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Turnover Intention and Commitment as Part of Organizational Social Capital in the Hotel Industry

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Turnover Intention and Commitment as Part of Organizational Social Capital in the Hotel Industry

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The purpose of this research was to understand how the variables of organizational social capital, that is, communication, influence, and trust, impact organizational commitment (employee turnover) in the hotel industry. Exploratory, qualitative research is used to highlight how various organizational social capital factors impact employee turnover intention. The authors measured several variables and sought to identify their relationships; the objective to predict impacts using generalized structured component analysis to analyze the data and test hypotheses. This article validates that commitment can be positively impacted by communication and influence, but much less by trust. Additionally, given that communication flows through several layers of management (senior and operational), ensuring management is equipped with the right tools and strategies that enable trust and the ability to be influential, is essential. Attention to the commitment of managers is an area for general managers to focus on, as they have the power to increase or decrease the power-of-impact. The research provides managers with the dimensions that impact employee turnover intention, enabling them to concentrate on factors to positively impact organizational commitment with the aim of reducing turnover.
KEYWORDS commitment, employee turnover intention, hotels, organizational social capital, New Zealand

INTRODUCTION

Employee turnover intention (ETI) is the research agenda of many academics and a daily concern for hotel industry practitioners, yet neither academics who report via literature, nor practitioners via operational results, have a complete understanding of, or explanation for ETI. However, both agree that actioned ETI, that is turnover, is expensive (Davidson & Timo, 2006) and results in reduced organizational productivity (Kacmar, Andrews, Van Rooy, Steilberg, & Cerrone, 2006; Rothwell, 1982). The purpose of this research was to understand how the variables of organizational social capital (OSC): communication, influence, and trust, impact organizational commitment in the hotel industry. To achieve this purpose, several research objectives were developed and the gathered data from hotel employees subjected to various statistical testing. Specifically, this research developed objectives to identify if (1) communication is fundamental to the development of trust, influence, and commitment; (2) trust would positively impact influence; and (3) trust impacts influence, which then significantly impacts commitment.

The data used in this article is drawn from a much larger longitudinal research project reviewing how OSC impacts organizational productivity, another major challenge for hotel industry practitioners. Arguably, commitment (sometimes referred to as retention) and productivity are entwined within the framework of the service profit chain (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994), which, in itself, provides a platform on which to consider the ETI challenge.

As a concept related to employees and productivity, commitment is found within various themes: (1) turnover (Md Zabid Abdul, Sambasivan, & Johari, 2003); (2) “obligation” via economic benefits (McDonald & Makin, 2000); (3) willingness to exert considerable (extra) effort (Maxwell & Steele, 2003); and (4) a relationship to absenteeism (Maharaj & Schlechter, 2007), to name a few. Though the general literature suggests what commitment might be and how it can be enhanced, less is known about the variables that “impact” commitment. Furthermore, research into employee commitment in the hotel industry is sparse compared with other industries where research has focused on certain roles, for example, general managers, or against only one other variable, for example, empowerment (Chew & Wong, 2008; He, Li, & Lai, 2011; Hemdi & Rahim, 2011; Kazlauskaite, Bucioniene, & Turauskas, 2006). However, research into the actioned result of ETI has been, and continues to be, extensively researched (for example Brien, 2004b; Davidson, Nils, & Ying, 2010; Hemdi & Rahim, 2011; Hinkin & Tracey, 2000; Hoga, 1992; Wasmuth & Davis, 1983).
This article presents new and important findings for both industry practitioners and academics: (1) the biggest impacting OSC variable on employee organizational commitment is organizational communication; (2) when organizational communication flows through an influential source, the impact on commitment is even more positive; and (3) that trust significantly affects influence.

Literature Review

COMMITMENT

As a concept, commitment has been extensively researched and can be found entwined within many theoretical fields, for example: organizational citizen behavior (Bateman & Organ, 1983); role theory (Bass, 1985), social exchange theory (Homans, 1961); corporate culture (Kotter & Heskett, 1992), and psychological contracts (Rousseau, 1995). It is from these and other theoretical bases that commitment is seen as multi-faceted and supports the notion that commitment is not easily defined, or even the view that it should not be defined, but left open as an evolving concept.

