

LEADING ORGANIZATION CHANGE AMONG STAR-RATED HOTEL EMPLOYEES

Muhammad Khairuddin Lim

Dr Che Mohd Zulkifli Che Omar

Abstract

This article investigates two forms of withdrawals behaviours, that is, turnover intentions and absenteeism among hotel employees. Many hospitality managers are convinced that excessive turnover is a costly phenomenon. Employee turnover does influences company hotel performance. Similarly, absenteeism is also one of the major contributors that indirect costs such as productivity and disruption of scheduled work. However, for service organizations like hotels, the effect of turnover and absenteeism can be significant not just in terms of costs but also to the quality and continuity of service provided. Therefore, the leader must align these behaviour with organizational change in order to survive. The ability to change rapidly and continuously is not a core competence; it is also at the heart of their cultures. Mastering strategies for managing change is more important today since the rate of change is greater than at any time in history. The risk failure is greater than ever before and the tension within the workforce is great and needs constant attention. Managerial level transformation could bring changes and transformation by injecting new ideas and policies. We must understand that change is not a process that can be forced or rushed but rather must be nurtured at a rate that is appropriate for each individual involved, as well as the organizational as a whole.

Introduction

The concept of Change, Turnover Intention and Absenteeism, first discussed in organizational research literature in the early 1980s, has attracted a number of research attention and the areas studied. Hence, the objective of this study is to investigate the relationship between change and the two forms of employee withdrawal behaviours, namely, turnover intention and absenteeism.

Change has been characterized as a 'crystallization' of new actions and possibilities based on re-conceptualized' patterns of organization (Kanter, 1983). On the other hand, Felkins, Chakiris & Chakiris (1993) described that the surface many organizations appear to be stable, unified and generally efficient in day to day operations. However, beneath the cover of orderly operations and structure hierarchical relationships, the effect of continuous change are creating new patterns and structures and changing the way organizations define themselves. In this sense, Jones noted that (1998) organizational change is the process by which organization move from their present state to some desired future to increase their effectiveness.

According to McNamara (1999) the concept of organization change when used in business and management literature usually refers to planned organization wide change. Planned or directed change is intentional and consciously initiated, managed and evaluated in relation to current and strategic organization objectives (Felkins et al 1993). Examples of this nature of change include change in mission, restructuring of operation, layoffs, new technologies, mergers, major collaborations, rightsizing and re-engineering. Felkins et al (1993) further elaborate that planned change is often a proactive move to prepare for challenges and deal with issues that will affect the organization.

Directed change is likely to be carefully monitored with regular feedback reports, performance measurements, assessment and necessary adjustments to meet overall objectives. On the other hand, the continuous process of non-directed or unplanned change is often in the shadows, largely out of the conscious awareness of organizations members. The greatest impact of unplanned change may be in the information that is lost and the activities that are not coordinated with planned change. A lack of accurate information and feedback at this informal level may be contribute to conflict, boredom, burnout, low productivity and poor work quality (Felkin,et al. 1993).

Researchers have long shown interest in the related physical withdrawal behaviours of lateness, absence and turnover. These forms of behaviours are the most frequently used indicators of withdrawal in organizational settings (Koslsowsky & Dishon-Berkovits, 2001). Withdrawal refers to a set of behaviours employees use in attempts to remove themselves from their jobs or avoid work tasks (Koslowky, Sagie, Krausz & Singer, 1997). Turnover describes permanent removal, voluntarily or involuntarily, of an employee from the organization (Kowlowsky et al., 1997) whereas absenteeism refers to the fact that the worker misses work during the entire day.

Many hospitality managers are convinced that excessive turnover is a costly phenomenon. According to Koys (2003), ample evidence shows that employee turnover influences to company hotel performance. Similarly, absenteeism is also one of the major contributors to indirect costs such as productivity and disruption of scheduled work (Albensi, 2003). For service organizations like hotels, the effect of turnover and absenteeism can be significant not just in term of costs but also to the quality and continuity of service provided. Voluntary turnover is considered the most harmful as it usually takes the organization by surprise and causes a disruption in operations for which the organization may not be prepared (Bushoff & Mels, 2000).

