



Staff turnover in hotels: Exploring the quadratic and linear relationships



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HIGHLIGHTS

- The aim of this study is to assess whether the relationship between intention to leave the job and its antecedents is quadratic or linear.
- There is little evidence in literature of similar analytical approaches within the context of luxury hotels in India or elsewhere being undertaken to assess staff turnover.
- The implications suggest that the management can do all the good things to keep the staff, it may not work.
- Further, managers must be aware that the relationship between organisational enthusiasm and stimulating job, and intention to leave the job are optimal at particular levels.
- Hence over investment in any one strategy may not be the answer, what is important is to invest overall in the workforce.

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ABSTRACT

The aim of this study is to assess whether the relationship between intention to leave the job and its antecedents is quadratic or linear. To explore those relationships a theoretical model (see Fig. 1) and eight hypotheses are proposed. Each linear hypothesis is followed by an alternative quadratic hypothesis. The alternative hypotheses propose that the relationship between the four antecedent constructs and intention to leave the job might not be linear, as the existing literature suggests. Findings from the analyses of 884 responses representing the staff of luxury hotels in India, suggest that the effect of two antecedents i.e. job security, earnings and organisational loyalty, were found to be linear. The two other antecedents i.e. organisational enthusiasm and stimulating job, confirmed a quadratic relationship with intention to leave the job, although one result suggesting that neither high salary nor job security are guarantees of improvements in staff turnover has been somewhat surprising. These results are unique within the context of human resource practices in luxury hotels. The study is distinctive with its findings based on quadratic analysis. It has implications for managers of luxury hotels to the effect that too much of a good thing may not ensure that employees will remain in the job. Secondly, there is little evidence in the literature of similar analytical approaches within the context of luxury hotels in India or elsewhere being undertaken to assess staff turnover. In this way, the outcomes have implications for both practice and theory.

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1. Introduction

This study contributes to the literature of human resource practices in tourism and hospitality management, examining the [Pierce and Aguinis \(2013\)](#) *too-much-of-a-good-thing* effect on employees' turnover intentions in luxury hotels. Usually, good things account for an apparent good feeling associated with various aspects of organisational life. The paradox, however, lies in the fact that beneficial antecedents may be harmful when taken too far,

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raising a question - how do employees respond to increased benefits in luxury hotels? To find some convincing explanation to answer this question, the current study explores the situation in the Indian luxury hotels. The term *luxury hotels* is used in this study to refer to 4-star and 5-star hotels in India as classified by the Ministry of Tourism, Government of India. The reasons for selecting India as the study context are based on the following facts:

- There has been rapid growth, specifically in the 4-star and upward category of hotels in India. Figures suggest that from a total of 750 hotels in March 2012, growth is expected to reach 1338 by March 2017, and 2457 hotels by March 2022.
- This growth generates a demand for a trained workforce and presents the challenge of dealing with staff turnover. The current gap between demand and supply of trained human resources for hotels in India's luxury hotels is 8.64%.
- Current employee turnover rates are 11–12% in luxury hotels, and up to 20% in hotels in general.

(Ministry of Tourism of India, 2012).

Given the above scenario, findings obtained by testing of the relationship between intention to leave the job and its antecedents, are expected not only to help the Indian hotel industry, but also to be of value to other emerging countries where the hotel industry is growing, such as China.

The aim of this study is to assess whether the relationship between intention to leave the job, and its antecedents, is quadratic or linear. To explore those relationships a theoretical model (see Fig. 1) and eight hypotheses are proposed. Each linear hypothesis is followed by an alternative quadratic hypothesis. The alternative hypotheses propose that the relationship between the four antecedent constructs and intention to leave the job might not be linear, as the existing literature suggests.

