



Practical application of importance-performance analysis in determining critical job satisfaction factors of a tourist hotel



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HIGHLIGHTS

- Employee productivity is a basic strategic requirement for a tourist hotel.
- Employees between 46 and 55 years are among the most satisfied employees.
- Food and beverage employees also record high job satisfaction.
- Compensation is the primary factor to be managed.
- Performance is linked with revenue generation and organizational citizenship.

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ABSTRACT

The service profit chain theory suggests that the satisfied employee delivered customer satisfaction and profit for service businesses. Competition between tourist hotels in Taiwan remains strong, as trips by foreign visitors are increasing year after year. One of the critical factors that differentiate whether or not a hotel can be profitable is the revenue per employee. Satisfied employees whose organizational citizenship behavior (OCB) is high will generate a higher ratio of revenue per employee. This study explores the key factors that effectively drive job satisfaction of the employees in an international tourist hotel. The study collected 474 valid employee responses. It applied an importance-performance analysis (IPA), using the self-explained matrix, which indicated that compensation was the top issue to be addressed, followed by work environment, interpersonal relationship, and supervision. Based on the research results, the author discusses some useful implications.

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With the booming of the hospitality businesses in Taiwan, the quality of the customer service offered by its trained and qualified personnel is vital to the success and survival of this ever-competitive market. The service profit chain theory asserts that customer satisfaction and company profit can only be achieved through the quality service performed by satisfied employees (Lovelock & Wirtz, 2010). In other words, no profit can be gained without satisfied employees. Thus, job satisfaction is generally accepted as one of the primary predictors of productivity. The academicians and the practitioners generally agree that human resources are the most valuable asset a firm can possess when building its competitive advantage. It is particularly true in the service industries, as the service profit chain theory has claimed and proved, that only when employees are satisfied will they

deliver quality service to customers and, accordingly, be able to make the organization profitable (Choy, 1995; Lam, Baum, & Pine, 2003). Although earning a profit may not be part of the mission for government agencies or non-profit organizations, low productivity of any employee, which mainly stems from unmet job satisfaction, may mean a waste of resources and inefficiency.

It is not uncommon to find that many of the competitors in this hospitality industry provide tremendous material attractions to recruit and secure qualified staffs. These may include such things as fringe benefit packages, paid vacations, corporate insurance, a modern and comfortable work environment and other benevolent arrangements. Despite that fact that these benefits may raise the cost of operations, many in industry management are willing to be generous to their employees to foster a high level of job satisfaction. The motive behind such actions is that these managers are expecting good levels of employee retention, customer satisfaction and profits as a return (Karatepe, Uludag, Menevis, Hadzimehmedagic, & Baddar, 2006; Lam et al., 2003; Li & Tse, 1998).

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Profit generation is the general mission for the management of hospitality businesses. Ironically, achieving revenues from satisfactory sales volumes or a certain percent of occupancy may not represent profits during a particular time period. This means a hotel that achieves the best sales revenues or accommodates the highest number of guests may not be the one that gains the most profits. One of the most significant factors that may differentiate the link between sales and profits is the ratio between revenues and the number of employees (or revenue per employee). A higher ratio of revenue per employee denotes that a firm more effectively and efficiently utilizes the labor force to provide quality services to their guests (e.g., the top two players in Taiwan, the Grand Hyatt Taipei and the Regent Taipei, are not in the first positions in terms of revenues per employee). Key to their outstanding performance is their employees' job satisfaction. Organizational citizenship behavior (OCB) helps to drive a worker to take extra responsibility for guest satisfaction (Limpanitgul, Jirotmontree, Robson, & Boonchoo, 2013; Organ, 1988; Podsakoff, MacKenzie, Paine, & Bachrach, 2000). In 2012 the monthly revenue per employee ranged from 62,956 NTD (or 2099 USD) per employee to 711,845 NTD (or 23,728 USD). It is noteworthy that both hotels are located in Taipei, and the average of the entire Taiwan entity is 172,228 NTD (or 5741 USD). It is apparent that a greater OCB may help to reduce the staff counts and, accordingly, the operating costs, so that profits can be expected.