Research Methodology

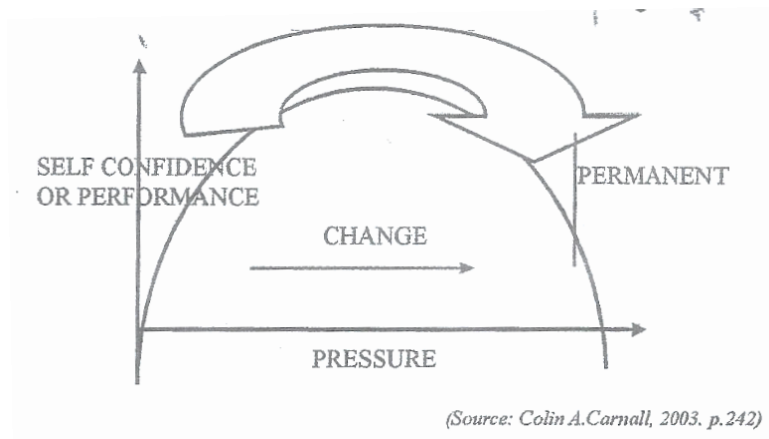
This research is qualitative in nature and based on information from three sources; Human Resource Managers, hotel employees and documents. In depth, unstructured interviews were carried out with selected Human Resource Managers. Informants were selected purposively based on their involved in the industry and their ability to provide insights into the objective and nature of the study. Guided by the research question, three officers and four employees were interviewed for a total of 23 hours. The interviews were recorded in the form of field notes. Data from interviews were supplemented by documents provided by the informants, including reports and papers related. In addition, observations were also made during visits to the hotel. From data obtained, descriptions of the organizational behaviour were made and the draft of the report was given to the management official for validation.

Minimize Disruptions

Change management is the process of developing a planned approach to change in an organization. Typically the objective is to minimize disruptions to the normal flow of activity. Hence, change management is important and helps the supervisor to plan relevant approach to overcome obstacles. It reduces disruptions and favouring flow of activities related to turnover intentions and absenteeism. In context of star-rated hotel, the top management could use change management to improve the turnover intentions and absenteeism. It is one of the major problems must be addressed to ensure the performances of the hotel is not disrupted. Figure-2 shows, to make changes in any organization the management needs self-confidence and pressure. It would leads to better performance. Self-confidence will reduce the pressure to make changes. These changes would improve the situation to overcome the problem.

On the case of the star-rated hotel the management does not have the pressure or confidence enough to make changes either in turnover and absenteeism problem. Therefore, the problem is persisting for long time without light at the end of the tunnel, the supervisors are wobbling with the problem without any part of the management.

Figure-2: Self Confidence, Performance, Pressure and Changes Chart



According to Colin A. Carnall (2003), changes made with self-confidence can last for long time or it would be permanent in problem solving. Therefore, turnover intention and absenteeism problem at the star-rated hotel needs permanent remedial action.

Learning Through Interaction, Stages Of Learning Change Management, And Niche Strategy

Based on research by Laszlo & Laugel (2000), learning occurred in several ways;

'Ongoing compliance is assured because the organization becomes an open system. capable of learning through interaction among employees and between employees and the wide range of stakeholders other than management staffs.

(p.243)

The above statement shows an employee could learn from other employees to overcome a professional problem during the course of his (her work. The collaboration between the management and employees would improve the situation regarding the turnover intention and absenteeism among hotel employees.

