



## HUMAN RESOURCE MANAGEMENT AND TURNOVER INTENTIONS IN THE HOTEL INDUSTRY

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### **Abstract**

*Increasing employment turnover rate in the hotel sector is an emerging problem worthy of consideration. This study sought to investigate the turnover phenomenon in the hotel sector, which experiences relatively high turnover, and to examine the impact of human resource management (HRM) practices on employees' turnover intentions. A self-administered structured questionnaire was constructed based on previous studies and data were captured from 250 employees. The results of analysing these data showed that job analysis had a significant effect on employees' turnover intentions that explained seven per cent of the variance in employees' intentions to leave. However, no statistical evidence was found regarding the effects of other HRM practices on employees' turnover intentions. In addition and importantly, it was found that more than half of the participants intended to leave their hotel employment in the near future, but there was no relationship between their age and their intentions to leave. The study suggests that incentive plans based on rewards, bonus, salaries, enhancement, and performance appraisal reports could be useful strategies to be reconsidered in the surveyed hotels. The present study emphasises the need to broaden the focus of turnover research beyond attitudinal, demographic and relational factors.*

### **Introduction**

Recently, there has been widening recognition that HRM strategies, practices and activities have an impact on organisational performance and bottom line results contributing to overall effectiveness (Stone & Deadrick 2008). Academics and professionals have emphasised the use of competitive strategies that account for core competencies and capabilities within human resources (Cho, et al. 2006). Thus, the emphasis on human resources to improve organisational performance and competitiveness has become stronger not only because they cannot be copied or imitated by others, but because they provide an effective and rapid response to market demands (Pralhad & Hamel 1990, Stalk, Evans & Schulman 1992, Huselid 1998, Cho, et al. 2006). Moreover, concepts such as human capital, core competencies, intellectual capital, organisational capabilities, high performance work systems, process management, value base teams, and high performance teams have affirmed the role of HRM to organisational performance (Cho, et al. 2006). In the hospitality industry, the effective utilisation of human resources can give an organisation its competitive edge. A primary reason for this condition is that the services it provides are seen as inseparable from their provider (Nadiri & Tanova 2009).

The importance of recruiting, retaining and managing human resources (HR) to increase competitiveness of organisations has become a crucial factor in the success of the hospitality industry. Indeed, it has been observed in many organisations that management often fails at HR implementation. Further, several HR policies expressively described by senior managers exist only on paper (Khilji & Wang 2006). The gap between effective HRM policies and practices engenders employee dissatisfaction and turnover (Khilji & Wang 2006, Storey 1992). This evidence has led some scholars to question the effectiveness of implementing HR policies within organisations. Gratton and Truss (2003) argue the existence of HR policies 'on paper' is not enough, and the implementation of HR policies into action is necessary to the question of whether or not an organisation is delivering in the area of people management.

Like many other managerial topics, there is a lack in research pertaining to turnover and HRM in developing countries despite calls to expand the international HR perspective (Baruch & Budhwar 2006). This lack of knowledge limits contexts relating to HRM theory (Wright, et al. 2005). Consequently, HR practitioners face, in developing countries, an absence of focused strategies for combating high turnover rates and improving organisational performance (Khatiri, Budhwar & Fern 2005, Khilji & Wang 2006).

The present paper, therefore, outlines research that aims to achieve two important research objectives. First, to investigate the turnover in the hotel sector, second, this study examines the impact of HRM practices in the hotels sector on employee turnover intentions. These important research objectives have not been addressed before in the context as the majority of HRM studies have been conducted in developed countries. Hence, the present study is expected to contribute to the literature, and especially in the context, where there is a desperate need for more research work to be conducted (Altarawneh 2009).

The study is organised in four main parts. First, it begins by exploring the HRM practices and turnover theory to establish research hypotheses. The second part provides a research sample, sample design, and results are presented with the third part of the manuscript. The final part includes conclusions, the main findings, with indications of some limitations and a discussion of implications for future research in HRM.