Some view commitment as a “personal” relationship with fellow workers and the employer as a result of frequent interaction (Chen, Tsui, & Farh, 2002; Martin, 2008), potentially from the base of social exchange theory (Cole, Schaninger, & Harris, 2002) in which individuals support each other in terms of information and emotion. In expanding the employee-employer collegiality theme, commitment is said to be stronger between full-time employees than part-time employees and between respective genders, however, counter research highlights the conflict and reduced commitment that contingent workers (as proliferates the hotel sector) express (Liden, Wayne, Kraimer, & Sparrowe, 2003). Though such interactions may be fundamental interpersonal commitment-building-blocks, they also help create the culture of the organization which, in itself, is said to be a commitment-enabler (Md Zabid Abdul et al., 2003). Physicality appears to be a prime commitment enabler; Koh and Elfred (2004) augment this notion by adding the element of organizational ethics. As the notion of commitment grows in complexity, linkages to ETI are exposed when positive employee physicality, culture, and ethics combine to present a greater retention opportunity, whereas, if negative, they reduce commitment with one possible outcome being employee turnover.

Narrowing the theme to consider “organizational” commitment, Maxwell and Steele (2003) define it as a strong belief in, and acceptance of, organizational goals, as a willingness to exert considerable effort and a desire to maintain organizational membership. Maxwell and Steele also view social interaction, higher levels of pay and the expansion of one’s roles builds commitment, whereas role-conflict, unfriendly co-workers, and perceived low
levels of importance decrease commitment. Maharaj and Schlechter (2007) support the Maxwell and Steel thesis and add the aspect that if work is meaningful, stronger commitment and performance follows. As time progresses, the element of trust, solidarity among workers and psychological contracts become predominant in the understanding of how organizational commitment develops (Martin, 2008), which again supports previous research in terms of social interaction. In building these elements and, in particular, trust, Bammacas and Patrickson (2008) view that effective communication is key, that is, communication involving interpersonal skills, clarity in the way messages are sent, and providing feedback, which supports Requena’s (2003) OSC concept in which communication and commitment are co-existing variables.

Later, Ahmad, Veerapandian, and Ghee (2011) highlights the need for a person-to-organization “fit” to develop organizational commitment and bring into account the known commitment themes of affective, continuance, and normative commitment. The latter has certainly helped ground commitment as a concept and deepened the understanding, but this continues to grow as new variables are added as seen in the work of Passarelli (2011) who proposes that the more qualified employees are (an area organizations have focused on in recent times) and the larger the organization they work for (as organizations merge as a result of competition), the more committed they will be.

Many of the above discoveries, views, and outcomes of what constitutes commitment are relevant to any industry; however, to understand the multifaceted concept of commitment in the hotel industry requires more research. Most of the above provides a general discussion of OSC. To narrow the focus, and to align with the research questions, the literature review now continues with hotel industry-specific research.

COMMITMENT IN THE HOTEL INDUSTRY

Organizational commitment in a hotel is often focused on managers (Maxwell & Steele, 2003), possibly because they can be expensive, more difficult to replace and are fewer in number to research. For example, Davidson and Timo (2006) in their research of employee turnover in the Australian hotel industry that highlighted the average managerial employee turnover rate was 39.1% and that the cost to replace them in the average hotel per annum was $109,909.00. Their research, in terms of operational employee commitment, is less than managerial positions (50.74%) costing $9,591.00 per employee, yet arguably desired skill level and recruitment systems enable more rapid replacement, albeit at a collectively higher cost.

Employee commitment in the hotel sector is often measured by employee turnover—an area that has been extensively researched (Carbery, Garavan, O’Brien, & McDonnell, 2003; Cheng & Brown, 1998; Davidson
Employee turnover can be defined as the movement of people into, and out of, employment within an organization (Denvir & McMahon, 1992) with previous studies demonstrating the determinants and consequences of employee turnover in the workplace. Employee turnover is also said to have a relationship with low-quality customer service and increases in recruitment and training costs within lodging organizations (Birdir, 2002; Chen, 2007; Horner & Swarbrooke, 2004; Karsh, Booske, & Sainfort, 2005; Lashley, 2000; Lee, Huang, & Zhao, 2012; Mohsin, Lengler, & Kumar, 2013). Lashley (2000) continues this focus on expenses by identifying that employee turnover costs can be divided into direct costs and hidden costs. Direct costs include advertising for replacements, interviewing, orientation, and training expenses. Indirect costs include management’s time spent recruiting, selecting, and training, lost staff expertise, and decreased quality of service, productivity, and customer satisfaction. Therefore, a high rate of employee turnover can cause an organization’s costs to rise and is negatively associated with its finances (Hinkin & Tracey, 2000).

The lodging industry throughout the world has continued to experience high rates of turnover. Lee et al. (2012) shows that working hours, heavy workloads, shift-work, irregular vacation days, and relatively low levels of wages are catalysts for this trend. The reasons for the high turnover have been investigated by Chen (2007). In that research, the focus was on employee’s self-regulation and a disregard for the emotional needs of employees. Chen also found that turnover was higher among hourly employees than managerial-level employees (30 and 10%, respectively). Studies have shown that high staff turnover rates in the hotel industry are not country specific, but are worldwide (Birdir, 2002).
Sigala (2010), Blomme, van Rheede, and Tromp (2010), Cho, Johanson, and Guchait (2009), Bonn and Forbringer (1992) and Iverson and Deery (1997) also confirm that turnover is a major long-term area of concern for hospitality industry organizations.

