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The relationship between turnover intention and demographic factors in hotel businesses: A study at five star hotels in Istanbul

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Abstract

The study aims to determine the relation between the demographic factors (eg. age, gender, marital status, education) and the factors such as tenure, wage, position, working department and the turnover intention of employees working in hospitality industry. Surveys were used as the main data collection tool in the study. The study has been conducted in the various departments of five-star hotels in Istanbul and with a total of 297 hotel managers and staff from different ranks. In the data analysis of the study, t-test and ANOVA tests have been performed in order to determine the relationship between the demographic factors such as age, gender, marital status, education and the factors such as tenure, wage, position, working department and turnover intention. The result of the study indicates that the demographic factors such as age, gender, marital status, education, as well as the factors such as tenure, wage, position, working department are determinants for turnover intention.

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1. Introduction

The staff working in tourism industry have to deal with the needs of customers as well as to cope with uncertain conditions at work (Kim et al., 2009: 612). That hotel industry is an industry based on human labor and that employees need to communicate with customers constantly which create interpersonal conflicts, staff stress and burnout (Hu and Cheng, 2010: 1337). High job stress that brings about a decrease in job commitment is considered as a factor that impacts the employee turnover considerably (Tiyce et al., 2013:127).

The major problem in the hotel industry is high turnover rate (Faldetta et al., 2013:584). Employee turnover rate in the hospitality industry often averages around 200 % to 300 % per year (Demir et al., 2007: 477). According to National Restaurant Association, the overall turnover rate in the restaurants and hospitality industry in U.S was 66.3 percent in

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2014, a % 10 increase compared to 2010 (National Restaurant Association, 2015). Likewise, average annual employee turnover rate was % 64 percent in 2010 (Australian Tourism Labour Force Report, 2011). In a study conducted in Istanbul Hotels in Turkey in 2013, the average employee turnover rate at the hotel was found to be 21.9 percent (Hatipoğlu et al., 2013:31). Long working hours, low training, low salaries, stress, inadequate working conditions, poor management and lack of job opportunities, which is widely seen in the hotel industry, have led to leave employee jobs (Albattat and Som, 2013:64).

When an employees leave their jobs, organization not only lose human capital but also endure the costs associated with high turnover of employees (Yang, 2008: 433). High employee turnover rate increase costs and affect productivity negatively (Lam et al., 2002:218). Therefore, the employee turnover is regarded as a negative factor that impacts quality of service, and mood of employee as well as profitability and other activities (Kim and Jogaratnam, 2010: 319). The effects of employee turnover on the organization are classified into two groups as direct and indirect effects. The direct effects may emerge when the costs of training and hiring new employees increase. Whereas, the indirect effects occur when the job satisfaction, organizational commitment, productivity decrease and subsequently the quality of service and reputation of the organization decrease (Faldetta et al., 2013: 584; Foreman 2009: 356; Hemdi and Nasurdin, 2004: 64). These adverse effects lead to degradation of quality of service subsequently and loss of customers (Hemdi and Nasurdin, 2004: 64).

One of the most important factors in the success of the tourism industry are employees. The competitiveness of tourism organizations and their survival depends on the quality of the services that they offer. In this case, tourism industry not only need to have trained staff that perform their roles effectively but should also need to retain their staff (Subramanian and Shin, 2013: 1751). For that reason, the factors that affect the turnover intention needs to be determined in order not to lose employees, to ensure their satisfaction and to meet their needs (Kim and Jogaratnam, 2010: 319).

Due to all these factors, turnover intention is of major importance in hospitality. Therefore, the study aims to determine the effect of the demographic factors and factors such as tenure, wage, position and working department on turnover intention.

2. Literature Review

2.1. Turnover Intention

Turnover intention is considered "to be conscious and deliberate wilfulness to leave the organization" (Tett and Meyer: 1993:262). Turnover intention is the intention to resign from his or her current job and the tendency to seek employment in other organization of an employee (Jung et al., 2012: 2148). In this regard, turnover intention represent that the personal estimate of the probability of an individual leaving work in the near future (Cho et al., 2009:374). Turnover intentions are divided into two categories: voluntary turnover and involuntary turnover (Albattat and Som, 2013: 63; Lam et al., 2003: 162). Voluntary turnover intention is the decision of an employee to leave the organization. Involuntary turnover intention, on the other hand, is the departure of an employee initiated by the employer (Lam et al., 2003: 162). Both the impact of the personnel's voluntarily turnover and personnel's involuntarily turnover to organization is enormous. Leave to job effects directly customers' perception of service quality degradation, the reduction of employees' job satisfaction and morale, increased of staff training costs and personal improvement (Cho et al, 2009:374)

The reasons of employee turnover can generally be divided into three categories as *work-related factors* (e.g. job satisfaction, wage, performance, organizational commitment), *individual factors* (e.g. age, education, gender, tenure) and *external factors* (e.g. unemployment rate, perceptions of employment, presence of trade union (Foreman, 2009: 357).

One of the most important factors of employee turnover is salary. Except the wage, the reasons of employee turnover are employees feeling the job or workplace is not what they expected, there is a mismatch between the job and person, there is too little coaching and feedback, there are few growth and career opportunities, employees feel devalued and unrecognized, employees feel stress from overwork and have a work/life imbalance, there is a loss of trust and confidence in senior leaders (Yazinski, 2009).

Despite being an undesired situation for organizations, turnover intention plays an important role since it is a determinant to minimize the negative impacts on organizational productivity (Kim et al., 2005: 175). High employee

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