The influence of perceived organizational support on engagement: a cross-generational investigation in the hospitality industry

Anna L. Kralj
University of Queensland, a.hood@griffith.edu.au

David J. Solnet
University of Queensland, david.solnet@uq.edu.au

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THE INFLUENCE OF PERCEIVED ORGANIZATIONAL SUPPORT ON ENGAGEMENT: A CROSS-GENERATIONAL INVESTIGATION IN THE HOSPITALITY INDUSTRY

Dr David Solnet
University of Queensland
Brisbane, Australia

Ms Anna Kralj
University of Queensland
Brisbane, Australia

ABSTRACT

The entrance of Gen Y to the workforce has seemingly caused a profound challenge for hospitality employers. The purpose of this paper is to investigate the perceptions of engagement and perceived organizational support of Gen Y and non-Gen Y employees and to determine if significant differences exist in either the levels of, or the relationship between, the two constructs. Based on a survey of 914 hospitality employees, it is found that although Gen Y respondents have significantly less positive attitudes regarding their current work environment, the influence of POS on engagement is quite strong for all employees surveyed.

Keywords: Generation Y, employee engagement, perceived organizational support, SEM

INTRODUCTION

The ‘human factor’ is one of the great challenges for hospitality managers today and is certainly the single most significant defining characteristic of the hospitality industry – the inherent focus on people-to-people transactions and the myriad of problems associated with managing people. Because of the labor intensive character of the industry, and the involvement of individuals in delivering the hospitality ‘product’, the hospitality industry is undoubtedly a ‘people industry’, requiring ‘people skills’ from its workers. Hospitality workers are expected to be hospitable, exhibit positive attitudes toward the customer, and work cohesively as a team.

Compounding the challenge are the continuing changes in the attitudes and values of hospitality industry workers, particularly those of the newest generational group to enter the workforce, Generation Y (Gen Y). Despite the extensive coverage of generational differences in the popular press, there is scant empirical evidence to support the common assumption that significant differences exist (Deal et al., 2010; Solnet & Hood, 2008).

Academics and practitioners alike have recognized the importance of employee engagement in positively influencing organizational outcomes and there is a growing body of evidence to support this relationship (cf. Schneider et al. 2009). Organizational support theory is also attracting more attention in the human resources and organizational behavior literature, as employee perceptions of support from their organization have been found to have a significant influence on what employees are prepared to do in return for their employer (Rhoaedes et al., 2008). To date, there is a paucity of research that has been conducted in the context of the hospitality industry with regards to these two constructs, and none that the authors are aware of that take into account the impact of generational differences in work-related attitudes and values.

The purpose of this paper is to investigate if differences exist in the levels of, and relationship between, perceived organizational support (POS) and employee engagement across generational groupings. To begin, a review of the literature is provided on generational differences in the workplace as well as the constructs of engagement and POS. Following this, the results of a large-scale survey of hospitality employees are presented. Structural equation modeling (SEM) is used to test two competing models: a) the relationship between POS and engagement for Gen Y employees, and b) the relationship between POS and...
engagement for non-Gen Y employees. To conclude the paper, the practical and academic implications of the findings are discussed in the context of the hospitality industry.

LITERATURE REVIEW

A generation, also called a generational cohort, is a group of individuals born in the same period of years who have been exposed to similar societal and historical life events during critical stages of development (Schaie, 1965). Broad external forces influence each successive generation, contributing to the creation of a personal value system that differs markedly from the value systems of other people who grew up during a different time period. These shared experiences and value systems influence how a person reacts towards authority, what their work-related values are, and how they will act to satisfy those values (Gursoy et al., 2008).

It is important to distinguish between generation effects and age effects, which are often confused (Twenge et al., 2010). The difference is that a value system created by generational influences will be stable over many years and will become the ‘anchor’ that a person uses to interpret their life experiences (Scott, 2000). Age effects, on the other hand, are relative to the age a person is at a particular point in time – in this way, value systems that are influenced by age are not stable over a long period of time. It is the stability of values and attitudes over time that defines and distinguishes a generation.

There is, and always will be, a lack of agreement about the precise years for the start and end of each generation. This in part because there is a lack of agreement about what the defining events for a generation are – whether it be a significant social events or a change in birth rates, for example. Although society has given names to different generations, there is evidence to suggest that cohort effects are not categorical at all, rather they are linear, with change occurring steadily over the years rather than suddenly once a cut-off dates reached (Twenge et al., 2008). Nevertheless, for practical purposes, it is useful to categorize certain birth year groups together as, grouped together, members of these cohorts display a certain amount of similarity. Accordingly, for the purposes of this study, the authors chose the middle ground from the array of commonly espoused start and end years for Generation Y: 1979 to 1994.

