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Is it linear or quadratic relationship between intentions to leave the job and its antecedents in luxury hotels?

Abstract

The aim of this study is to assess whether the relationship between intention to leave the job and its antecedents is quadratic or linear. To explore those relationships a theoretical model (see Figure 1) and eight hypotheses are proposed. Each linear hypothesis is followed by an alternative quadratic hypothesis. Findings from the analyses of 884 responses representing the staff of luxury hotels in India suggest that the effect of two antecedents i.e. job security, earnings and organisational loyalty were found to be linear. The two other antecedents i.e. organisational enthusiasm and stimulating job confirmed a quadratic relationship with intention to leave the job. Though one result suggesting that excessive salary or job security is no assurance to decrease staff turnover has been somewhat surprising. These results are unique within the context of human resource practices in the luxury hotels in India.

Keyword:

Staff turnover, hotels, quadratic analysis, India.
1. Introduction

This study explores a path that has been established by previous studies in the area. The aim is to assess whether the relationship between intention to leave the job and its antecedents is quadratic or linear. Usually good things account for an apparent good feeling associated with various aspects of organizational life. However, the paradox lies in the fact that, beneficial antecedents may be harmful when taken too far, raising a question - how do employees respond to increased benefits in luxury hotels? The term luxury hotels used in the current study refers to 4-star and 5-star hotels.

To accomplish the aim whether the relationship between intention to leave the job and its antecedents is quadratic or linear, a theoretical model (see Figure 1) and eight hypotheses are proposed. Each linear hypotheses is followed by an alternative quadratic hypotheses. The current study draws upon previous studies that have focused on the positive linear effects of organisational enthusiasm, stimulating job, job security and earnings, and organisational loyalty on intention to leave the job, especially the research by Mohsin, Lengler and Bhupesh (2013) who have investigated the linear relationship between those four antecedents and intention to leave job. The present research explores whether organisational enthusiasm, stimulating job, job security and earnings, and organisational loyalty will have a U-shaped relationship with intention to leave the job. This means that those relationships will have a curvilinear relationship, rather than linear. The alternative hypotheses propose that the relationship between the four antecedent constructs and intention to leave the job might not be linear, as the existing literature suggests. On the positive quadratic relationships, the intention to leave the job will be on its highest level when the four criterion variables examined are at their lowest or highest values. The minimum value of intention to leave the job will be achieved when each of the criterion variables are at their average point (sweet point). Thus, the too-much-of-a-good-thing effect would be observed. Our study advances the literature by testing possible alternative effects of those independent variables as antecedents on intention to leave the job.

The luxury hotels in India were chosen for the study based on that there is little research which originates from India in relation to human resource in the luxury hotels. Secondly, the growth that has been taking place in the hotel industry in India as evident from the following facts published by the Ministry of Tourism, Government of India (2012):

- There has been rapid growth, specifically in the 4-star and upward category of hotels in India. Figures suggest that from a total of 750 hotels in March 2012, growth is expected to reach 1338 by March 2017, and 2457 hotels by March 2022.
- This growth generates a demand for a trained workforce and presents the challenge of dealing with staff turnover. The current gap between demand and supply of trained human resources for hotels in India's luxury hotels is 8.64%.
- Current employee turnover rates are 11e12% in luxury hotels, and up to 20% in hotels in general. (Ministry of Tourism of India, 2012).

2 Theoretical background and Development of Research Hypotheses

The study seeks to explore whether the relationship between intention to leave the job and its antecedents is quadratic rather than linear. This research follows a path of previous studies that have been published in other business areas, such as management and marketing (Cadogan 2012, Lengler et al. 2013). In this sense, little headway has been done in the tourism management area and, few studies have approached that topic in this subject area. Objectively, we build up from researchers’ voices who advocate that the dominant literature has focused on linear relationships that potentially neglect alternatives relationships between antecedent and criterion variables (Pierce and Aguinis, 2013). More specifically, in this study we shed light on alternative shapes of the relationships between intention to leave job and its antecedents.

In order to contribute with this discussion in the tourism and hospitality management area, we structured our hypotheses development as follows: firstly, we specify linear hypotheses between each antecedent and intention to leave the job. Secondly, to each linear hypothesis an alternative quadratic relationship is specified.
Several authors such as Hartman & Yrie (1996); Hinkin & Tracey (2000) and Hom and Griffith (1995), Denvir and McMahon (1992) in their studies have indicated that turnover rates in the hospitality industry are comparatively higher which is partly under the control of the management. It could differ from hotel to hotel as an individual case. These authors and others such as Yang et al(2012), Wells and Peachey (2011), Yang (2010) and Cho et al (2009), suggest in their findings that enthusiasm at work helps build loyalty towards the organisation and influences any intentions staff might have to quit. To test, the following hypothesis is proposed:

**H1:** there is a negative linear relationship between employee’s organizational enthusiasm and employee’s intention to leave the job.

