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The relationship between employee benefit satisfaction and organizational commitment

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THE RELATIONSHIP BETWEEN EMPLOYEE BENEFIT
SATISFACTION AND ORGANIZATIONAL
COMMITMENT

by

Rachel S. Shinnar

Bachelors of Arts
Tel Aviv University, Israel
1996

A thesis submitted in partial fulfillment
of the requirement of the degree of

Master of Sciences

in

Hotel Administration

**William F. Harrah College of Hotel Administration
University of Nevada, Las Vegas
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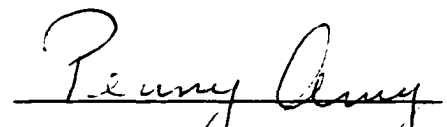
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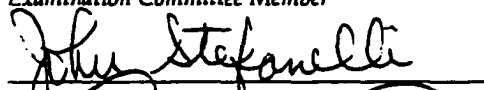
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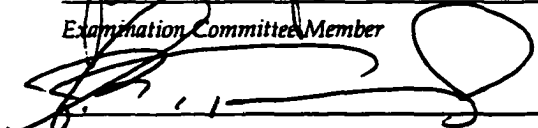
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ABSTRACT

The Relationship Between Employee Benefit Satisfaction and Organizational Commitment

by

Rachel S. Shinnar

Dr. Gail Sammons, Examination Committee Chair
Professor of Hotel Administration
University of Nevada, Las Vegas

The purpose of this study was to examine the influence of individual characteristics, benefit satisfaction, and internal services received on employee job satisfaction and organizational commitment. Employees from a Las Vegas casino hotel were surveyed. A total of 201 usable questionnaires were returned for a response rate of 51 percent. The findings showed that benefit satisfaction and organizational commitment are positively related. Satisfaction with internal services was found to be significantly related to organizational commitment, and communication received was significantly related with benefit satisfaction. Only few of the sociodemographic variables were found to be significantly related to benefit satisfaction, job satisfaction, and organizational commitment. Based on the research findings practical implications for industry are discussed and suggestions for future research are offered.

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CHAPTER 1

INTRODUCTION

Background

Competitive salaries are no longer a single attracting factor. Employees want to receive more than just a salary from their job. Pay has become a given - an expected reward for 'coming to work'. To stimulate and encourage top performance, growth and loyalty, employees and employers are looking for something more (Davison, 1997). That 'something more' refers to that part of the total compensation package other than pay, such as fringe benefits and internal services received. The right combination of these two factors determines the quality of the workplace and the level of employees' satisfaction with it, which consequently determines the level of organizational commitment. Increased organizational commitment results in employees who are more willing to expend effort for the organization, identify with its values, and maintain affiliation with the organization (Ward & Davis, 1995).

Lane (1993) and Harris and Fink (1994) are only two of the multitude of researchers who have examined the impact of employees' satisfaction level with benefit packages and internal services received on organizational commitment and intent to stay.

Such research is important for industry professionals because of the rising costs of benefits and internal services and the financial burden of turnover.

Employee turnover can be financially consuming, not only because of replacement related costs, but also because loss of employees negatively affects service quality which may eventually take a toll on customer volume. Managers, especially in the labor intensive hospitality industry, must try to retain their employees. This has become even more important since unemployment rates started falling to an all-time low, a national 4.5 percent in June 1998, according to the Bureau of Labor statistics data (www.stats.bls.gov). Increased retention will allow organizations to save funds otherwise spent on recruiting, hiring, and training new (replacement) employees, and improve working conditions, internal services, and employee benefits.

Purpose of the Research

Hospitality managers have to cope with high turnover and service quality control. The literature suggests that employees' satisfaction with the quality of internal services and with the offered benefit packages have an affect on their organizational commitment. Lane (1993) reported significant relationships between measures of benefit satisfaction and organizational commitment. Hallowell, Schlesinger and Zornitsky (1996) showed a strong relationship between the quality of internal services and low turnover rates.

Internal services are services employees receive from internal service providers such as supervisors or co-workers. These consist of the following seven components: (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition (Hallowell et al., 1996).

The need to study employee satisfaction or dissatisfaction with these issues arises because of their influence on employee behaviors, including absenteeism, organizational commitment, turnover, and pro-union voting (Harris & Fink, 1994). Internal services are based on sensitivity to employees' needs and wants, which serves management in its effort to create a motivational environment. When certain behavior or actions are recognized and rewarded, employees will be motivated to perform to the best of their ability, which would consequently lead to improved customer service. High internal service quality provides employees with the necessary tools to motivate themselves. Adequate training that prepares employees for their job requirements, clear and concise communication, and the granting of rewards and recognition, are only a few of the internal service components that can positively affect the work environment.

Employees' level of satisfaction with their benefits package depends on the components included in the package, their cost (i.e. coverage level), the degree of control the employee has on the components (i.e. flexibility), and the level of knowledge the employee has regarding the available components and their actual value. Therefore it is important for hospitality managers to identify the best method for employee benefit allocation. This can help organizations maximize the positive results of employee benefit packages while minimizing expenses.

A study conducted by a third party will allow employees to express their thoughts and feelings about the organization they work for. Serving as a channel to voice employee needs and wants, a study can help organizations mold their benefits package and the internal service quality in a way that will be most beneficial to both parties. By identifying what is imperative and what is not, organizations can put together more

efficient and effective benefits packages. These issues have recently become even more important due to increased cost of offering benefits. According to the U.S. Labor Department's Employment Cost Index health insurance and pension costs rose 2.1 percent in 1997 (Hansen, 1998). Furthermore, the latest Towers Perrin Health Care Survey, conducted in November 1997, predicts a 4 percent increase in the 1998 costs of health plans (Hansen, 1998).

Problem Statement

The purpose of this study is to examine the influence of internal service quality and benefit satisfaction on organizational commitment and job satisfaction. Harris and Fink (1994) propose that employee benefit satisfaction may influence worker's attitudes such as organizational commitment. Therefore an understanding of benefit satisfaction may lead to an increased understanding of other employee attitudes and behaviors (Williams, 1995). The results may help industry professionals in customizing their benefits package and shaping the internal service quality in their organization to improve employees' organizational commitment.

Research Questions

The study proposes to investigate the following questions:

1. Is there a relationship between employee benefit satisfaction and employee organizational commitment?

Harris & Fink (1994) suggest two reasons for the relationship between benefit satisfaction and organizational commitment:

- a. Benefits represent a reward associated with a job well done.
- b. Benefits represent a signal of the organization's care and concern for employees' wellbeing, which may trigger organizational support.

Based on these arguments individuals who are more satisfied with their benefits will be less likely to leave, less likely to join a union, more likely to comply with supervisors directives, and more likely to be committed to the organization (Harris & Fink, 1994).

The type and quality of the benefits package has an influence on employee decisions. In 1991, for example, half of all labor strikes were a result of conflict over health care. Therefore organizations concerned with attracting, motivating, satisfying, and retaining employees need to consider the needs and desires of their workforce and labor pool when the benefits package is designed (Bergmann, 1994).

2. Is there a relationship between employees' satisfaction with the seven components of internal service and employee organizational commitment?

Hallowell, Schlesinger, and Zornitsky (1996) have studied the affect of internal service quality on employee job satisfaction, customer service quality, and employee turnover. They suggested that the satisfaction of employees' needs includes economic (i.e. wages and benefits) and non-economic needs (i.e. internal services). The components of internal service believed to have an impact on employees' commitment to an organization are: (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition (Hallowell et al., 1996).

3. Is there a relationship between benefit communication received i.e., communication between the human resources department and the employee regarding the employee's understanding of the benefits package, and employee benefit satisfaction?

Employees will hold it against the employer if they are confused about benefits. Such confusion usually has financial consequences for the employee, for which management takes the blame. This can lead to a very unhappy and unproductive workforce (Gribble, 1997). Benefits are in place to enhance the employer-employee relationship. The fact that benefits have become increasingly complex in recent years should not change that initial purpose. Ensuring that employees recognize the monetary value of each item included in their benefits package may increase their appreciation of it and prevent perceived inequities with benefits packages offered by other organizations. Discrepancies may be brought to employees' attention through referent others, such as friends or family employed elsewhere.

4. Is there a relationship between respondents' sociodemographic characteristics and level of satisfaction with benefits?

Past studies examining these relationships have produced inconsistent results. Rabin (1994) did not observe any significant relationship between gender and overall benefit satisfaction, whereas Balkin and Griffeth (1993) found that, generally speaking, women were more satisfied with their benefits than were men. The results concerning the relationship between age and benefit satisfaction were equally inconsistent. Williams (1995) found no significant relationship between gender and age and benefit satisfaction. On the other hand, Judge (1993) and Rabin (1994) observed a negative relationship between gender and age and benefit satisfaction. For example, Rabin (1994) found that

younger employees are more satisfied with flexible benefit plans compared to the traditional plans.

Limitations of the Study

1. Certain personal attributes may affect respondents' attitudes towards organizational commitment. Previous studies have found that a respondent's age has a direct influence on organizational commitment. Mature adults may be 'locked-in' by age, and are thus more likely to identify more closely with an organization as their age increases (Martin & Benett, 1996).
2. This study will depend on the respondents' ability and willingness to reply to the survey in an accurate manner.
3. Respondents may have limited knowledge of the contents of their benefits package, which may bias their responses.
4. There may be a discrepancy between the definition of benefits used in this study and the employees' perception of what a benefit is.
5. Certain types of benefits, such as pension programs or stock options, reward long-term employees. The long-term nature of the plan serves as an incentive for employees to remain with a certain organization, a decision that may have less to do with overall benefit satisfaction or job satisfaction.
6. Employment history may have an effect on the individual's satisfaction with the benefits package. If a previous position in a different organization included a superior benefits package (superior in the eyes of the individual), the current benefits package may be perceived as non-satisfactory. Additionally, employees may express

satisfaction or dissatisfaction with the benefits package based on comparison with other benefits packages their friends/relatives are receiving from other organizations.

7. Level of use of the benefits package may influence the employees' attitude towards the quality of the benefits package. "Individuals who made extensive use of their benefits indicated that they received more benefits or higher levels of benefits than did individuals who reported less extensive use" (Williams, 1995, p.1119).
8. This study surveyed employees of a casino hotel in Las Vegas, which employs union and non-union employees. There may be a difference in the perception of, and satisfaction with, benefits between these two sub-groups because union employees receive part of their benefits from the union.
9. The recent union contract negotiations, completed in June 1997, included issues such as wage, health insurance, and pension plans (Bach, 1997). It is likely that these public bargaining negotiations have contributed to union employees' knowledge about their benefits and their value. This may lead to a discrepancy in benefit satisfaction between union and non-union employees.
10. The data collection was done at the Las Vegas casino hotel during employee breaks, which may have affected the employees' ability to complete the survey thoroughly because of the time limit on employee breaks.
11. Because the data collector was situated in the employee dining room, the study was handed out only to employees who came there during their break or before and after their shifts. Employees who did not come to the employee dining room did not receive the survey.

Definitions of Terms

The following terms are defined as they are used in this research project:

Benefits

In this study benefits are that part of the total compensation package other than pay for time worked provided to employees in whole or in part by employer payments (Williams, 1995).

Internal Services

Internal services are services received from internal service providers within the organization (Hallowell et al., 1996). In this study it will include the following seven components: (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition.

Modular Plans

These are a series of different benefit bundles or different levels of coverage designed for different subgroups of the employee population. Employees can select only one bundle, and coverage level substitutions are not allowed (Tremblay, Sire, & Pelchat, 1998).

Core-Plus-Options Plans

These are a core group of essential benefits together with a wide array of other benefit options that employees can add to the core. The core is designed to provide a minimum level of economic security (Tremblay et al., 1998).

Flexible Benefits Plan

Flexible benefits packages, also called 'cafeteria plans', allow "employees to pay for certain categories of eligible benefits that are not included in the plan, using untaxed dollars. This type of plan is in fact a bank account used to pay claims and managed by the employer" (Tremblay et al., 1998, p.668).

Organizational Commitment

Ward and Davis (1995) propose the following three-component model to define and measure organizational commitment:

1. Continuance commitment, which is being committed to an organization due to the high cost of leaving.
2. Affective commitment, which is commitment based on positive feelings or emotions towards the organization.
3. Moral/normative commitment, which is based on the employee having internalized the values and goals of the organization.

Employees with strong continuance commitment remain with an organization because they *need* to, those with strong affective commitment because they *want* to, and those with strong normative commitment because they feel they *ought* to do so.

Employees can experience each of these psychological states to varying degrees, therefore the 'net sum' of a person's commitment to an organization reflects each of these separable psychological states (Allen & Meyer, 1990).

High organizational commitment results in employees who are more willing to expend effort for the organization, identify with its values, and have a desire to maintain affiliation with the organization. Low organizational commitment is associated with perceptions of career stagnation, stress, family strains, absenteeism, turnover, reduced performance, and poor compliance with supervisor's directives (Ward & Davis, 1995).

Turnover

Turnover refers to the cessation of membership in an organization by an individual who received monetary compensation from that organization. Turnover is often categorized as voluntary or involuntary. Voluntary turnover is turnover initiated by the employee such as quitting or resigning. Involuntary turnover is initiated by the organization or by circumstances which were beyond the control of either the employee or the organization. Involuntary turnover includes dismissal, layoff, retirement, disability, and death (Rose, 1991).

Summary

The three main purposes for providing benefits packages are: (1) creating a competitive edge for attracting new employees, (2) increasing employee motivation and morale, and (3) retaining employees (Haar & Kossack, 1990). Because of the rising costs

of benefit plans it is imperative to find out what employees want and expect so that unnecessary expenses can be avoided.

This study will examine employees' satisfaction with benefits regarding three main issues: satisfaction with specific benefits, satisfaction with the overall package coverage level, and perception of the benefits' value. Understanding the factors that contribute to benefit satisfaction will allow employers to understand employee attitudes and behaviors. Such an understanding will permit employers to influence workers' behaviors and attitudes in the effort to increase organizational commitment and job satisfaction thus reducing turnover and improving customer service (Williams, 1995).

The study will also look at employees' satisfaction with internal service quality in the hotel by which they are currently employed. This includes (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition. The internal service quality theory suggests that the quality of the work environment consists of economic (i.e. wages and benefits) and non-economic rewards (i.e. internal services). A work environment that will satisfy employees' needs is likely to increase commitment and job satisfaction.

CHAPTER 2

LITERATURE REVIEW

Employee Benefit Definition

The U.S. Department of Commerce includes in the definition of a benefit only legally required payments (e.g. social security) and private pension and welfare programs (e.g. health and life insurance). However, the U.S. Chamber of Commerce also includes pay for time not worked (e.g. vacation) and miscellaneous benefits (e.g. child-care) in its definition of a benefit (Harris & Fink, 1994). In this study, benefits are defined as that part of the total compensation package other than pay for time worked provided to employees in whole or in part by employer payment (Williams, 1995). This includes a wide array of benefits from health insurance, life insurance, and automobile insurance to child care and educational assistance programs. Another group of benefits that will be examined in this study are workplace-related issues referred to as internal services. These include (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition.