The theory of planned behavior (TPB; Ajzen, 2002) can be used to explain why turnover intention, instead of actual turnover behavior in the hotel industry, should be reviewed. Human behavior is affected by behavioral intention, which refers to the likelihood of acts, accordingly, people are more prone to act as they intend. This implies that the “intention” for something is a dependable predictor of the actual behavior. Along with the TPB, Mobley, Horner, and Hollingworth (1978) consider the turnover intention the integrated performance related to the job satisfaction and intention to leave.

Organizational commitment and job satisfaction are major determinants of turnover intention in employees (Bartle, Dansby, Landis, & McIntyre, 2002; Clegg, 1983; Karsh et al., 2005; Parker & Kohlmeyer, 2005; Price, 1977). The studies by Leiter and Robichaud (1997) and Schaufeli and Enzmann (1998) also reveal that there are significant correlations among emotional exhaustion, job satisfaction, organizational attachment, and turnover intention. Based on the literature, job satisfaction and organizational commitment can be significant determinants of employees’ turnover intentions.

VARIABLES THAT IMPACT COMMITMENT AND HYPOTHESIS DEVELOPMENT

In this section, the OSC variables of trust, communication, and influence are discussed in relation to their impact on commitment, and from this discussion research hypotheses are presented. Figure 1 demonstrates the authors’ representation of each of Requena’s OSC variables (2003). Requena’s final OSC variable of social-relations is not analyzed in terms of any connection to commitment, the terminating variable for this article, or its effect on the other three variables for the following reasons. First, though the authors intuitively believe that, holistically, social relations impact all other OSC variables, and it was measured as part of the overall data-gathering, the measurement scales varied, that is, depending on the question, a range of options (Likert from 1–6) was made available as opposed to the Likert 1–5 for all other questions. Thus, a separate analysis is first needed to arrive at a final metric of social relations and this is still to be completed. The authors accept the latter as a potential limitation of this article, but justify the results as presented because of the ability to directly show a correlation for trust, communication, and influence to commitment.

COMMUNICATION

Senhaya and Pekerti (2010) propose that communication can build trust and ineffective communication can suggest the opposite. Dhillakia and Bagozzi
(2002) suggest that the ability to communicate goals and to understand the motivation of others can lead to being influential. Additionally, Johlke & Duhan (2000) suggest that the communication ability, in particular from supervisors, has positive effects on job outcomes for employees, including satisfaction, which may lead to enhanced commitment.

On the basis that communication, good or bad, is part of human interaction and is consequently the foundation for engendering trust, influence, and commitment, the authors propose the first three hypotheses as:

\textit{Hypothesis 1:} Increased communication has a significant effect on trust.

\textit{Hypothesis 2:} Increased communication has a significant effect on influence.

\textit{Hypothesis 3:} Increased communication as a significant effect on commitment.

\textbf{Trust}

The concept of trust, and literature related to trust is extensive. In terms of employment, trust is reported by Costa, Roe, and Taillieu (2001) as being a critical factor in team development, is said to enfold the areas of solidarity among workers through to psychological contracts (Martin, 2008), and leads to a form of commitment (McDonald & Makin, 2000). Expanding the former, Bijlsma and Koopman (2003) report that relational contracts (potentially the OSC variable of social relations) impacts trust, which impacts commitment,
that is, the higher the relational contract and, in this case trust, the higher the commitment.

Given communication may impact trust, it is possible that the more a colleague is trusted, the more influential he/she may be. Thus, the authors propose:

Hypothesis 4: High levels of trust have a significant effect on influence.
Hypothesis 5: High levels of trust have a significant effect on commitment.

Influence

In building the case that commitment is influenced by other OSC variables, the concept of influence itself needs to be considered and has already been so in a different manner above. The authors propose that someone cannot be influential, or accept being influenced, unless there is appropriate verbal or written communication and trust. As such, the authors present the final hypothesis as:

Hypothesis 6: Increased levels of influence have a significant effect on commitment.

Social Relations

The authors acknowledge the linkage of social exchange theory, as reported by Cole et al. (2002), to commitment, and feel supported in their views from such literature that suggests increased socialization builds trust by connecting its citizens and developing relationships (Pucetaite, Lämsä, & Novelskaite, 2010; Pucetaite & Lamsa, 2008; Ross & Boles, 1994).