Although attempting to satisfy all employees of the entire company is not reasonable (and not economical), creating and maintaining good levels of overall job satisfaction is necessary. As a result, it is not surprising that the administration of a hospitality business that had appreciated the importance of the link between employee's job satisfaction and performance also implemented an incentive program that was wrongly directed to those efforts. Two questions that may be more important than job satisfaction itself are, "Are the dimensions the employee is satisfied with the same as those they perceived?" and "What are the dimensions the management should perform in order to most effectively motivate an employee's job satisfaction?"

It is clear that identifying the significant gaps between perceived "importance" and "satisfaction" can guide a hotel administration's efforts in effectively improving overall job satisfaction.

1. Literature review

1.1. The Taiwan hotel industry

The hotel is part of the hospitality industry, and in most cases is the heart of the services provided to tourists. The hospitality

business refers to a commercial phenomenon that provides customers with personal, memorable and value-added experiences (Hemington, 2007). Despite that the hospitality may include varied dimensions of activities and forms of business (see the details and debates in Brotherton, 2002; Slattery, 2002), the hotel can be the core to all of these services. In general, an organization or individual that offers services to tourists in any form can be included in the hospitality business. Although the scope of the hospitality business can be broad, tourists or guests usually utilize hotels as a base of their journey. As a result, hotels with full service can include a comprehensive range of services that a tourist may demand; thus, they need to staff sufficient professional employees.

There are four types of hotels in Taiwan: international tourist hotels, general tourist hotels, general hotels, and homestay hotels. As shown in Table 1, Taiwan has 71 international tourist hotels, 39 general tourist hotels, 2786 general resident hotels, and 4135 homestay hotels (Tourist Bureau, Ministry of Transportation and Communication (TBMOTC), 2013). As loosely regulated by the Taiwan Tourist Bureau, the tourist hotels are built with the strictest quality standards to accommodate groups of tourists or foreign individual tourists (FIT). In contrast, the resident hotels are usually for local passengers. The current research is concerned with the tourist hotels, as Table 1 has shown. Around two-thirds of the tourist hotels are accredited as an international tourist hotel, which are larger in scale with a higher number of guest rooms (291 in average); one-third are standard tourist hotels with around 136 guest rooms.

The number of hotels remained the same from 2001 to 2009; since 2010, the number has increased due to a new scenario that includes an increasing number of foreign tourists, particularly after deregulation allowed admitting tourist groups, followed later on by foreign individual tourists (FIT), from mainland China. Ironically, the growing numbers of visitors has not helped to drive up the room occupancy rate. The stumbling room rate has made the market even more competitive than ever and has squeezed the hotels' revenues and profits. Meanwhile, the growing number of visitors has increased the workload for hotel employees.

1.2. Job satisfaction

Job satisfaction is usually construed as psychological or affective states that reflect the employee's positive emotional state toward the work and associated work factors to which the employee been assigned (Hoppock, 1935, p. 47; Vroom, 1964, p.99). Job satisfaction is an outcome of expectations of, and experiences from, a job and is

Table 1
Supply of tourist hotels in Taiwan (2000–2012).

Year	International tourist hotels				Standard tourist hotels				Total		Visitors ^c
	n	a%	Rooms	^b avg.	n	a%	Rooms	^b avg.	n	Rooms	
2001	58	62.02%	17,815	307	25	58.87%	2974	119	83	20,789	2.83
2002	62	61.63%	18,790	303	25	59.11%	2973	119	87	21,763	2.98
2003	62	57.43%	18,776	303	25	49.99%	3120	125	87	21,896	2.25
2004	61	66.22%	18,705	307	26	61.76%	3039	117	87	21,744	2.95
2005	60	73.33%	18,385	306	27	64.05%	3049	113	87	21,434	3.38
2006	60	70.38%	17,830	297	29	62.51%	3265	113	89	21,095	3.52
2007	60	68.55%	17,733	296	30	60.08%	3438	115	90	21,171	3.72
2008	61	66.04%	18,092	297	31	57.87%	3679	119	92	21,771	3.85
2009	64	63.89%	18,645	291	31	55.78%	3750	121	95	22,395	4.39
2010	68	68.88%	19,894	293	36	65.20%	5006	139	104	24,900	5.57
2011	70	69.52%	20,382	291	36	62.20%	4951	138	106	25,333	6.08
2012	70	70.93%	20,339	291	38	66.21%	5178	136	108	25,517	7.31

^a % occupancy rate.

^b avg. the average room rate.

^c number in millions.

Source: TBMOTC (2013).

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