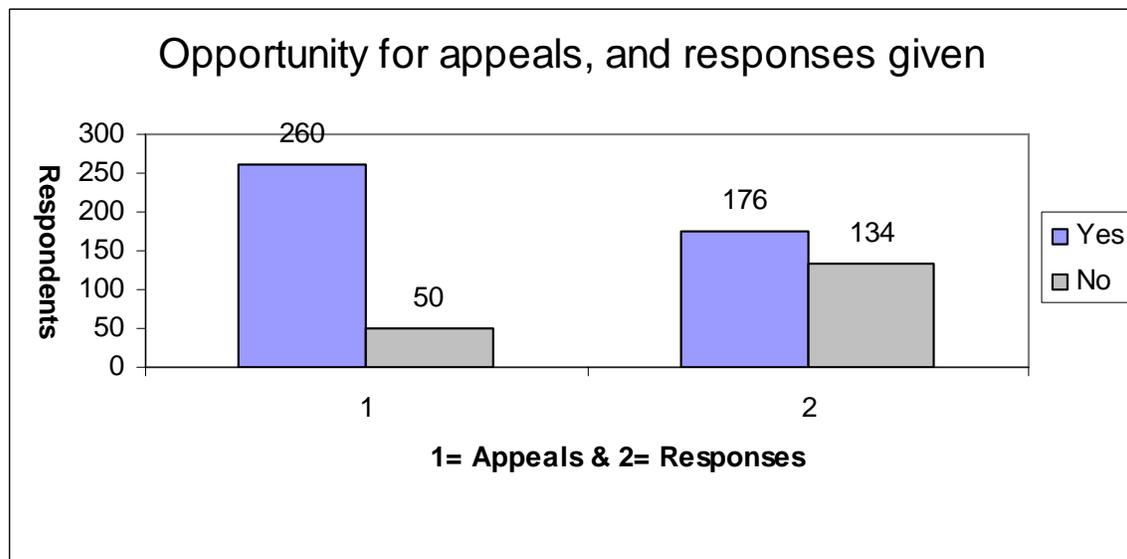


Figure 22

i) About eighty percent say that there are avenues for complaints and appeals. This means the availability of systems and processes for them to complain and appeal. However about fifty six percent say that their appeals end up in vain. It means that there are hardly any positive responses for their appeals.

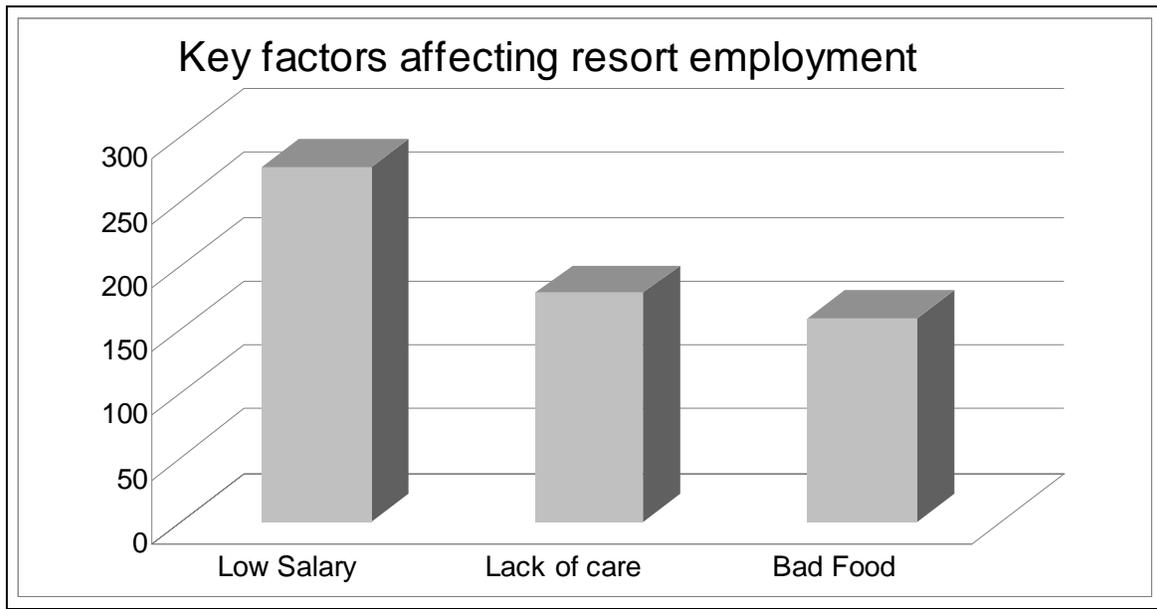


Figure 23

ii) About 80 percent do not agree with the argument that locals are not available for resort employment. According to 80 percent locals do not go for resort employment as the salary is too low in some resorts. More than 50 percent say that locals decline to work as they are not properly taken care of. About 50 percent also say that poor food keeps locals away from resort employment. As shown in the below graph 59 percent (182 respondents) consider food as one of the motivators for their employment.