As employees, it is widely noted that Gen Y’s work-related characteristics and attitudes are radically different to those of previous generations entering the workforce and are incongruent with conventional thinking on how new entrants to the labor force should think and act. A full review of the common characteristics and descriptors of Gen Y as reported in the popular press as well as academic literature is beyond the scope of this article, and for didactic purposes, the authors refer you to a recent reviews by other researchers (e.g. Solnet & Hood, Deal et al. 2010).

Employee engagement

With respect to human resource management and optimizing organizational performance in service firms, employee engagement is currently the ‘hot’ topic for both practitioners and academics alike. A range of empirical studies have found a positive link between employee engagement and key organizational outcomes such as customer satisfaction and loyalty, reduced employee turnover, return on assets, and profitability (cf. Schneider et al., 2009). Some well-known hospitality companies have even demonstrated their ability to predict changes in the operating performance of individual business units based on the level of employee engagement in those units (Solnet & Hood, 2011).

Kahn (1990) is regarded as the scholar who first applied the concept of engagement at work. His initial conceptualization was that the more employees feel they are able to express their preferred selves at work, the more they will invest in their work role and their organization. Since then, various scholars have built on Kahn’s thesis and have suggested various ways to conceptualize and understand employee (or ‘work’) engagement. Schneider et al. (2009) define employee engagement as comprising two dimensions. The first dimension, ‘feelings of engagement’, describes an elevated state of energy and enthusiasm towards the organization and the work tasks. The second, ‘engagement behaviors’, are the actions demonstrated in pursuit of achieving organizational goals, such as task persistence, being proactive, and assuming additional responsibilities as required. This two-faceted conceptualization of engagement aligns well with another popular categorization of employee engagement presented by May et al. (2004). In their work, engagement comprises three dimensions: cognitive, emotional and physical.
The popularity of the engagement concept has grown exponentially in business circles since its introduction in the early 1990s. Unfortunately, the engagement construct was not so quick to reach the mainstream in academic research. This is demonstrated in the divergence between the proliferation of engagement-related tools and assessments offered by HR consultants and the relatively small number of published, peer-reviewed articles with ‘employee’ or ‘work’ engagement as a keyword (Bakker & Schaufeli, 2008). As a result, the practical work of consultants often lacks the support of rigorous academic theory development.

It is important to emphasize the distinction between the constructs of engagement and job satisfaction. A multitude of definitions of employee engagement exist on the websites of global HR firms, although many HR consultants and practitioners appear to employ measures of engagement that would be better described as measures of overall job satisfaction (Schneider et al., 2009). While job satisfaction is related to what a company is doing for its employees and involves employees’ evaluations of such drivers as job security, benefits and opportunities for advancement, engagement is concerned with the full utilization of an employee’s skills and abilities and a link between individual and organizational objectives (Schneider et al., 2009). In this light, an employee can be satisfied with their job, in that it pays well enough, is stable and offers future opportunities, yet still not be engaged in their work as the employee feels under-utilized and personally misaligned with organizational goals and values.

Similarly, scholars have emphasized that although there is a perceived overlap between engagement and established constructs such as organizational commitment and job involvement, there is sufficient evidence to support engagement as its own distinct construct (Hallberg & Schaufeli, 2006). Furthermore, recent research suggests that the engagement construct is able to provide a more comprehensive explanation of the relationship with business performance than do narrower aspects of the individual’s experience with the workplace such as intrinsic motivation, job involvement or job satisfaction (Rich et al., 2010).

**Perceived organizational support**

The concept of perceived organizational support (POS) stems from organizational support theory (Eisenberger et al. 1986) and it describes the evaluation that an employee makes regarding the extent to which their employer values their contributions and cares about their well-being (Rhoades et al., 2001). This evaluation helps the employee to not only determine how they will meet their socio-emotional needs at work but also to make an assessment of the organization’s dispensation to provide rewards for additional efforts. Essentially, employees ascribe human-like tendencies to organizations and through this personification they will interpret the treatment that they receive at the hands of the organization as an indicator of the organization’s orientation toward them.

Organizational support theorists (Eisenberger et al., 1986; Eisenberger et al. 1997) argue that POS is strengthened when the employee has favorable experiences of the work environment and when they believe that these favorable experiences have been directly enhanced by decisions that the organization made both purposefully and voluntarily (i.e., not as a result of legal or regulatory compliance). That is to say, the relationship between favorable work experiences and POS will be strongest when the experiences are attributed to discretionary acts on the part of the organization (Rhoades et al., 2001).

