

INDEPENDENT OR CHAIN-AFFILIATED HOTEL? THE DILEMMA OF HOTEL EMPLOYEES

Abstract

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Purpose – This study examines the relationships between hospitality work experience factors and employees' preference to work in a chain or independent hotel.

Methodology/Design/Approach – Quantitative data were collected from hotel employees in Bulgaria who worked in independent and chain hotels. A total of 150 valid responses were used to conduct factor and regression analyses.

Findings – The results illustrate that chain hotels provide a better set of operational standards and guidelines, more and better training than independent ones. They also give more opportunities to their employees for career development, better job security and work experience, but competition among employees in chain hotels is higher than in independent properties, and their employees' salaries are not always more competitive. The factor analysis showed the existence of five factors. Additionally, 'Communication and decision-making' and 'Resources and planning' were more important than 'Remuneration and working conditions' and 'Training and development' in shaping employees' preferences. However, 'Workload and stress' was not an important driver of respondents' choice. Finally, demographic variables had no role in shaping respondents' preferences.

Originality of the research – This paper is one of the first to examine the factors that influence hotel employees' preferences for working in chains or independent hotels.

Keywords Tourism employees, chain hotel, independent hotel, work preferences

Research note

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INTRODUCTION

Tourism labour-related issues, employees' work experiences and their impact on the tourism and hospitality (T&H) industry are significant study areas (Lugosi, 2021). In T&H, the lack of respect and dignity, low levels of unionisation, poor working conditions, low wages, precarity, seasonality, gender and race inequality, and unequal power relations end up in negative work experiences, thus, decreasing the motivation of employees and the success of the business (Winchenbach et al., 2019). Besides, job security, promotional possibilities, and the working environment significantly influence employees' job satisfaction (Dalkrani & Dimitriadis, 2018).

It is recognised that for the hotel industry, motivating employees is vital (Chiang et al., 2008; Çakır & Kozak, 2017). Norbu & Wetprait (2021) revealed that reward and recognition, work environment, and employee empowerment were the three factors representing the employees' fulfilment. Additionally, several factors were identified as potential sources of hotel employees' motivation: remuneration (i.e. salary, monetary bonuses and benefits), opportunities for development, recognition from managers, colleagues, and customers, development of self-esteem, organisation's policies, relations with peers, working conditions and schedules, and job security (Sobaih & Hasanein, 2020; Chiang et al., 2008). Since communication with colleagues and decision-making autonomy are critical aspects that can affect hotel employees' well-being in the work environment, during any decision-making process in the hotel, the management should fully engage in good communication which values employees' opinions and rights (Hsu, Liu & Tsaur, 2019).

While the work experience can be driven by various factors, chain-affiliated and independent hotels may differ in the provision of these factors of the work experience. Chain hotels are able to offer a consistent value proposition with guaranteed service quality and access to different amenities (Ribaudo et al., 2020), which requires a more stable, standard and well-designed work environment for employees. Furthermore, they benefit from operational and human resource management manuals and regular staff training provided according to the chain's standards (Ivanova & Ivanov, 2015). At the same time, employees in independent hotels might have greater autonomy because they do not need to consider chains' procedures and decision-making rules, although they should consider those of the hotel. The current labour shortages (Johnson, 2020) intensify the competition among hotels.

The extant literature includes studies related to the comparison of chain and independent hotels from different aspects such as the factors affecting innovation performance (Ottenbacher et al., 2006), international sales (Ribaudo et al., 2020), and occupancy rate performance (O'Neill & Carlbäck, 2011). However, such studies are mostly focused on managerial and operational topics, and there is a lack of research from employee perspectives in the literature. Furthermore, more specifically, there is a gap in the literature about hotel employees' work experience and its influence on their preferences to work in chain-affiliated or

independent hotels. In this regard, this paper attempts to fill the gap in the literature by looking at the work experience of hotel employees and exploring how it drives their preference towards employment in chain-affiliated or independent hotels.

METHODOLOGY

Data were collected from March 2021 to March 2022 through an online questionnaire distributed to social media groups of hotel employees in Bulgaria. Industry contacts were utilised as well. The research population included hotel employees in Bulgaria who have worked in independent and chain hotels, and, therefore, they could compare the working conditions provided by both groups of hotels and could provide informed answers to the questionnaire. Due to the small share (less than 5%) of chain-affiliated hotels in the country (Ivanova, 2019) and the requirement that the employees should have worked in both chain-affiliated and independent properties, data collection took a year. Table 1 presents the sample's characteristics.

