

Bond University  
Research Repository



## Employee retention: Job embeddedness in the hospitality industry

Yam, Laurina; Raybould, Michael

*Published in:*  
Proceedings of the 9th APacCHRIE Conference

*Licence:*  
Unspecified

[Link to output in Bond University research repository.](#)

*Recommended citation(APA):*  
Yam, L., & Raybould, M. (2011). Employee retention: Job embeddedness in the hospitality industry. In K. Chon (Ed.), *Proceedings of the 9th APacCHRIE Conference* (pp. 1-6). The Hong Kong Polytechnic University.

### General rights

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

For more information, or if you believe that this document breaches copyright, please contact the Bond University research repository coordinator.

6-2-2011

# Employee retention: Job embeddedness in the hospitality industry

Laurina Yam

*Bond University, Laurina\_Yam@bond.edu.au*

Mike Raybould

*Bond University, michael\_raybould@bond.edu.au*

Follow this and additional works at: [http://epublications.bond.edu.au/business\\_pubs](http://epublications.bond.edu.au/business_pubs)



Part of the [Hospitality Administration and Management Commons](#)

---

## Recommended Citation

Laurina Yam and Mike Raybould. (2011) "Employee retention: Job embeddedness in the hospitality industry" 9th APacCHRIE Conference. Hospitality and tourism education: From a vision to an icon. Hong Kong, Jun. 2011.

[http://epublications.bond.edu.au/business\\_pubs/504](http://epublications.bond.edu.au/business_pubs/504)

## EMPLOYEE RETENTION: JOB EMBEDDEDNESS IN THE HOSPITALITY INDUSTRY

Laurina Yam  
PhD Research Candidate  
Bond University

Mike Raybould  
Associate Professor  
Bond University

### 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 of 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, Sablinski 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; Cunningham, 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.

## References

- Barron, P. (2008). Education and talent management: implications for the hospitality industry. *International Journal of Contemporary Hospitality Management*, 20(7), 730-742.
- Barron, P. & Anastasiadou, C. (2009). Student part-time employment. Implications, challenges and opportunities for higher education. *International Journal of Contemporary Hospitality Management*, 21(2), 140-153.
- Baum, T. (2008). Implications of hospitality and tourism labour markets for talent management strategies. *International Journal of Contemporary Hospitality Management*, 20(7), 720-729.
- Birdir, K. (2002). General manager turnover and root causes. *International Journal of Contemporary Hospitality Management*, 14(1), 43-47.
- Blomme, R. J., van Rheede, A. & Tromp, D. M. (2010). The use of the psychological contract to explain turnover intentions in the hospitality industry: a research study on the impact of gender on the turnover intentions of highly educated employees. *The International Journal of Human Resource Management*, 21(1), 144-162.
- Carbery, R., Garavan, T. N., O'Brien, F. & McDonnell, J. (2003). Predicting hotel managers' turnover cognitions. *Journal of Managerial Psychology*, 18(7), 649-679.
- Cho, S., Johanson, M. M. & Guchait, P. (2009). Employees intent to leave: A comparison of determinants of intent to leave verses intent to stay. *International Journal of Hospitality Management*, 28(3), 374-381.
- Crossley, G. D., Bennett, R. J., Jex, S. M. & Burnfield, J. L. (2007). Development of a global measure of job embeddedness and Integration into a traditional model of voluntary turnover. *Journal of Applied Psychology*, 92(4), 1031-1042.
- Cunningham, G. B., Fink, J. S. & Sagas, M. (2005). Extensions and further examination of the job embeddedness construct. *Journal of Sport Management*, 19(3), 319-335.
- Davidson, M. C. G., Timo, N. & Wnag, Y. (2009). How much does labour turnover cost? A case study of Australian four- and five-star hotels. *International Journal of Contemporary Hospitality Management*, 22(4), 451-466.
- Deery, M. (2008). Talent management, work-life balance and retention strategies. *International Journal of Contemporary Hospitality Management*, 20(7), 792-806.