In order to bring improvement to the situation faces management and the staff should be innovative. Innovation is a powerful tool to make positive changes in hotel management. Innovation can create niche strategy as quoted by Fulmer (2000). The hotel management should use innovation to find ways in doing turnover intention and absenteeism in different style;

'The second key to a successful niche strategy is to build on innovation. It usually is an innovation that creates niches; a different way of doing something. It be the result of a new technology, or a new distribution channel or simply a process that enables an organization to do something more efficiently or effectively Than its competitors. It is rape to find a successful venture that merely copies what another firm is doing.'

(Fulmer; moo. p.206)

According to Lucretia Mott

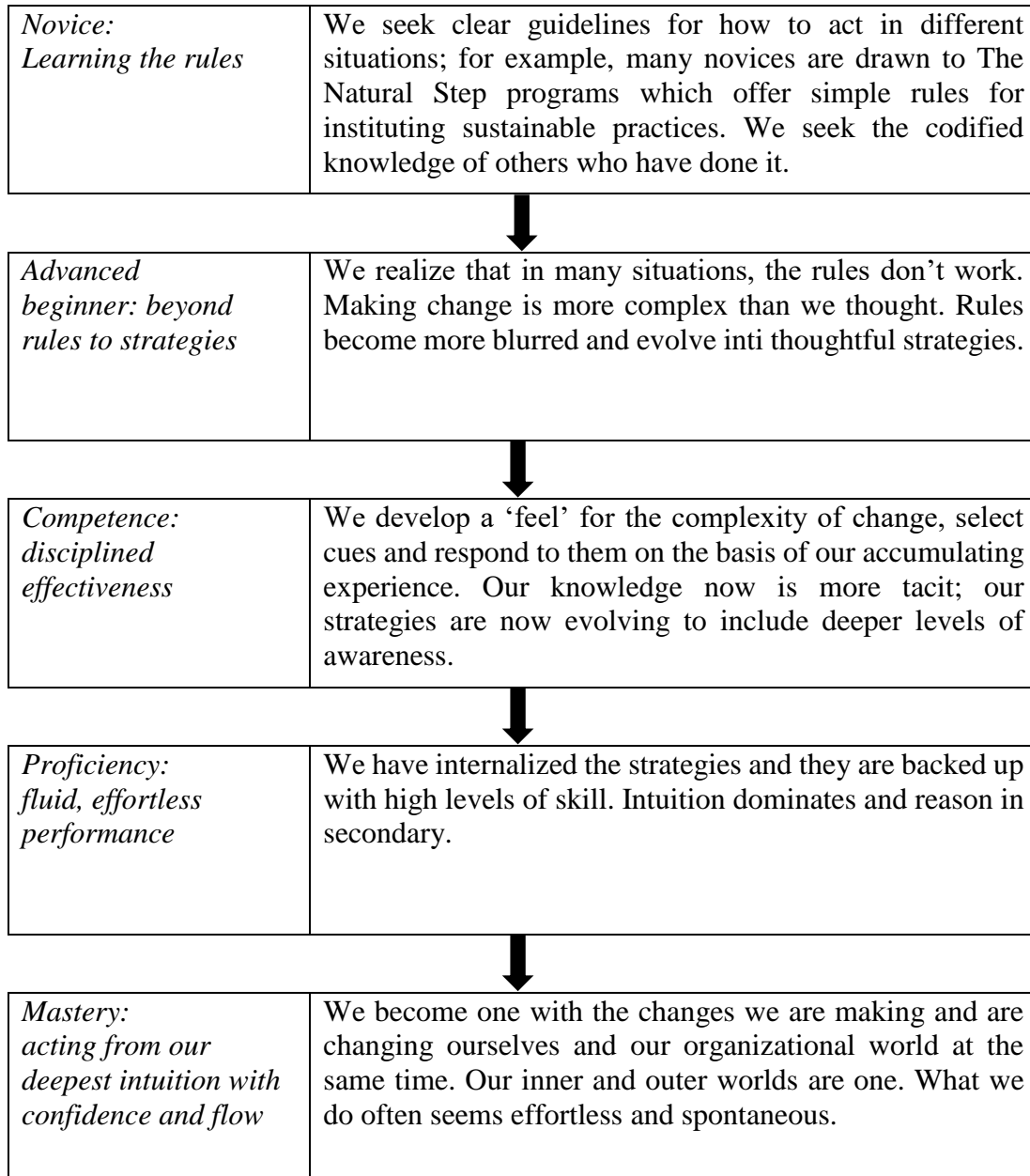
"One should expect resistance with any great change; it shakes the very foundation of privilege "

