

# The impact of work-related goals on hospitality industry employee variables

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**ABSTRACT** *Goals have been shown to affect performance of employees within the service sector. The purpose of this study was to assess differences that might exist between employees with work-related goals as compared to employees without work-related goals. Employee outcomes, including organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisation-based self-esteem, were assessed and the groups of hospitality employees were compared on each outcome. The findings revealed that employees with work-related goals experienced greater organisational commitment, greater organisation-based self-esteem, while being less likely to leave the organisation, and more involved with the job.*

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**KEYWORDS** goals, job satisfaction, intention to quit, organisational commitment

## INTRODUCTION

The increasingly competitive service sector is always looking for employees who can perform well while providing a superior level of service quality. One factor in the literature that has been shown to affect performance in this way is goal setting. A goal is defined as an object or result one strives to attain and a gauge for determining satisfaction (Locke and Latham, 2002). Kini and Hobson (2002: 608) clearly and succinctly described goal setting theory as 'goals directly impact behavior... The theory purports that specific goals increase performance; that

difficult goals, when accepted result in higher performance than do easy goals; and, that feedback leads to higher performance than does no feedback'.

While research has shown that goal setting shares a relationship with satisfaction (Ivancevich and McMahan, 1982; Mento *et al.*, 1992), commitment (Ivancevich and McMahan, 1982; Klein *et al.*, 1999), and total quality initiatives (Kini and Hobson, 2002), this study examined potential differences among these outcomes for employees who do and do not have work-related goals. Therefore, the purpose of this research was to assess differences among employees with work-related goals versus without work-related goals as related to employee concerns including organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisation-based self-esteem.

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## Goal setting theory

Through 40 years of investigation and study, researchers have revealed that goals have an effect on performance and do so in four ways: (1) goals direct employees to goal-related functions and away from functions that do not pertain to the goal (Locke and Latham, 2002); (2) goals require effort and therefore serve as an energiser (Locke and Latham, 2002); (3) goals have an affect on one's persistence (LaPorte and Nath, 1976); and (4) goals have an affect on one's action through stimulation, use of relevant knowledge, and discovery (Wood and Locke, 1990).

Commitment and feedback are two variables that have served as moderators in the goal/performance relationship (Locke and Latham, 2002). Employees who are committed reveal a stronger goal/performance relationship (Locke and Latham, 2002). The more difficult a goal is, the more important commitment becomes in the goal/performance relationship (Klein *et al.*, 1999). Feedback seems to serve as a moderator of the goal/performance relationship in that goals and feedback are more effective than goals only (Bandura and Cervone, 1983; Erez, 1977). The impact of goal setting and feedback has also been found to have a significant effect on intrinsic work satisfaction and organisational commitment (Ivancevich and McMahon, 1982).

## Employee variables

In the United States, one highly produced item is in fact not an item at all; it is service. Today's consumers are no longer accepting poor service and through several factors have forced quality on the service sector as a means of differentiation and survival. Consumers have created by force a corporate culture that recognises the importance of quality, puts the customer first, and strives to continually improve. In order to meet these demands, practitioners must create an environment for and with the employees who sets the organisation up for successful performance. As stated by Kini and Hobson (2002), quality of services depends on an employee's commitment, satisfaction,

involvement, and morale. Goals have been shown to affect performance (Erez and Zidon, 1984; Locke and Latham, 1990) and therefore practitioners must have an understanding of employee concerns and the characteristics of employees who set goals. Research into the service profit chain has shown how significant employees are to an organisation's overall performance.

The service profit chain, illustrated in Figure 1, 'establishes relationships between profitability, customer loyalty, and employee satisfaction, loyalty, and productivity' (Heskett *et al.*, 1994: 164).

In following the diagram, there is a link between employee satisfaction and the service concept, directly impacting customer satisfaction. This impact affects customer loyalty, which in turn influences revenue growth. Lastly, revenue growth extends back to the beginning influencing the internal service of the organisation. Understanding an employee's level of satisfaction, commitment, involvement, and self-esteem gives managers and strategists means to create a favourable environment where the links in the service profit chain work to the advantage of the service provider.

In understanding these pieces of research one can see that there are several employee-related variables that are important to hospitality practitioners and academia. A total of five employee variables were selected for this study because they were thought to be pertinent to not only the current research, but also future research; organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisation-based self-esteem (see Table 1).

## Hypotheses

Following the literature and previous research in goal setting theory as well as employee empowerment the following hypotheses were proposed:

**Hypothesis 1:** Employees with work-related goals will have a higher level of organisational commitment than employees without work-related goals.

