

case study

Work-family Conflicts and Employee Turnover in the Hospitality Contexts

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Introduction

As a report from Bureau of Labor Statistics shows below, the quits rate (the number of quits during the entire month as a percent of total employment) is progressively increasing in the leisure and hospitality industry from 2012 to 2017. Compared to the index of other industries, the average employee quits rate in hospitality industry is much higher. It is obvious that hospitality industry has suffered a crucial productivity problem that results from the higher staff turnover.

Hospitality industry is a highly labor-intensive and service-oriented industry where the adequacy of qualified employees determines the business success. Zhao and Ghiselli (2016) using structural equation modeling (SEM) confirmed the general role of hospitality job characteristics (HJCs) as a job stressor, and pointed out employees who recognize high turnover in the workplace tend to have more family interfering with work (FIW) and higher stress. Because of the nature of 24/7 face-to-client operation, a number of hospitality employees have to work either overtime or under an inflexible schedule. Once hospitality employees face chronic stress from either work or family side, they are more likely to quit as a way of reconciliation. To reduce turnover rate, hospitality managers should survey employees' work-life situation and make an effort to balance teams' workload and schedules.

Literature Review

Work-Family Conflicts (WFC)

Greenhaus and Beutell (1985) defined work-family conflict as "a form of interrole conflict in which the role pressures from the work and family domains are mutually incompatible in some respect." Netemeyer, Boles and McMurrian (1996) differentiated family-work conflict (FWC) from WFC as a related form of inter-role conflict because of distinct sources of both. Mesmer-Magnus and Viswesvaran (2005) also distinguished the bidirectional WFC: work interfering with family (WIF) and family interfering with work (FIW). Frone, Russell, and Cooper (1992) found that job stressors and job involvement are positively related to WIF while family stressors and family involvement are positively related to FIW. Byron (2005) identified job stress, family stress, and family conflict as strongest associations with both WIF and FIW through meta-analytic review. Furthermore, Allen, Johnson, Kiburz and

Shockley (2013) found flextime (flexibility of time) is more beneficial than flexplace (flexibility of location) in terms of alleviating employees' WIF conflicts. Lu, Ting and Hsu (2016) proved that promoting flex-time's effectiveness in supporting work-family balance can positively influence the achievement of organizational outcomes, particularly employee commitment and turnover intention.

Consequences of WFC

WFC is negatively associated with two levels of employee attitudes: job satisfaction and organizational commitment (Allen et al., 2000). Zhao and Mattila (2013) presented that WIF can reduce employees' positive affective reactions to their employment, while FIW can decrease both positive affective job reactions and affective organizational commitment. Chu, Baker and Murrmann (2012) indicated that WIF and FIW may lead to employees' emotional exhaustion and then bring about dissatisfying service quality. When employees cannot receive positive feedback or handle assignments, they may feel discouraged about contributing to the jobs. Employees' disappointment from work can cause emotional distress that affects their interaction with families or friends. Similarly, employees can also bring their depression from family issues into the workplace roles. Therefore, either WIF or FIW may make employees unhappy with companies and finally lose their work loyalty or enthusiasm.

Employee Turnover

Griffeth, Horn, and Gaertner (2000) summarized that employee turnover can result from dissatisfaction with supervisors, job content, working conditions, and pay. Hinkin and Tracey (2000) said "turnover is caused primarily by poor supervision, a poor work environment, and inadequate compensation." Iqbal (2010) noted that the causes of employee turnover include lack of recognition, employees' dissatisfaction of performance appraisal and feedback system, lack of personal and professional advancement, and ineffective communication. Vong and Tang (2017) concluded stress-induced WFC can significantly discourage hospitality employees to remain at their jobs. Nadiri and Tanova (2010) revealed "the fairness of personal outcomes that employees receive may have more impact on turnover intentions of hospitality employees, job satisfaction and organizational citizenship behavior (OCB) than the perceived fairness of a firm's procedures." Hinkin and Tracey (2005) estimated the cost of lost productivity is the highest among all the cost categories, ranging from 47.1 to 67.6 percent of

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Table 1**Quits Rate - Leisure and Hospitality (Data extracted on: October 30, 2017)***Series Id: JTS7000000QUR**Seasonally adjusted**Industry: Leisure and hospitality**Region: Total US**Data Element: Quits**Rate/Level: Rate*

