

**The Effect of Organizational Culture on
Individual Outcomes in the Hotels Industry
An application to 5 & 3 star hotels in Cairo**

Nagwa M. Ghorab
Faculty of Tourism & Hotels
Menoufia University

Jehan El Amir Abbas
Faculty of Tourism & Hotels
Menoufia University

Emad M. Abd El Aal
Faculty of Tourism & Hotels
Menoufia University

Abstract:

Organizational culture is significant and important because it helps hotels predict the behavioral intentions of their employees, and consequently assure their job satisfaction. Also understanding hotel culture facilitates the person and the organization fit which allows more consistency between employees and their work environment.

This paper investigates the relationship between some dimensions of organizational culture and satisfaction and behavioral intentions of front desk employees in 5 and 3 star hotels in Cairo in addition to studying the relationship between demographic variables of 5 and 3 star hotel samples and job satisfaction. The main criterion for the selection of front desk employees is that they are in direct contact with guests all the time which brings them to physical and nervous tension and dissatisfaction so, hotels should adopt some culture that appeals to this segment of employees.

The main result was that valuing ethics, honesty, support for employees, fair compensation and employee development including promotion from within are the most critical dimensions of hotel culture that influence employees behavior. To enhance the results of this paper, hotel managers should compensate their employees fairly and develop training programs. Recruitment and selection process should be based on hotel culture and values to potentially increase job satisfaction and intention to stay in job.

Key words:

Organizational culture; Job satisfaction; behavioral intentions.

Introduction:

An organization can be as effective as its people, especially for hotels that are characterized by continual and intense customer-staff contact. So customer contact employees have a tremendous impact on customer's perceptions of service quality and on customer satisfaction (*Bitner et al., 1990; Heskett et al., 1994; Groves et al., 1995*). For example, *Brown et al. (2002)* indicated that employees customer orientation is central to a service organization's ability to be market oriented . Furthermore, they suggested that organizational culture has a significant impact on overall service performance and at the organizational level influences the level of employee's job satisfaction, organizational commitment and business performance (*Lee et al. 1999*).

As early as the 1920s researchers realized that a relationship existed between the management styles of superiors and the job satisfaction of subordinates. By the late 1950s it was generally accepted that the levels of employee job satisfaction were higher in participative organizations than in autocratic organizations. Likert (1961) referred that the result of strict autocratic management is that the subordinate employee feels little responsibility toward organizational goals and often welcome the opportunity to undermine the organization. (Vallen, 1993).

Objectives:

The present study was conducted in order to:

- 1- Provide an explanation about the relationship between the hotel culture and job satisfaction, and behavioral intentions of its employees.
- 2- Investigate whether or not the hotel culture works as a predictor of employees behavioral intentions (leave / stay).
- 3- Explains whether or not the demographic variables affect job satisfaction of hotel employees.

Research Hypotheses:

Hypothesis 1: There is no significant relationship between the organizational culture (independent variable) and the two dependant variables (i.e. job satisfaction and behavioral intentions) when applied to 5-star and 3-star hotels.

Hypothesis 2: There is no significant difference between 5-star and 3-star hotels regarding the dependant variables.

Hypothesis 3: There is no significant relationship between the demographic variables and job satisfaction.

Review of literature:-

Despite the increasing interest and industry discussion about the importance of organizational culture, there is no consensus about what the term means exactly. Considerable agreement regarding the key elements and dimensions of organizational culture includes those of sharing meanings, norms, values and beliefs (Denison, 1996). Also culture is defined as the dynamic set of assumptions, values and artifacts that are collectively shared in a given society at a particular point in time (Hatch, 1993).

(1) Organizational culture:-

Organizational culture is defined as the values members of an organization share. This is because their shared values are relatively stable, enduring and interact with

a company's people and organizational structure to produce patterns of behavior (Chatman, 1991).

Hill and Jones, (1998) define organizational culture as a specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and stakeholders outside the organization.

Organizations do not possess value apart from the values of their members. Thus, an organizational value system is said to exist when individuals know that group support for a given belief exists, a majority of active members are in agreement, and the core values of an organization are intensely held throughout the organization (Chatman, 1991; Gordon and Tomasso, 1992).