### **Previous Literature And Research Hypotheses Hrm In Hotels**

The development of HRM has its origins in the large manufacturing sector and much of the literature reflects this orientation (Worsfold 1999). It is important to recognise that HRM in hotels pertains to small to medium organisations, where the pluralist unitarist debate may be considered of less importance in an industry that has never had a strong union presence (Nadiri & Tanova 2009). In addition, Cheng and Brown (1998) argue that the hospitality industry essentially comprises both a production and a service aspect; both the creation and the rendering of services from the hotel to the customer are primarily achieved through the employee. The success of this industry depends on the quality of employees and how effectively they are managed, which enables an organisation to achieve its objectives (Nankervis & Debrah 1995). Therefore, it is essential for the hotels to develop efficient HRM practices and policies that enable them to recruit, select and retain competent employees who contribute to the achievement of organisational objectives.

Personnel management in the hotel industry, however, has suffered a poor role and image (Alleyne, Doherty & Greenidge 2006). Kelliher and Johanson (1987) conducted a survey in the hotel industry and found that in small hotels the main functions of personnel management were to recruit and select staff, while in larger hotels the situation was slightly different because more sophisticated practices were used. A later study, conducted by Hornsby and Kuratko (1990) aimed to compare personnel practices in different sized firms. These researchers found little differences in what respondents considered the most important personnel issues, but in general there was greater sophistication of personnel practices in larger firms. An even more recent study conducted by Price (1994) concluded there was a strong correlation between size and the presence of HRM styles and practices. Price (1994) reported that the majority of examples of good personnel practices were found amongst larger hotels that were clearly improving personnel practices as well as recognising the need for management training. Employment practices in smaller hotels, however, were very informal with many managers seeing little need for formal arrangements, preferring a caring approach to staff. Hoque (1999a), who conducted a study with larger hotels, reported comparable favourable HRM practices similar to the systems of large manufacturing organisations.

### **Employees' Turnover and HRM in the Hotel Industry**

Turnover has been used as an organisational performance indicator since the early work of March and Simon (1958). These social scientists defined employee turnover intention as a reflection of an employee's decision to participate and work in the organisation. More recently, Denvir and McMahon (1992:143) define labour turnover as "the movement of people into and out of employment within an organization". These definitions suggest the turnover intention can be voluntary or involuntary. As people leave an organisation for a multitude of reasons, that may not be management related. A further categorisation of turnover is controllable or unavoidable (Khilji & Wang 2007).

High turnover is generally acknowledged as one of the distinguishing features of the hotel and hospitality industry (Worsfold 1999). Indeed, the hospitality industry is often plagued with high staff turnover levels, resulting in high personnel costs incurred because of recruiting and training new replacements (Hom & Griffeth 1995, Cheng & Brown 1998). Several studies have also examined both the magnitude and costs of turnover in the hotel industry (Hom & Griffeth 1995). With few staff staying longer than five years, turnover contributes significantly to labour costs through high replacement costs. With a skilled labour force needed in the trade and hotels increasingly providing the required training, early turnover may waste a hotel's sizeable investment in employee development

(Hom & Griffeth 1995, Nadiri & Tanova 2009) Many turnover studies have focused on other industry causes and effects. However, comprehensive and substantial studies have not been conducted to determine the direct and indirect causes of turnover in the hotel industry, although some hotels have undertaken individual turnover analyses to address this issue (Nankervis 1993). In spite of employee turnover having consequences the problem is often ignored because the costs are indirect and hidden (Hom & Kinicki 2001, Seston, et al. 2009). Furthermore, many hotels may consider it simply part of 'doing business' in this industry (Khilji & Wang 2006).