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	4.6	4.9	4.8	4.7	4.4	4.6	4.8	4.7	3.7	4.7	5.0	4.6
2008	4.4	4.5	4.4	4.3	4.4	4.3	4.1	3.8	4.0	3.9	3.4	3.3
2009	3.3	3.2	2.9	3.0	2.8	3.0	2.8	2.9	2.4	2.7	3.0	2.7
2010	3.1	2.8	2.9	2.9	2.9	2.7	2.7	2.9	2.8	2.9	2.6	2.9
2011	2.8	2.7	3.0	3.0	3.0	3.1	3.0	3.3	3.2	2.8	2.7	2.9
2012	2.9	3.0	3.5	3.2	3.4	3.4	3.2	3.1	2.9	3.1	3.0	3.1
2013	3.4	3.5	3.3	3.5	3.3	3.1	3.2	3.1	3.3	3.7	3.5	3.1
2014	3.4	3.8	3.5	3.6	3.4	3.7	3.6	3.8	3.9	4.0	4.0	3.9
2015	3.9	3.7	4.0	3.7	3.8	4.0	4.1	4.2	4.0	4.0	4.1	4.2
2016	4.1	4.4	4.1	4.2	4.5	4.2	4.2	4.2	4.3	4.3	4.4	4.4
2017	4.2	4.2	4.1	4.2	4.3	4.1	4.2	4.2(P)				
P: preliminary												

(Source: Job Openings and Labor Turnover Survey, Bureau of Labor Statistics)

total turnover costs for the sample they tested. In 2008, Tracey and Hinkin found the cost of turnover is generally highest for complex jobs in large upscale hotels, while the costs vary substantially for different property types; the costs associated with the quits of mid and upper-level managers or sales staff would be even higher; locating and hiring qualified entry level hospitality employees would be costlier and more time-consuming probably due to a poor-quality applicant pool and high rates of turnover. Similarly, Davidson and Wang (2010) addressed the underlying reasons why hospitality employees at all levels frequently quit in the Australian accommodation industry include seeking for better pay, working conditions, training and career prospects. In addition, Davidson and Wang (2010) also figured out that each hotel in their survey spends average A\$109,909 replacing executive, managerial and supervisory staff each year, and A\$9,591 for replacing an operational staff; these expenses do not include the intangible costs of productivity loss and service quality.

Consequences of Employee Turnover

When work-family conflicts occur, most people produce emotional exhaustion that can further lead to their intentions to quit. High turnover can result in workforce shortage, inconsistent service

quality, productivity loss, and financial costs. Tracey and Hinkin (2008) maintained that replacing employees in the hospitality industry may negatively influence the service quality. Iqbal (2010) thought high turnover, as hurdle to productivity, quality, and profitability at firms of all sizes, can lead to both financial and non-financial consequences. Achoui and Mansour (2007) identified negative effects of high turnover include tangible costs of replacement and production lost as well as intangible cost like moral impact, workload impact and team performance disruption. In addition, morale in high-turnover companies is typically weak due to the ineffectiveness or insufficiency of communication. When employees find their colleagues or co-workers changing all the time, they may feel tired of cycling through the process of getting to know new employees. As a result, management may also feel discouraged when they frequently deal with groups of new staff or demotivated employees. More critically, companies have to spend a large amount of money to manage the high turnover.

CASE SCENARIO: How to Achieve and Sustain Work-Family Balance at Sea Beauty?

The following case study is available for HR instructors to use in HR classrooms at college. The teaching notes are also included.

Agnes is working as a newly promoted manager of human resources for an all-inclusive luxury resort, Sea Beauty, which features upscale rooms with top-notch amenities, a full-service spa, several gorgeous infinity pools, an ultra-luxurious shopping mall, and the best food around. Sea Beauty has prided itself by providing a personalized feeling of exclusivity and seclusion for high-profile guests, and its financial performances in recent years are pretty good. The success mainly relies on a newly recruited VIP marketing team which consists of one Senior Vice President (Maggie), one Vice President (Venus), one Director (Kumi), two Managers, four Assistant Managers and nine Representatives.