While academic research provides a variety of definitions for the variables used in this research, it can be useful to also include a series of practical definitions for the variables used in this research, these are as follows: Communication refers to the both written and oral about matters impacting an employee’s job, encouraged to communicate and their views on the amount of constructive communication. Trust refers to the employees’ views on how people are treated, promises kept, openness, being able to count on colleagues for support and sharing of information. Influence refers to what motivates employees including the level of teamwork, persuasiveness of other, perhaps via the use of policy or threats, the level of planning than reduces pressure.
METHODOLOGY

Sample
General managers from all (112) hotels within the New Zealand Hotel Council database were invited, by e-mail, to participate in an OSC benchmarking exercise. This database holds the majority of New Zealand hotels over 50 rooms and luxury lodges if fewer than 50 rooms, therefore, is almost a total census of the New Zealand major hotel inventory. General managers of hotels wishing to participate advised the researchers how many employees (both full- and part-time) were employed and the hotels were subsequently supplied with that number of questionnaires in individual unsealed envelopes. Envelopes contained a research briefing sheet and were either handed out by supervisors and/or made available in employee break rooms. Postage paid envelopes were addressed to the researchers to ensure participants had control over their completed questionnaire by sending them direct to the researchers and not via the hotel. Additionally, this method ensured no financial expense was incurred by the participants or the hotel. Participants were given four weeks to complete and return the questionnaire.

Questionnaire Development
To measure OSC, and in the case of this research the impact that communication, trust and influence have on commitment, a questionnaire was developed. It included 12 questions related to commitment using the Porter and Smith (1970) organizational commitment questionnaire, 9 questions related to communication using Mount and Back’s (1999) communication satisfaction questionnaire, 14 trust-based questions from Tzafrir and Dolan’s (2004) trust questionnaire, 12 questions related to influence using Yukl, Seifert, and Chavez’s (2008) influence behavioral questionnaire, and 6 questions related to social capital drawn from Putnam’s (2000) families and work institute survey. Measurement of the questions for the first four variables (the focus of this article) used a Likert scale of 1–5 (where 5 was the highest level of positive agreement); social relations were measured using varying response options.

Data Analysis
In this research, the authors measured several variables and sought to identify their relationships with the objective of predicting impacts, therefore, generalized structured component analysis (GSCA) was used to analyze the
data and test hypotheses. Such an approach facilitates the analysis of a complex model. Specifically, GSCA with a 500 bootstrap resampling procedure was used.

Findings
Data was loaded into SPSS where it was subjected to descriptive and inference analysis and analysis of variance (ANOVA) (confidence level of 5%) to determine differences of means between groups. Of the total of 1922 hotel employees invited to participate, 419 participants returned completed questionnaires, a 21.96% response rate.

The following demographic profile emerged from the sample: 37.5% of the respondents are aged between 21 and 30, 51% held tertiary education qualifications, 65.5% are full-time employees, and around 44% had worked in their hotel for between 1 and 5 years.

To test the proposed hypotheses, this study employed GSCA. GSCA (Hwang, Montreal, & Takane, 2004) is an advancement from partial least square (PLS) analysis (Wold, Ruhe, Wold, & Dunn, 1984) and though it substitutes components for factors as in PLS, it optimizes the criterion of global least squares in the analysis, which estimates model parameters. This approach enables model fit to be checked while maintaining the benefits of PLS analysis, which was important in this study because the hypothesis proposed many different paths of possible impact on organizational commitment. In using GSCA, a two-step approach was taken, first, to measure properties and second, to test the structural model.

Examining Measurement Properties
Anderson and Gerbing (1988) contend that a measurement model of all constructs is needed to assess the acceptability of each multi-item scale to capture its construct. For this study, unidimensionality, convergent validity, discriminant validity, and model fit are used to indicate the adequacy of measurement properties.

In checking each of the above properties, Cronbach alpha was used to indicate any problems with unidimensionality; this study produced scores varying from 0.795 to 0.917. Given that these Cronbach alpha scores are above the accepted cut off value (0.7), it suggests that there is no problem of unidimensionality in this study.