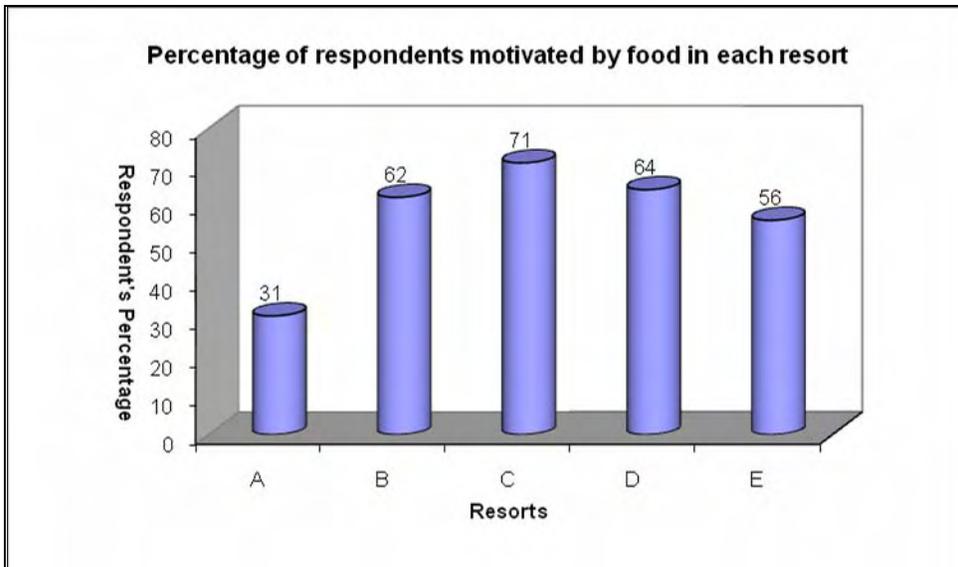


Figure 24

#### h) Views on Resort Management

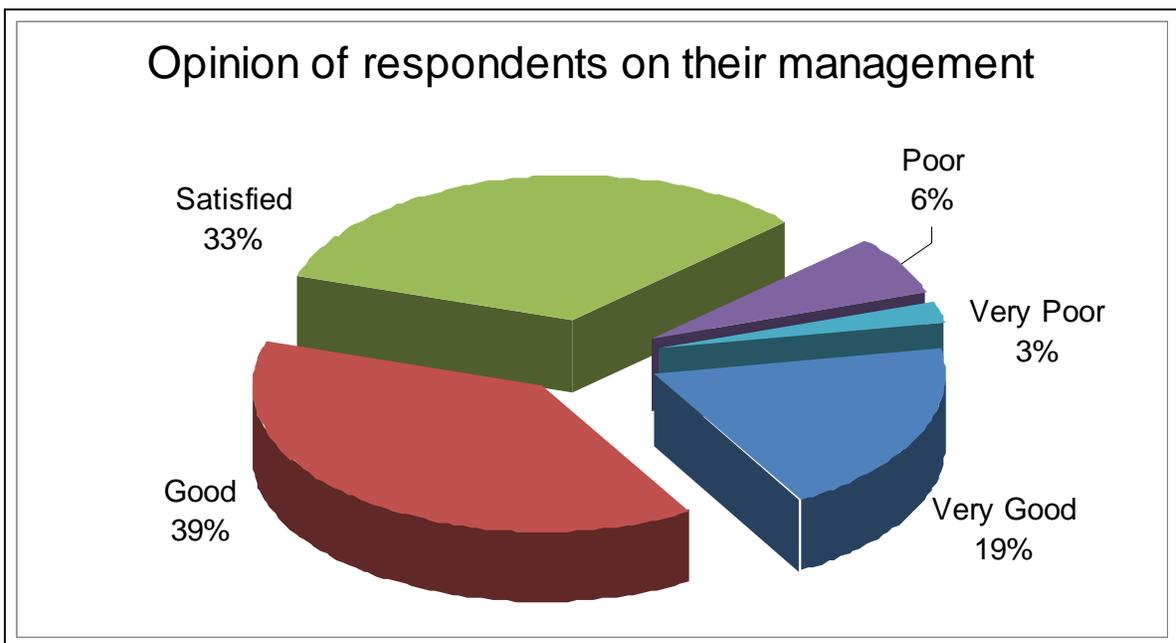


Figure 25

i) 58 percent say that the management is either good or excellent. Only 9 percent say that the management is poor or very poor. This is evidence of general satisfaction towards the management. Respondents also have noted good management as a key factor for their motivation.

### **2.3 Data collected from the top management of each resort**

The team met two to three personnel from each resort's top management. They mainly included mainly the General Manager and another one or two senior staff. The team asked questions and discussed with them six different points relevant to local employment. The table below shows areas covered in these discussions.

	<b>Areas</b>
1	Factors that motivate locals for employment
2	Reasons why some resorts don't get locals
3	Strategies that can be used to attract locals
4	Reasons why locals leave their jobs in resorts
5	Major problems faced by management with locals
6	Measures taken by the management to retain locals

a) According to the senior most officials of the resort managements, the following factors motivate locals for resort employment. Most of these factors have been supported by the respondents too.

- i) Money
- ii) Accommodation
- iii) Equal benefits
- iv) Food
- v) Career prospects
- vi) Brand (recognition)

b) According to the top officials, some resorts do not get locals for employment for the following reasons.

- i) Availability of cheap foreign labour
- ii) Expatriate employees are less demanding
- iii) Locals tendency to terminate job without notice
- iv) Indifference of resort operators/owners to locals
- v) Discrimination of locals

c) According to them the following are some of the appropriate strategies that can be used to attract locals for resort employment.

- i) Establish rapport with hotel schools
- ii) Organize work experience programs for locals to work in resorts

- iii) Organize job fairs or participate in such fairs
  - iv) Establish rapport with island communities
  - v) Organize awareness programs
  - vi) Organize resort trips for students to see resorts
- d) According to them locals usually terminate resort employment for the following reasons:
- i) Inconsistent salary (not receiving salary on a regular basis)
  - ii) Discrimination between expatriates and locals
  - iii) Family problems
  - iv) Start of own business
  - v) Poor HR practices in resorts
- e) According to them they hardly experience serious problems with locals. In such cases the following are the key problems they face with local employees:
- i) Higher expectations
  - ii) Demand for equal packages as of expatriates
  - iii) Demand to take leave for Ramazan and Eid
  - iv) Leaving jobs soon after training (job hopping)
- f) According to them they take sufficient measures to attract and retain local staff in their resorts. They include the following:
- i) Learn & understand staff needs
  - ii) Help staff to fulfill their needs
  - iii) Develop staff
  - iv) Build teams
  - v) Listen to staff
  - vi) Freedom to express

## **2.4 Data collected from senior employees**

The team met a group of senior local employees in each resort. The group included seven to ten people. The team asked questions and discussed with them six different points relevant to local employment in resorts. The table below shows the areas covered in the discussions.

	<b>Areas</b>
1	Preferences (likings) of locals in a resort job
2	Reasons why some resorts don't get locals
3	Actions to be taken by resorts to attract locals for employment
4	Reliability of locals for resort employment
5	Reasons why some resorts get locals for employment
6	Resort managements' commitment to attract locals

a) According to the senior employee groups the following are the local staff preferences (likings) in a resort. These are believed to be factors in determining employment in a resort. The table below shows a comparison of preferences identified by both groups. Seniors noted 8 preferences.

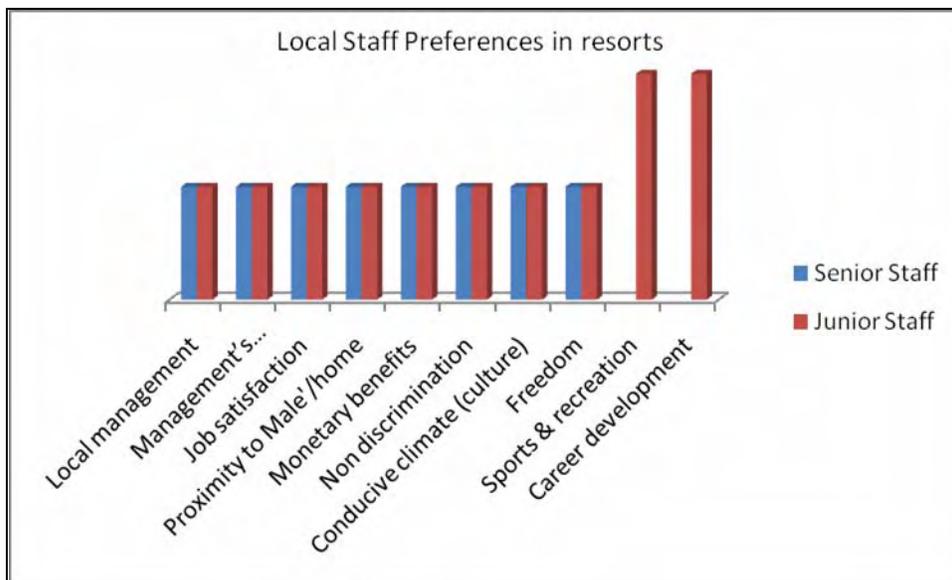


Figure 26

b) They first of all believe that every resort can attract locals for employment and can retain them. The table below shows a comparison of reasons given by both seniors and juniors. Senior groups noted 5 reasons.

