

# Good leadership and values key to staff satisfaction, study finds

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Tourism and hospitality firms that score highly for leadership and cultural values see higher staff satisfaction, according to a new study by the University of East Anglia (UEA).

Researchers analysed almost 298,000 online review ratings by employees for 11,975 firms in the US to find the key elements of job [satisfaction](#) and [employee turnover](#) in high-contact services. The reviews were posted over a 10-year period on Glassdoor, one of the world's largest job and recruiting sites.

The results, published in the journal *Tourism Management*, also show that career progression is a critical factor in staff turnover, with a unit increase in the [career opportunities](#) rating reducing the likelihood of an [employee](#) leaving a company by 14.87%.

Significantly, the study quantifies the effect of job satisfaction on firm profitability. In particular, an increase in job satisfaction by one unit is associated with an increase in 'Return on Assets' - a measure of profitability—of between 1.2% and 1.4%. The authors say this finding is important because they do not find evidence supporting the reverse relationship—that profitable firms increase employee's satisfaction.

Co-author Dr. Nikolaos Korfiatis, of UEA's Norwich Business School, said: "Skill shortages and high employee turnover are key challenges in the tourism and hospitality sector, and the problem is of high economic significance for firms due to the costs associated with severance, training

and replacement. Job satisfaction is a critical factor in attracting and retaining a skilled workforce, but also plays a vital role in the customer experience.

"This study provides new evidence about the facets and dynamics of job satisfaction and their link to corporate profitability. Our analysis indicates that the feedback to management provided through online employee reviews holds [important information](#) with specific managerial implications.

"Tourism and hospitality firms should consider the factors revealed in these reviews if they want to increase the job satisfaction of their employees and reduce employee turnover, which eventually leads to a better customer experience and higher financial performance. This 'wisdom of employees', expressed through the feedback to management, would suggest that there are specific HR policies that firms should follow."

The authors suggest that firms could set up anonymous hotlines for staff to report negative treatment towards them or other employees, should hold multi-source performance reviews, for example where staff can give feedback on their bosses anonymously, and post-exit interviews.

There should be open communication between staff and managers, while support for employee development could be through paid or subsidised courses, job shadowing and mentoring. Firms should enable staff to express their opinions, consider involving them in the design and implementation of policies or product offerings, and reward good ideas.

Although online reviews have been extensively studied in existing tourism and hospitality research, this has mainly focused on consumer evaluation, rather than other information such as employees' 'word of mouth' views about their current and previous employers. This is

collected and shared via online platforms such as Glassdoor that rate thousands of companies.

Lead author Panagiotis Stamolampros, formerly at UEA and now a lecturer at Leeds University Business School, said: "These platforms offer unprecedented opportunities to extend our understanding about the factors that increase job satisfaction and dissatisfaction, and employee turnover and attrition.

"Our results show that satisfied employees cite work environment, culture, leadership, and career opportunities as key things their companies offer, and that these factors reduce employee turnover.

"The discussion about career opportunities as a positive aspect increases significantly when the overall satisfaction increases. On the other hand, low ratings are connected with more discussion about leadership, communication with management, and managerial behaviour in the negative text of the reviews."

Analysis of demographics and firm characteristics show that when it comes to gender, in all [job satisfaction](#) aspects, except career opportunities, male employees appear to be more satisfied than their female colleagues.

Companies with higher revenue also tend to achieve higher employee satisfaction. Similarly, publicly listed companies also appear to have higher employee satisfaction than private companies. However, although companies with many employees may offer better compensation—such as better pay or reward for effort—benefits and career opportunities compared to smaller ones, they seem to lack in terms of cultural values, senior leadership, and work-life balance, which eventually leads to lower employee satisfaction.

A higher level of employee education is linked to higher satisfaction, although this could be also the result of different job roles. Finally, employee age is linked to lower satisfaction except for the satisfaction with compensation and benefits.

'Job Satisfaction and Employee Turnover Determinants in High Contact Services: Insights from Employees' Online Reviews', Panagiotis Stamolampros, Nikolaos Korfiatis, Konstantinos Chalvatzis, and Dimitrios Buhalis, is published in *Tourism Management*.

**More information:** Panagiotis Stamolampros et al. Job satisfaction and employee turnover determinants in high contact services: Insights from Employees' Online reviews, *Tourism Management* (2019). [DOI: 10.1016/j.tourman.2019.04.030](https://doi.org/10.1016/j.tourman.2019.04.030)

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