History and Development of Employee Benefits

When benefits were first introduced in 1929, they represented only three percent of total compensation. In 1990, benefits constituted approximately 28 percent (38 cents added to each dollar of wages) of total compensation for the private sector (Bergmann et al., 1994). This increase can be partially attributed to the rising costs of specific benefits (e.g. medical care coverage). However, the breadth of benefits coverage has also increased. While most early plans provided little more than basic health and retirement coverage, today's plans often offer profit-sharing and stock ownership benefits, legal, educational, and child care assistance, dental and vision insurance, and life insurance for employees and their dependents (Barber, Dunham, & Formisano, 1992).

Other factors contributing to the growth of benefits are societal pressure, favorable tax treatment, employer self interest, favorable rates from group participation, employer paternalism, employee desire for increased leisure, employee economic protection, and union pressure (Bergmann et al., 1994).

In the late 1970s a change in the demographic characteristics of the U.S. workforce led to the development of a new type of benefits package, the 'cafeteria' or 'flexible' benefit plan. The traditional benefit plans were geared towards the traditional structure of the employed male, head of household, with a non-working spouse and children at home. However, this type of benefits package failed to accommodate the interests of the new workforce (Barber et al., 1992), such as single employees or dual-career couples. For example, Rabin (1994) found that employees who have no dependents often attach little value to life insurance and might prefer other benefits or a cash alternative.

Advocates of flexible benefit plans claim they can increase satisfaction with benefits, produce higher levels of motivation and productivity, and increase attraction and retention of employees. Barber, Dunham, and Formisano (1992) also stress the cost-containing factor of flexible benefits claiming that cost savings can be realized by (1) allowing employees to choose personally valued benefits within a cost constraint, and (2) improving efficiency of benefit use through increased awareness of benefits cost. Opponents of flexible benefits point out increased administrative costs incurred when individual benefits choices are processed, and adverse selection where only heavy users of a particular benefit opt for that benefit (Barber et al., 1992).

Structure of Benefit Packages

The rapid growth and change of the workforce has promoted a variety of benefit packages. The choice between a traditional or more modern, flexible, package is up to the employers. The following are some of the plans currently used today:

1. **Modular Plans:** *Consist of a series of different benefit bundles or different levels of coverage designed for different subgroups of the employee population.*
Employees can select only one bundle and coverage level substitutions are not allowed (Tremblay et al., 1998).
2. **Core-Plus-Options Plans:** *Consist of a core group of essential benefits together with a wide array of other benefit options that employees can add to the core. The core is designed to provide a minimum level of economic security (Tremblay et al., 1998).*

3. **Flexible Plans:** This plan allows employees to pay for certain categories of eligible benefits that are not included in the plan, using untaxed dollars. This type of plan is in fact a bank account used to pay claims that is managed by the employer. Flexible benefits plans carry many potential advantages. They allow employees (1) to choose the benefits that best satisfy their personal needs; (2) to understand and appreciate the benefits offered and the related costs; and (3) to avoid pointless duplication of benefits for couples with two incomes. Such benefit packages are also beneficial to the employer as they provide a better way of satisfying the changing needs of salaried employees, permit the introduction of new, less costly benefits, and help increase employee satisfaction (Tremblay et al., 1998).

Factors in Benefit Satisfaction

Danehover and Lust (1992) and Ward and Davis (1995) propose various factors, which have an impact on overall employee benefit satisfaction and satisfaction with coverage and perceived value of benefit packages.

1. The employee's needs and expectations, i.e. the beliefs employees hold regarding the functions a benefits package should perform (Danehover & Lust, 1992). For example, the employee perception of the organization's financial ability to offer desired benefits (Ward & Davis, 1995).
2. The sociodemographic characteristics of each individual employee such as age, gender, education level, health, family status, and number of dependents (Danehover & Lust, 1992). For example, an employee close to retirement is more

likely to put more emphasis on a pension plan than would a young employee just starting his or her career.

3. Job-related factors such as pay level, tenure, work environment (i.e. nature of the job, presence of health hazards), and union status. For example, employees with long tenure may be more knowledgeable about benefits and therefore expect more (Danehover & Lust, 1992).
4. The experience with benefit packages (the degree to which the employee has actually used the available components in the benefits package) influences the level of knowledge the employee has of the package components (Danehover & Lust, 1992).
5. The availability of benefits, i.e. the actual offering of benefits including level and type of coverage (Danehover & Lust, 1992) and employees' influence on the contents of the package (i.e. flexibility) (Ward & Davis, 1995).
6. The cost structure of the benefit package. This includes not only the dollar amount that the package costs but also the coverage percentage and level of deductibles and co-payments for such things as office visits or medication (Danehover & Lust, 1992).
7. The equity comparisons to other firms. These are the employees' perceptions of the value of the benefits package offered by his or her organization compared to packages offered by other organizations (Ward & Davis, 1995).
8. The amount of employee benefit education, i.e. the level of communication used to explain benefits programs to employees (Ward & Davis, 1995). The level of

employee knowledge and understanding of the benefits he or she is entitled to and at what cost.

Organizational Commitment Definition

Organizational commitment is of interest to managers because it determines employees' attitudes, behaviors, and intentions. Ward and Davis (1995) propose the following three-component model to define and measure commitment:

1. Continuance commitment, which is being committed to an organization due to the high cost of leaving.
2. Affective commitment, which is commitment based on positive feelings or emotions towards the organization. (See Appendix A, question 1.6 "I am proud to tell others that I am part of this hotel.")
3. Moral/normative commitment, which is based on the employee having internalized the values and goals of the organization (See Appendix A, question 1.11 "I find that my values and the hotel's values are very similar."). Employees who are morally committed to an organization have internalized normative pressures to act in a way which meets the organizational goals and interests, thus exhibiting specific behavior because they believe it is the 'right' and 'moral' thing to do (Allen & Meyer, 1990).

Employees with strong continuance commitment remain with an organization because they *need* to, those with strong affective commitment because they *want* to, and those with strong normative commitment because they feel they *ought* to do so (Allen & Meyer, 1990). Employees can experience each of these psychological states to varying

degrees, therefore the 'net sum' of a person's commitment to an organization reflects each of these separable psychological states (Allen & Meyer, 1990). High organizational commitment results in employees who are more willing to expend effort for the organization, identify with its values, and have a desire to maintain affiliation with the organization. Low organizational commitment is associated with perceptions of career stagnation, stress, family strains, absenteeism, turnover, reduced performance, and poor compliance with supervisor's directives (Ward & Davis, 1995).

However, one should not confuse organizational commitment with job satisfaction. "Job satisfaction results from evaluation of specific parts of a job, while organizational commitment is a global reaction to the organization as a whole" (Ward & Davis, 1995, p.36). An employee can be unsatisfied with his or her job but still have positive feelings about the organization, or vice versa.

In the effort to reduce turnover, management should attempt to increase the degree of organizational commitment. This may be achieved once the causal factors of organizational commitment are identified. Ward and Davis (1995) identify employee benefit packages as a potential correlate of organizational commitment, basing their assumption on the exchange theory. The exchange theory's point of view indicates that workers perceive and evaluate a balance or imbalance of the costs and benefits of organizational membership. If workers perceive a favorable balance between the time, effort, and knowledge they provide to the organization and the rewards provided by the organization, they are more committed. From this perspective benefits are categorized as rewards and are offered to encourage employees to remain with the organization.

Consequently, satisfaction with benefits is expected to have an influence on organizational commitment.

Previously, continuance commitment (e.g. being committed to an organization due to the high cost of leaving) caused individuals with preexisting medical conditions to be reluctant to leave their current positions because of the difficulty of receiving coverage in a new job. The Consolidated Omnibus Budget Reconciliation Act (COBRA) was passed to assist employees who were terminated or those who lost coverage because of reduced hours. This federal statute requires certain group health and dental plans to provide a continuation of coverage to certain individuals who otherwise no longer qualify for benefits (www.employease.com). Additionally, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) protects employees even further. It deals with insurance coverage for preexisting conditions when an employee moves from one firm to another (Howard, 1997). This legislation will help prevent the continuance commitment, or 'job-lock', which may force unmotivated employees to remain with their current employers only because they need to stay in their health plan (Howard, 1997).

Employee Turnover

Research at Saratoga Institute has shown that the average internal cost of turnover for exempt personnel is a minimum of one year's pay and benefits, or a maximum of two years pay and benefits (Fitz-Enz, 1997). However, to obtain the full financial impact of employee turnover, one also needs to look at the external effects on customer retention and sales. These external effects are (1) loss of customers, as customers may take their business elsewhere if they constantly have to deal with new, inexperienced employees.

And (2) the expenditure in marketing and sales to win new customers (Fitz-Enz, 1997).

The employee-based cost consists of four internal sources:

1. The termination cost which includes processing and interviewing (exit interview).

These costs are basically staff time and materials. Additionally, some managers may choose to spend time with departing employees to try to persuade them to stay, time that could otherwise be used for other value-adding activities.

2. The average cost of hiring and training a replacement can be as high as \$8,300 according to the Saratoga Institute's 1995 'Human Resource Financial Report' (HRFR) (Fitz-Enz, 1997). When there are relocation costs involved the expense may be even higher.

3. The vacancy costs directly affect service quality because lack of personnel leads to excessive workload and stressful working conditions. In the long run such situations, if not corrected, may lead to even more turnover, low service quality, and eventually loss of customers as well.

4. The loss of productivity when a new person is hired can also be significant as it can take a new employee up to six months or more to master his or her job requirements completely.

These significant costs should encourage every organization to re-evaluate its retention program. A single bonus, or any other 'extra', will not make the necessary difference to keep employees from leaving. Employers have to create a work place where employees will find the satisfaction they are looking for in their job. This can be achieved by balancing benefits and internal service quality issues according to employee needs and wants.

Turnover occurs in most cases within the first several months. Therefore, some hospitality managers have begun to focus on the socialization of new employees as a factor in turnover. A study conducted by Young and Lundberg (1996) at Cornell University shows that newcomers focus on events that affect them emotionally. The study suggests that there is a need for a socialization process, in addition to the customary orientation and training in order to reduce anxiety. In the first few days on the job the newcomer has to discover what the organization is all about and what is expected of him or her. To accomplish that, the individual uses formal means, such as orientation and training programs, and informal means, such as overhearing a conversation between managers or peers (Young & Lundberg, 1996). By minimizing anxiety the likelihood of turnover in the early stages of employment can be reduced.

One Las Vegas-based organization that is applying internal service principles to control turnover is the Mirage. The turnover in Las Vegas casinos averages 45-percent, whereas the Mirage maintains an astonishingly low 12-percent (Comeau, 1994). Artie Nathan, Vice President of Human Resources at the Mirage at the time, put an emphasis on employee recognition for one main reason - to reduce employee turnover, thus improving customer service. This is achieved by paying attention to the little things from the day a new employee joins the organization. These little things include a personal acquaintance with the employee's immediate supervisor, and a guide from the department to accompany him or her throughout the first week. In addition, employees are interviewed at the end of their first week providing the human resources department with feedback about their experience with this integration process.

Types of Employee Benefits

While some benefits are required by law, others are offered at the employer's discretion in the effort to attract and retain employees. Benefits required by law are Worker's Compensation, Family Medical Leave (according to the FMLA, i.e. the Family Medical Leave Act), and Unemployment Coverage. In five states (New York, New Jersey, Rhode Island, California, and Hawaii) plus Puerto Rico, mandatory disability insurance coverage is also required (U.S. Department of Labor, 1995). Worker's Compensation was designed to protect an employee who was injured on the job. It is based on the no fault system meaning that even if the employee is hurt due to negligence on his or her part, he or she is still compensated. Although this benefit may vary by state, generally the law provides disability income and medical expenses as well as provide for surviving family members. Some states may also provide vocational rehabilitation benefit (www.employease.com).

The variety of benefits currently offered can be divided into two sub groups: short-term and long-term benefits.

Short Term Benefits

Short-term benefits are benefits an employee can enjoy upon joining the organization or after a short period of time (i.e. 3-6 month). These include medical insurance, dental and vision insurance, and auto, home and legal insurance. Each organization may choose to offer a different combination of these and/or other benefits, or change the waiting period for benefit eligibility.

Medical Insurance

Medical insurance was designed to provide employees with significant financial protection against catastrophic loss. The majority of medical insurance plans cover hospitalization, intensive care, surgery, accidental injury expenses, treatment of mental and nervous disorders, and maternity health care. Common exclusions are treatment by an unlicensed or unqualified doctor, routine eye exams, cosmetic surgery, experimental procedures, and dental treatment. Employers are permitted to establish plans that permit employees to pay for their group coverage on a before-tax basis. This lowers employees' out-of-pocket cost of buying group insurance (www.employease.com).

There are two main types of medical plans: indemnity plans and managed health care plans.

Indemnity Plans

1. **Basic Medical Plan:** covers normal expenses associated with hospitalization or required medical care up to stipulated maximums (www.employease.com).
2. **Supplemental Plan:** designed to augment basic medical expense coverage by paying benefits for expenses after the insured has exhausted basic benefits and paid a deductible (out-of-pocket expense) toward the cost of medical care (www.employease.com).
3. **Comprehensive Plan:** developed to replace the traditional Basic Medical and Supplemental plans as they are very expensive, invite abuse and are overutilized for high-price services. Many comprehensive plans today include cost containment features such as second surgical opinions or preventive care coverage (www.employease.com).

Managed Health Care Plans

1. **Health Maintenance Organization (HMO):** HMOs have to be federally qualified before they can solicit employers. HMOs have more comprehensive coverage than indemnity plans and practice cost containment by putting an emphasis on preventive medicine. However, employees must utilize participating physicians with the HMO (www.employease.com).
2. **Preferred Provider Plan (PPO):** PPOs allow employees maximum flexibility in that they can utilize either a participating provider or a non-participating provider at their discretion. However, there is no deductible or co-insurance if the services of the preferred providers are used (www.employease.com).

HMOs Versus PPOs

There is an inherent difference between HMOs and PPOs. PPOs are a type of fee-for-service plan because care providers are not reimbursed until services are performed. This is different from the HMOs in which providers are paid a fixed amount for services before they are performed over a period of time. Several studies have shown that HMO members express less satisfaction with certain administrative aspects of care than do members of FFS (Fee-For-Service) patients. This includes continuity of care, appointment lags, and convenience of location. HMO patients also tend to be less satisfied with patient-doctor interaction (Rockwell et al., 1992).

Dental Insurance

Dental insurance was designed to provide financial protection against expenses associated with dental care. Some dental plans are written through an HMO or PPO. In general, there are two types of coverage:

1. **Scheduled:** benefits are limited to specified maximums per procedure with first-dollar coverage (www.employease.com).
2. **Comprehensive:** provide routine dental care services without deductibles or coinsurance to encourage preventive care. The employee pays a percentage of non-routine treatment and most plans include a specified maximum dollar amount payable each year (www.employease.com).

Time Related Benefits

Schedule flexibility is likely to increase employees' quality of life, thus improving morale and productivity. This is especially so for two-working-parent households or single-parent households. While working at home is not a viable option for the hospitality industry, other time-related benefits, such as flex-time, 'floater' holidays, four-day work weeks, or sabbatical leaves, can be mutually beneficial (Hertzog, 1997).

Auto and Home Insurance

Automobile and homeowner's insurance purchased through voluntary payroll deduction is increasing in popularity as an employee benefit. The employee pays 100 percent of the premium costs through regular payroll deductions, thus saving the time and effort involved in the insurance shopping process, plus avoiding down payments,

monthly bills, and finance charges. Some insurance companies say the efficiencies of the program (there are no agents, missed payments, cancellations, or re-instatements) allow them to offer a rate as much as 15 percent lower than the national retail rate (Cole, 1997).