Winston Churchill said that:

"Never give up. Never, never, never, never give up. "

This especially likely to be the case in situations where this type of change involves-people, and in which personal relationships and emotional responses are predominant.

Figure-4: Stages in Learning Change Management



(Source: Dunphy, Griffiths & Benn, 2003. p. 268)

The hotel employee must make effort to learn change management. By learning change management he/she can become creative and innovative in solving organizational problems. Solving turnover intention and absenteeism problem at star-rated hotel needs creativity and innovation. The above stages suggested by Dunphy, Griffiths & Benn (2003), are easier to learn change management by the top management.

The above facts are further emphasized by Handy (2000),

'Change agents are like 'alchemist 'who don't react to events kit shape them and passionate about what they are doing because they have a conviction of its importance. They able to leap beyond the rational and logical and stick with their dream, if necessary against the 'evidence'.

(Handy, 2001. p. 74)

As a leader of change, we must take into considerations the type of change we need and use the appropriate strategies while implementing the change.

'Everyday people have problem for which they do, in fact, have the necessary know-how and procedures. We call these technical problems. But there is whole host of problems that are not amenable to authoritative expertise or standard operating procedures. They cannot be solved by someone who provides the answers from on high. We call these adaptive challenges because they require experiments, new discoveries, and adjustments from numerous places in the organization or community. Without learning new ways-changing attitudes, values, and behaviours-people cannot make the adaptive leap necessary to thrive in new environments. The sustainability of change depends on having the people with the problem internalize the change itself'

(Heifetz & Linsky, 2002. p.157)

Heifetz & Linsky (2002), provide deep understanding about some of the problems which need deeper observation. As stated here some problems requiring more than standard operating procedures in order to solve an organization problems. Turnover intention absenteeism is one of the problems needs more than standard operating procedures. The problem should be understood in industry organizational context particularly related to star-rated hotel. It should not be considered as one of the common problems in hotel industry.

Turnover intention and absenteeism is an adaptive challenge at the star-related hotel and it needs experiments, new discoveries, and adjustments to improve the effectiveness of the implementation. It also requires new ideas and determination to create a fool proof system related to turnover intention and absenteeism.

Participatory Management And Collaboration

One of the Human Resource Manager, contend that, 'The movement toward participatory management involves transferring the basic character of hotels'. In other words the authoritative Style Of leadership should be changed. Employees should be involved in decision making. Therefore, the turnover intention and absenteeism needs proper decision making with the participation of the employees.

One of them says that they are, 'Concern with shared values, rituals, and symbols'. The core problems of hotels for the most part, are not technical but social '. The problem of staff turnover intention and absenteeism involves technical and social problems. The technical parts are preparing time table for absenteeism, looking for new staff, avoid work tasks, worker misses work during the entire day and so forth. The social part of the problem is attitude, interest, motivation, and collaboration with hotel management. If compare with technical part, the social pat of the problem is difficult to overcome because it involves the nature of human being. But as quoted earlier applying right principle of management and change theories the problem of social aspect can be minimized.