Voluntary turnover is treated as a managerial problem that requires attention. Thus, relevant theory presents a premise that people leave if they are unhappy with their jobs and job alternatives are available (Hom & Kinicki 2001). Phillips (1996: 180) highlights the centrality of voluntary turnover in HRM debate by stating, "HR programmes designed to reduce turnover can result in tremendous bottom line improvement." The literature has so far identified factors that impact on turnover rates as orientation and socialisation processes (Woods 1992); ad hoc recruitment and selection procedures (Wheelhouse 1989, Woods & Macaulay 1989, Wagner 1991, Bonn & Forbringer 1992), discrimination at the workplace (Antolik 1993), training and development opportunities (Hiemstra 1990, Hogan 1992, Conrade, Woods & Ninemeier 1994), management styles (Boella 1988, Wheelhouse 1989, Woods & Macaulay 1989, Lee- Ross 1993, Rowden 1995), organisational commitment (Denvir & McMahon 1992), competition and organisational culture (Woods & Macaulay 1989), labour shortage (Woods 1992, Debrah 1994), stress and burnout (Woods 1992, Hom & Griffeth 1995), the seasonal nature of the industry (Boella

1988, Denvir & McMahon 1992), and job dissatisfaction (Wheelhouse 1989, Bonn & Forbringer 1992, Hom & Griffeth 1995). Denvir and McMahon (1992) suggested that labour turnover is not an isolated occurrence, where multi dimensional aspects include low staff morale, substandard work performance and absenteeism.

Khilji and Wang (2007) reported that the impacts of labour turnover on a hotel's bottom line could be classified into direct costs and indirect costs. Direct costs are essentially financial consequences that include administrative costs as a result of increased recruitment and training expenditure of new employees (Boella 1988, Mercer 1988, Woods & Macaulay 1989, Riley 1991, Woods 1992, Mullins 1995). The indirect consequences of turnover include productivity losses due to unfamiliarity of the workplace, poor service quality as a result of insufficient manpower (Wheelhouse 1989, Riley 1991, Denvir & McMahon 1992), compromised standards and low morale due to the constant departures of workmates, which are in turn integrally damaging to the hotel's reputation (Woods & Macaulay 1989, Riley 1991, Mullins 1995). Denvir and McMahon (1992) argued that individual hotels experience different levels of labour turnover thus; confirming the view that turnover is partly within the control of management, which would suggest that turnover is, in effect, manageable through effective HRM practices.

Hotel industries would be perceived to have recognised the adverse effects of labour turnover (Nankervis 1993, Debrah 1994). Consequently, hotel HRM practitioners have been encouraged to adopt suitable HRM practices. These actions are demonstrated in recruitment and selection, orientation and socialisation, training and development, performance management, and compensation (Mullins 1995, Cheng & Brown 1998, Khilji & Wang 2007) initiatives. In fact, HRM studies frequently focus on a resource based view to imply employees are value creating assets and a source of unique competitive advantage for organisations. Thus, their retention (measured in terms of turnover rates) is central to studies focusing upon effectiveness of HR practices. These notions in terms of dimensions employee turnover and HRM in the hotel industry provide the foundation for the first hypothesis.

### **H1: HRM Practices And Employees Turnover Intentions Are Correlated In The Hotel Sector**

#### **Factors Influencing Employee Turnover**

Previous studies indicate that voluntary turnover is influenced by many factors. Maertz (2001) argues that severing the relationship with an organisation can include several non job factors such as age, gender or availability of attractive job opportunities elsewhere, in addition to some organisational factors such as multinational, high performing or low performing, and organisational size. Lee and Michell (1994) argue that the concept of lack of fit with employee values implies that if some aspects of a job are incompatible with an employee's expectations or goals a consideration to quit can manifest. Thus, it could be expected changes in HR practices to be more in line with younger employees' values and goals could lead to lower turnover among younger employees, when compared to older employees. This leads to the second hypothesis.

### **H2: Turnover Intentions And Employee Age Are Related**

In terms of the relationship between organisational type (multinational or local) and employees' turnover and HRM practices, it is generally believed that in developing countries multinational companies have better HRM systems when compared to the local companies, and are considered as better places for work (Taylor, Beechler & Napier 1996, Duarte 2001). Warner (2004) argues that local organisations are still very far from applying the concept of HRM as is understood internationally.

Additionally, multinational organisations recruit and retain the top talent by offering better career opportunities, compensation, good salaries rate and a less hierarchical HR system (Nadiri & Tanova 2009). Socialising and working in multinationals further changes employees' work related values to reflect the parent company's culture. Therefore, in a competitive and growing economy where job opportunities are numerous, employees in multinational organisations, when compared to those in local organisations, are more likely to be influenced by HR practices in their organisations (Khilji & Wang 2007). These contentions provide the foundation for hypotheses three and four.

