

Factors Influencing Job Satisfaction and Intention to Leave - A Case from Hotel Industry in South Korea

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ABSTRACT

The hospitality industry comes under the umbrella of service industry. The industry expects the employees to anticipate and attend to the visitor requests. These circumstances make the industry work 24/7 but what about labour supply to the industry? Throughout the years, employee turnover has moved towards becoming one of the top enterprises challenges to retain the workforce. This study tries to comprehend the determinants of job satisfaction and effects on employee turnover in the hotels in South Korea. The study is focussing on all departments and operational level employees. The study found that there is positive correlation between job performance and employee turnover where choice of work does not. The principal variables of job satisfaction that lead to turnover were wages/salary and opportunity for advancement/career movement. The investigation additionally uncovered that there should be a parity so as to pull in and retain potential employees as all factors that influence job satisfaction straightforwardly prompts the turnover.

Keywords: Employee Satisfaction, Turnover, Hospitality Industry, South Korea.

1. INTRODUCTION

In the hotel industry, employees are noteworthy on the grounds that they are most essential to providing service to the customers; employees' best frames of mind and standardized practices assume a fundamental role in the nature of work that they do. In this way, achievement of hotels' standards relies upon managing and retaining the employees. The employee's dissatisfaction will influence their responsibility to work and lead them to turnover (Pathak, 2012). Employee turnover implies the number of employees that leave an organization and are replaced by other employees over a timeframe. Turnover of employees can occur because of internal variables of organizations like the unnecessary overtime, not giving adequate recognition, low pay rates; the company does not give appropriate offices or proper working environment. Most employees feel disappointed with their jobs at some point in their career. A few employees leave their jobs for better chances, while others remain (Zhou & George, 2001). Employees with low job satisfaction can adversely influence an organization since they commonly need inspiration, perform ineffectively and have negative frames of mind. These indications can legitimately influence an organization's main concerns. Managers ought to comprehend the reasons why employees are despondent at work. Understanding the causes can enable administrators to identify the pitfalls and make necessary steps to salvage (Biemer & Lyberg, 2003) One of the prominent explanations behind job dissatisfaction is that it stems from organizations lacking adequate manpower. An absence of enthusiasm for work is another reason behind

why employees are troubled. Dreary work makes an employee experience fatigue. Exhausted and unchallenged employees experience a minimal motivating force to fret about work environment profitability.

2. LITERATURE REVIEW

2.1. EMPLOYEE DISSATISFACTION

The hospitality industry is a general classification of fields within the service industry that incorporates lodging, meetings, amusement parks, transportation, exhibitions, and other areas inside the travel industry (Pearce & Foster, 2007). It is a multibillion-dollar industry that relies upon the accessibility of disposable income and relaxation time. A hospitality unit, for example, an eatery, hotel, or an entertainment hub comprises of different sections, for example, office support and servers, cleaners, doormen, kitchen workers, barmen, sales and marketing, HR etc.

The hospitality and the travel industry are basically identified with one another as their common clientele is from a single source. The primary clientele is the travellers from local and global markets (Payne & Dimanche, 1996). The industry is spurting out globally because of the change in multicultural work environment. Research studies has been conducted to understand the dissatisfaction among staff in the hospitality industry resulting in poor service quality. Besides, such poor quality of service may trigger customer grievances (Kitapci & Taylan Dortyol, 2009)). In addition to that, it tends to portray job dissatisfaction as disagreeableness, hostile individuals and their reactions to undesirable conditions etc. Dissatisfaction will influence employee responsibility and lead them to turnover physically and emotionally from the company (Sunarsih, 2017; Zain & Setiawati, 2019). As different variables are identified with employee conduct (cognitive components), some of them choose to land in better job offers while others hang on to the same job when they are dissatisfied. Numerous researchers have studied the outcomes of employee dissatisfaction. AlBattat and Som (2013) stated that the Mobley model can be used to understand the instance of dissatisfaction and better perceive how to retain the employee. Different variables that lead to employee dissatisfaction include poor business performance (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010), long working hours (Kuria, Alice, & Wanderi, 2012; Mwobobia, 2012) and poor vocation prospects, poor working conditions (Karatepe & Shahriari, 2014).