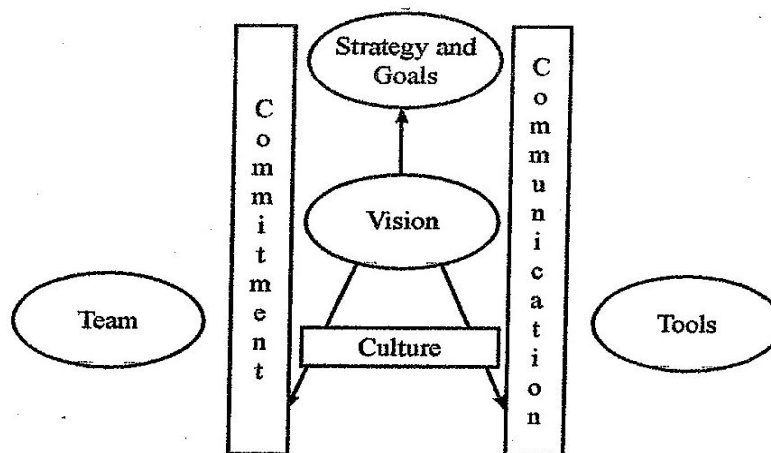
Collaboration is another important factor in determining the success of hotel organization. According to Macmillan English Dictionary (2002), '*collaboration*' defined as, '*to work with someone in order to produce something*, (p. 265). ' In the organization of the hotel, the management should collaborate with employees and the employees should collaborate with the management to bring changes and to solve problems. One of the Human Resource Manager said that:

'collaboration requires that professional teams and/or committee members interact with mutual respect and open communication; and jointly consider issues or problems, shared decision making, and joint ownership of purpose or programs. The collaborative exchange within a hotel should cut across grades, departments. And programs to involve a greater amount of communication and collegiality among staff members and to avoid departmentalization or turf problems'.

Therefore, the employees should work together with the management to overcome the problem of turnover intention and absenteeism. Without collaboration of both parties it is difficult to find mutual solution to improve the system.

Total Quality Management

Figure-6 TQM Model for Hotel Leadership



(Source: Murgatroyd and Morgan, 1994. p.67)

Total Quality Management (TQM) is an important aspect of any administration in any organization including hotels. The above figure-6 shows TQM model for hotel leadership in order to manage the hotel with competency and effective.

Two important aspects of TQM are commitment and communication in order to make the organization more valuable to its stake holders. Vision with right strategy and goals and right culture would create team work with right tools through commitment and proper communication.

'Total Quality Management (TQM) is based on the assumption that people want to do their best and that it is management's job to enable them to do so by constantly improving the system in Which they work'.

(Deming, 1988. p.132)

Based on this important fact, the management must look into the problems faced by the employees during implementation of any system. The problems must be reduced from time to time to help the employees and to increase the success of the system. Total Quality Management is one of the important pillars to overcome the problems Of employees in hotel industry. It could improve the system implemented in hotel in favor of employees.

Most of the hotel the interviews were carried out could apply the principles of Total Quality Management in their administration to solve the problem of turnover intention and absenteeism. The initiative on the part of the management to study and apply the principles of TQM could improve the turnover intention and absenteeism.

A Human Resources Managers remarked that:

'Many organizations are over managed and under led. They ascertain that the leader should be concerned with the organization's basic purpose and general direction. Time should be spent on doing the right thing: creating new ideas, new policies, and new methodologies.'

The hotel management should lead the employees all the time. The employees and the customers would be neglected, if the top management only concentrating in administration of the hotel. The managers should not find easy way out to solve problems.

Problems should not be solved in ad hoc manner because it would emerge in other form later. Therefore the top managers and Senior Assistants should spent time in pondering and creating new ideas individually or with collaboration to solve problems. Hotel Industry needs this sort of courage to improve its turnover intention and absenteeism.