### **H3: Turnover Intentions And Hotel Ownership Are Related**

#### **H4: HRM Practices And Hotel Ownership Are Related**

Regarding to the relationship between organisational type or category and HRM practices and turnover rate, evidence from the UK and the USA demonstrates this relationship. This evidence illustrates that profitable organisations are more likely to invest in developing good HR systems and those undergoing financial crisis are more likely to layoff employees and adopt other cost cutting measures (Lawler 2005). The argument made in this study is that five star hotels are mostly more profitable than other ranked hotels. That convention is simply because high performing organisations have the resources to divert to the development activities that low performing organisations find difficult to provide. Using this logic it is expected

that profitable hotel organisations (five stars) in Jordan invest more in developing effective HRM practices thus, exposing employees to new alternatives in HRM. In that way employees in these organisations are expected to receive extensive training and have better developed skills, which makes these employees more marketable than their counterparts in other organisations. In a competitive environment, these employees from higher performing organisations, with a greater awareness, a higher expectation of development oriented HRM practices and better developed skills, are more likely to stay lastingly in these organisations. Therefore, based on this discussion the following two hypotheses are proposed.

**H5: Employee Turnover Intentions And Hotel Categories Are Related**

**H6: Hrm Practices And Hotel Categories Are Related**

### Methodology

After reviewing the theoretical grounds of the expected relationships among turnover intention, HRM practices and other individual and organisational variables, a discussion of the research methodology that was employed to test the study hypotheses follows.

### Participants and Site

Regular employees working in the hotels organisations that operate in the region of Wadi-Mousa (Petra) south Jordan were targeted to be the population of this study. Employees were chosen as a subject for this study to investigate the impact of the existence of HRM practices on employees' intentions to leave the targeted hotels. Petra is considered as one of the new Seven Wonders of the World (<http://en.wikipedia.org/wiki/Petra>). An amazing archaeological site in Jordan the region is crowded by different hotels. The hotel sector was targeted in this study because it is a highly competitive industry that operates in a dynamic environment of growth. In addition, there is an obvious turnover phenomenon in the hotels of Petra, which need to be considered.

The names and addresses of the targeted hotels were drawn from the Ministry of Tourism and Antiquities website. The population of the study includes 1039 employees working in 29 hotels. Among these hotels, there are multinationals (international) and local hotels operating in the same market. The decision was made to include 250 employees as a sample for the study using a quota sample technique, as it shown in Table 1. The figures presented in the fourth column shows the respondents for each hotel category who were invited to participate in the study.

**Table 1: Population And Study Sample**

Hotel Category Stars	Hotels	Employees	Administered Questionnaires
5 Star	29	1039	250
4 Star	7	839	200
3 Star	3	60	15
2 Star	5	44	11
1 Star	10	40	10

**Source: Primary Data**

### Procedure

The first author contacted all CEO in the hotels via a formal letter and/or a telephone call and briefly described the objectives of the study. She then requested an appointment to discuss the study further, where the entire study objectives were explained to encourage each organisation to participate.. The first author then personally distributed 250 questionnaires to employees and tried to establish direct contact with many employees by walking around and talking with them. She explained the objectives of the study to each respondent in order to establish trust, to be regarded positively and to advise them on the basis of the worth of the study, a strategy that has been suggested by Saunders, Lewis & Thornhill (2009). Respondents were free to choose to return the questionnaire to her during the same visit, in the next visit, or via post. Since questionnaires were distributed personally it was possible to reach 250 employees. However, of the 250 distributed questionnaires only 150 were returned, and of these 147 were usable for an effective response rate of 58.8 per cent. All respondents were employees in keeping with the objective of the present study.

### Measures

A self administrated questionnaire was constructed based on previous studies to investigate the turnover intentions and to measure the impact of HRM practices on employees' intentions to leave in hotel sector. The questionnaire was translated into Arabic, the participants' native language. Each one of the study constructs and scales are presented in outline.

**General Information:** The questionnaire included questions related to employees' gender, age, work experiences and salaries.