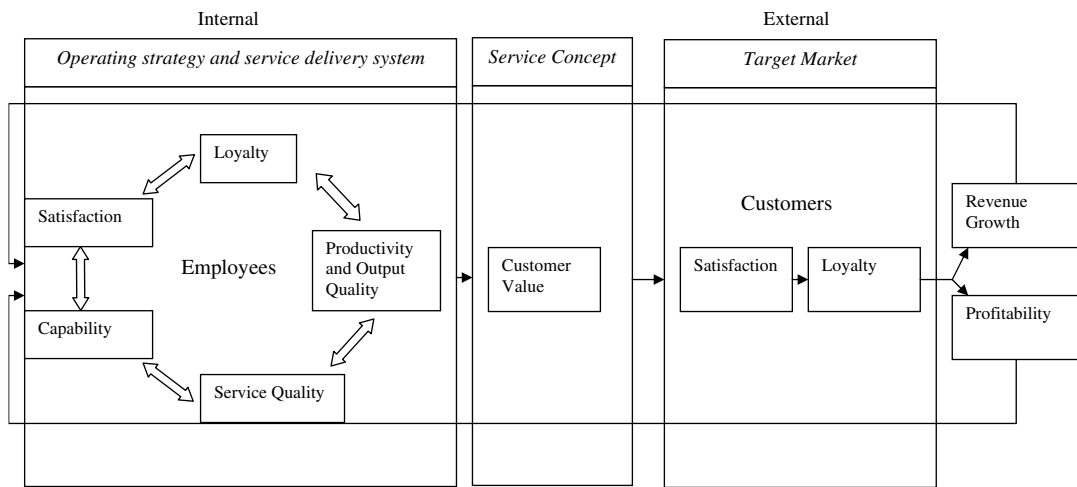


Figure 1 The service profit chain (Heskett, Sasser & Schlesinger, 1997)

**Hypothesis 2:** Employees with work-related goals will have a lower level of intention to quit than employees without work-related goals.

**Hypothesis 3:** Employees with work-related goals will have a higher level of intrinsic work satisfaction than employees without work-related goals.

**Hypothesis 4:** Employees with work-related goals will have a higher level of job involvement than employees without work-related goals.

**Hypothesis 5:** Employees with work-related goals will have a higher level of organisation-based self-esteem than employees without work-related goals.

**METHODS**

For this study, the differences were assessed among employees with goals versus without goals as related to employee concerns; organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisation-

based self-esteem. To fulfil this purpose, the authors selected the lodging environment to represent one sector in the service industry. In this section, the methods used in conducting the research project are described including the sample population, measurement instrument, reliability and validity of the measurement instrument, data collection process, and data analysis techniques.

**Sample population**

The sample consisted of 87 self-selected hotel employees, from all departments, with varying degrees of experience in the hospitality industry, and all levels of responsibility, from line level employees to the general managers. All participants surveyed were 19 years of age or older. Participants were employed at full-service business class hotels.

**Measurement instrument**

Data for the research study were gathered from a survey-based format. The instrument used for this investigation was adapted from Milliman *et al.* (2003). The final version of the survey consisted of 42 items, using a five-point Likert scale and seven demographic items that allowed for further investigation of trends and/or groupings. The presence of work-related goals

**Table 1: Definitions and relevance of each employee variable**

<i>Employee variable</i>	<i>Definition</i>	<i>Relevance</i>
Organisational commitment	An employee's participation in, sense of belonging to, and emotional attachment with an organisation (Allen and Meyer, 1996)	Research has supported a connection between how committed a hotel employee is and the level of service quality he extends to his guests (Worsfold, 1999)
Intention to quit	Immediate determinants of the act of leaving the organisation (Firth <i>et al.</i> , 2003)	Commitment has a direct negative effect on intention to quit (Elangovan, 2001)
Intrinsic work satisfaction	An employee's level of satisfaction with the feeling of success received from the job, the enjoyment of performing the duties of the job, and the level of autonomy associated with the job (Yilmaz, 2002)	The intrinsic rewards an employee receives serve as a precursor to productivity, efficiency, and absenteeism turnover (Lewis <i>et al.</i> , 2001)
Job involvement	The degree of psychological identification an employee has with his/her role in the workplace (Kanungo, 1982; Rabinowitz and Hall, 1977)	Positively related to the employee's opinion that the workplace is meaningful and psychologically safe (Brown and Leigh, 1996)
Organisation-based self-esteem	Extent to which one considers his/her needs met by participating in roles associated with the organisation (Pierce <i>et al.</i> , 1989)	Strong indicator of an employee's perception of his/her value to the organisation and their specific role in the organisation

was assessed through a single item measure, with a force field design.

### Reliability and validity

Content and face validity were determined by a panel of academic and industry professionals. The panel was made up of three university hospitality professors and one general manager. The instrument was reviewed for readability, layout, and content.

