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EMPLOYEE RETENTION: JOB EMBEDDEDNESS IN THE HOSPITALITY INDUSTRY

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Research Concept

Hospitality is a labour intensive industry, requiring human resources with various skill levels, ranging from unskilled positions to positions that require high levels of services and customer contact skills. Despite the industry relying heavily on employees, high turnover rates and associated cost of turnover and low retention of skilled employees are issues that plague the hospitality industry (Baum, 2008; Carbery, Garavan, O'Brien & McDonnell, 2003; Hinkin & Tracey, 2000; Walsh & Taylor, 2007). Recent turnover research in 64 four to five star Australian hotels showed turnover rates of 50.74% for operational employees and 39.19% for managerial employees; furthermore, the average cost of replacing an operational employee is A$9,591, with higher costs for replacing a managerial employee (Davidson, Timo & Wang, 2009). The costs of turnover are not only monetary, it can also lead to customer dissatisfaction, decreased employee morale, decreased productivity, inconsistent service quality, impacting on business acumen and organisational performance (Cho, Johanson & Guchait, 2009). Accordingly, hospitality employee turnover, job satisfaction, organisational commitment and retention strategies are frequently researched areas (Birdir, 2002; Deery, 2008; Tracey & Hinkin, 2008).

Compared with other business sectors such as banking, management and finance, where positions are mostly full-time, specialised and operate during traditional business hours (ie. 9am-5pm), the hospitality workforce is labour intensive, and characterised by high levels of casualization diverse skill requirement from unskilled to highly specialised employees, customer contact oriented, and 24 hour seven days per week operation. Some of the causes of high turnover are contributed by the low-skill requirement of entry-level positions and demand seasonality which requires flexibility, temporary and casual workforce allowing many workers to enter and exit organisations freely (Barron & Anastasiadou, 2009; Milman & Ricci, 2004; Taylor & Finley, 2009). The casual and low-skilled status of many positions, such as cleaners, housekeeping and food and beverage attendants, allow workers to treat hospitality employment as a secondary job providing supplementary family income. Furthermore, research synonymously identifies many negative attributes of hospitality employment, such as the low-status nature of hospitality work, unsocial working hours, low job security and low pay (Hughes & Rog, 2008, Nickson, 2007; Powell & Wood, 1999; Sturman, 2001), accumulatively contributing to high employee turnover rates.

What makes people *stay*? In the past five decades, numerous organizational attachment theories and constructs have been developed to understand employee retention and turnover, such as job satisfaction (Lee & Way, 2009; Kim & Jogaratnam, 2010), the unfolding model and the affect of shock (Holtom & Inderrieden, 2006; Holtom, Mitchell, Lee & Inderrieden, 2005), organizational commitment (Blomme, van Rheede & Tromp, 2010), perceived organisational support (Cho, Johanson & Guchait, 2009), and leader-member exchange (Jansson & Van Yperen, 2004; Wayne, Shore, Bommer & Tetrick, 2002). These factors are often investigated together with strategic human resources management (SHRM) (Nickson, 2007) and talent management (TM) (Barron, 2008; Hughes & Rog, 2008), to develop approaches to maintain a stable and sustainable workforce. Nevertheless, a high rate of employee turnover is still considered one the biggest challenges facing the hospitality organisations worldwide (Barron, 2008; Davidson, Timo & Wang, 2009; Kim & Jogaratnam, 2010; Tracey & Hinkin, 2008).

Why do organisations with satisfied and committed employees still experience employee high turnover? Traditional theories such as JS and OC measure emotional and feelings of employees' liking of their jobs and attachment to their organisations, however, these measures do not include influences external to the organisation such as community support, availability of recreational facilities, or security of their family and neighborhood. To further contribute to epistemology of voluntary turnover, Mitchell, Holtom, Lee, Sablynski and Erez, (2001) developed the construct called Job Embeddedness (JE), which measures the extent to which employees feel stuck, connected, attached or embedded in their jobs. JE encompasses the complex nature of modern lives and a broad array of influences on retention, by including both on-the-job and off-the-job dimensions, in organisational and community domains.

Mitchell et al., (2001) developed a 2 x 3 matrix of these dimensions of (a) the *links* people have to other people or activities, (b) the *fit* between people within the organisation and their personal lives, and (c) the *sacrifice* people have to make if they quit (ie. to break the *links* and *fit*). These dimensions apply to the organisational (on-the-job) and community (off-the-job) perspectives. Mitchell et al., argue that the stronger the *links, fit* and *sacrifice* are, the more an employee will feel professionally and personally embedded in their organisation.

Recent studies have validated the JE construct and further explored its application in conjunction with traditional attachment theories to factors influencing intention to stay (Crossley, Bennett, Jex & Burnfield, 2007; Cuningham, Fink & Sagas, 2005; Holtom & Inderrieden, 2006; Mitchell, Holtom & Lee, 2001; Mitchell & Lee, 2001). Mitchell *et al.* (2001) tested the embeddedness construct among employees in the grocery and hospital industries in the U.S. The analysis supports that JE scale is a significant predictor of turnover, beyond traditional variables of job satisfaction, organisational commitment, perceived alternatives and job search. Other industries tested utilising JE includes employees from banking, finance and correctional facilities, football coaches and expatriate managers (Cunningham et al., 2005; Holtom & Inderrieden, 2006; Shen & Hall, 2009).

The main focus of this research is to investigate the application of the job embeddedness construct in the hospitality context. Hospitality employment is different to business organisations in that hospitality organisations experience high average turnover rate of above 50% (Davidson et al., 2009), the hospitality workforce is highly casualised, with 24/7 operations, labour intensive heavily relying on low-skilled employees, and features extensive customer service

orientations. In contrast to study by Cunningham et al. (2005), there is usually a competitive collection of hospitality organisations within any metropolitan area creating a competitive labour market, therefore changing jobs between hospitality organisations may only require organisation change but not relocation to another community. Mitchell et al., (2001) argue that being less embedded does not necessarily lead to quitting, furthermore, there are many non-financial and non-attitudinal factors concerning both on-the-job and off-the-job influences that place employees in networks of forces that keep them in their jobs. It is crucial for organisations to understand these networks of forces to enable effective human capital management.

This research will investigate whether the JE construct is predictive in the hospitality environment indicating employees' intention to stay. Furthermore, it will explore if employees' intention to stay is affected by gender, seniority or industry sectors (ie. hotel vs gaming). This research will also contribute to the existing body of knowledge of the job embeddedness construct in the hospitality context, identify the effects of variables relating to the JE construct and employees' intention to stay within hospitality organisations. The following research questions frame the proposed study:

1. Does job embeddedness predict turnover in the hospitality sector?
2. Is job embeddedness related to gender?
3. Is job embeddedness related to seniority/tenure?
4. Is job embeddedness related to industry sectors (i.e. hotel vs gaming)?

The findings from this research will highlight the importance of employee embeddedness and highlight strategies for hospitality organizations to retain talented employees. Furthermore, the retention of talents within hospitality organisations will enable industry authorities to demonstrate a rigorous career path to new entrants joining the hospitality organisations, and promote hospitality organisations as employer of choice.

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