(2) Job satisfaction:-

Job satisfaction is defined as a positive or negative evaluative judgment of one's job (Weiss, 1996). It is also the extent to which a worker feels positively or negatively to word his or her job, it refers to the employees' general effective evaluation of their job. In hospitality industry, job satisfaction helps to ensure that employees will treat customers with the utmost respect (Arnett et al., 2002).

Because of the importance of customer contact, employee's job satisfaction is a primary concern for hospitality organizations that rely up on loyalty. So job satisfaction leads to good employee performance that makes them less likely to leave.

(3) Behavioral intentions :-

Behavior is any thing a person does, feels, thinks or experiences. Intention of leaving is an important outcome in the behavior of hotel employees. Although intention of leaving is an undesirable outcome for organizations, it is valuable to understand its predictors in order to minimize its negative impact on organization's effectiveness (Low et al., 2001). To reduce the turnover rate in the hospitality industry, the firm must be sensitive to the intrinsic motivational factors of employees.

Exploring the organizational characteristics on employees' intent to quit could easily help hotel managers decrease actual employee turnover, the result could include improvements in customer service, employee productivity, and organization profitability.

Research Methodology

This research examines the influence of hotel culture and values on employees satisfaction and behavioral intentions between two categories of hotels (5-star and 3-star hotels) in Cairo. A questionnaire form has been distributed , data have been analyzed by using SPSS (descriptive statistics, ANOVA). Regression analysis was used to examine the relationship between the independent variables and the two dependent variables measured. Likert scale (ranging from 1 being strongly disagree to 5 being strongly agree) has been used when asking respondents to rank their perceived hotel culture dimensions which come as an independent variable in this study.

Sample and data collection: The sample that completed the questionnaire included 120 front desk employees in 5 & 3 star hotel in Cairo, 40 questionnaire forms were lost and another 20 forms were invalid statistically. As a result of that 60 forms last appropriate for analysis with a percentage of 50% for 5-star hotels and alike for 3-star hotels.

Regarding the characteristics of the sample the percentage of males was 55% in 5-star hotel sample while it was 60% in 3-star hotels, females sample was 45% in 5-star hotels and 40% in 3-star hotels. In respect to the average age , it was approximately 35years for 5 & 3 star front desks employees. The majority of people working in front desk were married, tenure was 13-15years for 5-star employees while it was (6-9years) for 3-star hotel employees. Concerning the educational level, 5-star employees hold BSc, 3-star hotel employees working in front desks may have high School degree only, average working hours per week were 35hours for front desk employees of 5-star hotels, while 30 hours of working were the average for their counterparts in 3-star hotels.

These data were collected during the summer of 2006.

Results and discussion :

For better presentation, the obtained results would be discussed as follows:

Hypothesis 1:

1- The 5 star hotel sample
General Linear Model

Table 1. ANOVA

Source	Dependent Variable	Type 1 Sum of Squares	df	Mean square	F	Sig.
Organizational	Job Satisfaction	3068.305	1	3068.305	957.410	.000

Culture	Behavioral Intention	200.954	1	200.954	123.943	.000
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**2- The 3 star hotel sample:
General linear Model**

Table 2. ANOVA

Source	Dependent Variable	Type 1 Sum of Squares	df	Mean square	F	Sig.
Organizational Culture	Job. Satisfaction	2752.237	1	2752.237	314.737	.000
	Behavioral Intention	228.138	1	228.138	113.617	.000

The results of analysis of variance have indicated that organizational culture has a significant influence on job satisfaction and behavioral intentions as the calculated F values for these variables were found to be highly significant at 1% level of significance . Not surprisingly that this strong evidence supports the linkage of employee satisfaction with customer satisfaction and organizational culture, in service organizations in general and specifically in hospitality (Hallowell et al., 1996 ; O'Reilly, 1991; Testa et al., 1998).

Hypothesis 2:

Table 3. Descriptive statistics

		N	Mean	Std. Deviation	Std. Error
Job Satisfaction	3 star hotel	30	9.2000	2.10746	.38477
	5 star hotel	30	10.4000	1.81184	.33079
	Total	60	9.8000	2.04027	.26340
Behavioral Intentions	3 star hotel	30	2.8333	1.26173	.23036
	5 star hotel	30	2.6333	1.15917	.21163
	Total	60	2.7333	1.20545	.15562

It is important to mention that these values exceeded their standard error.