A competing hypothesis to H1 poses that the relationship between employee’s organizational enthusiasm and intention to leave job will be described by a curvilinear relationship (quadratic) rather than a linear one. The rationale behind that alternative hypothesis is based on the fact that studies have pointed out that there is a negative relationship between organizational enthusiasm and intention to leave the job (Slåtten et al., 2011; Liu et al., 2012; Josephson and Vingård, 2007). Since organizational enthusiasm is related to employee satisfaction, it could also be argued that organizational enthusiasm may not be enough to retain workers. If organizational enthusiasm evolves over time as do satisfaction, the relationship between enthusiasm and turnover intention may assume a curvilinear pattern. There are arguments, however, that too-much-of-a-good-thing can have a reverse outcome than those related in the literature (Pierce and Aguinis, 2013). This will contribute with our contend that after a certain point of organizational enthusiasm (moderate level) the intention to leave the job will be greater, explaining the positive slope of the curve. Thus,

**H2alternative:** there is a U-shaped relationship between employee’s organizational enthusiasm and intention to leave the job: employees with very low levels of organizational enthusiasm and employees with very high levels of organizational enthusiasm will present higher levels of intention to leave the job than those employees with moderate levels of organizational enthusiasm.

Jobs in the hospitality/hotel industries are usually perceived to be low skilled. Such perception coupled with poor management, lack of inspiration and no structured career become causes of negative impressions (Walmeley 2004). Such findings are also supported by Poulston (2008) stating that non-management employees tend to quit more often than management employees due to a lack of stable roles and positions. Lockyer (2007) also notes this in his study “…staff turnover seems to contribute to a reduction in service quality and a sense of burnout, particularly for front-line supervisors who are constantly involved in ‘fire-fighting’ when their departments are staffed with inexperienced employees” (p.88). Further Slatten, Svensson and Svaeri (2011) have suggested that relationship between role clarity, empowerment and mentoring, within the industry impact the turnover intentions of the employees. What is the situation with regard to employees in the luxury hotels in India? Following hypothesis tests the current situation, employees’ perception of their job and intention to quit.

**H3:** There is a negative linear relationship between how employees perceive a job to be stimulating and his/her intention to leave the job.

The perception of a job being stimulating can also be linked to the sector instead of the job itself. In this case, employability within the sector becomes an important variable (Blomme et al., 2010). Hospitality industry is known for employing low-skills workers and for not focusing on long-term commitment (Choi et al., 2000; McPhail and Fisher, 2008). In this case, the stimulation behind the job can cease within a short period of time, increasing the high level of turnover found in the industry (Blomme et al., 2010; Choi et al., 2000). In this regard there is a positive relationship between how much a job is perceive to be stimulating and the intention to leave the job (Erdogan and Bauer, 2009; Verhaest and Omey, 2006). This argument explains the negative slope of the curve where departures from minimal levels of stimulation will have a positive impact on intention to leave the job. However, considering that the industry does not focus on long-term relationship (McPhail and Fisher, 2008) there is a possibility that stimulation with the job would not be enough to retain employees. Workers then still can search for new opportunities and
challenges. In this case, increase competition in the industry and the employability in the sector help explaining the positive slope of the curve (Blomme et al., 2010; Laine et al., 2009). The increase in stimulation would then impact on higher levels of turnover. We test a curvilinear relationship where low stimulation and high stimulation increases intention to voluntarily leave the job.

**H4alternative:** there is a U-shaped relationship between employee’s perception of a job to be stimulating and his/her intention to leave the job: employees with very low levels of perception of a job to be stimulation and employees with very high levels of perception of a job to be stimulating will have more intentions to leave job than those workers who have moderate perception of their jobs to be stimulating.

Lack of career progression, low wages, low job security and low skills were identified as reasons of high turnover in the hospitality industry by Iverson and Deery in 1997. Pizam and Thornburg (2000) state in their findings pay and benefits amongst the most important factors affecting staff turnover. Horner and Swarbrooke (2004) also state low pay as an important factor leading to job insecurity in the hotels. Hence, low pay or low remuneration continues impacting staff turnover in different parts of the world as indicated by the above studies and studies conducted by other authors which include Williams et al (2008), Obbonna and Harris (2002), Dickinson and Perry (2002, Chalkiti and Sigala (2010), Yang et al(2012). Considering these findings, the following hypothesis is proposed to test the responses related to job security and pay within the Indian luxury hotels context:

**H5:** There is negative linear relationship between job security and earnings and employee’s intention to leave the job.