Legal Insurance

Group legal insurance operates similarly to medical insurance offered through a health maintenance organization. For a monthly premium of 15–20 dollars, plan members receive free legal advice and consultation and negotiation and trial representation from a national network of attorneys. Plans may vary covering legal needs like adoption and divorce, property protection, consumer protection, will preparation, and real estate transactions (Meinders, 1998).

Dependent Care

Dependent care includes child care and elder care services. Child care services have been offered since the early 1990s. The need for such services has been on the rise since the increase in dual-profession parents and single parenthood. Child care benefits can come in the form of a set amount for child care or a coupon for the cost of child care at a licensed center or a company's private center (Haar & Kossack, 1990). Child care and elder care services in many companies include direction and guidance to help employees deal with all aspects of dependent care as well as referral lists. This helps relieve employee concerns and allows workers to focus on their jobs (Mula, 1998).

Long Term Benefits

Long-term benefits are benefits that an employee can start enjoying only after a certain pre-determined minimal period of time with the organization. These include time off, stock options, and savings and investment plans.

Time Off

Time off benefits include holidays, vacations, and leave, with or without pay (www.employease.com).

1. Holidays: companies have designated holidays based on local customs in the geographical area.
2. Vacations: most companies base the number of vacation days on years of service and/or the employee's job designation.
3. Paid leave: depending on the situation, many companies will permit an employee to apply for a paid leave for a short period of time. Some extraordinary situations are death of a family member, jury duty, or two-week military duty.
4. Unpaid leave: the Family Medical Leave Act (FMLA) requires employers of 20 or more employees to grant, under certain circumstances, unpaid leave of up to 12 weeks in a 12-months period. Such circumstances include: care for a child after birth, adoption, or placement in your home for foster care, and care for a seriously ill spouse, child, or parent (U.S. Department of Labor, 1996).

Stock Options

A stock option gives employees the right to purchase a certain number of shares in the company, at a fixed price, for a certain number of years. The price at which the option is provided is called the 'grant' or 'strike' price and is usually the market price at the time the options were granted. Stock option plans are a flexible way for companies to share ownership with employees, reward them for performance, and attract and retain motivated staff. Option plans allow employees to sell their shares at any time (www.nceo.org).

Savings and Investment Plans

The savings and investment plan (401K) was designed to give employees the opportunity to save money in a tax-effective way. A saving plan can be done on a before-tax or after-tax basis up to certain legal limits as mandated by the Internal Revenue Service. Employers have the option of making a matching contribution, which is usually 50 cents for every dollar the employee saves. The employee has full ownership of his or her savings and their earnings, but ownership of the company contributions and earnings only after a period of time (usually after five years). Loans can be requested from the account and pay out occurs when the employee's employment ends (www.employease.com).

Benefits Communication

"Benefits packages will fail to attract, enthuse, and retain workers if employees cannot understand their content" (Haar & Kossack, 1990, p. 186). In a 1990 study, Haar

and Kossack (1990) examined the readability of the benefit package materials of twenty Fortune 500 corporations and compared it to the reading ability of the average worker. They found that there is a discrepancy between verbal formats of benefit package materials and the recipient's decoding abilities. Consequently, the investment in benefit packages does not achieve its goals of attracting, motivating, or retaining employees.

Benefits are in place to enhance the employer-employee relationship. This initial purpose should not change in spite of the fact that benefits have become increasingly complex in recent years (Gribble, 1997). For example, instead of one health insurance package, many employers now offer four or five options. Additionally, employers have moved away from conventional pension plans toward employer-sponsored 401K packages which require employees to take responsibility and initiative in saving for their own retirements. "Employees will hold it against the employer if they are confused about benefits. Such confusion usually has financial consequences for the employee, for which management takes the blame... [This] can lead to a very unhappy and unproductive workforce" (Gribble, 1997, p. 16).

Haar and Kossack (1990) and Gribble (1997) suggest that employers be attentive to the following issues regarding benefits communication:

1. Employees should know and understand what benefits they are entitled to.
2. Employees should recognize the monetary value of each item included in their benefits package.
3. The written material describing benefit packages has to match the reading ability of the average worker.

Rabin (1994) found that communication usage played a positive role in levels of benefit satisfaction. Individuals who reported greater usage of communication materials were more satisfied with the flexible benefit plan on a current basis. Tremblay, Sire, and Pelchat (1998) also found a strong correlation between communication and benefit satisfaction. Employees may have a better understanding of benefit packages where an effective communications program exists, and thus have an increased sense of security and protection.

A 1995 Life Insurance Marketing and Research Association (LIMRA) study found that the key to a successful benefits program is communicating clear detailed information to employees. The communication vehicles that employees prefer include: (1) printed materials with brief two-to-three-page descriptions of the benefits and employee 'kits' containing more detailed information, (2) toll-free numbers for questions, and (3) required group meetings and voluntary meetings (Cole, 1997).

Internal Service Quality

Hallowell, Schlesinger, and Zornitsky (1996) have studied the effect of internal service quality on employee job satisfaction, customer service quality, and employee turnover. They suggest that the satisfaction of employees' needs includes economic (i.e. wages and benefits) and non-economic needs (i.e. internal services). In this study the internal service components include (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition. This definition excludes 'goal alignment' which was included in the original model suggested by Hallowell, Schlesinger, and Zornitsky (1996). The study results showed a strong

relationship between internal service quality and job satisfaction, which may result in lower turnover (Hallowell et al., 1996).

Taco Bell, Marriott, and Starbucks Coffee Company are examples of organizations that place an emphasis on internal service quality. Taco Bell recognized that its restaurant managers needed to spend more time on training employees and selling tacos. The company "developed a new tool to remove approximately 16 hours of paperwork from the general manager's job" (Hallowell et al., 1996, p. 27). The tool is TACO, which stands for 'Total Automation of Company Operations'. It provides computerized employee scheduling, food ordering and communication functions. This system is a working tool that enhances the manager's service capability thus enabling him or her to provide workers with more attention and a better working environment. The tool was implemented with the goal of reducing employee turnover and ultimately improving restaurant service for customers (Hallowell et al., 1996).

Marriott Corporation incorporated the internal service principle in its 'Work Life' program. This program is a toll free number manned by social workers offering counseling and education in 16 languages, 24-hours a day. Topics that can be addressed are child-care, financial information, school system, transportation, domestic and substance abuse, elder care, and a variety of other issues. Marriott spent about \$2 million on the resource line but the company estimated it gains five dollars in productivity for every dollar spent on the program. Marriott found that offering such service to employees helped cut absenteeism and turnover, improve the image of the organization, and attract new employees (Jossi, 1997). This is consistent with the internal service elements of communication, teamwork and tools. Furthermore, Marriott's human resources

professionals work with managers and employees simultaneously in an effort to measure and enhance managerial effectiveness. This is achieved by including employee feedback in managerial appraisals (Hallowell et al., 1996). This helps the company stay in touch with employees' perceptions of management quality - one of the internal service elements.

Starbucks Coffee Company uses excellent benefits packages and high internal service quality to attract and retain workers (Weiss, 1998). The company offers four internal services to its employees: the Mission Review Forum, the Open Forum, the Warm Regards Recognition Program, and the Work/Life Program. The Mission Review Forum is a way for employees to communicate their thoughts and feelings to management and receive answers to their questions. Open forums are regularly held to examine performance and recognize achievements. The Warm Regards Recognition Program was developed to spotlight outstanding achievements. These programs provide employees with recognition for their efforts and furnish them with a communication channel. The goal of this initiative is to create a feeling of respect and increase retention. The Work/Life Program includes on-site fitness services, referral and educational support for child care and elder care issues, an info-line for convenient information, and the 'partner connection' - a program that links employees with shared interests and hobbies. "This program ensures that Starbucks employees are happy outside of work, thus promoting satisfaction during work" (Weiss, 1998, p. 63).

Employee Benefit Satisfaction and Organizational Commitment

The purpose of offering benefits is, among other things, to increase organizational commitment, thus minimizing turnover and improving customer service. In a study focused on service organizations, Lane (1993) reported significant relationships between a measure of benefit satisfaction and organizational commitment, trust in management, turnover intention, and job stress. Lane's results are indicative of the increased significance of employee benefits as organizational rewards. They support organizational investments in benefits by showing a return on investment in the form of higher commitment levels, higher trust in management, and lower turnover intentions.

Carraher, Hart, Buckley, and Sawyer (1992) examined the relationship between benefit satisfaction and attitude measures such as intention to search for a new job, quit, be absent from work, and actual turnover. Using ATBS (attitudes towards benefits scale) these researchers measured individuals' level of satisfaction with their benefits, the perceived importance of benefits, the ease of replacement of a benefit package, and the perceived cost-of-benefits package. They found that attitudes towards benefits are negatively correlated with attitudes towards absenteeism, intention to quit, and intention to search for a new job; however they found no correlation with turnover.

Harris and Fink (1994) found that the presence or absence of a pension plan was significantly related to turnover rate. They suggest two reasons why benefit satisfaction affects employee attitude and behavior. (1) Benefits represent a reward associated with a job well done. "Based on this argument individuals who are more satisfied with their benefits will be less likely to leave, less likely to join a union, and more likely to be

committed to the organization" (Harris & Fink, 1994, p. 125). (2) Benefits represent a signal of the organization's care and concern for employees' well being, which may trigger organizational support. This explanation implies that benefits represent more than just a part of the compensation package for employees.

One company that has shaped its benefits package around the employees' needs and wants is Starbucks Coffee Company. The Seattle-based coffee shop chain has "comparatively low health-care costs, reduced absenteeism, and one of the strongest retention rates in the industry" (Weiss, 1998, p. 61). Because it relies mostly on part-time employees the company offers a full benefits package to any partner who works over 20 hours a week. This package includes medical and dental coverage, vacation days, and stock options as part of Starbucks BEAN STOCK program. The stock option plan was established in 1991 as a way to invest in employees and create an ownership across the company. Flexibility is also a central issue as eligible employees can choose between health coverage from two managed care plans or a catastrophic plan. They can also select between two dental plans and a vision plan. Starbucks has found that offering such benefits, which it started doing in 1987, has improved employee retention and boosted recruitment efforts. It also helps the company reduce recruiting and training costs (Weiss, 1998).

During the fiscal year that ended in September 30, 1997, Starbucks reported an employee turnover rate of 60 percent, a low figure compared to the average 200 percent turnover in the retail food industry (Leming, 1998). In the effort to remain attuned to employees, Starbucks offers flexible work schedules. "Flexibility is particularly inherent in our stores because of our extended hours of operation and the diversity of our

workforce, from students to parents, who need to work alternative hours" (Weiss, 1998, p. 63) says Joan Moffat, Starbucks Manager of Partner Relations and Work/Life Program.

For PepsiCo's Pizza Hut, Taco Bell, and KFC, chains highly dependent on entry-level employees, the stock plan made sense as well - sparking an ownership interest in providing good customer service (Papiernik, 1997).

Employee Benefit Satisfaction and Turnover

By offering employee benefits, organizations hope to increase organizational commitment and thus reduce turnover and improve customer service. Boyd and West (1994) conducted a study with the intention of measuring the effect of fringe benefit offerings on the turnover of hourly housekeeping employees in the hospitality industry. The purpose of the study was to assist hospitality executives in determining whether certain benefits are cost-effective in facilitating the organization's goals of reducing turnover. The findings showed that properties offering retirement plans, group vision insurance, group dental insurance, and group life insurance reported lower turnover percentages. Other benefit offerings were statistically incapable of discriminating between hotels with high and low turnover. This should not be construed as implying that the non-significant benefit offerings are not important to retention. They may well be necessary in that their absence may result in high turnover.

There were some surprising findings in the Boyd and West (1994) study. Child care was offered by only six properties out of the 600 that participated in the study, and yet these properties did not enjoy low turnover rates among their hourly housekeeping

employees. Child care is a very costly benefit to offer. It includes wages for staff, insurance and liability issues, physical accommodation, and special equipment. Providing child care should be weighed against the benefits to be gained by such an offering.

Additionally, no significant difference in turnover rate was associated with the offering of transportation as a benefit, which was offered by 14 properties in the study. "Like child care this benefit is expensive in terms of operational cost, insurance and liability costs" (Boyd & West, 1994, p. 331). It would not be cost effective to offer such a benefit if it does not increase benefit satisfaction. However, as was stated earlier, the elimination of such a benefit may result in benefit dissatisfaction; therefore managers need to be attentive to employee's needs and wants.

The National Restaurant Association backed a recently passed legislation that includes an important, business-friendly health care 'pooling' provision. The Patient Protection Act, H.R. 4250 that contains the Association Health Plans (AHP) provision was passed by the House on July 24, 1998. It will allow trade associations like the National Restaurant Association to provide health insurance to its members and their employees. The bill would reduce costs and would give smaller restaurant businesses expanded access to health insurance coverage, thereby helping more employers offer affordable insurance to their employees (Anonymous, 1998). The AHP plan would help make it possible for business owners to offer insurance to employees, such as students or single mothers, who would otherwise not be covered (Anonymous, 1998). By improving working conditions small business owners will be able to increase commitment among their employees and tackle turnover.

Summary

The squeeze in the labor market has forced employers to compete with others in the recruitment of qualified, talented, and loyal employees. One of the basic components of the retention strategies used by Human Resources executives today to recruit and retain employees is offering fringe benefits. In addition to benefits, employers attempt to create high-quality working conditions. This relates to the seven components of internal service employees receive from the organization. The intention of this study is to examine whether satisfaction with benefits and internal services improves job satisfaction and increases organizational commitment thus helping to reduce turnover and provide hospitality customers with better service.

CHAPTER 3

METHODOLOGY

Introduction

The purpose of this study is to examine the influence of internal service quality and benefit satisfaction on organizational commitment and job satisfaction. Harris and Fink (1994) propose that employee benefit satisfaction may influence attitudes such as organizational commitment. Therefore an understanding of benefit satisfaction may lead to an increased understanding of other employee attitudes and behaviors (Williams, 1995). The results may help industry professionals in customizing their benefit packages and shaping the internal service quality in their organizations to improve employees' organizational commitment. This chapter will explain the method of questionnaire design, the survey administration (i.e. data gathering procedures), methods used to analyze the data, and methods used for hypothesis testing.

Research Questions

The study proposes to investigate the following questions:

1. Is there a relationship between employees' benefit satisfaction and employees' organizational commitment?

2. Is there a relationship between employees' satisfaction with the seven components of internal service and employees' organizational commitment?
3. Is there a relationship between benefit communication received and employee benefit satisfaction?
4. Is there a relationship between respondents' sociodemographic characteristics and level of benefit satisfaction?

Hypothesis

Hypothesis 1

- H₀ There is a positive relationship between employee benefit satisfaction and organizational commitment.
- H₁ There is a negative relationship between employee benefit satisfaction and organizational commitment.

Hypothesis 2

- H₀ There is a positive relationship between the seven components of internal service quality and organizational commitment.
- H₁ There is a negative relationship between the seven components of internal service quality and organizational commitment.

Hypothesis 3

- H₀ There is a positive relationship between communication received by employees and their level of benefit satisfaction.