Second, two indicators were used to investigate any convergent validity problem, namely factor loading and average variance extracted (AVE). Table 1 shows that the factor loading values are above the suggested cut-off of 0.60, with a minimum 0.612; all were significant ($p < 0.05$). Table 1 shows
<table>
<thead>
<tr>
<th>TABLE 1 Summary of Psychometric Properties</th>
<th>FL</th>
<th>Alpha Cronbach</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receive information about change</td>
<td>0.761</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The communication between people and departments in this hotel makes me feel part of a positive hotel community</td>
<td>0.815</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Written communication in this hotel is relevant and helps me do my job better</td>
<td>0.714</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meetings we have are informative</td>
<td>0.797</td>
<td>0.878</td>
<td>0.581</td>
</tr>
<tr>
<td>The hotel formally and informally communicates with me about how I am doing in my job</td>
<td>0.745</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The communication I receive about all sorts of things in this hotel is about right—not too much or too little</td>
<td>0.767</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I know that I can make suggestions about how to improve things and they are listened to</td>
<td>0.731</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Influence</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People use facts and figures to influence me about any new job they want me to do</td>
<td>0.678</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People take time to explain why something has to be done in a particular way</td>
<td>0.696</td>
<td>0.793</td>
<td>0.548</td>
</tr>
<tr>
<td>People are always prepared to help me to get things done</td>
<td>0.703</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am encouraged to ask questions and provide suggestions to improve the way things are done</td>
<td>0.772</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am motivated to achieve more in this hotel because of the way everyone works together</td>
<td>0.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trust</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My colleagues will keep the promises they make</td>
<td>0.696</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My colleagues really look out for what is important to each other</td>
<td>0.775</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I think that the people in this hotel will not breach any trust to get ahead</td>
<td>0.694</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My colleagues express their true feeling about important issues</td>
<td>0.723</td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is best to share information with my colleagues</td>
<td>0.68</td>
<td>0.893</td>
<td>0.513</td>
</tr>
<tr>
<td>My colleagues would not knowingly do anything to hurt this hotel</td>
<td>0.636</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Continued on next page)
TABLE 1 Summary of Psychometric Properties (Continued)

<table>
<thead>
<tr>
<th>My colleagues are open and</th>
<th>FL</th>
<th>Alpha</th>
<th>Cronbach</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>My work colleagues’ needs</td>
<td>0.804</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and desires are very im</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>portant to each other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I can count on my work</td>
<td>0.737</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>colleagues to help me if I</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>have difficulties with my job</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If I make a mistake, my work</td>
<td>0.612</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>colleagues are willing to “forgive and forget”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I find that my values and this</td>
<td>0.814</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hotel’s values are very simi</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>lar</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This hotel really inspires the very</td>
<td>0.801</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>best in me in the way of job performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am extremely glad that I chose</td>
<td>0.799</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>this hotel to work for, over other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>jobs that I could have taken</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For me, this is the best of all</td>
<td>0.794</td>
<td>0.916</td>
<td>0.668</td>
<td></td>
</tr>
<tr>
<td>possible hotels to work for</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I tell my friends that this hotel is a</td>
<td>0.872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>great place to work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I feel very strong loyalty to this</td>
<td>0.853</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>hotel</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I really care about the future of</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>this hotel</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

that the AVE values range from 0.513 to 0.668, which Fornell and Larcker (1981) suggest are an acceptable level of validity for the measures that a score. Based on these indicators, it is concluded that there are no convergent validity problems for the measured properties. Table 1 summarizes the evaluation of psychometric properties.

The third test to assess the measured properties is discriminant validity. Discriminant validity can be indicated by the correlation among constructs. Hair, Black, Babin, and Anderson (2010) suggest that the correlation between

TABLE 2 Correlations of Latent Variables

<table>
<thead>
<tr>
<th>Communication</th>
<th>Influence</th>
<th>Trust</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Influence</td>
<td>0.799 (0.021)*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.658 (0.035)*</td>
<td>0.709 (0.036)*</td>
<td>1</td>
</tr>
<tr>
<td>Commitment</td>
<td>0.703 (0.034)*</td>
<td>0.666 (0.030)*</td>
<td>0.538 (0.053)*</td>
</tr>
</tbody>
</table>

*Significant at 0.05 level.
Turnover Intentions in Hotels

TABLE 3 Model Fit Indicators

<table>
<thead>
<tr>
<th>Model Fit</th>
<th>FIT</th>
<th>0.554</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AFIT</td>
<td>0.551</td>
</tr>
<tr>
<td></td>
<td>GFI</td>
<td>0.996</td>
</tr>
<tr>
<td></td>
<td>SRMR</td>
<td>0.054</td>
</tr>
<tr>
<td></td>
<td>NPAR</td>
<td>64</td>
</tr>
</tbody>
</table>

Constructs must be less than 0.85; Table 2 demonstrates that there is no construct for which the correlation exceeds 0.85; hence, no discriminant validity problem was detected.

The last indicator to examine the measurement properties is model fit. In terms of assessing the fitness of the model this study relies on four indicators; FIT, AFIT, GFI, and SRMR. Based on the results from Table 3, the scores of FIT, AFIT, and GFI are relatively close to 1 and SRMR is close to 0. Hwang (2011) contend that such results concluded that the model is fit.