An interesting underpinning of organizational support is social exchange theory, whereby workers tend to trade effort and dedication to a workplace for tangible incentives such as pay, but also for socio-emotional benefits, such as esteem, approval and caring (Mael & Ashforth, 1992). The norm of reciprocity suggests that high levels of POS would engender concern amongst employees for the welfare of the organization as well as the achievement of its goals (Rhoades et al., 2001). It stands to reason then, that employees who have higher levels of POS will also have higher feelings of engagement and therefore exert the required efforts to help the organization achieve its stated objectives.

This study is particularly interested in potential differences in the relationship between POS and engagement across different generational cohorts. Indeed, there is a strong argument to suggest that the work-related attitudes of Gen Y employees are more likely to be affected by their perceptions of organizational support (Solnet & Hood, 2008). It is posited that Gen Y employees are more family-oriented than previous generations, and combined with the socially connected and collaborative nature of this
generation, it is therefore expected that levels of POS will influence levels of engagement more strongly for Gen Y employees than for their older counterparts. Using data collected from over 900 hospitality employees, this paper will investigate the levels of, and the relationship between, POS and employee engagement and determine if significant differences exist in between Gen Y and non-Gen Y hospitality employees.

METHOD

Data for this study was collected using a paper-based survey. Participation in the survey stage of the study was sought from a range of hospitality organizations in both urban and regional areas across the state of Queensland in Australia. The General Managers (GM) of twenty-four hospitality firms in the hotel, restaurant and club sectors were contacted to request access to their employees in order to collect data for this research. In all, twenty Queensland hospitality businesses participated in the study.

The survey consisted of two sections. In the first, respondents were first asked to report on some descriptive characteristics, such as age, gender, tenure with current organization, position in organization and employment status. In the main section of the survey, respondents indicated their attitudes (on a scale of 1 ‘strongly disagree’ to 7 ‘strongly agree’) towards a series of statements designed to capture the key constructs, engagement and perceived organizational support.

Sample

The research project aims were explained, participation solicited and questionnaires distributed to individual employees during pre-arranged gatherings of staff (e.g., departmental meetings, training sessions and GM briefings). At the end of the data collection period at each property, a total of 914 usable questionnaires had been completed. Based on the total employee population at each participating organization, this represents a response rate of approximately 34 percent.

Characteristics of the sample are presented in Table 1. Although more individual participating businesses were from the restaurant and club sector combined, as hotels are generally large employers, the majority of respondents in the sample represent the hotel sector. The sample also reflects the hospitality industry’s traditional reliance on female workers as well as younger workers.

Table 1
Descriptive Statistics of the Sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>377</td>
<td>41.2</td>
</tr>
<tr>
<td>Female</td>
<td>537</td>
<td>58.2</td>
</tr>
<tr>
<td>Generation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y</td>
<td>570</td>
<td>62.3</td>
</tr>
<tr>
<td>Not Y</td>
<td>344</td>
<td>37.7</td>
</tr>
<tr>
<td>Sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel</td>
<td>508</td>
<td>55.6</td>
</tr>
<tr>
<td>Restaurant</td>
<td>291</td>
<td>31.8</td>
</tr>
<tr>
<td>Club</td>
<td>115</td>
<td>12.6</td>
</tr>
<tr>
<td>Tenure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>281</td>
<td>30.7</td>
</tr>
<tr>
<td>1 to 5 years</td>
<td>431</td>
<td>47.2</td>
</tr>
<tr>
<td>5+ years</td>
<td>202</td>
<td>22.1</td>
</tr>
<tr>
<td>Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-supervisory</td>
<td>621</td>
<td>67.9</td>
</tr>
<tr>
<td>Supervisor/Manager</td>
<td>293</td>
<td>32.1</td>
</tr>
<tr>
<td>Employment Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Casual</td>
<td>330</td>
<td>36.1</td>
</tr>
<tr>
<td>Part-time</td>
<td>193</td>
<td>21.1</td>
</tr>
<tr>
<td>Full-time</td>
<td>385</td>
<td>42.1</td>
</tr>
<tr>
<td>Contract</td>
<td>6</td>
<td>0.7</td>
</tr>
</tbody>
</table>
Measures

Engagement was measured using an adapted version of May et al.'s (2004) measure, which comprises three dimensions of engagement: cognitive, emotional and physical. Two items measured each of the three dimensions, sample items included: “Time passes quickly when I perform my job” (cognitive); “I really put my heart into my job” (emotional); and “I exert a lot of energy performing my job” (physical).