- H₁ There is a negative relationship between communication received by employees and their level of benefit satisfaction

Hypothesis 4

- H₀ There is a relationship between sociodemographic characteristics of the workforce and level of benefit satisfaction.
- H₁ There is no relationship between sociodemographic characteristics of the workforce and level of benefit satisfaction.

Overview of Questionnaire Design

Survey questions are based on a variety of several instruments proven to be reliable and valid. The main source for the questions measuring job satisfaction and organizational commitment was Rose (1991). The majority of the questions on the survey were designed to be rated on a Likert scale.

Part I

Part one measures job satisfaction and organizational commitment using statements to which the respondent has to indicate level of agreement using the following scale:

- 1-strongly disagree
- 2-disagree
- 3-neither agree nor disagree
- 4-agree
- 5-strongly agree.

The statements measuring job satisfaction are:

- 1.1 All in all, I am satisfied with my job.
- 1.10 In general, I don't like my job.
- 1.19 In general, I like working here.

The statements measuring organizational commitment are:

- 1.1 I am willing to put in a great deal of effort beyond that normally expected in order to help this hotel be successful.
- 1.3 Deciding to work for this hotel was a definite mistake on my part.
- 1.4 I really care about the future of this hotel.
- 1.5 I am extremely glad that I chose to work for this hotel over other hotels.
- 1.8 I usually tell my friends that this is a great hotel to work for.
- 1.9 I feel very little loyalty to this hotel.
- 1.11 I find that my values and the hotel's values are very similar.
- 1.12 It would take very little to cause me to leave this hotel.
- 1.13 This hotel really inspires the very best in me in the way of job performance.
- 1.14 For me, this is the best of all possible hotels to work for.
- 1.15 There's not too much to be gained by staying with this hotel indefinitely.
- 1.16 Often, I find it difficult to agree with this hotel's policies on important matters relating to its employees.
- 1.18 I could just as well be working for a different hotel as long as the type of work was similar.

- 1.20 I would accept almost any type of job assignment in order to keep working for this hotel.

Part II

Part two measures satisfaction with the seven components of internal service and with benefits. The scale in this part is:

- 1-very dissatisfied
- 2-dissatisfied
- 3-neither dissatisfied nor satisfied
- 4-satisfied
- 5-very satisfied.

The questions measuring internal service satisfaction are:

- 1. Tools
 - 2.11 The tools/materials you receive to do your job.
- 2. Policies and procedures
 - 2.12 The overall policies and practices of your hotel.
- 3. Teamwork
 - 2.4 Interactions with your coworkers.
- 4. Management
 - 2.2 Your direct supervisor.
- 5. Training
 - 2.8 The type of training you receive.
- 6. Communication

- 2.6 The amount of information you receive from top management about what is going on in your hotel.

7. Rewards and recognition

- 2.1 Advancement opportunities at your company.
- 2.7 The recognition you receive for doing a good job.
- 2.9 The reward system in place.
- 2.10 The way your performance is evaluated.

The questions measuring benefit satisfaction are:

- 2.13 The dependent care provisions provided by your hotel.
- 2.14 The health and well being programs.
- 2.15 The financial benefits from your company.
- 2.16 The insurance services.

Part III

Part three measures benefit satisfaction and frequency in which certain benefits are used by the hotel's employees. Also measured is satisfaction with the communication provided by the human resources department regarding benefits. The questions in this part are separated into three different sections with three separate scales.

Section One

The questions in this section measure benefit satisfaction and satisfaction with communication received use the following scale:

- 1-strongly disagree
- 2-disagree
- 3-neither agree nor disagree
- 4-agree
- 5-strongly agree.

The questions measuring benefit satisfaction are:

- 3.1 The overall benefits program meets my needs.
- 3.3 The medical insurance provides enough protection.
- 3.4 My benefits are worth the contributions I make.
- 3.5 The dental insurance provides enough protection.
- 3.6 The vision insurance provides enough protection.

The questions measuring satisfaction with communication received are:

- 3.2 The human resources department gives me enough information about my benefits.
- 3.7 The human resources department notifies me in a timely manner of any changes in plan benefits and/or procedures.
- 3.8 The human resources department is responsive and helpful when I have questions about my benefits or need assistance.

Section Two

The questions in this section measure satisfaction with specific benefits and use the following scale:

NP-not provided

1-very dissatisfied

2-dissatisfied

3-neither dissatisfied nor satisfied

4-satisfied

5-very satisfied

The questions measuring satisfaction with specific benefits are:

3.9 HMO (Health Maintenance Organization)

3.10 Self-funded (Preferred Provider Plan)

3.11 Dental Plan

3.12 Vision Plan

3.13 Life Insurance

3.14 Cancer care insurance

3.15 Long-term disability

3.16 Medical reimbursement

3.17 Dependent care reimbursement

3.18 Intensive care insurance

3.19 Automobile insurance

3.20 Homeowner's insurance

3.21 Worker's compensation insurance

3.22 Unemployment insurance

Section Three

The questions in this section measure frequency of use of specific benefits and are rated on the following scale:

NP-not provided

1-never

2-occasionally

3-sometimes

4-often

5-always

The questions measuring frequency of use of specific benefits are:

3.23 On-site concierge or travel agency for employee use.

3.24 On-site dry cleaning.

3.25 On-site elder or child care.

3.26 Matching college alumni donations.

3.27 Time off for community service.

3.28 Company sponsored shuttle to subway, train, or parking lot.

3.29 Nutrition or wellness classes.

3.30 Domestic partner benefits.

3.31 Adoption benefits.

3.32 Health club membership discount.

3.33 Educational assistance program.

3.34 Scholarships for dependents of employees.

3.35 Discount tickets.

Part IV

Part four gathered sociodemographic data about the respondents as well as information about their employment record. The sociodemographic data included age, gender, racial origin, education level, marital status, and number of dependents. The employment information included department employed in, position, tenure in the hotel and at the position, job status (full/part time & hourly/salaried), usual shift, and union membership.

Population

The population of interest for this study is the Las Vegas casino-hotel workforce. The study was conducted at one of Las Vegas' casino hotels located on Las Vegas Boulevard. This hotel employs 1,300 union and non-union employees, thus allowing the researcher to measure attitudes towards benefits and benefit perception and satisfaction of both these groups.

Sampling procedures

The Las Vegas casino hotel in which the study was administered has approximately 1,300 employees. The surveys were handed out at the employee dining room and break area. Four hundred surveys were handed out during the five scheduled collection days to any employee who walked into the employee dining room and was willing to complete the survey. There was a concern for bias because not all employees

come to the employee dining room on a regular basis. However, a company announcement was made prior to the beginning of the study that a UNLV student would be in the employee dining room administering a survey about benefit satisfaction. Several workers who usually do not come to the employee dining room during their breaks, came there to be able to complete the survey. From conversations with participants in the study, it was the data collector's impression that workers coming to the employee dining room were a diverse group. This includes departmental representation and attitude, while some employees expressed criticism and a negative attitude towards the organization others manifested positive feelings towards and satisfaction with the organization. This diversity led the data collector to believe that the sample was not biased in this aspect.

Data Collection Procedures

Hotel employees and supervisors were informed that a study would be conducted by a UNLV student. The purpose of the study, as it was presented to supervisors and employees, was 'to take a critical look at employee benefits practices and satisfaction with them'. Employees were asked to participate in a serious and honest manner and were insured of the anonymous character of the study. The student, wearing a UNLV nametag, handed the questionnaire out to employees at the hotel during breaks, in the employee break area. This student also collected the completed surveys thus eliminating any contact between the completed questionnaires and the hotel's management team. Employees were asked to fill out the questionnaire and hand it back the same day or the following day. Five collection days were scheduled. To insure that the sample would be representative of the entire workforce. Data collection was administered during all times

of the day including weekdays and weekends; employees from all shifts were surveyed.

The schedule was as follows:

1. Tuesday, September 22, 10:00am to 5:00pm to cover the day shift.
2. Wednesday, September 23, 3:00pm to 11:00pm to cover the swing shift.
3. Thursday, September 24, 6:00am to 2:00pm to cover the graveyard shift.
4. Friday, September 25, 9:00am to 4:00pm to cover the day shift.
5. Saturday, September 26, 9:00am to 3:00pm was a special day scheduled for housekeeping personnel who were able to take longer breaks on that specific day.

The schedule also permitted the study to cover all the following hotel departments:

Accounting	Convention/Conference Services
Administration	Engineering/Maintenance.
Banquets/Catering Production	Front Office
Banquets/Catering Service	Garage/Valet Parking
Bar/Lounge	Health Club/Spa
Bell Station	Housekeeping/Laundry
Business Center	Human Resources
Casino - Marketing	MIS
Casino - Slots	PBX
Casino - Keno	Purchasing/Receiving
Casino - Cage	Reservations
Casino - Table Games	Restaurant Production
Concierge/Guest Services	Restaurant Service
Sales/Marketing	Safety/Security

Most employees used their scheduled breaks to fill out the survey and some were able to take it to their stations and return it on later breaks. Due to the length of the questionnaire (it took approximately 20 minutes to complete) some employees were granted additional time on their scheduled breaks so that they were able to complete the survey. The hotel's management team was supportive and some supervisors had scheduled additional employees so as to allow sufficient time for the surveys to be filled out properly. The last scheduled data collection day was specifically arranged for the housekeeping department. It was coordinated with the department supervisor on a Saturday. Because a significant part of housekeeping personnel did not speak English at the level required for the comprehension of the survey, a Spanish-speaking student assisted in data collection that day.

Data Analysis

The Statistical Package for Social Sciences (SPSS) (1997) was used for data analysis. A number of statistical analysis measures were used; descriptive statistics (i.e. frequencies and means), bivariate correlations and analysis of variance (ANOVA) were used to measure correlations between study variables. Multiple regression analysis was used to assess the predictive capacities of the seven components of internal service with regards to organization commitment and job satisfaction.

General scores were computed for (1) overall organizational commitment, (2) overall job satisfaction, (3) overall benefit satisfaction, (4) overall benefit coverage and value satisfaction, (5) overall satisfaction with internal services received, (6) and overall

satisfaction with communication received. Cronbach's Alpha was used to determine reliability of each separate measurement.

Several questions had to be re-coded in the reverse coding method so as to allow the computation of representative scores for overall organizational commitment (1.9, 1.12, 1.15, 1.16, and 1.18) and overall job satisfaction (1.10). These cumulative scores were correlated to test for significance. Other correlations were computed between sociodemographic variables and benefit satisfaction. Additionally frequencies of employment information variables were run to categorize the workforce.

Summary

This chapter discussed the method of questionnaire design, the survey administration, and methods used to analyze the data and test the hypotheses. The findings will be presented in chapter four and the conclusions and recommendations in chapter five.

CHAPTER 4

RESULTS

Introduction

Employees and managers at one Las Vegas casino hotel property comprised the convenience sample used in this study. Four hundred surveys were handed out and 206 were returned, out of which 201 were usable, yielding a response rate of 51 percent. SPSS, the Statistical Package for the Social Sciences (1997) was used for data analysis. Initial analysis included descriptive statistics of the sample's demographics and employment issues. The analysis also included means, standard deviations, variances, and frequencies for most of the survey questions. Relationships were tested using bivariate correlations, linear regression, and analysis of variance (ANOVA).

Demographic Profile of the Sample

The demographics of the sample included age, gender, racial category, marital status, and education level. The mean age of the sample was 40.69 years with a standard deviation of 10.76 years (N=181). The age variable was re-coded to three categories: (1) under 25 years, (2) 25-44 years, and (3) 45 years and above. The purpose of this new variable was to measure whether there was a significant difference between different age

groups in their level of benefit satisfaction, organizational commitment, and job satisfaction. Approximately two thirds of the work force fell into the second category (i.e. 25-44 years) and one third fell into the third category (i.e. over 45 years) (see table 1).

Table 1

Age Categories

Age Group	Frequency	Valid Percent
Under 25	12	6.6%
25-44	103	56.9%
45 and above	66	36.5%
Total		100.0%
N=181		

The marital status variable was collected in four separate categories: (1) single, (2) married/partnered, (3) divorced, and (4) widowed (see table 2). This variable was re-coded to only two categories: (1) single and (2) married/partnered. The category 'single' is the sum of the three variables single, divorced, and widowed. The purpose of the new variable was to measure whether there is a significant difference in benefit satisfaction when one is single (including the categories of divorced and widowed) or married (including the category of partnered). Racial category, marital status, and education level are also presented in table 2.

Table 2

Demographic Profile of the Sample

Variable	Frequency	%
<u>Gender</u> N=197		
Male	83	42.1%
Female	114	57.9%
<u>Marital Status</u> N=196		
Married/Partnered	95	48.5%
Single	101	51.5%
Single	62	31.6%
Divorced	36	18.4%
Widowed	3	1.5%
<u>Race Category</u> N=191		
Native American	5	2.6%
Asian/Pacific Islander	12	6.3%
African American	25	13.1%
Hispanic	26	13.6%
Caucasian	123	64.4%
<u>Education Level</u> N=196		
Completed elementary school	2	1.0%
Some high school	8	4.1%
Graduated from high school	73	37.2%
Some college/technical training	77	39.3%
Completed technical training/associate degree	19	9.7%
Graduated from college	13	6.6%
Some graduate school	3	1.5%
Graduate degree	1	0.5%

Employment Profile of the Sample

The employment profile of the sample consisted of several variables:

1. The departments represented in the sample.
2. The different job classifications (i.e. front line employee, supervisor, or manager/assistant manager).
3. Tenure in the hotel, in the current position, and in hospitality in general.
4. Whether the respondent was an hourly (i.e. non-exempt) or a salaried (i.e. exempt) employee.
5. Whether the respondent worked full or part time.
6. Whether the respondent was a union member or not.
7. Which was the respondents' most frequently worked shift.

Departmental Representation

The departments represented in the sample are shown in table 3. Most of the hotel's departments were represented. The 'other' category includes departments that were not represented at all or were represented by less than 1 percent of the sample.

Table 3

Departmental Representation

Department	Valid percent	Cumulative Percent
Accounting	6.2%	6.2%
Banquets/catering production	1.5%	7.7%
Banquets/catering service	2.6%	10.3%
Bar/lounge	4.1%	14.4%
Bell station	2.0%	16.4%
Casino – cage	3.6%	20.0%
Casino – marketing	3.1%	23.1%
Casino – slots	10.3%	33.4%
Casino - table games	15.9%	49.3%
Concierge/guest services	1.0%	50.3%
Engineering/maintenance	5.6%	55.9%
Front office	5.6%	61.5%
Garage/valet parking	1.0%	62.5%
Housekeeping/laundry	10.3%	72.8%
MIS	1.0%	73.8%
PBX	2.1%	75.9%
Purchasing/receiving	1.0%	76.9%
Reservations	2.1%	79.0%
Restaurant production	3.1%	82.1%
Restaurant service	5.1%	87.2%
Safety/security	4.6%	91.8%
Other	8.2%	100.0%
Total	100.0%	
N=201		

Job Classifications

The different job classifications included the following categories: front line employee, supervisor, and manager or assistant manager. The majority of the respondents were front line employees (see table 4).