Structural Model and Hypotheses Testing

The results of psychometric properties indicate that the constructs used in this study are valid and reliable. By having valid and reliable constructs, the evaluations of structural model can be performed. The outcomes of structural model evaluation also explained that the model proposed is fit. Having established measures and a robust model, hypothesis testing can proceed. Table 4 summarizes the results of the hypotheses testing.

Hypothesis 1 proposed that employee communication has a significant effect on employee trust. Testing indicates that this effect exists ($t = 18.96$; $\beta = 0.658$), therefore, Hypothesis 1 is supported. This result, therefore, suggests that the higher the level of communication the potential higher level of trust, however, it should not be assumed that this will automatically

TABLE 4 Hypotheses Testing

<table>
<thead>
<tr>
<th>Path Coefficients</th>
<th>Estimate</th>
<th>CR</th>
<th>Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Communication --&gt; Trust</td>
<td>0.658</td>
<td>18.96$^*$</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Communication --&gt; Influence</td>
<td>0.588</td>
<td>14.0$^*$</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 Communication --&gt; Commitment</td>
<td>0.461</td>
<td>6.45$^*$</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 Trust --&gt; Influence</td>
<td>0.322</td>
<td>6.61$^*$</td>
<td>Supported</td>
</tr>
<tr>
<td>H5 Trust --&gt; Commitment</td>
<td>0.048</td>
<td>0.58</td>
<td>Not supported</td>
</tr>
<tr>
<td>H6 Influence --&gt; Commitment</td>
<td>0.264</td>
<td>2.49$^*$</td>
<td>Supported</td>
</tr>
</tbody>
</table>

CR$^*$ = significant at 0.05 level.
flow into a higher level of commitment as noted below (Hypothesis 5), higher levels of trust do not necessarily convert to a higher level of commitment. That said, most organizations desire an environment of trust, if nothing but good relations, and if positive communication aids this, then all is good and well. The reverse of all this is a more negative OSC.

Hypothesis 2 proposed communication has a significant effect on influence. As with Hypothesis 1, testing identifies this to be true \((t = 14.00; \beta = 0.588)\); Hypothesis 2 is also supported. Furthermore, the structural model indicates a positive relationship between these constructs, hence the higher communication perceived by employees, the higher their influence perception. Potentially, along with working with trusting/trusted colleagues, but not assuming that this makes people more committed, the matter that some people can be influential adds more “weight” to the overall opportunity for commitment. Ideally, the more “weight” that OSC variables gather as a total-sum, the better for everyone.

Hypothesis 3 proposed there is a significant relationship between communication and commitment, which again was proven \((t = 6.45; \beta = 0.461)\) meaning the higher perceived communication the higher employees’ commitment. It is noted that there is a direct-line to commitment and is arguably the root of commitment given communications flow through trust and influence. This, of course, is also potentially a hotel greatest challenge in that hotels employ so many different cultures with different languages; indeed one hotel produced an in-house weekly newsletter in 20 languages.

Hypothesis 4 and 5 relate to trust and its impact on influence and commitment. Testing suggests though trust significantly affects influence \((t = 6.61; \beta = 0.322)\), in this study there is no significant relationship between trust and commitment \((t = 0.58; \beta = 0.048)\). Hence, Hypothesis 5 is not supported. The researchers feel this is a counter-intuitive result, that is, one would assume the higher the level of trust the higher the commitment. Potentially, however, respondents are more focused on personal relationships, that is, trust builds influence, and may have perceived that organizational commitment is not the focus of their attention.

Finally, Hypothesis 6 proposed a significant effect of influence on commitment. This study found a significant relationship between these constructs \((t = 2.49; \beta = 0.264)\), therefore Hypothesis 6 is supported. As such, the higher employee perceived the influence, the higher their commitment toward organization. This result also demonstrates the “weighting” factor in action. Not only is commitment positively impacted by communication, but added weight via influence and trust.

Structural equation modeling (SEM) provides the value of coefficient determination. In this study, communication has a 43.3% effect on trust which means variables other than those tested in this research impact trust to a higher degree. The model indicates that communication and trust
affected perceived influence 69.8% and, finally, commitment is affected by communication, trust, and perceived influence around 53%. The coefficient determination analysis summarized in Table 5.

**DISCUSSION AND FINDINGS**

If not managed well, ETI can eventually lead to actual employee turnover and financial strain in an organization; a reduction in turnover could potentially lead to greater productivity and greater financial success. This article proposes that the most important element in the reduction of ETI, and the potential increase in employee commitment, is the variable of employee commitment. To affirm this, the researchers tested what, if any, impact the OSC variables of communication, influence, and trust have on commitment. The need to know such impacts is from the base that managers deal with ETI on a daily basis, therefore, knowing the power of each impacting variable, and being able to develop strategies to positively enhance them, may well reduce ETI thoughts and produce a significant financial benefit or, in other words, an *organizational financial productivity gain*.