2.2. COMPENSATION, BENEFITS AND REWARDS

The literary meaning of the word 'compensate' refers to provide someone typically monetary remuneration in lieu of a loss or recompense. A reward can be intrinsic or extrinsic. Research studies show that there is positive correlation between remunerations and employee retention (Chew, Girardi, & Entekin, 2005) also, sheds light into what employees need to do, their opinion about the rewards and their inclination with respect to the work and reward matters. The relationship between compensation and employee engagement is a frequent field of research study. Maccoby (1984) distinguished the job satisfaction of 25 employees and managers of Bell System over a five-year time frame and found that the employees and managers were happy with their compensation and benefits; and were additionally motivates to work beneficially.

2.3. JOB SECURITY

Job security refers to the state of having a job that is secure and there is unlikely any chance of being dismissed from it. Wilczyńska, Batorski, and Sellens (2016) investigated the relationships between various variables like job security, employment stability and job satisfaction of employees. Their studies revealed that job insecurity is a critical factor influencing job satisfaction for all employees. However, this impact was also found to differ based on various types of employment arrangements. Flexible workers were found to succumb to job insecurities in terms of job satisfaction. Studies were also conducted to understand the relationships between types of job insecurities and its impact on job satisfaction. Sender, Arnold, and Staffelbach (2017) investigated the effect of quantitative job insecurity (i.e., the perceived threat of job loss) and qualitative job insecurity (i.e., the perceived threat of losing valued job features) and employee attitudes (job satisfaction and turnover intention) among culturally distinct groups to understand how they interpret job security differently. (Mohapatra, Saxena, Joshi, & Chaturvedi, 2017) tried to explore the qualitative relationship of job security on Generation Y through conceptual review and focus group discussions. The study revealed that for Gen Y employees, their job security and satisfaction is derived from achievements and interests in their professional life.

2.4. WORK ENVIRONMENT

Workplace refers to the place where people work or offices and the areas surrounding it. Generally speaking, the work environment condition in the place an employee works encompasses the quality of office environment, its devices, ergonomic structure, lighting, ventilation, temperature, and the collaboration with other employees and the management. Hafeez, Yingjun, Hafeez, Mansoor, and Rehman (2019); Khan and Salahuddin (2018) explored, the impact of physical environmental factors and behavioural environmental factors on the employee productivity and revealed physical and behavioural environmental factors positively affects employee productivity. Positive correlations were established between major work environment factors and job satisfaction of the employees (Kabir, Newaz, & Aiman Kadhem Alkhalifa, 2019). Lankeshwara (2016) explored the impact of workplace environment on employee's performance and found that job aids, supervisory support and physical work environment positively influence the employee's performance.

3. METHODOLOGY

The research study uses a quantitative research design. The population of this study were the employees of three-star hotels in Seoul. Samples were collected from 100 employees, and data were analysed using SPSS.

3.1. FRAMEWORK

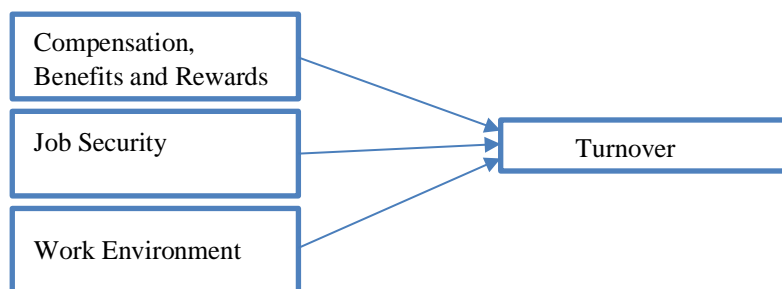


Figure 3.1.1 Theoretical Framework. Adapted from (Khatri, Fern, & Budhwar, 2001)

4. RESULTS

4.1. DEMOGRAPHICS

The total of 100 respondents in this study were (52%) male, and (48%) were female. 47% respondents between 25-29 years. 39% of respondents were below 25 years age, respondents between 30-34 years of age representing (10%), and 4 respondents between 35 years and above representing (4%). (98%) were Koreans. (51%) respondents were from housekeeping, (30%) from food and beverage, (13%) respondents from front office and (6%) were from other departments. For the working experiences, (50%) respondents worked for 1 year, (37%) respondents worked for 2-3 years, (10%) respondents worked 4-5 years, and (3%) respondents worked for 5 years and above.