Table 4

Job Classification

	Valid Percent	Cumulative Percent
Front line employee	83.0%	83.0%
Supervisor	13.4%	96.4%
Manager/assistant manager	3.6%	100.0%
Total	100.0%	
N=194		

Tenure

Tenure included tenure in the hotel, in the current position, and in hospitality in general. Tenure in the hotel ranged from less than three months to 31 years. Only 14.2 percent of the employees who responded to the survey had been with the hotel for less than a year (see table 5).

Table 5

Tenure with the Hotel

	Frequency	Valid Percent
Under one year	28	14.2%
A year and over	169	85.8%
Total	197	100.0%
N=197		

Out of the 85.8 percent of the respondents who have been with the hotel for over a year the break down is shown in table 6.

Table 6

Tenure with the Hotel for Employees of Tenure Higher than One Year

	Valid percent	Cumulative Percent
1-10 years	77.3%	77.3%
11-20 years	9.2%	86.5%
21-30 years	12.9%	99.4%
31-40 years	0.6%	100.0%
Total	100.0%	
N=169		

Tenure in current position ranged from under three months to 29 years and tenure in hospitality in general ranged from less than three months to 34 years. The average for tenure in the hotel, in the current position, and in hospitality in general for employees of a year or longer is shown in table 7.

Table 7

Tenure in the Hotel, the Position and in the Hospitality Industry

	Mean	SD	N
Years with hotel	8.074	8.107	163
Years in current position	7.205	7.028	154
Years in hospitality	10.952	8.897	178

Other Employment Issues

The remaining employment issues included whether the respondent was an hourly (i.e. non-exempt) or a salaried (i.e. exempt) employee, worked full or part time, was a union member or not, and what shift the respondents most frequently worked. These variables are shown in table 8. The variable 'current job status' was collected including four categories: (1) full time, (2) part time, (3) temporary, and (4) seasonal. This variable was re-coded to two categories only, which are: (1) full time and (2) part time, the part time category included 'temporary' and 'seasonal'. The purpose of this new variable was to measure whether the job security of full time employees had a significant difference in benefit satisfaction as opposed to part time employees, who may feel less job security.

The other variables are presented as they were collected. The majority of the sample consisted of hourly employees who work full time. Union members consisted of 46 percent of the sample, while the most frequently worked shift was the a.m. shift (see table 8).

Table 8

Employment Issues of the Individual

Variable	Frequency	%
<u>Hourly or salaried</u>		
hourly	177	90.3%
salaried	19	9.7%
N=196		
<u>Full time or part time</u>		
full time	189	95.0%
part time (including temporary & seasonal)	10	5.0%
N=199		
<u>Most often worked shifts</u>		
a.m. shift	119	61.0%
p.m. shift	24	12.3%
swing shift	36	18.5%
graveyard shift	5	2.6%
work different shifts	11	5.6%
N=195		
<u>Union membership</u>		
union member	91	46.0%
not a union member	105	53.0%
don't know	2	1.0%
N=198		

Benefit Satisfaction with Individual Benefits

Benefit satisfaction was measured for each benefit separately. The mean satisfaction with individual benefits is shown in Table 9. These benefits were rated on a five point Likert scale ranging from (1) strongly dissatisfied to (5) very satisfied. This

section of the survey also included a 'not provided' option. However the 'not provided' option was coded as a missing variable and was not included in the frequencies and means. The mean satisfaction with individual benefits ranged from 1.96 to 3.02.

Table 9

Benefit Satisfaction with Individual Benefits for All Employees

Benefit	N	Mean	Median	SD
Dependent care provisions	191	2.34	3	1.12
Health & wellbeing programs	196	2.37	3	1.05
Financial benefits (stock retirement plan)	197	2.58	3	1.08
Insurance services	196	2.96	3	1.25
HMO - health maintenance organization	143	2.67	3	1.20
PPO - self funded health insurance	126	2.83	3	1.13
Dental plan	176	3.02	3	1.22
Vision plan	176	3.00	3	1.21
Life insurance	140	2.95	3	1.04
Cancer care insurance	104	2.77	3	.94
Long term disability	120	2.73	3	.95
Medical reimbursement	163	1.96	3	1.56
Dependent care reimbursement	109	2.73	3	.96
Intensive care insurance	113	2.77	3	.92
Automobile insurance	57	2.60	3	.88
Homeowner's insurance	56	2.61	3	.87
Worker's compensation insurance	142	2.80	3	.92
Unemployment insurance	128	2.91	3	.96

Benefit Satisfaction Union Versus Non-Union Employees

Union Employees were significantly more satisfied with insurance services, HMO, PPP, dental plan, vision plan, intensive care insurance, worker's compensation insurance, and unemployment insurance. However, non-union employees were found to be significantly more satisfied with medical reimbursement (see table 10).

Table 10

Benefit Satisfaction with Individual Benefits of Union Versus Non-Union Employees

Benefit	Union Status	N	Mean	Med	SD	Sig.
Dependent care provisions	Union	87	2.40	3	1.18	
	Non	99	2.30	3	1.06	
Health & wellbeing programs	Union	88	2.35	2	1.06	
	Non	103	2.40	3	1.05	
Financial benefits (stock retirement plan)	Union	88	2.70	3	1.05	
	Non	104	2.50	3	1.08	
Insurance services	Union**	89	3.52	4	1.10	.000**
	Non	102	2.49	3	1.17	
HMO - health maintenance organization	Union**	47	3.17	3	1.17	.001**
	Non	92	2.42	2	1.12	
PPO - self funded health insurance	Union**	49	3.24	3	1.05	.002**
	Non	74	2.64	3	1.08	
Dental plan	Union**	77	3.65	4	1.09	.000**
	Non	95	2.54	3	1.07	
Vision plan	Union**	76	3.57	4	1.05	.000**
	Non	96	2.57	3	1.13	
Life insurance	Union	49	3.06	3	1.01	
	Non	87	2.91	3	1.03	
Cancer care insurance	Union	32	2.81	3	1.06	
	Non	68	2.76	3	.83	
Long term disability	Union	40	2.90	3	1.01	
	Non	77	2.69	3	.89	
Medical reimbursement	Union	75	1.61	2	1.69	
	Non*	86	2.26	3	1.36	.014*
Dependent care reimbursement	Union	37	2.95	3	1.08	
	Non	69	2.70	3	.83	
Intensive care insurance	Union*	40	3.03	3	.92	.012*
	Non	69	2.64	3	.84	
Automobile insurance	Union	21	2.76	3	.83	
	Non	33	2.64	3	.82	
Homeowner's insurance	Union	22	2.77	3	.81	
	Non	31	2.65	3	.80	
Worker's compensation insurance	Union*	62	2.94	3	1.01	.046*
	Non	76	2.71	3	.78	
Unemployment insurance	Union*	57	3.16	3	.96	.035*
	Non	68	2.72	3	.90	

*p<.05 **p<.01

Computed Scores

Total scores were computed for overall organizational commitment, overall job satisfaction, overall benefit satisfaction, overall satisfaction with benefit coverage and value, overall satisfaction with internal services received, and overall satisfaction with communication received (see table 11).

Table 11

Total Scores

Score	Questions Included (see Appendix A)							
Overall organizational commitment	1.2	1.3	1.4	1.5	1.6	1.8	1.9	1.11
	1.12	1.13	1.14	1.15	1.16	1.18	1.20	
Overall job satisfaction	1.1	1.10	1.19					
Overall benefit satisfaction	2.13	2.14	2.15	2.16	3.1			
Overall satisfaction with benefit coverage and value	3.3	3.4	3.5	3.6				
Overall satisfaction with internal services received	2.1	2.2	2.4	2.6	2.7	2.8	2.9	2.10
	2.11	2.12						
Overall satisfaction with communication received	3.2	3.7	3.8					

Several questions had to be re-coded in the reverse coding method so as to allow the computation of representative scores for overall organizational commitment (1.9, 1.12, 1.15, 1.16, and 1.18) and overall job satisfaction (1.10).

**Overall Benefit Satisfaction and Satisfaction with
Benefit Coverage and Perceived Value**

Overall benefit satisfaction and satisfaction with coverage and perceived value were determined by cumulative scores (see table 11). Findings revealed that the overall benefit satisfaction score average was 13.02 (range 5-25) and the satisfaction with benefit coverage and perceived value score average was 11.91 (range 4-20).

Table 12

**Overall Benefit satisfaction and Satisfaction with Benefit Coverage and Perceived Value
for All Employees.**

	Mean	Median	SD	N
Overall benefit satisfaction	13.02	13	4.27	200
Satisfaction with benefit coverage & perceived value	11.91	12	4.36	192

There was a significant difference between how satisfied non-union and union employees were with benefits. Union employees were significantly more satisfied both with overall benefits and with coverage and value (see table 13).

Table 13

Overall Benefit Satisfaction and Satisfaction with Benefit Coverage and Perceived Value for Union Versus Non-Union Employees.

	Union Status	Mean	Median	SD	N
Overall benefit satisfaction	Union	14.12**	14.50	3.79	90
	Non	12.15	13.00	4.41	105
Satisfaction with benefit coverage & perceived value	Union	14.10**	15.00	3.78	84
	Non	10.19	10.00	3.94	103
**p<.01					

Benefit Communication

Satisfaction with the communication received from the human resources department regarding benefits was also measured. The communication score was computed by combining the results of three satisfaction statements (see table 11). The average score for communication received from the human resources department was 9.38 (range 3-15).

Section three in part three of the survey (questions 3.23 through 3.35 see Appendix A) measured frequency of use of independent benefits. These questions were rated on a five point Likert scale ranging from (1) Never (i.e. I never use this benefit), to (5) always (i.e. I always use this benefit). This section also included a 'not provided' option. However, this option was coded as a missing variable and not included in the frequencies and means. The Las Vegas casino hotel offered only two out of the total thirteen listed: a health-club membership discount and discounted tickets (to concerts, shows etc.). However, 33.4 percent of the respondents did not know that a health club

membership was provided, and 38.4 percent did not know of the possibility of purchasing discounted tickets. Additionally, between 20.3 and 32.8 percent of the respondents believed that the other benefits that appeared on the survey were offered although the hotel does not offer them (see table 14).

Table 14

Benefit Use Frequency

Benefit	Mean	Med	SD	N	% of the sample
On site concierge/travel agency for employee use	1.24	1	.72	66	32.8%
On site dry cleaning	1.74	1	1.37	72	35.8%
On site elder or child care	1.17	1	.64	47	23.3%
Matching college alumni donations	1.22	1	.84	46	22.8%
Time off for community service	1.34	1	.89	64	31.8%
Company sponsored shuttle to subway, train, or parking lot	1.73	1	1.34	52	25.8%
Nutrition/wellness classes	1.17	1	.68	46	22.8%
Domestic partner benefits	1.23	1	.78	52	25.8%
Adoption benefits	1.10	1	.62	41	20.3%
Health club membership discount*	1.68	1	1.22	134	66.6%
Educational assistance program	1.20	1	.63	60	29.8%
Scholarships for dependents of employees	1.18	1	.66	50	24.8%
Discounted tickets*	1.93	2	1.02	124	61.6%

Note: * Benefits that were offered by the hotel

Hypothesis Testing

The descriptive statistics for the bivariate correlations used to test hypothesis one through three are depicted in table 15.

Hypothesis 1

Hypothesis 1 predicted that employee benefit satisfaction and organizational commitment would be positively correlated. This hypothesis was tested for overall benefit satisfaction and for satisfaction with benefit coverage and perceived value. The mean score for overall benefit satisfaction was 13.02 (range 5-25) and the mean score for satisfaction with benefit coverage and perceived value was 11.91 (range 4-20). The mean score for organizational commitment was 42.51 (range 15-75). There was a significant correlation between both variables of benefit satisfaction and organizational commitment (see table 15). Table 16 shows the ANOVA results for the correlations between benefit satisfaction (both overall satisfaction and satisfaction with value and coverage) and organizational commitment. Linear regression revealed that benefit satisfaction (both overall satisfaction and satisfaction with value and coverage) is a predictor of organizational commitment (see table 17).

Hypothesis 2

Hypothesis 2 predicted that the satisfaction with the quality of the seven components of internal service would be positively correlated with organizational commitment. The mean score for satisfaction with the seven components of internal

service was 27.46 (range 10-50). There was a significant correlation between the satisfaction with internal services received and organizational commitment (see table 15).

Satisfaction with the individual components of internal service was measured on a five point Likert scale ranging from (1) very dissatisfied to (5) very satisfied (see table 18). The mean scores show that employees were most satisfied with their direct supervisors and with the interactions with co-workers (i.e. team work) (mean scores of 3.48 and 3.82 respectively). Employees were least satisfied with communication received (i.e. information received) and with their rewards and recognition (see table 18).

ANOVA was used to examine the relation between the individual components of internal service and overall organizational commitment and job satisfaction. It was found that satisfaction with rewards and recognition, training, management (i.e. direct supervisor), team work, and policies and procedures were significantly correlated with organizational commitment (see table 19). ANOVA was also used to measure the relation between the seven internal service components and job satisfaction. The results showed that all but one (i.e. team work) of the seven components of internal service were significantly correlated with job satisfaction (see table 20).

Multiple regression revealed four of the components of internal service to be predictors of organizational commitment (see table 21) and job satisfaction (see table 22). Management (direct supervisor), team work, policies and procedures, and rewards and recognition were found to be significantly correlated with organizational commitment and job satisfaction. However, team work was found to be negatively correlated with organizational commitment and job satisfaction. The standardized beta indicates the percentage of the results that are explained by each variable. The R-square shows that the

model explains 50.9 percent of the variability in the dependent variable organizational commitment (see table 21) and 41.9 percent of the variability in the dependent variable job satisfaction (see table 22).

Hypothesis 3

Hypothesis 3 predicted that there would be a positive correlation between the satisfaction with the communication received from the Human Resources department and benefit satisfaction. Communication includes the amount of information received, the helpfulness and responsiveness of the human resources team when answering questions, and the timely notification of plan changes and/or new procedures (see questions 3.2, 3.7, and 3.8 in Appendix A). The mean score of satisfaction with the communication received was 9.38 (range 3-15). There was a significant correlation between the satisfaction with the communication received from the Human Resources department with both overall benefit satisfaction and satisfaction with benefit coverage and perceived value (see table 15). Linear regression revealed communication received from the Human Resources department to be a predictor of benefit satisfaction (see table 23).

Table 15

Descriptive Statistics and Correlations Among Study Variables ^a

Variable	Mean	SD	N	1	2	3	4	5	6
1. Overall benefit satisfaction	13.02	9.27	200	(.80)					
2. Benefit satisfaction value & coverage	11.91	4.36	192	.695**	(.91)				
3. Organizational commitment	42.51	11.28	201	.329**	.195**	(.87)			
4. Job satisfaction	9.28	2.64	200	.276**	.190**	.782**	(.79)		
5. Communication received from HR	9.38	2.86	193	.473**	.406**	.376**	.343**	(.83)	
6. Seven components of internal services	27.46	7.94	200	.377**	.107	.591**	.536**	.523**	(.86)
**p<.01									

Note: ^a The six total scores were tested for reliability and found to be internally consistent, the coefficient alphas are shown in parentheses on the diagonal.