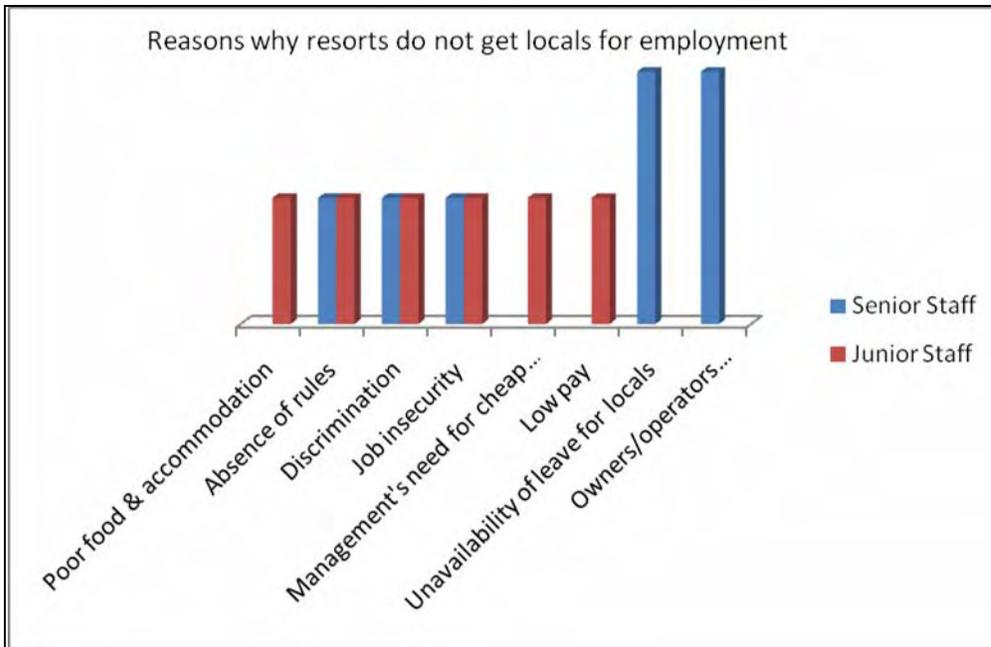


Figure 26

c) According to them resort managements can take several measures to attract locals for employment. The following table shows a comparison of such measures suggested by both senior and junior employees. Senior groups suggested 7 measures.

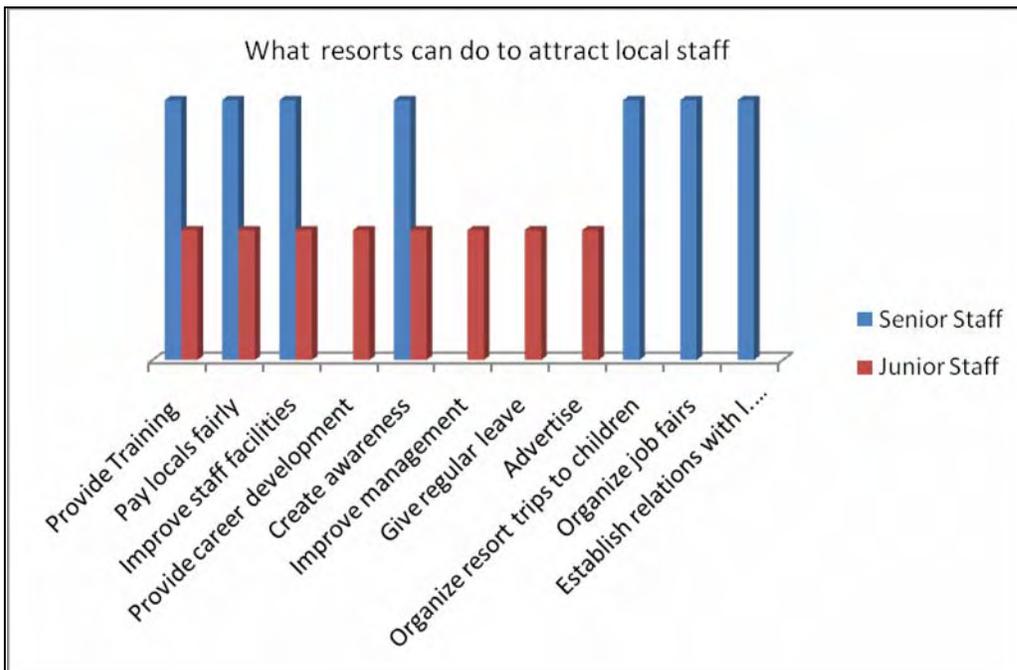


Figure 27

d) According to them in general local staff are reliable and dependable. They also noted the competence of locals. The graph below shows a comparison of evidence of locals reliability noted by them. Senior employees noted 4 features of locals.

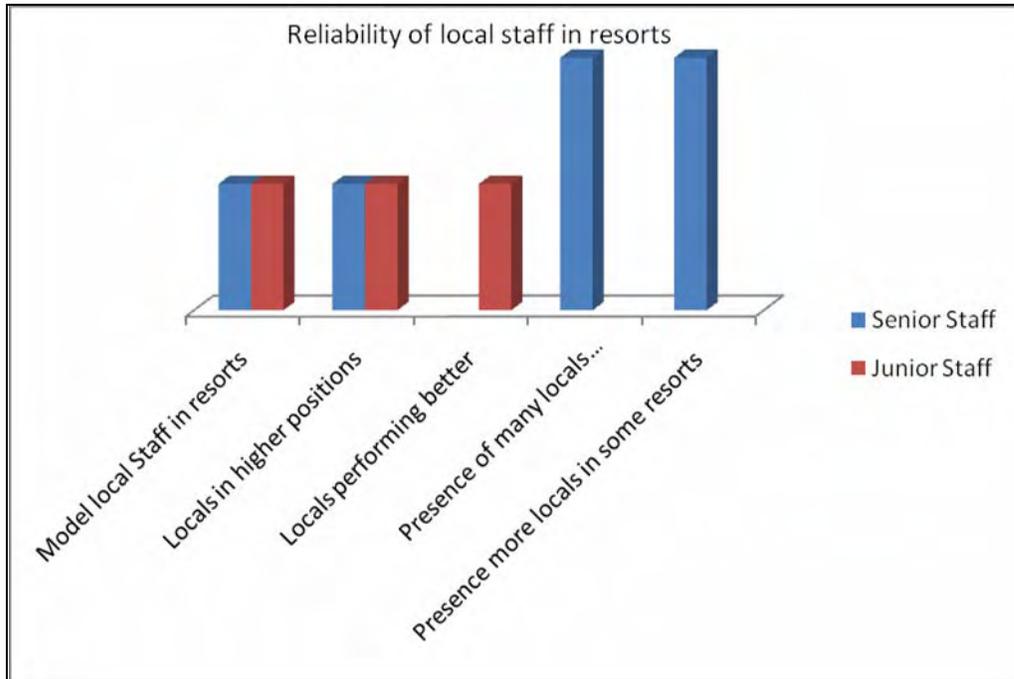


Figure 28

e) According to them some resorts get locals for employment easily. A comparison of the reasons are shown in the below graph. Seniors noted 6 reasons.