Besides the demographic profile, the questionnaire asked respondents about their perceptions of the working conditions provided by independent vs chain hotels to their employees, such as training, remuneration, and decision-making autonomy, among others, measured with a 5-point level of agreement scale to 21 statements developed by the authors. Data were analysed with SPSS v19. Factor and regression analyses were implemented. The number of respondents (150) was 7.1 times higher than the number of statements (21); hence it exceeded the minimum ratio of 5 mentioned by Memon et al. (2020).

Table 1: Sample's characteristics

Characteristic		Total	Share
<i>Gender</i>	Female	109	72.7
	Male	41	27.3
<i>Age</i>	18-30	23	15.3
	31-40	47	31.3
	41-50	59	39.3
	51-60	18	12.0
	61+	3	2.0
<i>Education</i>	Secondary or lower	21	14.0
	Bachelor	53	35.3
	Master	71	47.3
	Doctorate	5	3.3
Total		150	

RESULTS

The results are presented in Tables 2 and 3. Table 2 shows that according to respondents, chain hotels provide a better set of operational standards and guidelines ($m=3.85$), more ($m=3.71$) and better training ($m=3.73$) than independent ones. They also give more opportunities to their employees for career development ($m=3.49$), better job security ($m=3.30$) and work experience ($m=3.30$) but competition among employees in chain hotels is higher than in independent properties ($m=3.54$), and the salaries of their employees are not always more competitive ($m=2.86$). At the same time, independent hotels seem to be involving employees in decision-making more than the chain hotels ($m=2.56$), had less workload ($m=2.58$) and less stress ($m=2.71$) probably due to the less bureaucratic structure and less formalised processes in independent hotels compared to chain-affiliated properties.

The exploratory factor analysis revealed the existence of five factors that explain 63.193% of the variation in respondents' answers, namely: Training and development ($\alpha=0.907$, $CR=0.926$, $AVE=19.583$), Remuneration and working conditions ($\alpha=0.822$, $CR=0.842$, $AVE=15.431$), Communication and decision-making ($\alpha=0.598$, $CR=0.692$, $AVE=11.070$), Workload and stress ($\alpha=0.675$, $CR=0.730$, $AVE=9.427$), and Resources and planning ($\alpha=0.606$, $CR=0.787$, $AVE=7.682$).

Table 3 shows the regression model results. The dependent variable is the respondents' answers to the question *Which type of hotel do you prefer to work in - a chain hotel or an independent one?* Responses were measured on a 5-point scale from 1-Strongly prefer to work in an independent hotel to 5-Strongly prefer to work in a chain affiliated hotel. Model 1 includes only the factors identified in the exploratory factor analysis, while Model 2 adds the control demographic variables as well. The results reveal that Remuneration and working conditions is important ($p<0.001$), but Communication and decision-making ($p<0.001$) and Resources and planning ($p<0.001$) were more important because their respective regression coefficients are larger in Models 1 and 2. Training and development ranks fourth in terms of contribution to respondents' choice of an employer, while Workload and stress ($p>0.05$) is not an important driver of respondents' choice. Demographic variables had no role in

shaping respondents' preferences (all $p > 0.05$). The two models had a reasonable predictive power and explained 37.0% (Model 1) and 35.8% (Model 2) of the variation of the dependent variable.