4.2. DESCRIPTIVE ANALYSIS

Table 4.2.1 Descriptive Analysis of Compensation, Benefits and Rewards

Items	N	Min	Max	Mean
1. The non-financial benefits (leave benefits, retirement plan, health benefits) received are valuable and important to create my loyalty at hotel.	100	2.00	5.00	3.770
2. Benefit and rewards are very important in order for me to stay with this hotel.	100	2.00	5.00	3.780
3. I feel proud when I get recognition from my hotel for the work that I had done.	100	2.00	5.00	3.860
4. My hotel gave reward based on my performance.	100	2.00	5.00	3.470

The compensation, benefits and rewards analysis showed a highest mean of 3.86 for the statement '*employee feel proud when they get recognition from the hotel for the work that they had done*'. Meanwhile the lowest mean (3.47) was found for the statement '*my hotel gave reward based on my performance*'. The mean 3.78 was for *the benefit and rewards are very important in order for employee to stay with this hotel*. 3.77 shows that respondents were satisfied of *the non-financial benefits (leave benefits, retirement plan, health benefits) received are valuable and important to create employee loyalty at hotel*.

Table 4.2.2 Descriptive Analysis of Job Security

Items	N	Min	Max	Mean
1. I feel my hotel treats me like part of the family.	100	2.00	5.00	3.890
2. I believe in having long term relationship with my hotel.	100	2.00	5.00	3.500
3. I view hotel problems as my problem.	100	1.00	5.00	3.480
4. The job security in my hotel is very high.	100	1.00	5.00	3.600

The highest mean obtained from job security was 3.89 for *employee feel the hotel treats them like part of the family* meanwhile the lowest mean for '*the employee views hotel problems as their problem*' with 3.48. A mean of 3.60 was found for '*the job security in my hotel is very high*'. A mean of 3.50 showed that the respondents believe in having long term relationship with the hotel.

Table 4.2.3 Descriptive Analysis of Work Environment

Items	N	Min	Max	Mean
1. The physical working condition are very comfortable to work in.	100	2.00	5.00	3.270
2. The safety in my workplace is sufficient.	100	2.00	5.00	3.210
3. Spirit of cooperation and teamwork exists in the hotel.	100	2.00	5.00	3.680
4. Overall, my hotel is a pleasant place to work.	100	2.00	5.00	3.640

The highest mean point obtained from job security was 3.68 for employee *spirit of cooperation and teamwork that exist in the hotel*. Whereas the lowest mean is for *safety in workplace is sufficient* with 3.21 where the respondents are not satisfied. 3.64 showed that respondents are satisfied overall, and their *hotel is a pleasant place to work*. 3.27 showed that respondents were not satisfied with the physical working condition are very comfortable to work in.

Table 4.2.4 Descriptive Analysis of Employee Turnover Intention

Items	N	Min	Max	Mean
1. I am actively looking for another job outside of my hotel.	100	1.00	5.00	3.790
2. I would consider leaving for the hotel that has excellent management.	100	1.00	5.00	3.800
3. I would seriously consider leaving for even a slightly better position elsewhere.	100	1.00	5.00	3.830
4. I would seriously consider leaving my job for a position where I could earn more.	100	1.00	5.00	3.930

From the employee turnover intention, the highest mean point obtained is at 3.93 for employee who would seriously think of leaving their job for a position where earnings are more. Whereas, the lowest mean obtained for the employee who are actively looking for another job outside of the hotel is 3.79. The employee would seriously think of leaving for even a slightly better position somewhere else with 3.83. The employee would think of leaving for the hotel that had excellent management with 3.80.

5. DISCUSSION AND CONCLUSION

This research was led on three variables affecting employee's dissatisfaction and intentions to leave. These three variables are compensation, benefits and rewards, job security and work environment. This study tries to provide not only valuable data with justification but also tries to draw the importance of the variables like compensation, benefits and rewards, job security and work environment that predicts employee turnover in the hospitality industry. The study also tries to provide practical implications to hospitality industry managers in understanding the determinants of employee turnover. Therefore, to decrease the employee turnover in their respective organisations, measures needs to be implemented that provides the employees with competitive compensation, benefits and rewards, job security and work environment. Business leaders need to pay more attention to the intrinsic factors that predicts employee engagement and loyalty to the organisation to reduce employee turnover. This research study also has limitations similar to any other empirical study as the research sample only represents a minor section of the hospitality industry and hence cannot be generalised with the small sample size. Further research can be done using

large sample size to provide a generalisation of the industry across various categories of hotels. A longitudinal research study needs to be established to fully understand the causal relationship of the variables and therefore, the possibility of more variables influencing the intentions to leave cannot be ignored.

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