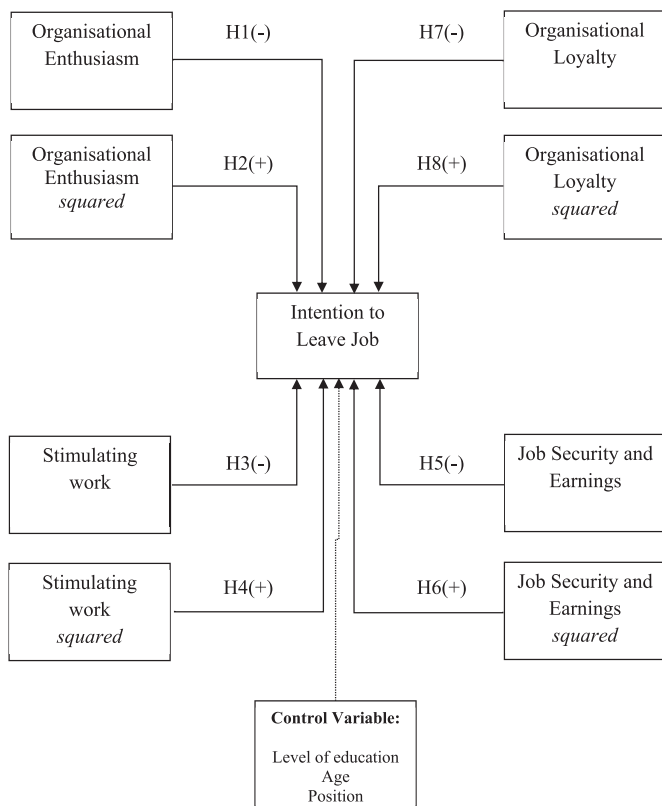


Fig. 1. Theoretical model.

This research follows a path that has been established by previous studies in the area. To support the rationale of exploring the quadratic effects of organisational enthusiasm, stimulating job, job security and earnings, and organisational loyalty on intention to leave the job in luxury hotels, we referred to the *too-much-of-a-good-thing* effect (Pierce & Aguinis, 2013). In this present research, we explore whether organisational enthusiasm, stimulating job, job security and earnings, and organisational loyalty have a U-shaped relationship with intention to leave the job. Such a result would indicate a curvilinear relationship, rather than a linear one. In the positive quadratic relationships, the intention to leave the job will be at its highest level when the four independent variables examined are at their lowest or highest values. The minimum value of intention to leave the job will be achieved when each of the independent variables is at their average point. Thus, the *too-much-of-a-good-thing* effect would be observed.

The current study draws upon previous studies that have focused on the positive linear effects of organisational enthusiasm, stimulating job, job security and earnings, and organisational loyalty on intention to leave the job. Especially, the research by Mohsin, Lengler, and Kumar (2013), who have investigated the linear relationship between those four antecedents and intention to leave a job, is of use. Thus, the purpose of this study is to assess whether the effect of organisational enthusiasm, job security and earnings, stimulating job, and organisational loyalty on employee intention to leave the job is quadratic rather than linear. Our study advances the literature by testing possible alternative effects of those independent variables as antecedents on intention to leave the job.

This study is structured as follows: in the next section we present the theoretical framework and the hypotheses development. In the subsequent section we describe the research methodology adopted for the study. Thereafter, we present the results from the model calculation, a discussion of these findings, and a consideration of the implications of our study. Finally, we present the limitations of this study, and make suggestion for possible future research avenues.

2. Literature review

Staff turnover has been a subject of research for several years in the hospitality industry (Blomme, Van Rheede, & Tromp, 2010; Cho, Johanson, & Guchait, 2009; Slatten, Svensson, & Svaeri, 2011; Wells & Peachey, 2011; Yang, 2010; Yang, Wan, & Fu, 2012; Zhou, Zhang, & Liu, 2012). Denvir and McMahon (1992) defined staff turnover as “the movement of people into and out of employment within an organisation” (p.143). Although staff turnover is seen to be a usual phenomenon in the service industry, it has been noted to be exceptionally high in the hospitality industry for over three decades (Birdir, 2002; Deery & Shaw, 1999; Kennedy & Berger, 1994; Tanke, 1990; Woods, 1992; Yang, 2010; Yang et al., 2012).

In determining the causes of staff turnover in the hospitality industry, Fallon and Rutherford (2010) state that hospitality employees in one organisation ranked the “most likely causes of high staff turnover as treatment by superiors, amount of work hours, job pressure, scheduling, training, fringe benefit packages, better opportunities elsewhere, and physical demands of the job” (p. 454). Similarly, Hinkin and Tracey (2000) found in their study that bad working environment and poor supervision results in increased intention to leave the job. With specific reference to the New Zealand hotel industry, Williams, Harris, and Parker (2008) found that age, and low unemployment and remuneration, were the key factors which led to a high staff turnover. Low pay specifically has also been noted as a significant problem in the house-keeping department of hotels (Ogbonna & Harris, 2002). Linking work-life balance practices with organisational performance

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