**Organisational Category:** Five categories were used for measuring hotels rating ranging from one star to five stars. These were coded as '1' for one star and so forth to '5' for five stars hotels.

**Organisational Ownership:** Two main categories were used to classify hotels ownership: a multinational hotel which was coded as '1' and a hotel and coded '0'.

### HRM Practices

Items used to measure HRM practices were adapted from Huselid (1995) to fit the study context, and have been used elsewhere (e.g., Hoque 1999 & Alleyne, et al. 2006, Cho, et al. 2006). In total eight HRM practices were measured on a binomial scale to whether the specific practice is used or not, for each item, a 'yes' was coded '1' and a 'no' was coded with a zero, with an additional option (I don't know) to avoid non response cases. These practices were job analysis, job description, opportunities for promotion, selection procedures (two items), payment and salaries enhancements, rewards, performance appraisal system, and job security.

### Turnover Intention

A three item, five point Likert scale was used to measure employee turnover intention, the dependent variable. The responses ranged from 1 = strongly disagree to 5 = strongly agree. Each item asked the respondents to indicate the degree of occurrence of thought of quitting, searching for another job, and actually intending to quit. This scale has been used by other related studies (e.g., Nadiri & Tanova 2009, Seston, et al. 2009).

### Results

Table 2 presents the profile of the study participants and the hotels. In total 147 employees participated in this study, over 55 per cent of them worked at five star hotels and 26 per cent were from three star hotels. In addition, 62.6 per cent of the participants worked at international hotels, whereas 37.4 per cent worked at locally owned hotels. All the participants were male, which can be explained by socio cultural barriers. Especially, according to the participants, most of the Wadi-Mussa habitants do not consider hotels as suitable workplaces for women. The average age of the participants was 26 years who earn on average 225 JD. Moreover, the results showed that 79 per cent of the participants had between one to five years work experience, but no one was above 16 years of age.

**Table 2: Respondent profile % (N = 147)**

HRM department		Hotel ownership		Hotel classification		Work experience		Gender	
Yes	100	Local	37.4	One star	2.7	Less than 1 year	21.8	Male	100
No	0	International	62.6	Two star	5.4	1-5 yrs	53.7	Female	0
				Three star	25.9	6-10	23.1		
				Four star	10.2	11-15	1.4		
				Five star	55.8	Over 15	0.0		

Source : Primary Data

### Hypotheses Testing

#### H1: Hrm Practices And Employee Turnover Intentions Are Correlated In The Hotel Sector

In order to assess the influence of the independent variables (HRM practices on the dependant variable employee's intention to leave) the former were used as dummy variables. The influence were assessed firstly, by using T-tests to assess for significant difference in employee turnover intention between those who answered 'yes' and those who answered 'no'. ('I do not know' responses were excluded). Secondly, in order to determine how much each independent variable (each HRM practice) explains the variance in the dependent variable when considering the influence of the controlling variables and other independent, hierarchical regression analysis was conducted.

Table 3 presents the T-test results for HRM practices and turnover intention. It is shown in Table 3 there are significant differences between 1) those who answered 'yes' and those who answered 'no' regarding the existence of job analysis, 2) payment and salaries enhancements, and 3) job appraisal. Other HRM practices were non significantly different. The results of the hierarchical regressions presented in Table 4 show that the amount of the variance explained by the existence of job analysis is seven per cent. However, the change of R2 was non significant regarding payment and salaries enhancements and job appraisal, which contradict with the results of T-tests. This contradiction can be explained by the overlapping influences with the variables that were controlled for in the hierarchical regressions. Therefore, Hypothesis 1 is accepted regarding for only one HRM practice: job analysis.