The researchers acknowledge what could be seen as a common-sense answer to what impacts commitment as part of ETI: communication, trust, and influence. However, organizations are often set in tier ways of doing things and do not always adapt to change, even when common sense says they should. The authors also acknowledge literature highlighting factors related to ETI, such as the cost of employee turnover (for example Davidson & Timo, 2006) and the inter-relationship between communication and commitment (see Bambacas & Patrickson, 2008). Additionally, the literature suggests communication and the transmission of knowledge can potentially engender a person be more influential and via communication from, in particular, top management can also build trust, which is said to positively impact commitment (Mahajan, Bishop, & Scott, 2012). However, what has not been signaled to hotel managers before, or indeed the general management community, is the impacting power that communication, influence, and trust have on commitment, and in the case of this research, in the hotel industry. As such, this research is new and unique with the findings assisting managers to know which variables to concentrate on to reduce the impact of ETI. As stated,
these findings are a first for, and thus, unique to the hotel industry. Indeed no other non-hotel industry comparison is available; so what do they mean in practice?

Not surprisingly, communication significantly and directly impacts commitment; therefore, hotels must ensure effective communication with their employees if they wish to mitigate the ETI factor. The challenge for hotels in terms of communication is that this is an industry that engages significant numbers from different nationalities, therefore, the message sent is not always the message received. ETI can be further reduced and commitment increased by influential employees. It is possible that when employees receive effective communication it enables them to become influential by way of legitimate position (power) or personal power (expert or referent; Taber & Yukl, 1983), and when interacting with others they influence the level of ETI. Alternatively, communication can flow through trust into influence, and then to commitment which enhances the power of the overall impact on commitment.

A summation of the findings so far suggests that communication is the base impacting ETI, but this can be enhanced by developing trust and influential employees who, through their actions, may reduce ETI in others and themselves. However, it is important to note that in this research trust has less impact on ETI, a matter that contradicts the present literature as reported below. Therefore, managers must balance the effort put into developing trust within every employee and rather concentrate on communication and developing influential employees.

Ruppel and Harrington’s (2000) research presents the view that trust moderates the impact that communication has on commitment, which suggests that trust comes before communication; however, that view is not shared by Zeffane, Tipu, and Ryan (2011) who consider that communication may be the starting point but is at least on an equal level as trust, and that these two variables impact commitment. The article’s authors support Zeffane et al.’s view given the results from the present analysis. The authors also agree that there can be a back-flow effect from trust to communication that then flows to commitment via influence, which suggests commitment can be secured via a two-pronged approach. Zeffane et al.’s research, however, did not include any other variables, as in this research, where influence was considered something that could impact commitment and ETI. Indeed this aspect and the fact that trust has much less impact on commitment is what is new in terms of the literature and unique in the context of hotel research.

While Zaffane et al.’s (2011) research is possibly the most recent in terms of the discussion of the communication, trust, and commitment triad, and Mahajan et al.’s (2012) in terms of (management) communication and organizational commitment, this research expands both findings and notes that for the hotel industry, though trust is important, it has a much weaker
impact on commitment than Zaffane et al. (2011) suggest. Reasons for this difference may be the characteristics of hotel employees and their engagement, that is, a significant multi-cultural and contingent workforce, not the research base used by Zaffane et al. (2011) or Ruppel and Harrington (2000) study. In concluding this section, the researchers are of the view that hotels need to actively utilize the communication, trust, and influence OSC variables in different ways as combined they can positively impact commitment.

CONCLUSIONS

The results of hypothesis testing that stemmed from several research objectives. Specifically, this research developed objectives to identify if (1) communication is fundamental to the development of trust, influence, and commitment; (2) trust would positively impact influence; and (3) trust impacts influence, which then significantly impacts commitment.

First, while it may appear to be common sense to communicate with employees in general as part of getting the work done, it is absolutely vital as a tool to reduce ETI and develop commitment. For an industry that is focused on service, communication is more than instructions. High-level communication ensures that employees are not hindered in any way from doing their job and doing it well, which leads to happier employees, which then potentially governs their view on commitment. Communication is of course more difficult in a contingent and multi-cultural working environment as is found in hotels, therefore, this means that more efforts is needed by everyone, in particular managers to ensure the service standards remain as desired. More related to this finding follows in the implications for practitioners.