Literature has established a negative linear relationship between pay satisfaction and job security and intention to leave the job. Low satisfaction with payment or job security increases turnover intent (Laine et al., 2009; Motowidlo, 1983; Vandenberghe and Tremblay, 2008; Iverson and Deery, 1997; Blomme et al., 2010). This argument supports our argument that at very low levels of security and earnings workers express the intention to leave the job. When security and earnings are increased workers express less intention to leave the job. This is represented by the downslope of the U-shaped curve of the quadratic relationship between job security and earnings and worker’s intention to leave job. Following the too-much-of-a-good-thing approach (Pierce and Aguinis, 2013), job security and earnings may be positive up to a point. After that, increases in job security or earnings do not bring additional value and actually would lead to a higher level of turnover intention. Such relationship is supported by Taris and Feij’s study (2001), who have found that excessive amounts of salary or job security stimulate workers to leave the company. Their study supports our positive slope of the curve, where high levels of stimulation would lead to a higher intention to leave the job. Building from those arguments we test whether earnings and job security have a curvilinear effect in the employees’ intention to leave the job in the hospitality industry. Thus, we propose our hypothesis H6alternative:

**H6alternative:** there is a U-shaped relationship between job security and earnings and employee’s intention to leave the job: employees who perceive their jobs as being not secure and their earnings are low and employees who perceive their jobs as being very secure and their earnings are high will have more intention to leave job than those workers who perceive their jobs as being moderately secure and their earnings are considered moderate.

Organisational loyalty is observed to increase with a perception which communicates to the employees that this organisation values long term commitment from its employees. Management also need to obtain and address concerns the employees might have. Such an approach develops satisfaction amongst the employees and generates loyalty towards the organisation. Employees’ loyalty is expected to increase if they realise that the organisation is willing to spend time and money for their cause. Such views have been supported by several studies for example Redford (2005); Birdir (2002); Stalcup and Pearson (2001); Choi, Woods and Murrmann (2000); Teare and O’Hern (2000); Deery and Shaw (1999) and Yang et al (2012). What is the impact of organisational loyalty on employees’ intentions to quit? The following hypothesis tests the question from the perspective of employees in luxury hotels in India:
H7: there is a negative linear relationship between employee’s organisational loyalty and his/her intention to leave the job.

Literature has demonstrated that loyalty is negatively related to turnover intention (Shuck et al., 2011; Bhatnagar, 2012). Individuals that are more engaged are likely to be more loyal to the organization and high levels of loyalty lead to increased job satisfaction, higher performance, lower levels of absenteeism and, finally, turnover (Bhatnagar, 2012). Studies have only evidenced a linear relationship between turnover and loyalty, although aspects such as loyalty itself has weak power in avoiding turnover (Halbesleben and Wheeler, 2008; Bhatnagar, 2012). Other aspects such as payment and career management are more influential in the turnover intention than loyalty (Juhdi et al. 2013). In this regard, when workers have opportunities for development they feel to be more employable (Juhdi et al., 2013). This is particular important in the hospitality industry where, there is a rapidly increasing in turnover (Blomme et al., 2010). Then, knowing that other factors influence on turnover and that loyalty is not enough to avoid turnover, a quadratic relationship could be explored, where higher levels of loyalty may also increase worker’s’ intention of turnover, since they perceived themselves as being more marketable. Thus, we propose our eighth hypothesis:

H8 alternative: There is a U-shaped relationship between organizational loyalty and intention to leave the job: employees with very low level of organizational loyalty and employees with very high level of organizational loyalty will have more intention to leave job than those workers who have moderate level of organizational loyalty.

3 Methodology

A sample of 884 respondents was accumulated from the 4 and 5 star luxury hotels located in metropolitan cities of India (e.g. Delhi, Mumbai and Chennai).

Measures which lead to development of our constructs were drawn from the current literature as stated below.

- Employees’ organizational enthusiasm. Measures for this construct were adapted from the studies done by Denvir and McMahon (1992), Yang, (2010), Cho et al (2009).
- Stimulating work. Role clarity, stimulating/unstimulating work measures were adapted from the studies done by Walmeley (2004), Poulston (2008), Slatten et al(2011).
- Organizational loyalty. Measures for organisational loyalty were adapted from Redford (2005), Birdir (2002) Deery and Shaw (1999).

Suggestions were taken from senior hotel managers in India which helped develop measures to assess intentions to change present job and looking for something better paid.

To test our hypotheses and the structural relationships we applied Partial Least Squares Path Modelling (PLS-PM; Lohmöller, 1989; Wold, 1982). Despite of its large sample we decided to use PLS-PM because of the complexity of the model tested. Such complexity is reflected by the number of parameters and the fact that four constructs have been estimated by squaring their original latent constructs.