Table 16

ANOVA Results for Benefit Satisfaction Measures

Independent Variable	Dependent variable	df	F	Sig.
Overall benefit satisfaction	Organizational commitment	20	2.260**	.003
Satisfaction with benefit coverage & value	Organizational commitment	15	1.833*	.033
*p<.05 **p<.01				

Table 17

Linear Regression for Benefit Satisfaction and Organizational Commitment

Independent Variable	Dependent variable	Standardized Coefficients	T Value
Overall Benefit satisfaction	Organizational Commitment	.329	4.897***
R-square: 0.108	Adjusted R-square: 0.104		
Satisfaction with value and perceived coverage	Organizational commitment	.195	2.736**
R-square: 0.38	Adjusted R-square: 0.33		
** p< .05 ***p<.001			

Table 18

Satisfaction with Internal Services Received

Service	N	Mean	Median	SD
1. Tools	198	2.90	3	1.2
2. Policies & procedures	197	2.73	3	1.17
3. Team Work	197	3.82	4	.98
4. Management (direct supervisor)	197	3.48	4	1.36
5. Training	195	2.88	3	1.24
6. Communication	197	2.26	2	1.19
7. Rewards & recognition (4 scores combined)	200	9.68	10	3.57

Table 19

ANOVA Results for Seven Components of Internal service and OrganizationalCommitment

Independent Variable	Dependent variable	df	F	Sig.
1. Tools	Organizational Commitment	4	6.731**	.000
2. Policies & procedures		4	31.573**	.000
3. Team Work		4	3.202*	.014
4. Management (direct supervisor)		4	17.868**	.000
5. Training		4	6.119**	.000
6. Communication		4	10.392**	.000
7. Rewards & recognition (4 scores combined)		14	8.020**	.000
8. Cumulative score 7 service components		35	4.308**	.000

* p<.05 **p<.01

Table 20

ANOVA Results for Seven Components of Internal service and Job Satisfaction

Independent Variable	Dependent variable	df	F	Sig.
1. Tools	Job Satisfaction	4	6.841**	.000
2. Policies & procedures		4	18.730**	.000
3. Team Work		4	.721	.578
4. Management (direct supervisor)		4	16.537**	.000
5. Training		4	4.878**	.001
6. Communication		4	6.119**	.000
7. Rewards & recognition (4 scores combined)		14	5.212**	.000
8. Cumulative score 7 service components		35	2.813**	.000

* p<.05 **p<.01

Table 21

Standardized Regression Coefficients for Individual Measures of Internal ServiceComponents and Organizational Commitment ^a

Independent Variables	Standardized Coefficients	T Value
Constant	23.195	8.493***
1. Tools	-.058	-.867
2. Policies & procedures	.427	6.111***
3. Team Work	-.128	-2.197*
4. Management (direct supervisor)	.185	2.637**
5. Training	.007	.107
6. Communication	.021	.327
7. Rewards & recognition (4 scores combined)	.291	3.585***
R-square: 0.509 Adjusted R-square: 0.490		

* p<.05 **p<.01 ***p<.001

^a Dependent Variable

Table 22

Standardized Regression Coefficients for Individual Measures of Internal ServiceComponents and Job Satisfaction ^a

Independent Variables	Standardized Coefficients	T Value
Constant	5.906	8.789***
1. Tools	.031	.424
2. Policies & procedures	.262	3.441**
3. Team Work	-.209	-3.281**
4. Management (direct supervisor)	.303	3.965***
5. Training	-.003	-.039
6. Communication	-.051	-.730
7. Rewards & recognition (4 scores combined)	.285	3.234**

R-square: 0.419 Adjusted R-square: 0.396

p<.01 *p<.001

^a Dependent Variable

Table 23

Linear Regression for Communication Received and Benefit Satisfaction

Independent Variable	Dependent variable	Standardized Coefficients	T Value
Communication received	Overall benefit satisfaction	.473	7.414***
R-square: 0.223 Adjusted R-square: 0.219			
Communication received	Satisfaction with perceived value & coverage	.406	6.115***
R-square: 0.164 Adjusted R-square: 0.160			
** p< .05 ***p<.001			

Hypothesis 4

Hypothesis 4 predicted that there would be a significant relationship between demographic characteristics and benefit satisfaction. Only three significant correlations were found. Age and organizational commitment and age and job satisfaction were both positively correlated (see table 24). The number of dependents and overall benefit satisfaction was found to be negatively correlated (see table 24). Union status and both variables of benefit satisfaction (overall satisfaction and satisfaction with coverage and value) were found to be correlated. Union employees were significantly more satisfied with overall benefits and with the coverage level and perceived value than non-union employees (see table 13).

Table 24

Descriptive Statistics and Correlations among Study Variables^a

Variable	Mean	SD	N	1	2	3	4	5	6	7	8	9	10	11	12
1. Overall benefit satisfaction	13.02	9.27	200	(.80)											
2. Benefit satisfaction value & coverage	11.91	4.36	192	.695**	(.91)										
3. Org commitment	42.51	11.28	201	.329**	.195**	(.87)									
4. Job satisfaction	9.28	2.64	200	.276**	.190**	.782**	(.79)								
5. Tenure ^b	1.37	.73	163	.065	.146	.111	.117								
6. Age ^c	2.30	.59	181	-.073	-.080	.147*	.154*	.288							
7. Hourly/salaried	1.10	.30	196	.055	.099	.194**	.096	-.012	-.051						
8. Gender (M=1;F=2)	1.58	.50	197	.011	.065	.056	-.048	.075	-.057	.034					
9. Marital status (married=2; single=1)	1.48	.50	196	-.001	.120	.048	-.011	.025	.052	-.060	.012				
10. Number of dependents	.97	1.31	199	-.152*	-.115	-.014	-.015	.018	-.144	.056	.077	.345			
11. Job status (full time=1; part=2)	1.05	.22	199	.081	.121	.072	.047	.008	-.291	.002	-.181	-.178	-.083		
12. Union status (member=1; not=0)	.48	.52	198	.201**	.397**	.003	-.005	.258	.055	-.302	.041	.103	-.086	.009	
13. Education Level	4.81	1.09	196	-.130	-.125	-.062	-.008	-.110	.043	.088	-.219	.088	-.026	-.024	-.183
* p<.05 **p<.01 Note:				^a Numbers in parentheses on the diagonal are coefficient alphas for scales											
^b tenure is categorized in groups 1-10, 11-20, 21-30, 31-40				^c Age is categorized in groups: under 25, 25-44, 45 and above											

There was no significant correlation found between benefit satisfaction and the hourly or salaried variable. However a significant correlation was found between organizational commitment and salaried employees (see table 24). Salaried employees were significantly more committed than hourly employees (see table 25).

Table 25

Organizational Commitment for Salaried Versus Hourly Employees

	Mean	Median	SD	N
Hourly	41.64	41.30	11.02	177
Salaried	49.04**	46.30	12.36	19
**p<.001				

The remaining demographic variables tested for correlations with benefit satisfaction and organizational commitment were found to be insignificant in this study. These variables included tenure, gender, marital status, education level and job status.

Summary

This chapter presented the study results in detail. All four hypothesis were tested and were either fully or partially accepted. The discussion on the findings will be presented in chapter five. This will include conclusions and recommendations.

CHAPTER 5

DISCUSSION, RECOMMENDATIONS, AND CONCLUSIONS

Introduction

The purpose of this study was to examine the influence of internal service quality and benefit satisfaction on organizational commitment and job satisfaction. This is important because employee benefit satisfaction may influence employee attitudes related to organizational commitment. An understanding of benefit satisfaction may lead to an increased understanding of other employee attitudes and behaviors such as intent to turnover and willingness to expend effort for the organization. The results of the study may help industry professionals in customizing their benefit packages and shaping the internal service quality in their organizations to improve employees' organizational commitment. Consequently this would help hospitality managers provide customers with the quality service necessary for survival in a competitive market as well as fight costly turnover.

Discussion of Results

Demographic Data

The demographic data found is generally consistent with the national 'Industry of Choice' report of the Foodservice Research Forum (1997) and with the Current Population Survey of the Nevada hospitality industry (Waddoups, 1996). The employee gender breakdown in the study was 57.9 percent female and 42.1 percent male. This is similar to the Foodservice Industry Report that showed a majority of 51 percent female workers and 49 percent of male workers. Marital status results were also consistent showing 51.5 percent of single employees in this study and 51.8 percent of single employees in the national Foodservice Industry Report.

Racial categories in the study consisted of a majority of Caucasian (61.4%) workers and about the same percentage of Hispanic and African American workers (13.6% and 13.1% respectively). These results are very similar to the Foodservice Industry Report, showing 74.6 percent of the workforce to be Caucasian and 13.4 and 12 percent respectively to be Hispanic and African American.

Education level results in the study were slightly different from the findings of the national Foodservice Industry Report. The education level of the hotel's workforce was found to be somewhat higher than the education level reported for foodservice employees on a national level. This study found only 5.1 percent of the hotel's employees to have less than a high school education compared to the 31.4 percent reported in the Foodservice Industry Report. High school graduates comprised 37.2 percent of the study, 49 percent had some college education, and 8.6 percent had a college degree of some

level. The national Foodservice Industry Report shows 26.6 percent to have graduated from high school, 26.6 percent to have a some college education, and 7.4 percent to have a college degree of some level. This discrepancy may be a result of the voluntary character of this survey because educated employees are more likely to feel comfortable with written material and thus were more likely to complete the survey.

The results for union membership and age were found to be consistent with the reported findings of the Current Population Survey (Waddoups, 1996). Average age found in the study was 40.69 years, which is slightly higher than the average age of 39.46 years reported in the Current Population Survey for hospitality employees in Nevada. Union status in the study was 46 percent union and 53 percent non union (1% did not know union status), which is consistent with the Current Population Survey which reported 48 percent union and 52 percent non-union, for hospitality workers in Nevada.

Hypothesis Testing

The results of this study provided support for the stated hypothesis indicating significant correlations between benefit satisfaction and organizational commitment, between satisfaction with internal services received and organizational commitment, between communication received and benefit satisfaction, and between certain sociodemographic variables and benefit satisfaction and organizational commitment. An in depth discussion of each individual hypothesis follows, including interpretations of the satisfaction scores found in the study.

Hypothesis 1

Hypothesis 1 predicted that employee benefit satisfaction and organizational commitment would be positively correlated. Satisfaction scores suggested that employees were mostly dissatisfied with their benefits, the results were consistent when tested for individual benefit satisfaction, overall benefit satisfaction, and satisfaction with coverage and perceived value. The correlation results showed that overall benefit satisfaction and satisfaction with benefit coverage and perceived value were significantly related to organizational commitment. Lane (1993) and Harris and Fink (1994) also found significant correlation between benefit satisfaction and organizational commitment. Martin and Bennett (1996) found only a low correlation between the two variables. These results suggest that the higher employees' benefit satisfaction the higher their organizational commitment. Therefore, employees who are satisfied with the benefits they receive are more likely to be committed to the organization. The implication for hospitality managers is that benefit packages should be molded to meet employees' needs. By offering the right combination of benefits employers will have the possibility of influencing employees' perceptions of, and attitudes toward, the organization.

The linear regression results revealed that benefit satisfaction (both overall satisfaction and satisfaction with perceived value and coverage) is a predictor of organizational commitment. The R-square shows that overall benefit satisfaction explains 10.8 percent of the variability in the dependent variable of organizational commitment. Satisfaction with benefit coverage and perceived value explains 3.8 percent of the variability in the dependent variable of organizational commitment.

Hypothesis 2

Hypothesis 2 predicted that the satisfaction with the quality of the seven components of internal service would be positively related to organizational commitment and job satisfaction. In this study internal services included (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition. The mean scores for satisfaction with the seven components of internal service indicated that employees were mostly dissatisfied with the internal services they received at the hotel. The internal service component employees were least satisfied with was communication received and rewards and recognition and most satisfied with their direct supervisors and with interactions with their co-workers.

The correlation results showed that employees' satisfaction with the seven components of internal service was significantly related to organizational commitment and to job satisfaction. These results are consistent with the findings of Hallowell, Schlesinger, and Zornitsky (1996) who found satisfaction with internal services to be significantly correlated with job satisfaction.

Multiple regression revealed four of the components of internal service to be predictors of organizational commitment and job satisfaction. Management (direct supervisor), team work, policies and procedures, and rewards and recognition were found to be significantly correlated with organizational commitment and job satisfaction. However, team work was found to be negatively correlated with organizational commitment and job satisfaction. While statistically meaningful, this finding is opposed to the researcher's expectation that satisfaction with team work (i.e. interactions with co-workers) would increase job-satisfaction and if not increase, than not have a negative

impact on organizational commitment. It is possible that the surveyed hotel does not promote team work and therefore employees rated it poorly. Future research is needed to confirm or deny the existence of a negative relationship between satisfaction with team work with organizational commitment and job satisfaction. The R-square shows that the model explains 50.9 percent of the variability in organizational commitment and 41.9 percent of the variability in job satisfaction.

These findings are important because all seven components of internal service are controlled by management and can be influenced by management. Hospitality employers have the ability to improve the quality of the seven components of internal services and in that way increase job satisfaction and organizational commitment. Determining which of the seven components are most significant in increasing organizational commitment and improving job satisfaction, allows hospitality managers to target these components directly.

Hypothesis 3

Hypothesis 3 predicted that there would be a positive correlation between the satisfaction with the communication received from the Human Resources department and employee benefit satisfaction. The mean score for communication received from the human resources department implies that most employees were neither satisfied nor dissatisfied with the communication they received. However, when employee knowledge about benefits was compared to actual benefits provided a discrepancy was discovered. This suggests that the communication between the Human Resources department and the workers is deficient.

The correlation results show that the satisfaction with the communication received from the Human Resources department was significantly correlated with benefit satisfaction. These findings are consistent with those of Trembley, Sire, and Pelchat (1998) who found communication received to be a main predictor of benefit satisfaction. Therefore, the more satisfied employees are with the information they receive the more likely they are to be satisfied with their benefits and vice versa. Williams (1995) and Rabin (1994) also found communication to be highly related to benefit satisfaction. Linear regression revealed that communication received from the Human Resources department is a predictor of benefit satisfaction. The R-square shows that satisfaction with communication received explains 22.3 percent of the variability in overall benefit satisfaction and 16.4 percent of the variability in satisfaction with coverage and value.

Satisfaction with communication received is determined by the quantity and the quality (ease of understanding) of the information provided and the frequency and ease in which it is granted. Employees are likely to have a better understanding of benefit packages where an effective communications program exists. Consequently, knowledgeable employees are more likely to have an increased sense of security and protection and thus be more satisfied with their benefits.

Hypothesis 4

Hypothesis 4 stated that there would be significant relationships between sociodemographic characteristics and benefit satisfaction. This hypothesis was proved for only three of the sociodemographic variables: age, number of dependents, and union status.

Tremblay, Sire, and Pelchat (1998) found no significant correlation between socio-demographic factors (gender, age, number of dependents, education level, and tenure) and benefit satisfaction. They suggested that this limited effect was caused by the introduction of perceptual variables (in benefit satisfaction measures) into the cumulative scores. They hypothesized that these variables may have a direct effect when specific benefit elements are studied. However, in this study, when satisfaction with individual benefits was correlated with sociodemographic variables no significant correlations were found.