Perceived organizational support was measured using an adaptation of the short form of the Survey of Perceived Organizational Support (SPOS; Eisenberger et. al, 1986). Prior studies have provided sufficient evidence for the high internal reliability as well as the uni-dimensionality of this construct (cf. Shore & Wayne, 1993). The short form of the SPOS has been successfully operationalized in a various studies (cf. Eisenberger et al, 1997; Rhoades et al., 2001). A sample item is “My organization really cares about my well-being”.

Data Analysis

To begin the data analysis, the mean scores for engagement and POS were compared across the Gen Y and non-Gen Y cohorts using independent samples t-tests. The results are presented in Table 2. Non-Gen Y employees had significantly higher levels of engagement and POS than Gen Y employees. This simple finding in itself is a practical concern for hospitality managers.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Gen Ya Mean</th>
<th>Gen Ya SD</th>
<th>Non-Gen Yb Mean</th>
<th>Non-Gen Yb SD</th>
<th>t-statistic</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engagement</td>
<td>5.41</td>
<td>0.81</td>
<td>5.76</td>
<td>0.76</td>
<td>-6.53</td>
<td>912</td>
<td>.000**</td>
</tr>
<tr>
<td>POS</td>
<td>4.77</td>
<td>0.86</td>
<td>4.98</td>
<td>0.81</td>
<td>-3.64</td>
<td>912</td>
<td>.000**</td>
</tr>
</tbody>
</table>

* n=570  b n=344
** p < .001

Having determined that there are significant differences in the attitudes held by each generational group, the investigation turned to the influence of POS on engagement, and whether the relationship between the two constructs would be significantly different across the two groups. Accordingly, AMOS software for structural equation modeling was used to confirm the relationships among latent variables. This study followed a two-step procedure introduced by Anderson and Gerbing (1988). First, confirmatory factor analysis is used to determine an effective measurement model. The second step then involves analyzing the structural model. The analytical strategy proposed by Singh (1995) was adopted for investigating the existence of a moderating effect on the structural model (in this case, generational grouping).

Testing of the measurement model

As suggested by Jöreskog and Sorbom (1986), modification indices were used to guide the selection of indicator variables for each latent variable (engagement and POS). Through a process of repeated filtering, four items were deleted from the original indicator variables. As a result, the indicators in the models for Gen Y and non-Gen Y remained the same. Engagement was measured using three indicator variables, and POS was measured using four. The overall goodness-of-fit indicators shown in Table 3 indicated that the fit of both models is satisfactory, although the Gen Y model is a better fit (Byrne, 2010).

<table>
<thead>
<tr>
<th>Group</th>
<th>$\chi^2$</th>
<th>df</th>
<th>p -value</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Y</td>
<td>11.94</td>
<td>13</td>
<td>.53</td>
<td>.99</td>
<td>.01</td>
</tr>
<tr>
<td>Non-Gen Y</td>
<td>33.84</td>
<td>13</td>
<td>.00</td>
<td>.97</td>
<td>.68</td>
</tr>
</tbody>
</table>
Reliability and convergent validity

Cronbach’s alpha was calculated for each construct, using the pooled sample of both Gen Y and non-Gen Y respondents. For engagement and POS respectively, the Cronbach’s alpha were 0.7 and 0.75, indicating a satisfactory level of reliability of the measurement instrument.

In SEM, the convergent validity of indicators of a latent variable can be assessed by scrutinizing the t tests for the factor loadings (Byrne, 2010). In this study, all factor loadings for indicators that measure the same constructs are statistically significant. This supports convergent validity by demonstrating that all indicators effectively measure the construct they correspond to (Anderson & Gerbing, 1988).

Testing for the moderating effect

To test whether generational grouping has an effect on the structural model, two competing models were estimated. The first model was unconstrained, that is to say, all path coefficients were allowed to vary across both generational groups. The second model, a fully constrained model, stipulated that all path coefficients were constrained to be equal across both datasets. Comparing the goodness-of-fit statistics of the unconstrained and the fully constrained models using the $\chi^2$ difference test provides an answer to the question of whether a moderation effect based on generational grouping exists. The $\chi^2$ difference at 9 degrees of freedom was 10.31, which is not statistically significant. This indicates that there is no significant difference in the structural models across both generational groupings and as such there is no evidence of a moderator effect.

RESULTS

Based on the on the good model fit as described above, Figure 1 illustrates the results of the analysis. For both the Gen Y and non-Gen Y groups, the path coefficient from POS to engagement is statistically significant. The effect of POS on engagement is quite strong, explaining over 54% of the variance in engagement for both groups. Despite the significant difference found in the mean level of POS and engagement between the two generational groups, the relationship between the two constructs for each group is very similar.