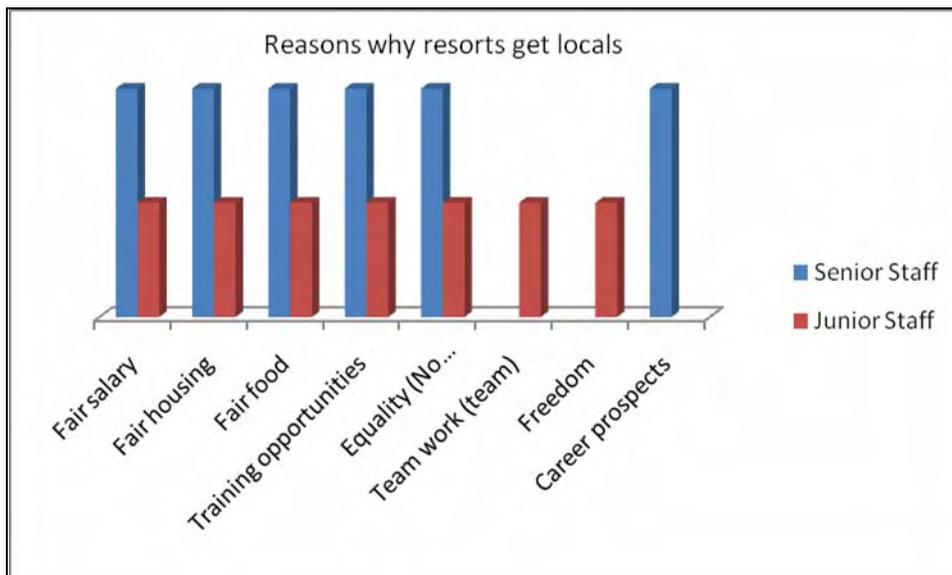


Figure 29

According to the below graph 60 percent (187 respondents) are motivated by freedom they enjoy in their respective resorts.

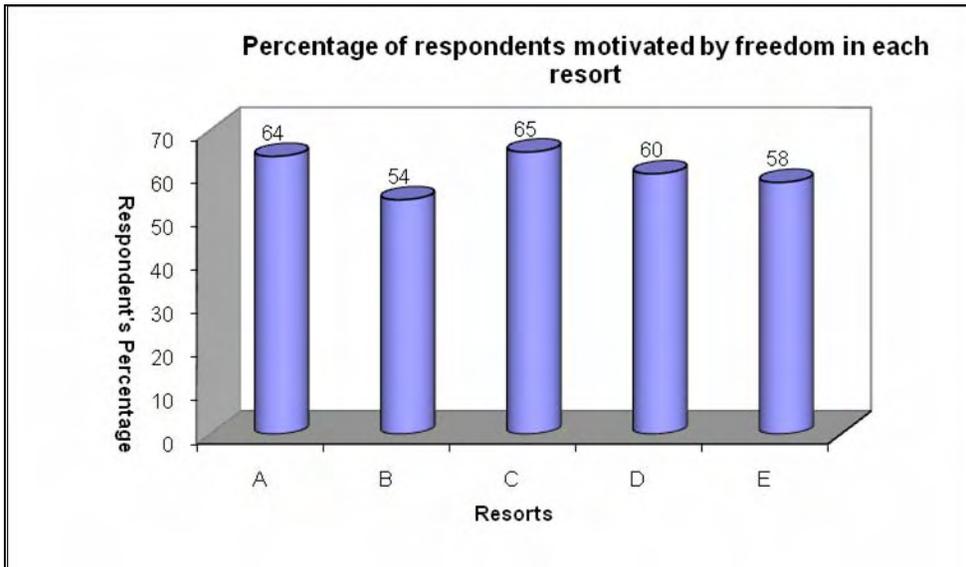


Figure 30

f) According to most of them their managements are doing enough to recruit locals for employment in those resorts. The graph below shows a comparison of steps taken by the management according to them. Senior employees noted 2 measures taken by the managements to attract locals.



Figure 31

## **2.5 Data collected from junior employees**

The team met a group of junior local employees in each resort. The group included seven to ten people. The team asked questions and discussed with them six

different points relevant to local employment in resorts. The table below shows the areas covered in the discussions.

	<b>Areas</b>
1	Preferences (likings) of locals in a resort job
2	Reasons why some resorts don't get locals
3	Actions to be taken by resorts to attract locals for employment
4	Reliability of locals for resort employment
5	Reasons why some resorts get locals for employment
6	Resort managements' commitment to attract locals

a) Local staff preferences (likings) in a resort

- Local management
- Commitment to locals
- Job satisfaction
- Proximity to Male'/home
- Monetary benefits
- Non discrimination
- Resort environment/team work
- Sports & recreation
- Freedom in the resort
- Career development

b) Reasons for the unavailability of locals for resort employment

- Poor food & accommodation
- Absence of rules
- Discrimination
- Job insecurity
- Desire for cheap expatriate labour
- Low pay

c) Measures to be taken by resorts to attract locals for employment

- Provide Training
- Give good salary
- Improve staff facilities
- Provide career development
- Awareness programs

- Improve management
- Give regular leave
- Advertise

d) Reliability of local staff

- All said that locals are reliable and indicated
- Model Maldivian Staff
- Locals in higher positions
- Locals are better

e) Reasons why some resorts get locals for employment

- Better salary
- Better housing & better food
- Training opportunities
- Equality (equal treatment to the staff)
- Team work (team)
- Freedom in the resort

f) Commitment of resort's management to recruit locals

The staff in all the resorts, except one noted management's commitment to recruit locals. According to many of them priority is given to locals. Few in those four resorts did not agree with this point.

## **2.6 Data collected from the management through a form**

The following data covers all the key aspects of modern human resource management. In other words the data relates to good practices in human resource management. Such practices are universally considered as factors fundamental for employee motivation.

### **a) Wage & Monetary Benefits**

The data gathered from individual staff, junior and senior staff groups, and the top management reveal the fact that wages and other benefits play a key role in attracting and retaining locals in resorts. The following six points show the management of remuneration in the resorts.

i) All except one resort have a standard minimum wage. Lowest minimum wage is MRf 1800 and highest minimum wage is MRf 2652.

ii) All the resorts noted job responsibility as a factor in determining a wage. Two resorts noted competitor's salary and another two resorts noted cost of living. One resort does consider other factors too.

iii) All the resorts noted that monthly wage for a position does not differ between locals and expatriates but one resort noted certain circumstances where differences may occur.

iv) All the resorts offer service charge for the staff and average service charge for the past 6 months is as follows:

Resort A MRf 2000

Resort B MRf 3000

Resorts C, D, & E MRf 6000 and more

v) All the resorts provide medical benefits to the staff. One resort's staff is insured and in other resorts, management pays for staff medical bills.

vi) All the resorts noted the provision of other staff benefits too. All the resorts provide air fare for the staff to travel home during annual leave. One resort provides air fare 4 times a year. Three resorts provide loans to staff. Another resort also provides other assistance.