Reliability of the instrument had been obtained by Milliman *et al.* (2003) originally. The same survey was used for this study with minor adaptations for readability and clarity. The reliability of each multi-item scale was assessed using Cronbach's alpha. The coefficient alphas obtained are listed below with each at or above the 0.70 cutoff (Nunnally and Bernstein, 1994; Sapp and Jensen, 1997), assessing the instrument as reliable. Table 2 illustrates the alpha coefficient for each construct of the instrument.

**Table 2: Reliability of each construct**

<i>Construct</i>	<i>Alpha coefficient</i>
Organisational commitment	0.87
Intention to quit	0.76
Intrinsic work satisfaction	0.81
Job involvement	0.70
Organisation-based self-esteem	0.90

### Variables examined

The predictors used in this study were related to employee attitudes, including organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisational-based self-esteem. The criterion examined in this research was the presence of work-related goals. The demographic items for the study included age, gender, department, length of time with current employer, employee classification, student or nonstudent, and full-time/part-time status.



### Data collection process

Data were collected from a total of five hotels. Previous to data collection an announcement was made to all employees, via a monthly staff meeting and a daily departmental meeting, that there would be an opportunity to participate in a research study. Participants were provided with an information letter stating the objectives of the research and were informed that all responses would be kept confidential. Surveys were completed on site and returned via a drop box that was strategically located to allow for respondents confidentiality. The management staff was also included in the sample and completed the survey in the same manner as all other participants.

Participants were also informed that the results of the study would be disseminated in written and oral formats. The survey was offered in paper format. To assess any differences between the employees with goals and without work-related goals, multivariate analysis of variance was used to analyse the data.

### RESULTS

The sample for this research was self-selected and participated on a volunteer basis. The sample consisted of a total of 87 participants, each employed with a business-class hotel. The sample was varied, including participants from all departments, with differing degrees of experience in the hospitality industry, and all levels of responsibility. A breakdown of the demographic makeup of the sample is provided in Table 3.

The sample population comprised of 69 per cent females and 31 per cent males. The average age of the participants was 26–34 years, which represented 27 per cent of the sample population. Lastly, 86 per cent of the sample population reported their employment status as full-time.

### Hypotheses testing

To assess the previously stated hypotheses comparing lodging employees with goals to those lodging employees without goals on

**Table 3: Demographic makeup of the sample**

<i>Variable</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Gender</i>		
Female	60	69.0
Male	27	31.0
<i>Age (years)</i>		
18–20	3	3.4
21–25	11	12.6
26–34	24	27.6
35–45	22	25.3
46–55	22	25.3
56–65	4	4.6
66+	1	1.1
<i>Employed</i>		
Full-time	75	86.2
Part-time	12	13.8

employee variables (organisational commitment, intention to quit, job involvement, intrinsic work satisfaction, and organisation-based self-esteem) the researcher conducted a one-way between-group multivariate analysis of variance.

**Hypothesis 1:** Employees with work-related goals will have a higher level of organisational commitment than employees without work-related goals. There was a statistically significant difference between lodging employees with goals as compared to lodging employees without goals on the level of organisational commitment:  $F(1, 85) = 12.85$ ,  $p = 0.001$ , partial  $\eta^2 = 0.131$ ; therefore **Hypothesis 1** was accepted. This finding reveals that employees with goals are more likely to have greater commitment to the organisation. This may be due to the situation that employees are committed in some way to the organisation and this commitment results in goal setting.

**Hypothesis 2:** Employees with work-related goals will have a lower level of intention to quit than employees without work-related goals. There was a statistically significant difference between lodging employees with

goals as compared to lodging employees without goals on the level of intention to quit:  $F(1, 85) = 11.75, p = 0.001$ , partial  $\eta^2 = 0.121$ ; therefore **Hypothesis 2** was accepted. Employees who set goals are more committed to the organisation and therefore less likely to leave it.

**Hypothesis 3:** Employees with work-related goals will have a higher level of intrinsic work satisfaction than employees without work-related goals. There was no statistically significant difference between lodging employees with goals as compared to lodging employees without goals on the level of intrinsic work satisfaction:  $F(1, 85) = 1.94, p = 0.168$ , partial  $\eta^2 = 0.022$ ; therefore **Hypothesis 3** was rejected. Intrinsic work satisfaction as defined earlier, is an employee's level of satisfaction with the feeling of success from the job and the enjoyment of performing the job duties (Yilmaz, 2002). An employee who is intrinsically satisfied is not necessarily invested or committed to the organisation, therefore they are not as likely to have work-related goals.

**Hypothesis 4:** Employees with work-related goals will have a higher level of job involvement than employees without work-related goals. There was a statistically significant difference between lodging employees with goals as compared to lodging employees without goals on the level of job involvement:  $F(1, 85) = 5.16, p = 0.026$ , partial  $\eta^2 = 0.057$ ; therefore **Hypothesis 4** was accepted. The more involved an employee is in his/her job, the more likely they are to set goals in order to be successful and support their involvement.