DISCUSSION AND CONCLUSION

A number of interesting and worthwhile findings arose from the analysis of data. To begin, Gen Y employees are less engaged and perceived lower levels of organizational support than do the older generations combined. This findings is of direct concern to hospitality managers for two main reasons. First and foremost, engagement has been identified as significant driver of key organizational outcomes, particularly in the context of the service industries such as hospitality (Schneider at al., 2009). The mean score of 5.41 on engagement for Gen Y respondents indicates that they are only marginally engaged, as a score of 5 on the scale used for the survey was only just on the positive side of neutral. Secondly, compounding the problem of a relatively low level of engagement in the Gen Y cohort is that, in the hospitality industry, Gen Y represent a sizeable part of the workforce and this is set to increase further (McCrindle, 2010). Hospitality managers will need to find ways to improve on the engagement of their younger workers if they are to be successful in the long term.
This then leads to the next worthwhile finding from this study: the influence of POS on employee engagement is quite strong – explaining over 54% of the variance in engagement. This lends credence to the social exchange theory, where the norm of reciprocity will encourage those employees that perceive high levels of organizational support to respond with behaviors directed at achieving organizational goals (Rhoades et al., 2001). It also provides an indication for hospitality managers of where to exert efforts in order to increase levels of engagement.

Particularly interesting however was the finding that there was no difference in the structural relationship between POS and engagement across the two generational groupings. That is to say, the influence of perceived organizational support on engagement is equally strong and significant for both groups. Efforts to increase perceptions of organizational support should therefore have positive effects on the engagement of both groups. This finding supports to the argument in the literature that generation effects are not necessarily as valid as the popular press would have society believe (Deal et al., 2010). Instead, there may be more of a presence of an age effect in this data than a stable and continuous generation effect.

Implications for practice

Regardless of whether or not differences in work-related attitudes exist due to generational, age or even life stage effects, it is always of vital importance for hospitality managers and leaders to always be attempting to maximize the positive attitudes in employees that lead to desirable organizational outcomes. For all employees in the hospitality firm, it appears that clearly demonstrating that the organization is concerned for their well-being and values their contributions is going to have a significant influence on feelings of engagement and engagement behaviors exhibited for the benefit of the organization.

Strategies for managing employees must be tailored to suit the employee and enhance their performance, not to fit the style and preferences of the manager. Bearing in mind that Gen Y’s attitudes and values as depicted in this study may not be stable over time (this cannot be determined from a cross-sectional study such as this one), hospitality managers will need to stay abreast of constantly changing workplace attitudes and values. Regular employee opinion surveys are one way that this could be achieved. The businesses that succeed in the ever more competitive hospitality environment will be led and managed by people with open minds, people with the energy and drive to satisfy the variety of workplace demands made by today’s employees. Such hospitality leaders and managers will be constantly monitoring the changing attitudes of successive generations of their workers.

Limitations and implications for future research

This study benefited from a large sample size across a diverse range of hospitality businesses in different geographic locations around Queensland, Australia. Nevertheless, certain limitations of the study must be acknowledged. Firstly the use of a convenience sample may have implications for the generalizability of the findings. The authors have reason to believe however that the sample is relatively representative of the overall population of hospitality employees in Queensland, Australia. Nevertheless, caution should be taken when applying the results of this study to other contexts. It should also be acknowledged that the data analysis reported in this paper did not control for tenure. Longevity with an organization could be a confounding factor with regards to perceived organizational support and employee engagement. Future data analysis will control for potential effects such as these.

One of the most relevant questions regarding generational differences in attitudes relates to how enduring the traits are. It is not possible to determine the answer to this through a single point in time study such as this one. In order to disentangle the effects of age or life stage from the effects of generation, future research will need to adopt a longitudinal study design, using a representative sample from each generation. Only then will it be possible to tease out which attitudes will be stable over time, and which attitudes are more influenced by age or the stage that a person is at in their life.

Final remarks

To date, there have been limited empirical attempts to investigate substantive differences in the opinions, values and attitudes of Gen Y employees versus other generational cohorts. While the popular media and the ‘water cooler’ conversations in workplaces may suggest the existence of significant differences between generations, the results of this study do not necessarily support this idea. Although the
findings indicated that the Gen Y group currently has less positive perceptions of their current work environment than the non-Gen Y group, the underlying relationship between important constructs remains the same across generations. Although changes in values may be gradually changing as society evolves, it appears that Gen Y might not be as radically different as commonly thought.

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