## **b) Training & development**

Training and development of the staff is a key area that motivates staff. Data gathered from various divisions of staff supports this statement. The following six points shed light on training and development in these resorts.

i) All except one provide regular training for the staff. They provide job specific, management, & leadership training. Two provide other trainings too.

ii) All the resorts except resort A provide training in varying frequency. Resort A conducts training monthly.

iii) Three resorts provide assistance for tertiary education of their staff. Resort A provides scholarships and the rest provide financial assistance and loans.

iv) All the resorts except one provide the staff opportunities for career development. It is done after appraising the performance of the staff and then by providing necessary training.

v) All the resorts involve staff in problem solving. All except one do it through staff meetings, individual meetings, and staff suggestions. One does it through staff suggestions only.

vi) All the resorts involve staff in decision making. All except one do it through staff meetings, individual meetings, and staff suggestions. One does it through staff suggestions only.

### **c) Complaints & Appeals**

It is part of good governance to allow staff to express their concerns and grievances. It is also an important element in the management of human resources that staff is given the opportunity to raise concerns and express grievances. The following three points cover complaints and appeals process and procedures in the resorts.

- i. All the resorts allow staff to complain when there is a grievance. In two resorts it is done through formal complaints, raising them in staff meetings, and meeting superiors. In resort C staff can complain by meeting superiors only.
- ii. All the resorts respond to complaints by either taking corrective or appropriate measures.
- iii. All the resorts except one have the right for the staff to appeal against management decisions. All respond to the appeals by taking action as per the existing systems and processes.

#### **d) Retention & Termination**

Retention of staff is one of the key functions of human resource management. In most cases high turn over results in low productivity. The following five points cover retention and termination in the resorts.

- i) With the exception of one resort among the five studied resorts agreed that local staff retention rate is high in their resorts.
- ii) Reasons for the high retention rate include opportunity for career progression, job security, monetary benefits, better food, and shelter in two resorts.
- iii) Three resorts agreed that they know the reasons for employment termination.
- iv) According to three resorts reasons for employment termination include better career prospects, unfair treatment of locals and expatriates, and personal or family problems. Some senior management staff also noted that some of the contract terminations were related to the abuse of substance.
- v) In the last six months in one resort less than 5 terminated. In another it was less than 10, in the third it was less than 15, and in two resorts it was more than 15 people.
- vi) In the last six months one resort recruited less than 10 locals, another two resorts recruited less than 15 locals each, and the other two resorts recruited more than 30 locals each.

### **3. Conclusions and lessons learned**

#### **a) Staff are paid fairly**

In all the five resorts except one staff are paid fairly. According to the data collected lowest paid staff will get about MRf 6000 in all the resorts except one. Generally in most of the five resorts an average staff earns more than MRf 8000 a month. According to senior and junior employees a decent income is a preference for work in a resort. This was supported by the resort management

and the individual respondents. According to 139 respondents an attractive salary is among the major five factors that motivate locals for resort employment. According to the top management a good salary is among the top motivators for locals to work in resorts. The below graph shows percentage of respondents from each resort motivated by monetary benefits.

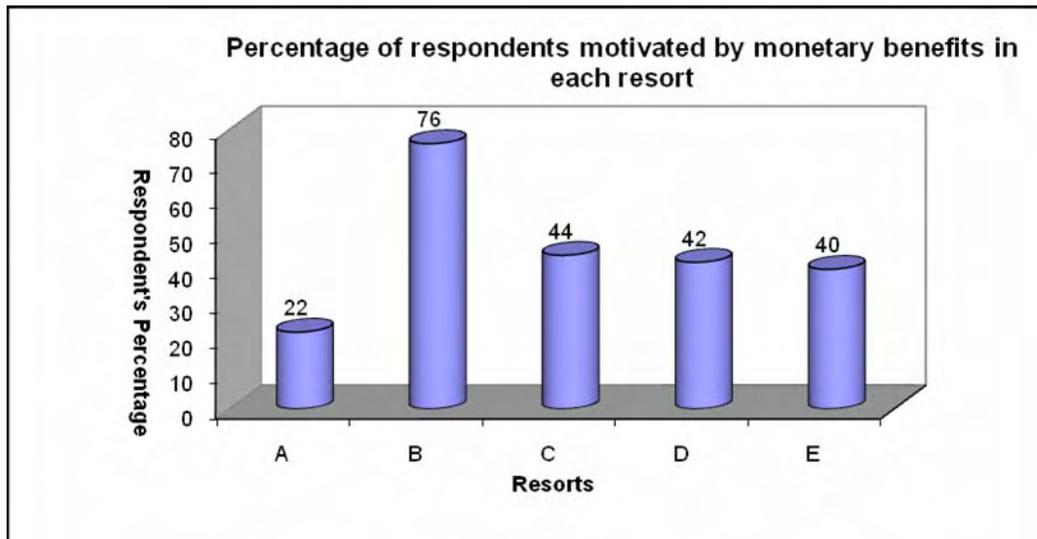


Figure 32

b) Staff are fed fairly

In all the five resorts except one the staff food is of high standards. Survey team concludes the food as excellent in four resorts. According to junior and senior staff food is not a preference of them for employment in resorts. However they noted that poor food keeps locals away from resorts. More than 200 respondents also supported this argument. According to the top management good food is among the 7 factors that motivate locals for resort employment. According to the management of the resorts good food is an important factor in the retention of locals. Looking at the nature of work and time spend in the work the staff needs food of a reasonable standard. The below graph shows the percentage of respondents from each resort motivated by food.

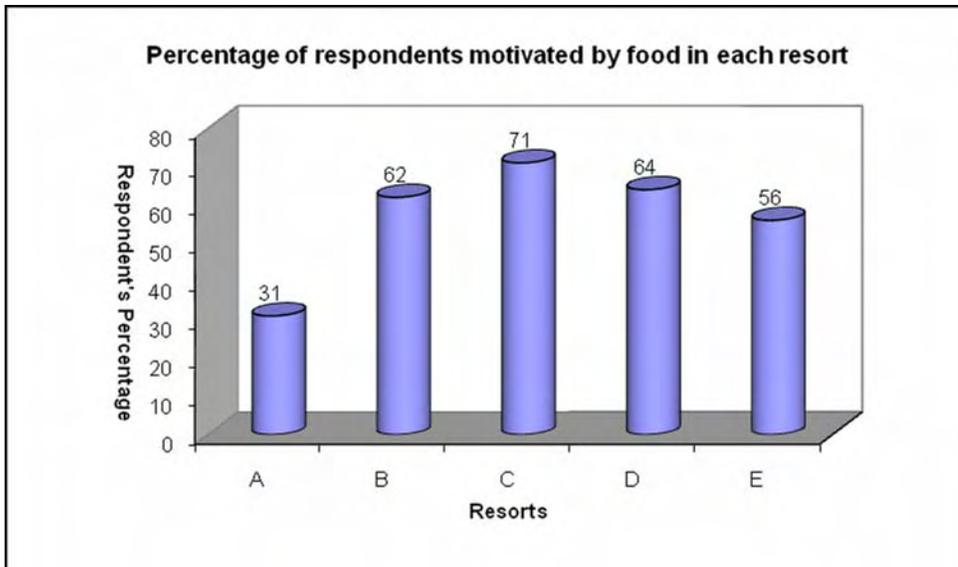


Figure 33

c) Staff are accommodated fairly

In all the five resorts according to the staff, except one the staff accommodation is of reasonable standards. Survey team concludes them as good in terms of local standards. According to junior and senior staff, accommodation is not a preference of them for employment in resorts. However they noted that poor accommodation keeps locals away from resorts. 192 respondents also supported this argument by considering accommodation among the top five motivators for local employment in resorts. According to the top management proper accommodation is among the seven factors that motivate locals for resort employment. According to the management of the resorts proper accommodation is an important factor in the retention of locals. Looking at the nature of work and time spend in the work the staff needs a decent accommodation. The graph below shows percentage of respondents from each resort motivated by lodging (accommodation).