Table 4. ANOVA

		Sum of Squares	df	Mean square	F	Sig.
Job. Satisfaction	Between Groups	10.417	1	10.417	7.122	.010

Behavioral intentions	Between Groups	.600	1	.600	.409	.525
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The obtained results indicated that there is highly significant differences between 5 and 3 star hotels concerning job satisfaction, more over, the job satisfaction in 5 star hotels was found to be higher than that in 3-star hotels, because the performance of the 5 star hotels is higher than that of the 3 star hotels.

Also there is no significant differences between the 5 and 3 star hotels concerning behavioral intentions (leave / stay).

Hypothesis 3:

1-The 5 star hotel

Regression :

Table 5. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Tenure with the hotel	.450 ^a	.203	.174	.98204
Educational level	.565 ^b	.319	.269	.92390
Age	.646 ^c	.418	.350	.87098

Table 6. Model summary

Model	Change Statistics				
	R Square Change	F Change	df1	df2	Sig. F Change
Tenure with the hotel	.203	7.117	1	28	.013
Educational level	.117	4.635	1	27	.040
Age	.098	4.381	1	26	.046

Table 7. ANOVA

Model		df	Mean Square	F	Sig.
Tenure with the hotel	Regression	1	6.864	7.117	.013 ^a
	Residual	28	.964		
	Total	29			

Educational level	Regression	2	5.410	6.338	.006 ^b
	Residual	27	.854		
	Total	29			
Age	Regression	3	4.714	6.215	.003 ^c
	Residual	26	.759		
	Total	29			

Table 8. Coefficients

Model	Unstandardized Coefficients	Sig.
	B	
(Constant)	8.761	.000
Tenure with the hotel	.360	.013
(Constant)	6.144	.000
Tenure with the hotel	.294	.033
Educational level	.815	.040
(Constant)	4.098	.022
Tenure with the hotel	.315	.017
Educational level	.917	.017
Age	.406	.046

2-The 3 star hotel

Regression :

Table 9. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Gender	.576 ^a	.331	.307	1.62569
Tenure with the hotel	.650 ^b	.422	.380	1.53868

Table 10. Model summary

Model	Change Statistics				
	R Square Change	F Change	df1	df2	Sig. F Change
Gender	.331	13.874	1	28	.001
Tenure with the hotel	.091	4.256	1	27	.049

Table 11. ANOVA

Model		df	Mean Square	F	Sig.
Gender	Regression	1	36.667	13.874	.001 ^a
	Residual	28	2.643		
	Total	29			
Tenure with the hotel	Regression	2	23.372	9.872	.001 ^b
	Residual	27	2.368		
	Total	29			

Table 12. Coefficients

Model	Unstandardized Coefficients	Sig.
	B	
(Constant)	5.000	.000
Gender	2.500	.001
(Constant)	7.249	.000
Gender	2.210	.002
Tenure with the hotel	-.448	.049

Stepwise regression analysis has indicated that the following independent demographic variables have succeeded in the prediction of employees job satisfaction as follows:

*** 5-star sample**

- 1- Tenure with the hotel : contributed by 20% to the prediction of job satisfaction.
- 2- Educational level : contributed by 11% to the prediction of job satisfaction.
- 3- Age : contributed by 9% to the prediction of job satisfaction.

*** 3-star sample**

- 1- Gender : contributed by 33% to the prediction of job satisfaction.
- 2- Tenure with the hotel : contributed by 9% to the prediction of job satisfaction.

Concerning gender , the prediction was more positive for men than women. There was also negative prediction of job satisfaction, if the length of work increases, employees are likely to be less satisfied and intend to leave the hotel.

Conclusion:

The effect of organizational culture obviously existed for the individual outcomes of front office employees, where analysis of variance has indicated that organizational culture elements of valuing ethics and honesty, fair compensation and promotion from within have a significant influence on job satisfaction and behavioral intentions as the calculated F values for these variables were highly significant at 1% level of significance.

There are highly significant differences between 5 and 3 star hotels concerning job satisfaction, moreover, the job satisfaction in 5 star hotels was found to be higher than that in 3-star hotels, because the performance of the former is higher than in the latter.

The following independent demographic variables have succeeded in the prediction of employees' job satisfaction as follows:

5-star hotels sample

- Tenure with the hotel: contributed by 20% in the prediction of job satisfaction.
- Educational level: contributed by 11% in the prediction of job satisfaction.
- Age: contributed to 9% by the prediction in job satisfaction.