**Hypothesis 5:** Employees with work-related goals will have a higher level of organisation-based self-esteem than employees without work-related goals. There was a statistically significant difference between lodging employees with goals as compared to lodging employees without goals on the level of organisation-based self-esteem:  $F(1, 85) = 16.87, p = 0.000$ , partial  $\eta^2 = 0.166$ ; therefore **Hypothesis 5** was accepted. As defined previ-

**Table 4: Means and standard deviation for employee variables**

<i>Employee variable</i>	<i>Mean (with goals)<sup>1</sup></i>	<i>Mean (without goals)<sup>1</sup></i>	<i>Std. deviation</i>
Organisational commitment	3.93	2.86	0.81
Intention to quit	2.57	4.00	1.12
Intrinsic work satisfaction	3.76	3.25	0.93
Job involvement	3.78	3.07	0.80
Organisation-based self-esteem	4.17	2.86	0.88

<sup>1</sup>Sample size: 77, with goals; ten, without goals.

ously, organisation-based self-esteem is the extent to which one considers his/her needs met by participating in roles associated with the organisation (Pierce *et al.*, 1989). An employee who has a high organisation-based self-esteem will set goals in order to further the extent to which his/her needs are met by participating in roles related to the job and goals.

Table 4 displays the means for lodging employees with goals and lodging employees without goals for each of the employee variables.

## DISCUSSION

The purpose of this research was to assess any differences among employees with goals versus without goals as related to employee concerns; organisational commitment, intention to quit, intrinsic work satisfaction, job involvement, and organisation-based self-esteem. Through a multivariate analysis of variance the authors found that there is a difference between employees who do have goals versus employees who do not have goals. It appears that employees with goals are more committed to the organisation, have less intention to quit, are more involved in their job, and have higher organisation-based self-esteem. One possible explanation for these findings is that employees who are committed and involved in the organisation will create and set goals in order to be more



successful within the organisation. These employees are personally invested in the organisation and its success and setting goals helps the organisation succeed and therefore, the employee to succeed. The organisation's success therefore is the employee's success.

This explanation makes sense in light of the finding that there was no significant difference found between employees with goals versus employees without goals as related to intrinsic work satisfaction. Employees who are intrinsically satisfied with work are not necessarily committed and invested in the organisation. Following the previous explanation, intrinsically satisfied employees may not see the organisation's success as their own.

### Implications

From this research there are several implications for practitioners and academicians alike. First, it is important that practitioners realise the importance and implications of goals setting. For those practitioners who put forth goal-setting initiatives, there will be some advantageous benefits as seen in this study as well as previous studies. The advantageous nature of the presence of goals should prompt managers and supervisors to have goal-setting sessions and to adopt a goal-oriented environment.

Secondly, with the previous research conducted on the service profit chain (Heskett *et al.*, 1994) practitioners may see that employees with goals have better performance and are more likely to be more committed and satisfied, therefore extending better service to customers and overall influencing the revenue growth and profitability. Practitioners who recognise the importance of employees having work-related goals can use this toward an advantageous gain for the organisation as a whole.

As related to the body of literature that exists on work-related goals, the current research adds by providing specific information about employee concern variables and the difference between those for employees with goals and without goals. While the research

on goal setting is vast, there is little in the literature that has compared employees with goals and those without goals on dimensions of organisation-based self-esteem, satisfaction, commitment, job involvement, and intention to quit.

The current study did have limitations that should be addressed and considered in future goal-setting research endeavours. In this particular project, three distinct limitations were noted. First and foremost is the use of a single-item measure. Although this item was assessed through a yes/no force field method, the use of a multi-item scale would have been better at producing more reliable and valid results. A second limitation to this study was the small sample. A total of 87 participants were included in the self-selected sample. A larger sample would have allowed for the results of the study to be more generalisable to the lodging population at large. The investigators also did not assess whether the work-related goals were self-set goals or organisation-set goals. This would have provided richer data that could reveal even more about the differences between those employees who do have work-related goals and those employees who do not have work-related goals.

Future research into goal setting should initially assess the source of goals as either self-set or organisation-set. Upon doing so future studies should investigate the relationship employee goals have with the service profit chain. If employee goals are present, is there an effect on the service profit chain? Would employee retention and productivity increase? Another potential area for future study is the underlying process discussed earlier as to why these relationships exist. Do goal-setters feel that the organisation's success is their own? Is ownership an important concept in goal setting? An empirical understanding of this relationship or the process by which these relationships form would be a great asset to the goal-related literature.

While this study focused on business class hotels for data gathering, is there a difference

in the luxury setting or even in the economy setting? How do employees in differing service levels differ in terms of work-related goals? Lastly, how do employees of lodging environments compare to those in food service or banking? Other sectors in the service industry should be considered in future research concerning employee concern variables and goal setting.

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