The second key finding relates to the counterintuitive view that trust is necessary for building commitment and is part of the decision for someone to stay committed to an organization. While the literature mentioned earlier suggests this to be the case, it is not so in hotels in this research. The authors are of the view that this is the case due to, again, the multicultural workforce who will have different views on what trust is and how it is developed, thus reducing this to a non-significant impacting variable. Additionally, the task nature of many of the roles in hotels does not always require the building of trust between employees and the organization; therefore, the view that it is easy to find another position means that employees do not have to invest energy in developing trust. While this position may exist in hotels, it may not be the same in other industries where highly complex activities needing stronger inter-employee engagement are the norm. This research would need to be tested in the latter setting to prove this. However, the overarching theme in this finding is one of a double-loss, that of a lack of trust between employees and the organization and the additional loss of
possible enhanced productivity as the outcome of committed employees and organizational profitability due to turnover.

By way of concluding this research, the researchers consider the issues that both academics and practitioners face related to ETI and commitment.

Issues for Academic Researchers of ETI

The topic of turnover intention is frequently studied in a variety of industries, including the lodging industry. That being said, little research exists on the connection of ETI and OSC variables such as commitment. This research adds to the limited research on this topic and encourages academic researchers to broaden their research on the topic. By doing this, academia can help create a larger theoretical framework related to ETI and actual employee turnover. Additional research on both these areas could provide significant benefits to industry practitioners, not just those within the hotel industry of New Zealand.

Implications for Practitioners

This research has implications to practitioners in the hotel industry in New Zealand, and in some cases, other hotel markets and hospitality sectors around the world. While others practitioners outside of the New Zealand hotel industry may have unique challenges pertaining to the management of their employees, and in some instances, similar human resource (HR) issues may exist. In the latter case, the results of this research may be highly beneficial in the areas of turnover intention and commitment.

The results of this research highlight the importance of finding effective ways to communicate with employees in their native language. The idea that hotels have a multi-national workforce in hotels is not a new concept, but the results of this research show that employees still feel that a gap exists in communication with their organization. By making an effort to better communicate with their employees in their native languages, organizations can have a positive impact on, among other things, commitment (turnover intention) and trust. While the authors are not asserting that all communication should be done in multiple languages, employers should realize that the sensitivities when it comes to employees who are more accustomed to their native language.

Keeping with the theme of communication, organizations should diversify the mediums, or methods, in which organizations communicate with their employees. The results of this research show that communication has an impact on trust, influence, and commitment. Decreases in these three variables can have impact on a service-based organization such as hotels. Practitioners should watch and track which communication methods are generating positive responses and in some cases, consider communicating
across vary mediums: digital, face-to-face, and through print formats such as newsletters, bulletin boards, and memorandums.

Practitioners should also ensure that employees have a mechanism to communicate with not only their peers (colleagues), but also their superiors. This could include the use of employee-led focus groups, online discussion forums, and proactive organization-facilitated programs to encourage interaction amongst employees. Regardless of the medium selected, the end result is the same; employees will interact with one another, which can have a positive impact on trust, influence, and commitment.

Employees who participated in this research indicated that trust is has an impact on influence in the workplace. While this is not entirely surprising due to the nature of commitment and turnover intention in this industry, organizations should make an effort to improve this trust in the relationships of a superiors and subordinates, as well as employees and their peers. One specific way to improve this trust amongst employees is to identify positive and influential employees in the work environment. Once this has been done, practitioners should make efforts to encourage them to form stronger professional relationships with employees. Additionally, organizations should make efforts to retain and develop these positive and influential individuals in the work environment. This could include, but is not limited to: job promotions, financial compensation increases, or tuition assistance for collegiate education (undergraduate and graduate-level degrees). These strategies have been shown to increase retention of individuals in a variety of work environments, not just those related to hospitality.

LIMITATIONS AND FUTURE RESEARCH

All academic research has limitations, and this research is no exception. It is acknowledged that this research only focused on one country (New Zealand) for its analysis. Due to this fact, issues related to large-scale global industry generalizability are limited. In a global hotel industry, where challenges related to the management of human capital are common and somewhat universal, there is value in replicating this research. Future studies turnover intention and commitment, as part of social capital, should focus on the hotel sectors of other countries to account for variances in demographics, cultures, and other applicable human resource characteristics.

In addition to the global nature of the hotel industry, this research has applicability to other sectors of hospitality and tourism. This research only focused on the hotel sector, and while this is an important contributor to the overall hospitality and tourism industry, segments such as food and beverage, airlines, cruise lines, and the casino-entertainment industry could potentially find benefit in a replication of this study.


Brien, A. R. (2004b). The New Zealand hotel industry—vacancies increase while applicant numbers and calibre decrease. *International Journal of Hospitality and Tourism Administration, 5*(1), 87–104. doi:10.1300/J149v05n01_05