**Table 3 :Relationship Between HRM Practices And Turnover Intentions**

Variable	T-test	Alpha	DR <sup>2</sup>	P<
Job description	1.437	.163	0.2	.626
Promotion	1.875	.063	1.3	.181
Pre employment test	-1.953	.054	2.2	.088
Selection	.072	.943	0.1	.670
Pay	2.596	.010	1.1	.216
Reward	.639	.524	0.3	.525
Appraisal	2.390	.018	0.2	.627
Job analysis	2.635	.009	7.0	.003

Source : Primary Data

### H2: Turnover Intentions And Employee Age Are Related

The result of a Pearson correlation coefficient showed that  $r = -.126$  and  $p = .129$ . This result indicates that there is a non significant relationship between age and an employee intention to leave. Therefore, hypothesis 2 is rejected. This result is non supportive of the contentions of Robbins and Judge (2007), who argued younger employees are more likely than older employees to sever their organisational linkage. These two social scientists claimed a likely reason for lesser turnover with older employees is the unlikelihood of being able to acquire another job.

### H3: Turnover Intentions And Hotels Ownership Are Related

The relationship between turnover intentions and hotel ownership was examined. The result of a T-test showed that  $t = -2.615$  and  $p = .010$ . This result indicates a significant difference in employees' intentions to leave between those who are working for local hotels compared to those who are working in international hotels, where the former was higher. Therefore, hypothesis 3 is accepted, which means that employees who work in local hotels are more likely to leave these hotels for other jobs.

### H4: HRM Practices And Hotel Ownership Are Related

Table 4 presents the results of Chi-square for HRM practices and hotel ownership. The results of Table 4 show only two HRM practices 1) pre employment test, and 2) job appraisal were significant. Therefore, hypothesis 4 is marginally supported. More obvious is the fact that both foreign and local hotels appear to employ similar types of HRM practices for all assessed categories.

**Table 4 : Relationship Between HRM Practices And Hotel Ownership**

Variable	Chi square	p <
Job description	1.251	.263
Promotion	1.590	.207
Pre employment test	15.584	.000
Selection	.616	.432
Pay	.651	.420
Reward	1.938	.164
Appraisal	6.383	.012
Job analysis	2.408	.121

Source : Primary Data

### H5: Employee Turnover Intentions And Hotel Categories Are Related

The result of ANOVA had an  $F = 3.37$  and  $p < 0.01$  for the responses of turnover intention. This finding indicates employee intentions to leave vary across the categories of their hotels. But Scheffe analysis showed significant differences in employee intentions to leave was only between the hotels of three stars and those hotels of two stars. The intention to turnover was significantly higher for hotels with a two star rating. Therefore, hypothesis 5 is marginally accepted.

### H6: HRM Practices And Hotels Categories Are Related

Table 5 presents the results of Chi-square for HRM practice and hotel categories. Strong support was found for hypothesis 6. This finding reveals robust linkages between HRM practices, hotel categories and strong employeeorganisational linkages, which provides a foundation of strategies to minimise employee turnover.

Table 5 Relationship between HRM practices and hotel categories



Variable	Chi square	p <
Job description	52.929	.000
Promotion	20.918	.000
Pre employment test	49.371	.000
Selection	33.292	.000
Pay	31.981	.000
Reward	18.263	.001
Appraisal	26.892	.000
Job analysis	62.485	.000

Source: Primary Data

### Discussion

The primary purpose of this study was to evaluate the impact of HRM practices on employees' turnover intentions in the hotel sector. The study results demonstrate that the HRM practice of job analysis had a significant effect on an employee intention to leave. However, no statistical evidence was found regarding the effect of other HRM practices on employee intentions to leave. This finding is consistent with the study by Cho, et al. (2006), who reported that some HRM practices had significant effects on the turnover rate of non managerial employees.

One of the main findings that can be taken from the results is there is a robust level of investment in HRM practices in the surveyed hotels. Most of the study employees judged that their hotels are performing a number of the assessed HRM practices. One explanation for the level of investment in HRM practices could be that the government represented by the Ministry of Tourism and Antiquities, 'push' the hotel sector in order to provide a quality standard of services. This leads to investment in HR practices.

The level of investment in HRM practices in the studied hotels may explain the level of support for hypotheses one, three, four, five, and six. In this context, Khilji and Wang (2007), Alleyne, et al. (2006), and Cho, et al. (2006) argue a high level of investment of HRM practices could lead to elevated employee satisfaction, a greater sense of employee commitment, as well as identification with, and involvement in their organisations. In short, investment of HRM practices may lead to a more stable workforce and lower employee turnover. A finding of the level of HRM investment impacts turnover intentions is consistent with findings of Alleyne, et al. (2006) who showed a robust level of investment in HRM practices in the Barbados hotel industry was linked with stronger employee-organisation linkages.