- Hinkin, T. R. & Tracey, J. B. (2000). The cost of turnover. Putting a price on the learning curve. *Cornell Hotel & Restaurant Administration Quarterly*. 41(3), 14-21.
- Holtom, B. C. & Inderrieden, E. J. (2006). Integrating the unfolding model and job embeddedness model to better understand voluntary turnover. *Journal of Managerial Issues*. 18(4), 435-452.
- Holtom, B. C., Mitchell, T. R., Lee, T. W. & Inderrieden, E. J. (2005). Shocks as causes of turnover: What they are and how organizations can manage them. *Human Resource Management*. 44(3), 337-352.
- Hughes, J. C. & Rog, E. (2008). Talent management: A strategy for improving employee recruitment, retention and engagement within hospitality organizations. *International Journal of Contemporary Hospitality Management*. 20(7), 743-757.
- Janssen, O. & Van Yperen, N. W. (2004). Employees' goal orientations, the quality of leader-member exchange, and the outcomes of job performance and job satisfaction. *The Academy of Management Journal*, 47(3), 368-384.
- Lee, C. & Way, K. (2010). Individual employment characteristics of hotel employees that play a role in employee satisfaction and work retention. *International Journal of Hospitality Management*, 29(3), 344-353.
- Kim, K. & Jogaratnam, G. (2010). Effects of individual and organizational factors on job satisfaction and intent to stay in the hotel and restaurant industry. *Journal of Human Resources in Hospitality & Tourism*, 9(3), 318-339.
- Milman, A. & Ricci, P. (2004). Predicting job retention of hourly employees in the lodging industry. *Journal of Hospitality and Tourism Management*. 11(1), 28-41.
- Mitchell, T. R., Holtom, B. C. & Lee, T. W. (2001). How to keep your best employees: the development of an effective retention policy. *Academy of Management Executive*, 15(4), 96-108.
- Mitchell, T. R., Holtom, B. C., Lee, T. W., Sablinski, C. J. & Erez, M. (2001). Why people stay: using job embeddedness to predict voluntary turnover. *Academy of Management Journal*. 44(6), 1102-1121.
- Mitchell, T. R. & Lee, T. W. (2001). The unfolding model of voluntary turnover and job embeddedness: Foundations for a comprehensive theory of attachment. *Research in Organizational Behavior*, 23(1), 189-246.

- Nickson, D. (2007). *Human Resource Management for the Hospitality and Tourism Industries*. Burlington, MA: Butterworth-Heinemann Publications.
- Powell, S. & Wood, E. (1999). Is recruitment the millennium time bomb for the industry worldwide? *International Journal of Contemporary Hospitality Management*, 11(4), 138-139.
- Shen, Y. & Hall, D. T. (2009). When expatriates explore other options, retaining talent through greater job embeddedness and repatriation adjustment. *Human Resource Management*. 48(5), 793-816.
- Sturman, M. C. (2001). The compensation conundrum: Does the hospitality industry shortchange its employees – and itself? *Cornell Hotel and Restaurant Administration Quarterly*, 42(4), 70-76.
- Taylor, M. & Finley, D. (2009). Acculturation, assimilation, and retention of international workers in resorts. *International Journal of Contemporary Hospitality Management*, 22(5), 681-692.
- Tracey, J. B. & Hinkin, T. R. (2008). Contextual factors and cost profiles associated with employee turnover. *Cornell Hotel and Restaurant Administration Quarterly*, 49(1), 12-27.
- Walsh, K. and Taylor, M. S. (2007). Developing in-house careers and retaining management talent. *Cornell Hotel and Restaurant Administration Quarterly*, 48(2), 163-182.
- Wayne, S. J., Shore, L. M., Bommer, W.H. & Tetrick, L. E. (2002). The role of fair treatment and rewards in perceptions of organizational support and leader-member exchange. *Journal of Applied Psychology*, 87(3), 590-598.