4 Findings, Discussion and Conclusion
Findings from the analyses of 884 responses representing the staff of luxury hotels in India suggest that the effect of two antecedents i.e. job security, earnings and organisational loyalty were found to be linear. The two other antecedents i.e. organisational enthusiasm and stimulating job confirmed a quadratic relationship with intention to leave the job. Though one result suggesting that excessive salary or job security is no assurance to decrease staff turnover has been somewhat surprising. These results are unique within the context of human resource practices in the luxury hotels (Figure 2).

The results of H1 and H2 indicate that relationship between organisational enthusiasm and intention to leave the job is quadratic and negative rather than linear. The relationship is represented by an inverted U-shaped curve reflecting that employee’s intention to leave the job reaches its highest point when he/she develops average level of professional and organisational enthusiasm (see Figure 3). This notion is supported by Yang et al (2012), Wells and Peachey (2011), Yang (2010) and Cho et al (2009), who suggest in their findings that enthusiasm at work helps build loyalty towards the organisation and influences any intentions staff might have to quit.

Results of the H3 and H4 indicate that the relationship between the perception of a job stimulation and intention to leave the job was found positive quadratic (u-shaped) rather than linear. This means that at very low and very high levels of job stimulation employees will show a high intention to leave the job. When employees perceive the job as being very unstimulating, they present a high intention to leave the job (see Figure 4). This has been shown by previous studies such as Walmeley (2004), Poulston (2008), Slatten et al (2011).

A negative linear relationship between pay satisfaction, job security and intention to leave the job has been widely reported in the literature (Laine et al, 2009; Motowidlo, 1983; Vandenberghe and Tremblay, 2008; Iverson and Deery, 1997; Blomme et al 2010). The H5 and H6 results in the current study suggest that as perception of job security and earnings increase, employees demonstrate an increase in intention to leave the job (see Figure 5). This is somewhat surprising and could be related more to job embeddedness and work engagement as suggested by Halbesleben et al (2008). According to the author job embeddedness captures components of an individual’s attachment to their job, it could consist of links, perceptions of person-environment fit and the sacrifices individual has to make to quit the job.

Loyalty towards organisation seems to increase amongst employees when they find that organisation is willing to spend money and time for their cause. Several studies have supported this view for example Redford (2005); Birdir (2002); Stalcup and Pearson (2001); Choi, Woods and Murmann (2000); Teare and O’Hern (2000); Deery and Shaw (1999) and Yang et al (2012). Results of H7 and H8 indicate that at a very low level of organisational loyalty the intention to leave the job is high, hence, as organisational loyalty increases, the intention to leave the job decreases (see Figure 6).

These findings are also supported by the work of Shuck et al (2011) and Bhatnagar (2012). Employees who are more engaged with their work are more likely to be loyal towards their organisation

The study is distinctive with its findings based on quadratic analysis. It has implications for managers of luxury hotels that too-much-of-a-good-thing may not be an assurance that employees will remain in the job. Secondly, there is little evidence in literature of similar analytical approaches within the context of luxury hotels in India or elsewhere being undertaken to assess staff turnover. In this way the outcomes have implications for both practice and theory.
Figure 1
Theoretical Model

Organisational Enthusiasm

H1(-)

H2(+)

Organisational Enthusiasm squared

H1(-)

H7(-)

Organisational Loyalty

H2(+)

H8(+)

Organisational Loyalty squared

Stimulating work

H3(-)

H5(-)

Job Security and Earnings

Stimulating work squared

H4(+)

H6(+)

Job Security and Earnings squared

Control Variable:
Level of education
Figure 2
Final Model

Organisational Enthusiasm
- 2.250**
- 0.133

Organisational Enthusiasm squared

Intention to Leave Job

Stimulating work
- 1.814*
- 0.068

Stimulating work squared

Organisational Loyalty
- 2.215**
- 0.024

Organisational Loyalty squared

Job Security and Earnings
- 2.100**
- 0.131

Job Security and Earnings squared

Control Variable:
Level of education

* p<.010  
** p<.05  
*** p<.01
Figure 3

The Curvilinear relationship between organizational enthusiasm and intention to leave job (H1 and H2_{alternative})
Figure 4

The Curvilinear relationship between stimulating job and intention to leave job (H3 and H4 alternative)
Figure 5
The linear relationship between job security and earnings and intention to leave job

(H5 and H_{alternative})
Figure 6
The Linear relationship between organizational loyalty and intention to leave job

\( (H7 \text{ and } H8_{\text{alternative}}) \)

Intention to leave the job

Organisational Loyalty
References and bibliography.