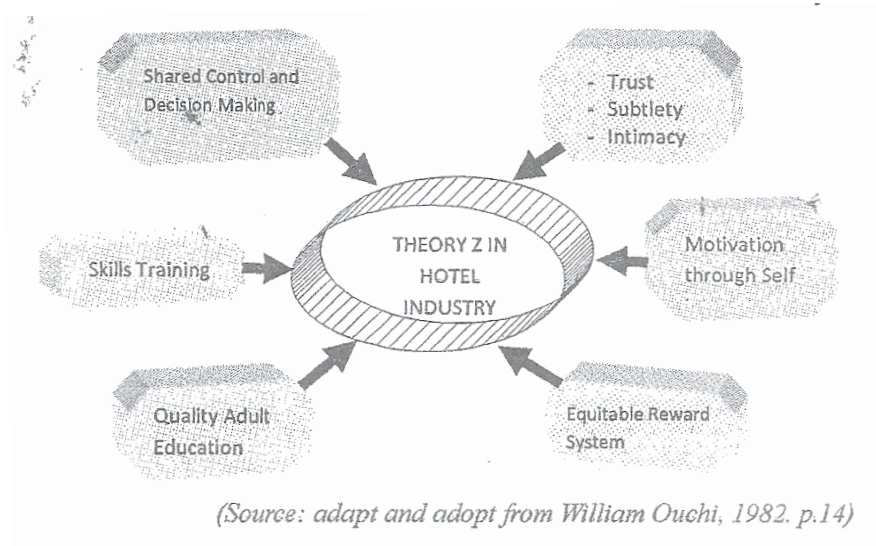
Theory Z

Wiuam Ouchi (1982), formulated Theory Z related to McGregor's Theory X "Pand Theory Y. Theory Z examined the whole organizational structure based on individuals rather than individual leadership in an organization as quoted below;

'William Ouchi examined high producing companies in order to discover what, if anything, these firms had in common. To explain the success of these companies, Ouchi developed Theory Z. Theory Z is an extension of McGregor's Theory X and Theory Y concepts. The principal difference is that McGregor's Theory X and Theory Y formulation is an attempt to distinguish between the personal leadership styles of an individual supervisor whereas Theory Z is concerned with the 'culture of whole organization.' That is, theory Z is not concerned With the attitude or behaviour patterns of an individual supervisor but rather with the difference the organizational culture makes in the way the whole organization is put together and managed. Theory Z culture involves long term employment, consensual decision making, individual responsibility, slow evaluation and promotion, an informal central system with explicit measures of performance, moderately specialized career paths, and extensive commitments to all aspects of the employee life including family. '

Further, Theory Z can be applied in hotel environment as illustrated in figure-8;

Figure-8, Major Components of Theory Z as Applies to Hotel Industry



'The features of Theory Z applied to hotel industry include trust, subtlety, and intimacy; shared control and decision making, training in planning, organizational processes, budgeting system, and interpersonal skills,' motivation through self-interest; rewards over the long run, and the importance of high quality adult education. '

(William Ouchi, 1982. p.14)

Concluding Remarks

Change is a complex process of adopting innovations to improve outcomes through modifying current practices. Hotel institutions like all other organizations undergo constant change and monitor their systems regularly to areas of potential improvement. However, poor implementation of reform programs have led to huge wastage of human and financial resources as well as lost of opportunity. The findings show that the hotel industry is facing a high rate of employee turnover. Kaak, Field, Giles and Norris (1998) reported that turnover rates exceeding 100% were common in the hospitality industry.

Furthermore, high turnover rates in the hotel industry are not country specific but a world epidemic (Ron, 1997). Therefore, to really implement change effectively, the managers need to see the big picture's need to understand the current situation, determine the desired state and develop a change plan, enlist others and develop a critical mass, and track and stabilize results. To track and stabilize change, managers should create specific performance target and measures. Change management, to be successful in any organizations, requires a metamorphosis in our concepts of leaderships, management, employee involvement, or organization of work, and resource utilization.

Therefore, organizational must prepare everyone or frequent change and focuses their beliefs (What they think is true); values (What they think is good); behaviours (how they do things) and; skills (their talents and abilities).

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