Nevertheless, the results showed a majority of the participants declared their bonuses and financial rewards are not based on their job performance appraisals. This contention is supported by almost half of the participants opposing the statement they receive a yearly formal evaluation on their performance. These findings indicate that many of the important managerial decisions such as promotion, training and development, bonuses and financial rewards and salaries are not made based on objective criteria, but instead are made on subjective assessments.

The results of this study showed that there is a reasonable tendency for employee turnover. More than the half of the study participants expressed an intention to leave their hotel employment, a phenomenon that could be explained by at least three explanations. First, most of the participants were young. A second explanation could be related to the findings employee bonuses, financial rewards and salary were seldom linked to perceived employee investment. And of course, a third reason is the possibility of many other contextual factors operating in the work settings enjoyed by the study respondents. The relationship between employee intentions to leave and age was non significant. This finding could be explained by the fact that Jordan has an unemployment crisis which limits job choices for young people, who will rather stay with their current job. This finding contradicts with work of Khilji and Wang (2007), who investigated the relationship between HR satisfaction and turnover. In spite of demonstrating a statistical link between employee age and intentions to leave, the context of employment was not considered as a mediating factor.

The findings for testing hypotheses three and five suggested employees who work in multinational hotels are less likely to quit or leave their jobs than employees who work in locally owned hotels. In addition, there was an indication employees who work in five and four star hotels are less likely to quit or leave their jobs than do the employees who work in hotels of categories of three, two and one stars. Ranges of possible interconnected explanations are also provided. In all of the chosen multinational hotels there are many HRM expatriates, those hotels operate locally, but think and manage globally. Thus, the hotel managers are encouraged to value human resources and invest more in HRM by offering attractive work environments for their workforce (Worsfold 1999, Maertz 2001, Baruch & Budhwar 2006). In addition, foreign qualified experienced HR managers manage many of the multinational hotels, and CEOs of them were the first to take the initiative to develop new



HR programmes. Management in these organisations was also found to be committed to transforming the traditional corporate culture in order to achieve competitive advantages.

The complexity of HRM and turnover decisions in organisations continues to attract the attention of researchers. Brewster (1999) indicates the interplay of several contextual variables, relating to labour conditions, organisational culture, and even history of business environment and regulations, in explaining the workforce turnover decisions. Thus, it is apparent beyond age and organisational ownership or type both external factors and the internal resource environment are also important determinants leading to high or low turnover decisions.

### Conclusion

Two salient conclusions can be made. First, despite the robust investment level of HRM practices in surveyed hotels, HRM practices do not appear to directly influence employee intentions to leave, and that their decisions to leave may depend on other financial factors. Second, more than the half of the employees who participated in this study disclosed an intention to leave their hotels in the future. These observations should be of concern to managers and HRM practitioners in hotels. The present study has many important implications for HR and other managerial practitioners in the hotel sector. In spite of the result that showed the level of investment of HRM practices in the surveyed hotels, this study is expected to be helpful to the managers in planning and executing some HRM activities where considerable attention needs to be given in the surveyed hotels, namely performance appraisal management and incentive plans (promotion, bonus and salaries enhancements). The performance appraisal function needs to be conducted regularly and its outcomes should be the foundations for many important HRM managerial decisions such as training and development and promotion. In addition, incentive plans based on financial rewards, bonuses and salaries are required to be reconsidered in the surveyed hotels. Financial rewards, bonuses and salaries are likely to be more profitable strategies if linked to objective criteria, specifically, on employees' performance appraisal reports.

Academically the present study has important implications for studies aimed to understanding HRM in developing countries. The results demonstrate effective HR practices can lead to a more stable workforce in a developing country. However, explanations of several of the study findings show relevance of contextual factors within organisations work environments highlighting the significance of several contextual factors, and this observation contributes to expanding the focus of turnover research.

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