3-star hotels sample

- Gender: contributed by 33% in the prediction of job satisfaction.
- Tenure with the hotel: contributed by 9% in the prediction of job satisfaction.

Concerning gender, the prediction was positive for men than women. There was also negative prediction of job satisfaction, if the lengths of work increases, employees are likely to be less satisfied and intend to leave the hotel.

Recommendation

To enhance the results of this paper, hotels management should:

- Recruit and select on the basis of hotel culture and values to potentially increase job satisfaction and intention to stay in job.
- Compensate their employees fairly.
- Develop training programs to improve employees' loyalty.

- **Promote employees' from within.**
- **Adopt values that appeal to the employees.**

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أثر ثقافة المنظمة على سلوك العاملين في صناعة الفنادق بالتطبيق على الفنادق ذات الخمس والثلاث نجوم في القاهرة

تقاس كفاءة المنظمة بكفاءة العاملين فيها، هذا القول يعتبر حقيقيا في صناعة السياحة عموما والفنادق بصفة خاصة حيث تتميز المنشأة الفندقية بكون العاملين فيها على اتصال مستمر ومباشر بالنزلاء كما أن العلاقات بين جميع أطرافها تشير إلى التأثير الفعال للعاملين ذوي العلاقة المباشرة مع العملاء على إدراج جودة الخدمة المقدمة للعميل . ويشير العديد من الباحثين إلى ارتباط الرضا الوظيفي لدى العاملين بثقافة المنظمة حيث أن رضا العاملين عن ثقافة وقيم الفندق يؤدي إلى استقرارهم وثبات جودة الخدمة والذي من شأنه خلق ولاء النزلاء للفندق وزيادة ربحيته على المدى البعيد.

يهدف البحث إلى دراسة اثر ثقافة المنظمة (الفندق) على سلوك العاملين المتعلق بنية ترك الوظيفة أو الاستمرار فيها كما يهدف إلى دراسة العلاقة بين العوامل الديموجرافية والرضا الوظيفي.

أظهرت نتائج الدراسة وجود تأثير معنوي قوي بين ثقافة المنظمة ورضا العاملين وكذلك نواياهم المتعلقة ببقائهم في الفندق. وقد كان الرضا الوظيفي أعلى في الفنادق ذات الخمس نجوم عنه في الفنادق ذات الثلاث نجوم، وجد أن المتغيرات الديموجرافية المتمثلة في طول فترة البقاء في العمل قد أسهمت بنسبة 20% من إمكانية التنبؤ برضا العاملين في الفنادق ذات الخمس نجوم مقابل 9% في الفنادق ذات الثلاث نجوم، كما ساهم مستوى التعليم في إمكانية التنبؤ برضا العاملين بنسبة 11% في الفنادق ذات الخمس نجوم أما العمر فقد ساهم في التنبؤ برضا العاملين بنسبة 9% في الفنادق ذات الخمس نجوم، كما ساهم النوع في التنبؤ برضا العاملين بنسبة 33% في الفنادق ذات الثلاث نجوم، وجد أن طول مدة بقاء العاملين في الفندق يؤدي إلى ادراكهم سلبيات العمل فيكونون أكثر نية على مغادرته إذا أتاحت لهم فرصة عمل في فندق آخر.

Questionnaire

Part1 : demographic questions asked here will be used only for statistical analysis purposes .

1- are you?

Male.....

Female.....

2- what is your age ?

.....

3- how long have you been working for your current hotel ?

.....

what is your level of education?

.....

Part 2: Please circle the number on the scale as each question represents your feeling about your current hotel!

1- In general, I don't like working here .

2- My values match those of this hotel .

3- My values match those of co-workers .

4- Despite all things, I like my job .

5- I intend to remain with this hotel .

6- I have thought seriously about changing this hotel since I have worked here .

Part 3: About your hotel's culture and values, please circle the number that describes these values.

No.	Item	Disagree	Neutral	Agree
1-	Emphasis on service quality .	1	2	3
2-	Promotion from within .	1	2	3
3-	Support for employees .	1	2	3
4-	Paying attention to details .	1	2	3
5-	Valuing ethics and honesty .	1	2	3
6-	Risk taking when application of new ideas.	1	2	3
7-	Fair compensation .	1	2	3
8-	Team atmosphere .	1	2	3
9-	Training is important .	1	2	3
10-	Valuing customers .	1	2	3