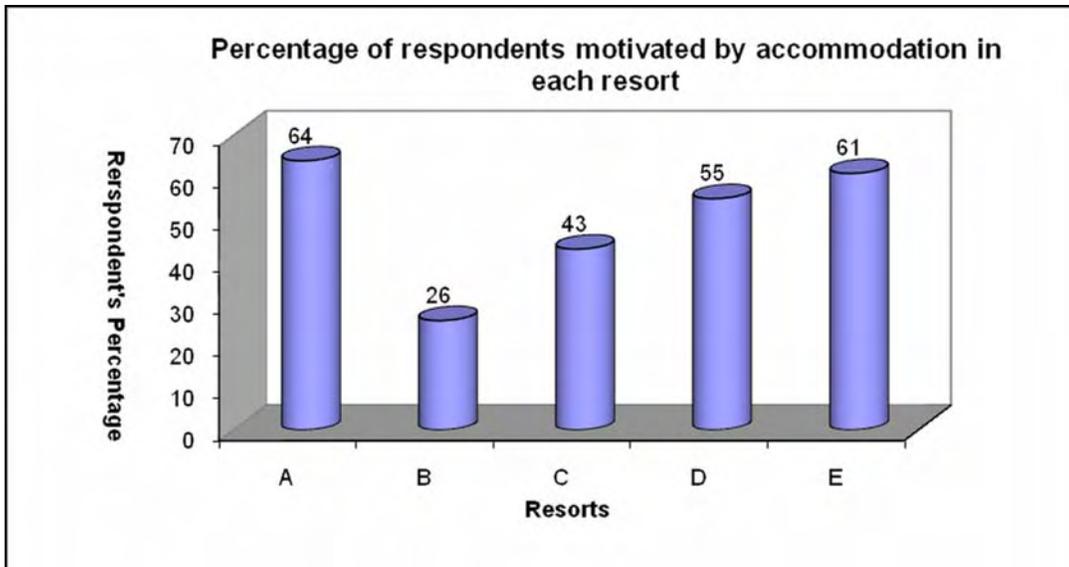


Figure 34

d) Staff is treated fairly

In all the five resorts in general staff is treated fairly. According to junior and senior staff equal treatment (non discrimination) is a preference of them for employment in resorts. They also noted discrimination as one of 8 key reasons for not finding locals for employment. According to 116 respondents among the 2 key motivators is a good management in the resort. This includes fair treatment to locals. According to the top management discrimination is among the 5 reasons why locals decline resort employment. They also noted discrimination among the 5 reasons for locals to terminate employment. The informal interactions the survey team had with the employees also reveal the fact that locals are motivated when they are not discriminated against expatriates. The graph below shows percentage of respondents from each resort motivated by good management.

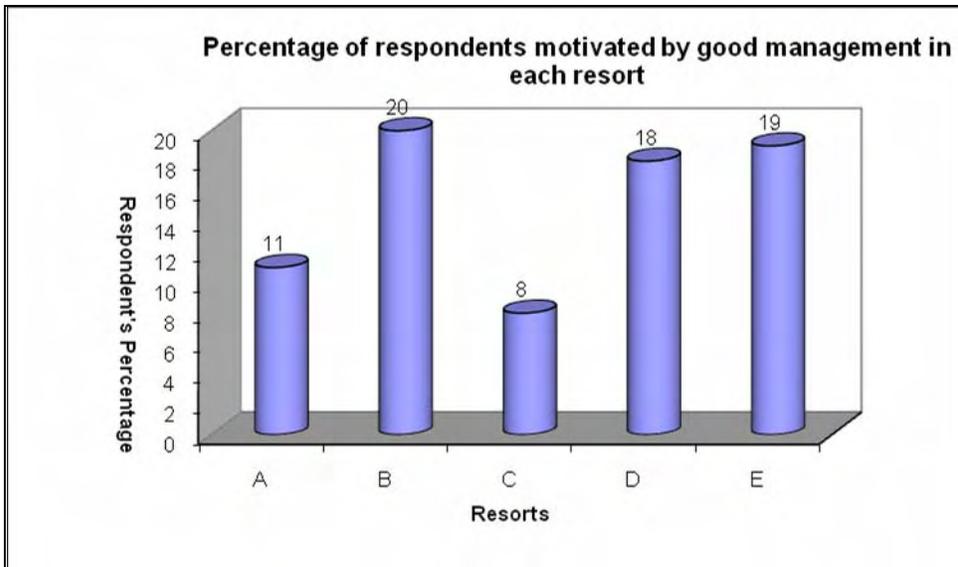


Figure 35

e) Staff belongs to the resort

In all the five resorts the staff enjoys a sense of belonging. The culture and the brotherhood that exist among the employees of each resort is a crucial factor for employee motivation. Both senior and junior employee groups noted it as one of their preferences in resort employment. They also noted it as an important factor in attracting locals for employment. It is also among the seven key measures taken by managements to retain locals according to the top management. According to the below graph 64 respondents (21 percent) noted the team work and friendly culture as a key factor for employment in the resort.

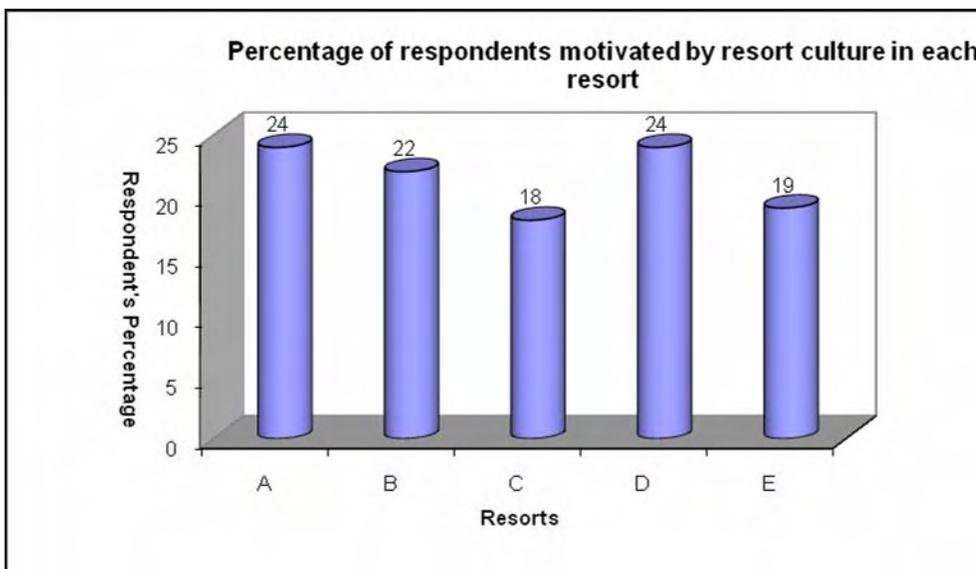


Figure 36

f) Staff is empowered fairly

In all the five resorts except one the team observed training and development in a systematic manner. According to junior and senior staff groups training and development is a preference of them for employment in resorts. They also have noted training and development as an important measure to attract locals. According to the top management group training and development are among the 6 factors that motivate locals. They also noted it among the 6 measures they take to attract and retain locals in resorts. The team's casual interaction with the staff in international chains noted training and development as an important motivator of the local staff. According to the below graph 97 respondents (31 percent) considered training as an important factor that motivates them.