Maggie was born in the United States and has a happy family with three children (16-year-old daughter, 10-year-old son and 1-year-old son). She has over 20 years of industry experience with multiple hospitality businesses before she joined Sea Beauty as the Senior Vice President in 2015. Maggie is a very minded, creative and powerful woman. Because of her excellent leadership, the marketing team has helped the resort gain 20% more profits than that of previous five years.

Venus is a native Chinese young lady who has got four promotions from Marketing Representative to Vice President within only six years. Venus joined Sea Beauty after she graduated from a business school in the United States, and now she is in charge of VIP clients based in Asian countries. Venus is a very diligent, hardworking and capable young lady. "Venus is either working or on the way to working," this is what colleagues always joke on Venus. Yes, for Venus, working harder is kind of her lifestyle and work ambitions. "Working overtime is quite common in Asia even though you cannot get paid overtime," Venus always answered when people asked her why she can always have so much work enthusiasm. Because of frequent business travels and tight schedule, Venus is single and she thinks marriage will deter her future career growth.

Kumi is a Japanese young lady who was born in the United States. Kumi is a very motivated, quiet and resourceful person. Kumi joined Sea Beauty with Venus in 2011. However, Kumi decided to stay at home in 2014 because of marriage and new baby. Kumi came back to work in 2015 as Manager and now she is Director.

One day, Maggie came to Agnes' office and complained about her workload. Based on the department's reporting structure, Kumi should directly report the daily operations to Venus and then Venus would summarize the key issues to Maggie. However, Venus is busy with business travels for about two months, during which Venus has only stayed in office for three days out of every two weeks. Therefore, Kumi had to directly report the operation details to Maggie, and Maggie had to deal with all types of trivial issues every single day.

Maggie told Agnes: "I have at least two executive meetings per day and I need enough time to prepare for all these meetings. However, too many things are reported to me now. I have to not only discuss the critical contracts with Venus but also speak with Kumi about each representative's performance every day. You know, I have been working off the clock for over one month. I have a 1-year-old son at home. I do not even have time to have a dinner with my son." Agnes frowned and asked Maggie kindly: "I am so sorry to hear this. So, what advice would you like to share?" Maggie answered: "I need one more day off per week and one more Vice President to whom Kumi could directly report when Venus is not here."

Agnes lapsed into a thoughtful mood at once. While the resort is located in the United States, the target guest is based on the Asian market. Venus is a remarkable marketing expert in building up close relationships with target customers in the Asian area. Venus has helped company achieve several greatest businesses, and now she is working on another big deal with some super VIPs in China. Therefore, it is impossible to reduce the frequency of business travels of Venus. One more day off sounds to be negotiable, but every minute could make big money for a hospitality business that is open 24-7-365. In addition, recruiting or promoting another Vice President is next to impossible because of limited financial budgeting and necessity. When Venus comes back to office normally, keeping another Vice President of VIP Marketing for company is just wasting money.

After quick consideration, Agnes asked Maggie: "I really understand your situation and feelings. I absolutely know how disappointing a person is working overtime all the time, especially in your special case. Since Venus should be only working overseas these four or five months, it would be improper for our company to hire another person to replace Venus when she is not here. If possible, I could discuss your case with my Director of Human Resources to see if we could pay more bonuses for you this year."

"No." Not until Agnes finished her sentence, Maggie immediately expressed her discontent. "I want my work-family balance to come back. I want more free time to spend with my families. I do not really care about the extra bonuses. If you cannot give me an appropriate response in three days, I may have to look for another company." Agnes felt quite worried because this is her 5th working day as the position of HR manager, and if Maggie quit, Agnes' career path would be definitely hindered. It would be shame for a HR professional to lose such a high-profile employee at the beginning of his or her HR management career. Agnes quickly made orders out of the anarchy of her heart, and said "I would try my best to help you solve your concerns, Maggie. Please do not be so upset. I will discuss your case with Venus, Kumi and my Director, and then give you a reasonable solution in two days." "I must keep Maggie stay..." Agnes said to herself.