Age

Age and organizational commitment and age and job satisfaction were found to be both positively correlated. Lane (1993) also found age and organizational commitment to be significantly correlated. These results suggest that older workers are more likely to be satisfied with their jobs and have higher levels of organizational commitment. No significant correlation was found between age and benefit satisfaction. Previous research has produced inconsistent results in relationships between age and benefit satisfaction. Lane (1993) found age and benefit satisfaction to be significantly correlated but Balkin and Griffeth (1993) found moderate support that age was negatively related to benefit satisfaction, meaning that the older the employee is, the less likely he or she is to be satisfied with benefits. Finally, Martin and Bennett (1996) and Tremblay, Sire, and Pelchat (1998) found no correlation between age and benefit satisfaction.

Number of dependents

Number of dependents was found to be negatively correlated with overall benefit satisfaction. This means that the higher the number of dependents the lower the employee's satisfaction with benefits. However, Tremblay, Sire, and Pelchat (1998) found the number of dependents to be statistically insignificant in the determination of benefit satisfaction. Specific factors may be the cause for the low satisfaction level for respondents with several dependents at the hotel property surveyed. This hotel does not offer on site elder or child care, domestic partner benefits, or scholarships for dependents of employees which may have an impact on the benefit satisfaction level of respondents with several dependants.

Union Status

Union status and benefit satisfaction (overall satisfaction and satisfaction with coverage and value) were found to be significantly correlated. Union employees were significantly more satisfied with overall benefits and with the coverage level and perceived value than non-union employees. When individual benefits were tested for significant correlations, union employees were found to be significantly more satisfied with insurance services, HMO, PPP, dental plan, vision plan, intensive care insurance, worker's compensation insurance, and unemployment insurance. However, non-union employees were found to be significantly more satisfied with medical reimbursement.

The difference in benefit satisfaction between union and non-union employees may be a result of the difference in benefit packages offered. The package provided by the union is different than the one provided by the hotel. Therefore, it is possible that

union members are more satisfied because of the different components provided in their package as opposed to the benefits package provided by the hotel to non-union employees. Another possible factor in the disparity of benefit satisfaction between union and non-union employees is communication (i.e. level of knowledge employees have concerning the components and value of the package). Union employees may be more knowledgeable about the components and value of their benefits package because these are usually agreed on after lengthy public bargaining which are often covered by the media. The most recent negotiations were completed in June 1997 and included issues such as wage, health insurance, and pension plans (Bach, 1997). Therefore it is possible that union employees are more knowledgeable about these recently negotiated benefits. Union employees may also have a higher sense of security knowing that the union is working and bargaining for their welfare.

The standard deviations for the non-union employees mean scores (for overall satisfaction scores) were slightly higher than those of the union employees, suggesting that union employees, as a group, had more consistent opinions than non-union employees.

Hourly / Salaried

This study found no significant correlation between benefit satisfaction and hourly or salaried employees. Conversely, Sammons and Petrillose (1998) found salaried employees to be significantly more satisfied with benefits than hourly employees. In addition, Balking and Griffeth (1993) found moderate support that salaried employees were more likely to be satisfied with benefits than hourly employees were. A significant

correlation was found between organizational commitment and hourly or salaried variable. Salaried employees were significantly more committed than hourly employees. This may be due to a feeling of increased sense of job security that salaried employees feel they have as opposed to hourly employees.

The remaining demographic variables tested for correlations with benefit satisfaction and organizational commitment were found to be insignificant in this study. These variables included tenure, gender, marital status, education level, and job status.

Gender

Past studies have presented inconsistent results regarding gender and benefit satisfaction; Balkin and Griffeth (1993) found some support that females are more satisfied with benefits than males. Conversely Sammons and Petrillose (1998) found that men were significantly more satisfied with overall benefit program than women. However, Tremblay, Sire, and Pelchat (1998) found no significant correlation between gender and benefit satisfaction.

Education Level

Balkin and Griffeth (1993) and Lust (1990) found education level to be negatively related with benefit satisfaction meaning that the higher the education level the lower the satisfaction with benefits. However, Tremblay, Sire, and Pelchat found no significant correlation between education level and benefit satisfaction.

Tenure

Lust (1990) and Lane (1993) found tenure to be positively related to benefit satisfaction. However Griffith and Balkin (1993), Williams (1995), and Tremblay, Sire, and Pelchat (1998) found that tenure was not significantly related to benefit satisfaction.

Recommendations for Future Research

This particular study was performed at a casino hotel in Las Vegas. It is common place at this hotel to keep employee birth-dates on file in order to congratulate them individually on their birthday. This caused some problem when the employees were requested to fill out their birth-date on the survey. For future research, it would be recommended to have employees provide only their age, or the year and month they were born, and not the exact date, so that they will not question the confidentiality of the study. It was the data collector's impression that several employees were reluctant to fill out the date of birth because they did not believe the survey was truly confidential and they feared being reprimanded by management.

It was the data collector's impression that the survey was too long for employees to be able to fill it out accurately during their breaks. Several surveys were returned uncompleted and were thus unusable. The survey could be shortened by eliminating or combining repetitive questions. For example, the questions about tenure (questions 4.7 to 4.12 see Appendix A) could have been combined asking the length of employment in the hotel, the position, and hospitality in general, in three questions instead of six. This could

be done by allowing respondents to fill in the number of years and/or months of their tenure.

A way to extend this line of research would be to examine the determinants of benefit satisfaction in other Las Vegas casino hotels. The hotel that participated in this study was one of Las Vegas' oldest hotels. It would be interesting to see whether employees at new properties are more satisfied with their benefits. This would include comparing the actual benefit packages offered to verify if they are significantly different and then comparing satisfaction with benefits between old and new properties. It may be possible that new properties offer more elaborate benefit packages to be able to attract experienced employees from existing hotels, therefore a comparison of the benefit packages would be imperative. This also relates to satisfaction with internal services because these may also be different in new properties. In a new hotel or restaurant the tools provided (computers, maintenance equipment, kitchen equipment, etc.) are new according to the most recent technological innovations. Managers and supervisors are less likely to be burned out and thus maintain a high communication level between employees and all levels of management. Policies and training manuals are up-to-date and more attuned to recent human resources practices. These factors are only a few examples of possible reasons for increased satisfaction with internal services in new properties as opposed to old ones. A way for older hotels or restaurants to deal with such issues could be to innovate, to remain informed about changes and developments in the industry, and implement them.

An additional issue that could be of interest for future research would be a comparison between employee benefit satisfaction and satisfaction with internal services

at casino-hotels and non-casino-hotels in Las Vegas and nation wide. It would be of interest to see whether casino-hotels put the same emphasis on employee benefits and internal services as do non-casino hotels.

The findings of this study concerning benefit satisfaction and union status raised interest for future research. It could be beneficial to look at union status in correlation with specific positions. Benefit satisfaction could be measured using these two variables (i.e. union status and department) as control variables. Because certain positions are dominated by union employees this may be a biasing factor in the study.

Industry Implications

The mean scores for employee satisfaction with communication received from the Human Resources department suggested that employees were neither satisfied nor dissatisfied with it. However, when employee knowledge about benefits was compared to actual benefits provided a discrepancy was discovered. About a third of the employees did not know that a health club discount and discounted tickets for events were available to them and about a third of the employees believed other benefits that were not actually offered were available. This suggests that the communication between the Human Resources department and the workers is deficient. Ways to solve this discrepancy are by providing simple information material that would be readily available and prepared according to the reading level of the average worker. Periodical meetings or a toll free number for questions could also assist in making information available and promoting communication.

The component of internal service employees were found to be least satisfied with was communication. This is a very important factor because informed employees have an increased sense of security. Because a worker's financial future depends partially, if not completely, on the organization's financial future, being informed about what is going on is imperative for one's sense of security. Organizations that share information with their workers provide them with a sense of partnership and a goal to work towards. This also increases the sense of importance and self-esteem of workers and influences their organizational commitment. Therefore it is important for top management to share information with employees at all levels, be it through meetings, memos, or periodical company news letters.

The multiple regression results showed management (direct supervisor), policies and procedures, team work, and rewards and recognition to be predictors of organizational commitment and job satisfaction. However, team work was found to be negatively correlated with organizational commitment and job satisfaction. While statistically meaningful, this finding is opposed to the researcher's expectation that satisfaction with team work (i.e. interactions with co-workers) would increase job-satisfaction and if not increase than not have a negative impact on organizational commitment. It is possible that this hotel does not promote team work and therefore employees rated it poorly.

These results suggest that employers put an emphasis on these three components (management (direct supervisor), policies and procedures, and rewards and recognition) in their effort to increase organizational commitment and job satisfaction. All components of internal service can be improved by management; Tools have to be

replaced when necessary, so that employees will be able to provide guests with quality service without the stress involved in dealing with lacking or faulty equipment. Training needs to be continued throughout the employee's career. For example, when technological innovations are introduced employees must be brought up to date on using the equipment to avoid frustration and low self esteem, which take a toll on service quality and may even hurt retention. Policies and procedures need to be updated according to new human resources practices, with the welfare of the employee in mind. Often policies are written to facilitate the work of managers and supervisors, which makes serving the guest a difficult task for front line employees. Rewards and recognition are also very important for motivation and employee self esteem. They need not always be monetary and can also be valuable in the form of positive feedback.

Conclusion

Benefit packages serve several purposes for both employees and employers. Benefits affect employees' quality of life, their health, and their financial future. Additionally, benefits received affect employees' attitudes towards, and perceptions of, the organization. In today's competitive hospitality industry, retention has become extremely important, not only because of the increasing costs of turnover, but also because of the need to remain competitive by providing customers with high quality service. The shortage of qualified labor accentuates this issue even further. By remaining attentive to employees' needs, managers in the lodging and restaurant business can try to influence employee attitudes.

This study has shown the relationship between benefit satisfaction and organizational commitment to be significant. This implies that employees who are satisfied with their benefits are more likely to expand effort for the organization and have a desire to maintain affiliation with the organization. However, many employees identify benefits as part of their whole pay package and expect employers to provide them with more than financial rewards (i.e. benefits and pay). This refers to internal services provided to employees within the organization itself, which determine the quality of the organizational environment. To be able to motivate employees to provide hospitality customers with high levels of service, organizations need to pay close attention to the factors that make up a positive and motivating organizational environment. In this study the components of internal service included (1) tools, (2) policies and procedures, (3) teamwork, (4) management, (5) training, (6) communication, and (7) rewards and recognition. The results found that all seven components of internal service were significant in determining organizational commitment, and all but one (i.e. teamwork) to be significant in determining job satisfaction. All seven components of internal service are controllable, meaning employers can improve their quality and thus improve job satisfaction and organizational commitment.

The importance of communication between the Human Resources department and the employees has been found to be a predictor of benefit satisfaction in this study as well as in several past studies. The implications of these findings for hospitality managers are that providing employees with knowledge about their benefits is almost as important as providing them with the benefits themselves. An effective communication strategy is essential to improve attitudes towards benefits and the organization in general.

This study has pointed out basic issues that hospitality managers can and should control closely. Adequate benefit communication increases benefit satisfaction, which influences organizational commitment. Satisfaction with internal services also increases organizational commitment and job satisfaction. By improving communication and internal services managers have the ability to increase organizational commitment and job satisfaction. Consequently, turnover can be reduced and employees can be motivated to expand effort towards the organization thus providing customers with the high quality service necessary for survival in today's competitive hospitality industry.

APPENDIX A

Survey and Letter to Participants



Dear Casino Hotel Employee.

The following survey is part of a research study designed to examine your satisfaction with benefits as well as work place issues and your job. Your participation in this study is voluntary. Your answers should reflect your true feelings and beliefs about the statements included on the survey. There are no right or wrong answers. This is not a test.

It should be emphasized that your individual answers are for research purposes only and they will be kept strictly confidential by the researcher. Under no circumstances will your individual responses be reported to anyone in the organization. Your answers positive, neutral or negative will in no way affect you. Remember, that your responses, will remain confidential at all times.

This survey will take approximately 20 minutes to complete. If you have any concerns about the confidentiality of the process or questions in general, please discuss your concerns with the meeting proctor. They should be able to answer any of your questions. We would prefer to talk further with you about these concerns rather than miss the opportunity for your cooperation. Your responses are important to us. Once you have completed the survey, please enclose in envelope provided.

Thank you in advance for participating in this survey. We appreciate you taking time to complete the survey. Your accurate information will help make the study a success. If you have any questions regarding this study, please contact Michael Petrillose at 702-895-0802 or Gail Sammons at 702-895-4462. If you have any questions regarding the rights of research subjects, please contact UNLV's Office of Sponsored Programs at 702-895-1357.

Sincerely,

A handwritten signature in cursive script, reading "Gail Sammons".

Gail Sammons, Ph.D.
Assistant Professor

A handwritten signature in cursive script, reading "Michael Petrillose".

Michael Petrillose, Ph.D.
Assistant Professor

Write in the name of the property where you are currently working:

If you are not currently working, where have you applied?

William F. Harrah College of Hotel Administration
Department of Hotel Management
Box 456021 • 4505 Maryland Parkway • Las Vegas, Nevada 89154-6021
(702) 895-3230 • FAX (702) 895-4872

Part I About Your Job

Directions:

Please read each of the following statements about your job carefully. For each statement, you are asked to rate your level of agreement on the five-point scale provided. Please circle the one best response to each statement below.

Please rate the following statements on a scale from strongly disagree to strongly agree. <i>Circle the rating that best describes your agreement with the statement.</i>		Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
1.1	All in all, I am satisfied with my job.	1	2	3	4	5
1.2	I am willing to put in a great deal of effort beyond that normally expected in order to help this hotel be successful.	1	2	3	4	5
1.3	Deciding to work for this hotel was a definite mistake on my part.	1	2	3	4	5
1.4	I really care about the future of this hotel.	1	2	3	4	5
1.5	I am extremely glad that I chose to work for this hotel over other hotels.	1	2	3	4	5
1.6	I am proud to tell others that I am part of this hotel.	1	2	3	4	5
1.7	I often think about quitting this job.	1	2	3	4	5
1.8	I usually tell my friends that this is a great hotel to work for.	1	2	3	4	5
1.9	I feel very little loyalty to this hotel.	1	2	3	4	5
1.10	In general, I don't like my job.	1	2	3	4	5
1.11	I find that my values and the hotel's values are very similar.	1	2	3	4	5
1.12	It would take very little to cause me to leave this hotel.	1	2	3	4	5
1.13	This hotel really inspires the very best in me in the way of job performance.	1	2	3	4	5
1.14	For me, this is the best of all possible hotels to work for.	1	2	3	4	5
1.15	There's not too much to be gained by staying with this hotel indefinitely.	1	2	3	4	5
1.16	Often, I find it difficult to agree with this hotel's policies on important matters relating to its employees.	1	2	3	4	5
1.17	I will probably look for a new job in the next year.	1	2	3	4	5
1.18	I could just as well be working for a different hotel as long as the type of work was similar.	1	2	3	4	5
1.19	In general, I like working here.	1	2	3	4	5
1.20	I would accept almost any type of job assignment in order to keep working for this hotel.	1	2	3	4	5
1.21	If I had the chance, I would take a different job within this hotel company.	1	2	3	4	5

Please continue on to next page.

Part II Workplace Issues

Directions:

Please read each of the following statements about workplace issues carefully. For each statement, you are asked to rate your level of satisfaction with the workplace issue on the five-point scale provided. Please circle the one best response to each statement below.