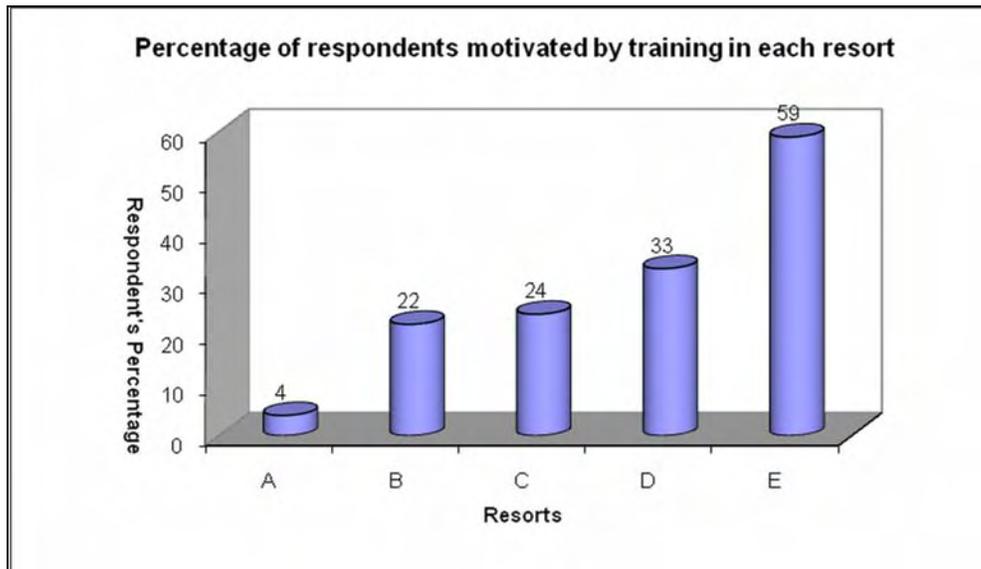


Figure 37

g) Staff is entertained well

In all the five resorts the staff is provided with facilities for their recreation and entertainment. Survey team also observed a good amount of sports and recreation facilities in all the resorts except one. According to junior and senior staff sports and recreation is not a preference of them for employment in resorts. However in all the resorts such facilities are fully utilized by the locals. According to our observations resort managements do give due consideration to provide recreation and sports facilities. Sports is the third among the top 8 motivators for locals to work in resorts.

h) Staff has job security

According to the senior and junior staff groups job security is a key factor in attracting locals for employment. According to them some resorts do not get locals because the staff feels that the job is not secure. According to sixty percent of the respondents the fourth most important driver for employment is a good management. According to the below graph 103 respondents (33 percent) noted job security as a key factor that motivates them in the resort employment.

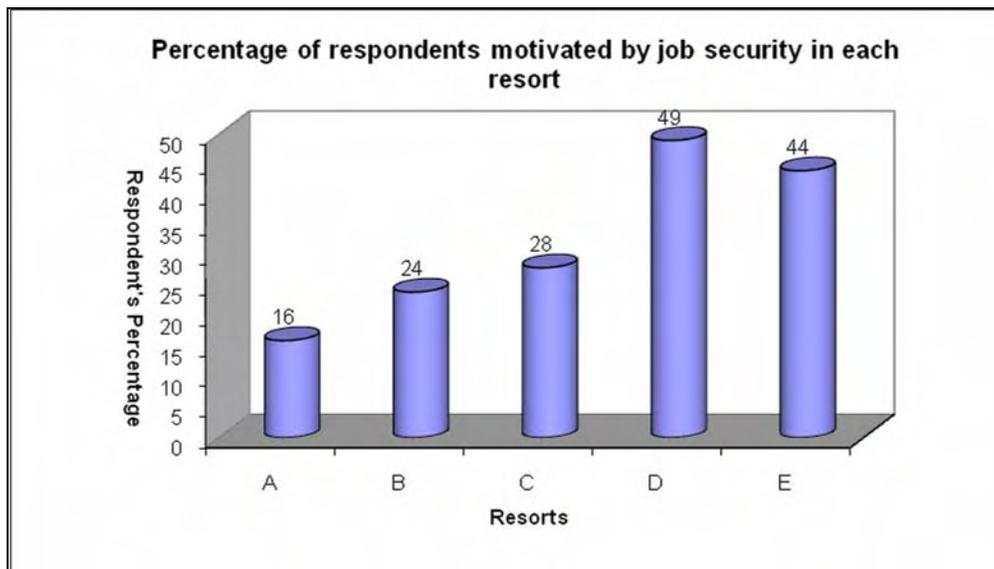


Figure 38

i) Staffs are recognized

In all the five resorts the staff is recognized. At different levels on different occasions their contribution is valued and rewarded. The recognition comes in the form of promotion, salary increment, training etc. As shown in the below graph recognition in the form of promotion is a factor that motivates locals.

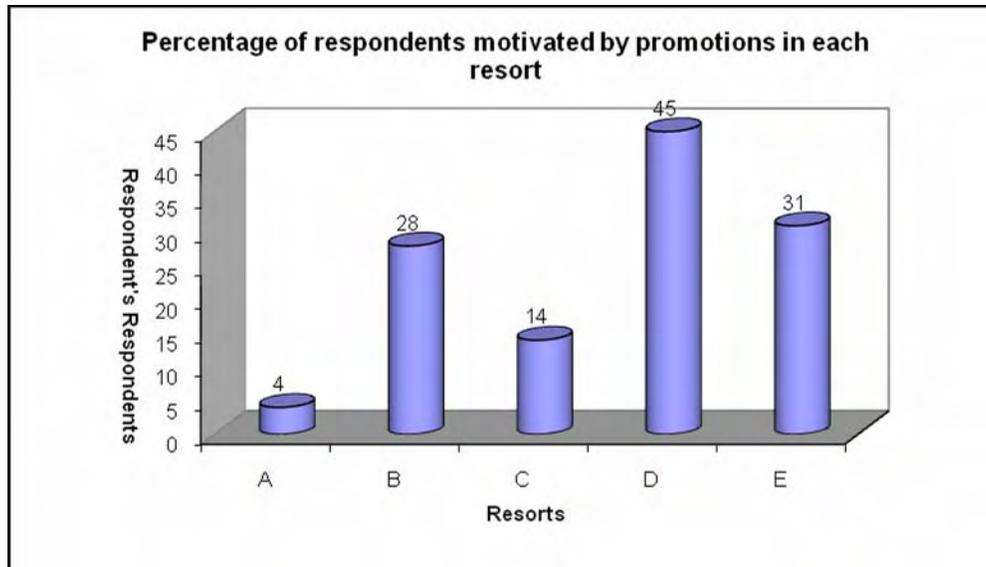


Figure 39

j) Commitment of management to locals

In all the five resorts the staffs are generally satisfied and happy with the management. According to the views of some respondents locals need the support of resort operators and managers. 30 percent of the respondents chose good management among the top two factors motivating them.

k) Staffs are given regular leave

In all the five resorts the staff is given regular leaves. This means that they are generally able to take off days at their wish. The staff also gets annual leave regularly. According to the respondents and employee groups, failure to grant leave often ends up in the termination of the employee's employment.

l) Proximity to Male' or family

All the five resorts except one is near Male' and they have daily ferries to Male'. According to the respondents they prefer to stay near the home island or near Male'. It helps them to visit the family in Male' or to travel to the island via Male'. The respondents have also noted this as one of the motivating factors for their employment in resorts.