Table 2: Exploratory factor analysis

	Mean	Standard deviation	Factor loadings
Factor 1: Training and development (Cronbach $\alpha=0.907$, CR=0.926, AVE=19.583%)			
Chain hotels offer better training than independent ones	3.73	1.203	0.844
Chain hotels offer more training than independent ones	3.71	1.235	0.844
Chain hotels provide a better set of operational standards and guidelines than the independent ones	3.85	1.064	0.794
Chain hotels give more opportunities to their employees for career development than the independent ones	3.49	1.122	0.758
Chain hotels give more opportunities to their employees for personal development than the independent ones	3.35	1.226	0.721
Chain hotels offer a better work experience for their employees than the independent ones	3.30	1.252	0.665
Factor 2: Remuneration and working conditions (Cronbach $\alpha=0.822$, CR=0.842, AVE=15.431%)			
Chain hotels offer a more effective wage system than the chain ones	3.12	1.111	0.810
Chain hotels provide better salary compensation for the employees than the independent ones	2.86	1.210	0.710
Chain hotels offer better job security than the independent ones	3.30	1.134	0.696
Chain hotels offer greater flexibility in working schedules than the independent ones	2.80	1.093	0.657
Chain hotels stimulate teamwork more than the independent ones	3.23	1.178	0.531
Factor 3: Communication and decision-making (Cronbach $\alpha=0.598$, CR=0.692, AVE=11.070%)			
Communication between employees and managers in chain hotels is better than in the independent ones	2.85	1.151	0.709
Chain hotels allow their employees to participate in the decision-making process more than the independent ones	2.56	1.173	0.671
Communication among employees in independent hotels is better than in the chain ones (reverse coding)	2.81	1.052	0.530
Factor 4: Workload and stress (Cronbach $\alpha=0.675$, CR=0.730, AVE=9.427%)			
The workload in chain hotels is less than in the independent ones for the same job position	2.58	1.217	0.751
Working in an independent hotel causes more stress than working in a chain one	2.71	1.207	0.631
Chain hotels determine the needs of their employees better than the independent ones	2.94	1.125	0.552
Competition between employees is higher in chain hotels compared to independent ones	3.54	1.034	0.551
Factor 5: Resources and planning (Cronbach $\alpha=0.606$, CR=0.787, AVE=7.682%)			
Independent hotels provide more resources and equipment that is necessary to work easier than the chain ones (reverse coding)	3.17	0.974	0.794
Independent hotels plan workload according to employees' talents better than the chain ones (reverse coding)	2.93	1.030	0.692
Independent hotels offer a more friendly working environment than the chain ones (reverse coding)	2.80	0.990	0.626

Notes: Total variance explained: 63.193%, N=150, Extraction method: Principal Component Analysis; Rotation method: Varimax with Kaiser Normalization. Coding: 1-Strongly disagree, 5-Strongly agree. KMO Measure of Sampling Adequacy=0.857, Bartlett's test of sphericity=1786.348 ($p < 0.001$)

Table 3: Regression analysis results

Dependent variable: <i>Which type of hotel do you prefer to work in - a chain hotel or an independent one?</i>	Model 1			Model 2		
	Unstandardised Coefficients	Standardised Coefficients	t	Unstandardised Coefficients	Standardised Coefficients	t
	B	Beta		B	Beta	
Constant	3.447		37.540***	3,681		7.686***
Factor 1: Training and development	0.343	0.242	3.726***	0.349	0.247	3.718***
Factor 2: Remuneration and working conditions	0.427	0.302	4.638***	0.429	0.303	4.492***
Factor 3: Communication and decision-making	0.489	0.345	5.310***	0.477	0.337	4.965***
Factor 4: Workload and stress	0.177	0.125	1.923	0.176	0.124	1.867
Factor 5: Resources and planning	0.463	0.327	5.023***	0.469	0.331	4.968***
Gender				-0.029	-0.009	-0.135
Age				0.003	0.002	0.031
Education				-0.069	-0.037	-0.537
<i>Model summary:</i>						
R	0.625			0.626		
R ²	0.391			0.392		
Adjusted R ²	0.370			0.358		
F-Statistic	18.505***			11.387***		
Standard error of the estimate	1.124			1.135		
ΔR ²	-			0.001		
ΔF	-			0.101		

Notes: 1. Coding: *Gender*: 0 – Female, 1 – Male. *Preference*: 1-Strongly prefer to work in an independent hotel, 5-Strongly prefer to work in a chain affiliated hotel; 2. *** Significant at p<0.001

DISCUSSION AND CONCLUSION

From a managerial perspective, the findings reveal that independent hotel managers and owners need to focus on resources and planning, communication and decision-making, remuneration and working conditions, and training and development to attract employees to independent hotels. However, although remuneration is important for staff motivation, it is not the most important factor influencing the choice of one hotel type over the other.

Although no direct study including the factors that determine the preferences of hotel employees towards chain and independent hotels is found in the literature, remuneration and working conditions are regarded as crucial sources of employees' motivation to work in hotels (Sobaih & Hasanein, 2020). Moreover, training and development opportunities are increasing the job satisfaction of hotel employees (Costen & Salazar, 2011). Low payments and inadequate training and development opportunities are acknowledged as the problems decreasing hotel employees' motivation (Karatepe & Uludag, 2008). Additionally, communication and decision-making was found to be a significant factor affecting hotel employees' well-being in the work environment (Hsu, Liu & Tsaur, 2019).

This study is the first in the literature that fills the gap by investigating the factors indicating hotel employees' preferences to work in a chain or independent hotels. Thus, it will play a guidance role in the hotel industry for practitioners and managers and also open a debate on the subject in the literature. The small sample size is the main limitation of the research, and the findings are valid in the specific country focus. Future research may be conducted from a multi-destination perspective to provide broader implications.

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