After half an hour, Agnes came to Kumi's office and asked for her

opinions. Kumi did not show a surprise when I told her about Maggie's concerns. "Yes, I could feel Maggie's testiness these weeks. Venus' absence has actually made us stressed-out and disorganized," Kumi answered. "I would be happy to take on more responsibilities when Venus is off office, but I hope to get promoted by this year. I have been working at my current role with excellence for about two years, so I think it is reasonable for me to get promotion, right?" Kumi added. "Well, of course Kumi, you have done a wonderful job for past few years..." Agnes echoed with Kumi's opinions and thought for a moment. Then Agnes said, "but the annual promotion months are June and July, so it would be better to promote you until next year, Kumi." "Yes, I know Agnes, but I cannot take on more workload for another year without promotion, right? I also need a work-family balance. If it is assured that I will be promoted, I am more than happy to learn more and prepare for an upper role. If not, I probably have to consider another company for career enhancement," Kumi responded. There was a deep frown on the Agnes' face. "Okay, let me discuss this with my Director and then get back to you tomorrow," Agnes answered with more anxiety.

After two heavy conversations with Maggie and Kumi, Agnes picked up the phone and called Venus. It's 10pm in China. Agnes did not realize this until Venus said "Good evening" first to her. "Hi Venus, I am so sorry to trouble you so late but I do need to speak with you..." Agnes said with great apology because it is inappropriate to call a management at night. "That's fine, Agnes. No worries! Please feel free to let me know anything I can help!" Venus answered. After brief explanation, Venus told Agnes, "Well, I do understand Maggie and Kumi, and they are the best partners I have ever had. I would estimate that I may need to frequently travel to Asia in the next four to five months. Maggie and Kumi did contact me to discuss the key issues every day, but I have to say I am feeling a bit frustrated because of different time zones. Sometimes they had to call me in 2am, and I cannot have a good sleep. I would be happy to work overtime but I also hope there is someone who can help Maggie and Kumi..." After the call with Venus, Agnes felt even confused: Who can be the best person to liaise among Maggie, Venus and Kumi? How can she resolve everyone's concerns at minimal cost?

Discussion Questions

1. Why did Maggie come to Agnes' office? What key issues has Maggie addressed in her conversation with Agnes?
2. Are all of Maggie's requests reasonable? Why or why not?
3. What are the major concerns of Kumi and Venus?
4. Which specific work-family conflicts did Maggie, Venus and Kumi face?
5. Do you think cultural differences can influence employees' attitudes towards work-family balance?
6. If you were Agnes, what would you suggest resolving each person's issues at minimal cost?
7. What are the possible determinants and consequences of employees' intention to quit?
8. How can HR professionals reduce employee turnover?
9. How can functional managers reduce employee turnover?
10. What are the possible causes and consequences of work-family conflicts?
11. What are the differences between work interfering with family (WIF) and family interfering with work (FIW)?
12. How should HR manager create work-life balance for employees in different position levels? Any examples you know from the hospitality industry?
13. What have you learned from this case scenario?

Conclusion

Nishii, Lepak and Schneider (2008) pointed out hotels should adopt family-friendly human resources policies to minimize the negative effects of WIF and FIW. Hospitality companies that have established family-friendly work culture through flexible policies largely lessen employees' work-family stress and advance a smooth emotional transition for their employees without service quality degradation. Some feasible policies can include flexible work arrangements, employee assistance program, extended parental leave, childcare facilities and so on (Vong & Tang, 2017). Zhao and Mattila (2013) stated that "work-family support from hotels may have to be flexible, so that individual employees can choose options that best fit their needs", because young professionals may have different demands from seniors. According to Rao and Indla (2010), fitness centers and physical exercise programs can help employees release stress. In addition, Employee Assistance Programs (EAPs) can help employees better deal with their personal issues.

In addition to family-friendly work practices, hospitality companies should focus on the inclusion of employee training programs. Besides the professional training on the relevant job skills, psychological service and family counselling should also be provided, as they can educate employees about the right solutions to several big life events. Then, employees will not feel so panic or helpless when unexpected difficulty happens.

Furthermore, employers should position themselves as employees' mentors and friends when employees encounter any hardship. Supervisors should always encourage team members to share their personal concerns with professional psychologists rather than keeping their problem lock up inside. With special cares and help from companies, discouraged employees are able to restore confidence in their current jobs and do not seek resignation as a way of escaping work-family conflicts.

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