#### **4. Recommendations**

##### **a) Realistic Measures to Attract Locals for Employment**

The senior and junior employees have suggested realistic measures that need to be implemented in order to attract and retain locals in resorts. The following suggestions have been made by them for the resort managements:

- ii) Locals need to be paid fairly
- iii) Organize job fairs
- iv) Organize awareness programs
- v) Organize trips for students to see the resorts
- vi) Establish rapport with local communities

The top management has also made certain suggestions to attract locals for employment. Below is the list of their suggestions:

- i) Establish rapport with hotel schools
- ii) Organize work experience programs for locals to work in resorts
- iii) Organize job fairs or participate in such fairs
- iv) Establish rapport with island communities
- v) Organize awareness programs (to educate potential employees)
- vi) Organize resort trips for students to see resorts

Most of these programs are currently implemented to a certain extent by at least four resorts surveyed.

##### **b) Provision of Basic Amenities**

The study has convinced the factors that motivate locals for resort employment. Therefore the following motivators have to be given due consideration by resort owners and operators:

- vii) Fair wage
- viii) Good food
- ix) Good accommodation
- x) Facilities for sports and recreation
- xi) Prospects for career development
- xii) Prospects for training
- xiii) Freedom

- xiv) Regular leave for staff
- xv) Proper systems & processes (good management)

c) Other measures to be adopted to Retain Locals

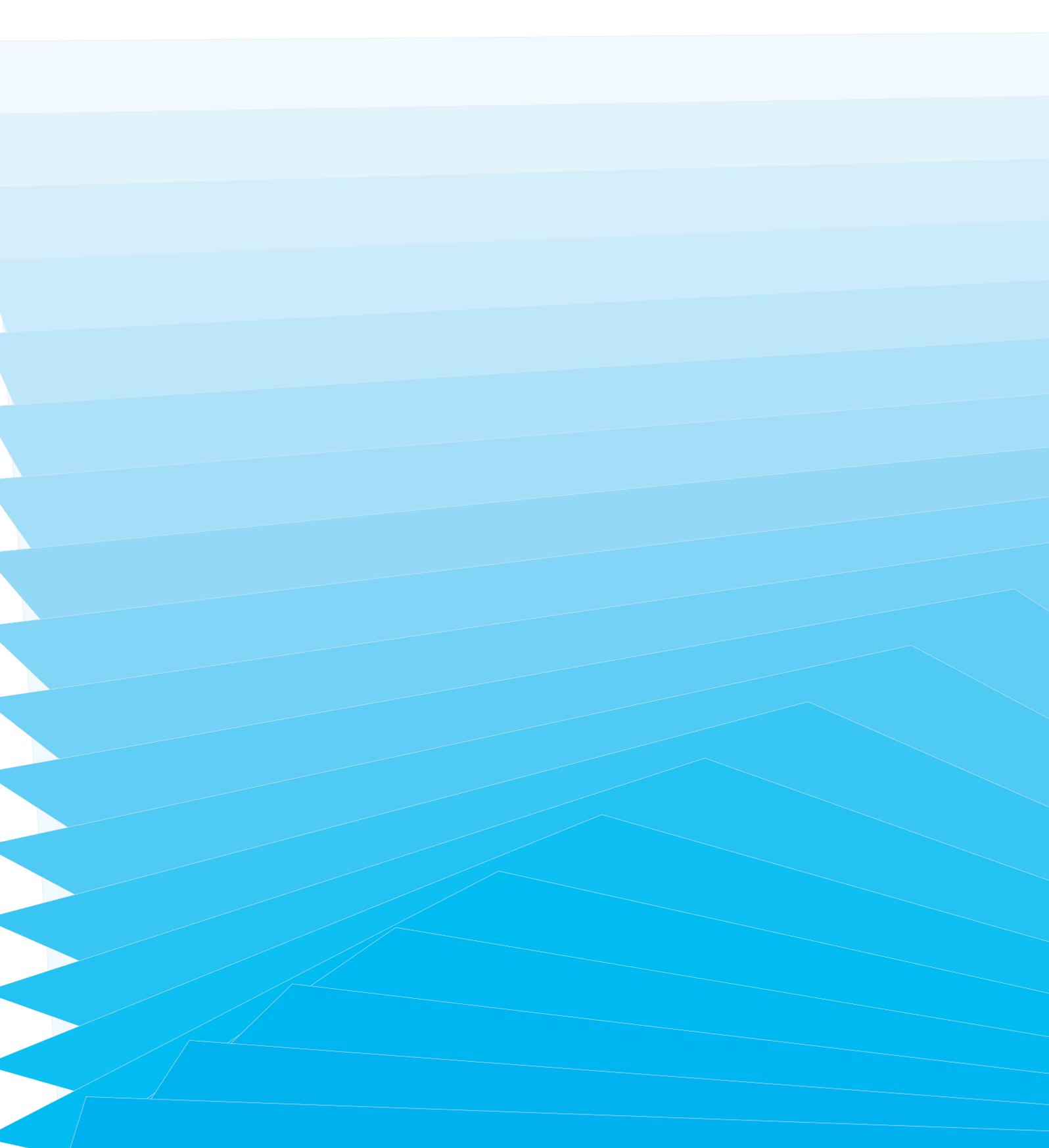
According to the senior and junior employee groups weak regulations and poor enforcement regulations do affect local employment in resorts. The survey team also received similar feedback from informal interactions with individual employees. Therefore it is important that the Ministry of Tourism and Civil aviation review the current regulations on local employment in resorts. The Ministry can bring local employees, resort employers, MATI, Employment Ministry and relevant pressure groups together to assess the current situation. In the light of such an assessment required rules and regulations can be formulated. The new rules and regulations must be enforced in order to ensure that locals are treated fairly. During the discussions many staff noted that a pension scheme for resort workers would facilitate and encourage the locals to be retained in the sector for a longer period of time.

**5) Annexure**

- a) Copy of the questionnaire filled by individual staff
- b) Copy of the questionnaire filled by the management
- c) Questions posed to the top management
- d) Questions posed to the senior employee & junior employee groups

**Acknowledgements**

Laurel Maldives takes this opportunity to thank Bandos, Banyan Tree Maldives, Conrad, Huvafenfushi, and Thulhaagiri. The survey was made possible with the support of the management and staff of all the five resorts. Once again we thank them for the support extended to us. The management and the staff of the Ministry of Tourism and Civil Aviation also deserve special thanks. The support and guidance we received from the Ministry was immense. Without the Ministry's commitment the survey would not have materialized. Their input is highly valued. We therefore thank The Minister, and his staff for the support extended to us.



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