Please rate the following statements on a scale from very dissatisfied to very satisfied <i>Circle the rating that best describes your satisfaction with the workplace issue.</i>	Very Dissatisfied	Dissatisfied	Neither Satisfied Nor Dissatisfied	Satisfied	Very Satisfied
2.1 Advancement opportunities at your company.	1	2	3	4	5
2.2 Your direct supervisor.	1	2	3	4	5
2.3 Your level of pay.	1	2	3	4	5
2.4 Interactions with your coworkers.	1	2	3	4	5
2.5 The types of tasks you have to do on a daily basis.	1	2	3	4	5
2.6 The amount of information you receive from top management on what is going on in your hotel.	1	2	3	4	5
2.7 The recognition you receive for doing a good job.	1	2	3	4	5
2.8 The type of training you receive.	1	2	3	4	5
2.9 The reward systems in place.	1	2	3	4	5
2.10 The way your performance is evaluated.	1	2	3	4	5
2.11 The tools/materials you receive to do your job.	1	2	3	4	5
2.12 The overall policies and practices of your hotel.	1	2	3	4	5
2.13 The dependant care provisions (child or elder) provided by your hotel.	1	2	3	4	5
2.14 The health and well being programs (employee assistance program, fitness facilities, etc).	1	2	3	4	5
2.15 The financial benefits from your company (stock, retirement plan, etc.).	1	2	3	4	5
2.16 The insurance services.	1	2	3	4	5
2.17 The company's community involvement.	1	2	3	4	5

Please continue on to next page.

Part III Benefit Satisfaction

Directions:

Please read each of the following benefit-related statements carefully. For each statement, you are asked to **rate your level of agreement** on the five-point scale from strongly disagree to strongly agree. Please circle the one best response to each statement below.

Rate the following statements on a scale from strongly disagree to strongly agree.		Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Benefit Satisfaction Statements						
3.1	The overall benefits program meets my needs.	1	2	3	4	5
3.2	The Human Resource department gives me enough information about my benefits.	1	2	3	4	5
3.3	The medical insurance provides enough protection.	1	2	3	4	5
3.4	My benefits are worth the contributions I must make.	1	2	3	4	5
3.5	The dental insurance provides enough protection.	1	2	3	4	5
3.6	The vision insurance provides enough protection.	1	2	3	4	5
3.7	The Human Resource department notifies me in a timely manner of any changes in plan benefits and/or procedures.	1	2	3	4	5
3.8	The Human Resource department is responsive and helpful when I have questions about my benefits or need assistance.	1	2	3	4	5

Directions:

Please indicate your level of satisfaction with each benefit listed below on the five-point scale from very dissatisfied to very satisfied. If you do not receive the listed benefit at your hotel, *circle NP* under the "Not Provided" column. Please circle the one best response to each statement below.

Rate the following benefits on a scale from very dissatisfied to very satisfied.		Not Provided	Very Dissatisfied	Dissatisfied	Undecided	Satisfied	Very Satisfied
Circle the appropriate rating for each benefit. If you do not have the benefit, circle NP.							
How satisfied are you with the benefits offered at your hotel?		NP	1	2	3	4	5
3.9	HMO (Health Maintenance Organization)	NP	1	2	3	4	5
3.10	Self-funded (Preferred Provider Plan)	NP	1	2	3	4	5
3.11	Dental plan	NP	1	2	3	4	5
3.12	Vision plan	NP	1	2	3	4	5

Please continue on to next page.

Rate the following benefits on a scale from very dissatisfied to very satisfied. Circle the appropriate rating for each benefit. If you do not have the benefit, circle NP.		Not Provided	Very Dissatisfied	Dissatisfied	Undecided	Satisfied	Very Satisfied
How satisfied are you with the benefits offered at your hotel?		NP	1	2	3	4	5
3.13	Life insurance	NP	1	2	3	4	5
3.14	Cancer care insurance	NP	1	2	3	4	5
3.15	Long-term disability	NP	1	2	3	4	5
3.16	Medical reimbursement	NP	1	2	3	4	5
3.17	Dependent care reimbursement	NP	1	2	3	4	5
3.18	Intensive care insurance	NP	1	2	3	4	5
3.19	Automobile insurance	NP	1	2	3	4	5
3.20	Homeowner's insurance	NP	1	2	3	4	5
3.21	Worker's compensation insurance	NP	1	2	3	4	5
3.22	Unemployment insurance	NP	1	2	3	4	5

Directions:

The following list are examples of other benefits offered in the hospitality industry. Please tell us how frequently you use each of the benefits below. Please circle the one best response to each statement below.

Circle the appropriate rating for each benefit. How frequently do you use these benefits?		Not Provided	Never	Occasionally	Sometimes	Often	Always
3.23	On site Concierge or Travel Agency for employee use	NP	1	2	3	4	5
3.24	On site dry cleaning	NP	1	2	3	4	5
3.25	On site elder or child day care	NP	1	2	3	4	5
3.26	Matching college alumni donations	NP	1	2	3	4	5
3.27	Time off for community service	NP	1	2	3	4	5
3.28	Company sponsored shuttle to subway, train or parking lot	NP	1	2	3	4	5
3.29	Nutrition / wellness classes	NP	1	2	3	4	5
3.30	Domestic partner benefits	NP	1	2	3	4	5
3.31	Adoption benefit	NP	1	2	3	4	5
3.32	Health club membership discount	NP	1	2	3	4	5
3.33	Educational Assistance Program	NP	1	2	3	4	5
3.34	Scholarship for dependents of employees	NP	1	2	3	4	5
3.35	Discounted tickets (sporting events, concerts, etc)	NP	1	2	3	4	5

Please continue on to next page.

PART IV ABOUT YOU

1. In what month and year were you born? _____ (Please print month, year,)

2. Please write in TODAY'S DATE: _____

DIRECTIONS:

For each question in this section please indicate the ONE best response by filling in (●) the corresponding bubble.

3. In which department do you currently work?

- | | |
|---|--|
| <input type="radio"/> Accounting | <input type="radio"/> Engineering / Maintenance |
| <input type="radio"/> Administration | <input type="radio"/> Front Office |
| <input type="radio"/> Banquets / Catering Production
(Kitchen staff) | <input type="radio"/> Garage / Valet Parking |
| <input type="radio"/> Banquets / Catering Service
(Servers, hosts, etc.) | <input type="radio"/> Health Club / Spa |
| <input type="radio"/> Bar / Lounge | <input type="radio"/> Housekeeping / Laundry |
| <input type="radio"/> Bell Station | <input type="radio"/> Human Resources |
| <input type="radio"/> Business Center | <input type="radio"/> PBX |
| <input type="radio"/> Casino - Marketing | <input type="radio"/> Purchasing / Receiving |
| <input type="radio"/> Casino - Slots | <input type="radio"/> Reservations |
| <input type="radio"/> Casino - Table Games | <input type="radio"/> Restaurant Production
(Back of House) |
| <input type="radio"/> Concierge / Guest Services | <input type="radio"/> Restaurant Service (Front of House) |
| <input type="radio"/> Convention / Conference Services | <input type="radio"/> Sales & Marketing |
| <input type="radio"/> Other Department (please specify) _____ | <input type="radio"/> Safety/Security |

4. Are you a..

- ☐ Front Line Employee ☐ Supervisor ☐ Manager / Assistant Manager

5. What is your gender?

- ☐ Male ☐ Female

6. Which race category do you most closely identify with?

- ☐ American Indian or American Native ☐ Hispanic
☐ Asian or Pacific Islander ☐ White (not of Hispanic origin)
☐ Black (not of Hispanic origin)

7. How long have you worked at this hotel?

- ☐ less than 3 months (Skip to question #9.) ☐ 3-6 months (Skip to question #9.)
☐ 6-11 months (Skip to question #9.) ☐ at least one year (Answer question #8.)

8. If you have been with this hotel for at least one year, please indicate the number of years worked, by filling in the blank: _____ Number of years

9. How long have you been working in your current position?

- ☐ less than 3 months (Skip to question #11.) ☐ 3-6 months (Skip to question #11.)
☐ 6-11 months (Skip to question #11.) ☐ at least one year (Answer question #10.)

10. If you have been in your current position for at least one year, please indicate the number of years you have held this position, by filling in the blank: _____ Number of years

Please continue on to next page.

11. How long have you been working in hotels, in general?
☐ less than 3 months (*Skip to question #13*) ☐ 3-6 months (*Skip to question #13*)
☐ 6-11 months (*Skip to question #13*) ☐ at least one year (*Answer question #12*)
12. If you have been working in hotels for at least one year, please indicate the total number of years you have worked in hotels, by filling in the blank: _____ Number of years
13. What is the highest level of education you have achieved?
☐ Some elementary school
☐ Completed elementary school
☐ Some high school
☐ Graduated from high school (or received a GED)
☐ Some college (2-year or 4-year) or technical training
☐ Completed technical training or Associates Degree
☐ Graduated college (Bachelors Degree)
☐ Some graduate school
☐ Graduate degree (Masters, Ph.D., MD, LL.D, etc.)
14. What is the primary language you speak?
☐ Arabic ☐ German ☐ Russian
☐ Chinese ☐ Italian ☐ Spanish
☐ Creole ☐ Japanese ☐ Tagalog
☐ English ☐ Korean ☐ Vietnamese
☐ French ☐ Polish ☐ Other _____
(Please specify.)
15. What second language to you know?
☐ Arabic ☐ German ☐ Russian
☐ Chinese ☐ Italian ☐ Spanish
☐ Creole ☐ Japanese ☐ Tagalog
☐ English ☐ Korean ☐ Vietnamese
☐ French ☐ Polish ☐ Other _____
(Please specify.)
16. Do you read this second language fluently?
☐ Yes ☐ No
17. Do you speak this second language fluently?
☐ Yes ☐ No
18. Are you using your hotel benefits program as your main source of benefits?
☐ Yes ☐ No ☐ In my job, I do not receive benefits.
Please skip to question # 21.
19. Please indicate how many dependents you claim with your benefits package.
☐ 0 ☐ 1 ☐ 2 ☐ 3 ☐ 4
☐ 5 ☐ 6 ☐ 7 ☐ 8 ☐ 9
20. Please indicate the age, in years of each dependent you have.
- | | | |
|----------|----------|----------|
| #1 _____ | #2 _____ | #3 _____ |
| #4 _____ | #5 _____ | #6 _____ |
| #7 _____ | #8 _____ | #9 _____ |

Please continue on to next page.

21. What is your birth date? _____ (Month, Day, Year)
22. What is your marital status?
☐ Single ☐ Divorced
☐ Married / Partnered ☐ Widowed
23. Are you an hourly or salaried employee of this hotel?
☐ Hourly ☐ Salaried
24. What is your current job status?
☐ Full time ☐ Temporary
☐ Part time ☐ Seasonal
25. What shift do you work most often?
☐ a.m. ☐ swing (between a.m. & p.m.)
☐ p.m. ☐ "graveyard" (overnight)
☐ I work all different types of shifts.
26. Are you a member of a union at this hotel?
☐ Yes ☐ No ☐ Don't know
27. How long has it been since you were given a new job classification
☐ Less than 3 months ☐ 6-11 months
☐ 3-6 months ☐ at least one year
28. How likely is it that you will still be working here two years from now?
☐ Very likely *(Answer question #29.)*
☐ Somewhat likely *(Answer question #29.)*
☐ Not sure *(Answer question #29.)*
☐ Somewhat unlikely *(Thank you, this was your last question.)*
☐ Very unlikely *(Thank you, this was your last question.)*
29. Please indicate all the reasons why you might leave your job within then the next two years? (Fill in (●) the bubbles next to **ALL** the responses that apply.)
- | | |
|--|---|
| <input type="radio"/> Better pay | <input type="radio"/> Better job overall |
| <input type="radio"/> Better career opportunities | <input type="radio"/> Better work hours |
| <input type="radio"/> Better management | <input type="radio"/> A promotion |
| <input type="radio"/> Better benefits | <input type="radio"/> Company values that are more similar to my own values |
| <input type="radio"/> Better human resources practices | |
| <input type="radio"/> Other: _____ | |
| (Please state reason.) | |
| <input type="radio"/> Other: _____ | |
| (Please state reason.) | |

Thank you for participating in our study.
Please put the survey in the attached envelope.
Leave it with the survey administrator or turn into the culinary office.

APPENDIX B

Human Subjects Form



DATE: March 9, 1998

TO: Dr. Gail Sammons
Dr. Michael Petrillose
M/S 6021 (HTLM)

FROM: *for* Dr. William E. Schulze, Director
Office of Sponsored Programs (X1357)

RE: Status of Human Subject Protocol Entitled:
"An Empirical Analysis of the Relationship Between
Employee Benefits and Employee Retention in
Las Vegas Casino Hotels"

OSP #604f0398-222e

The protocol for the project referenced above has been reviewed by the Office of Sponsored Programs and it has been determined that it meets the criteria for exemption from full review by the UNLV human subjects Institutional Review Board. This protocol is approved for a period of one year from the date of this notification and work on the project may proceed.

Should the use of human subjects described in this protocol continue beyond a year from the date of this notification, it will be necessary to request an extension.

If you have any questions regarding this information, please contact Marsha Green in the Office of Sponsored Programs at 895-1357.

cc: OSP File

Office of Sponsored Programs
4505 Maryland Parkway • Box 451037 • Las Vegas, Nevada 89154-1037
(702) 895-1357 • FAX (702) 895-4242

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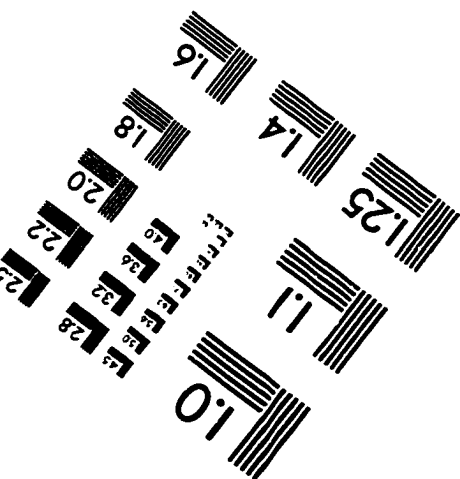
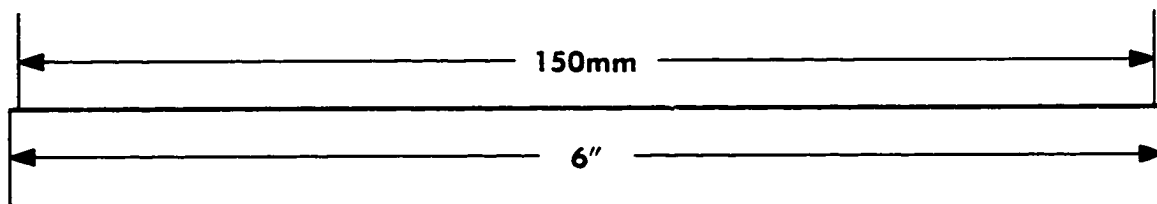
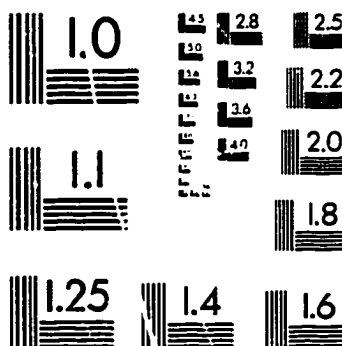
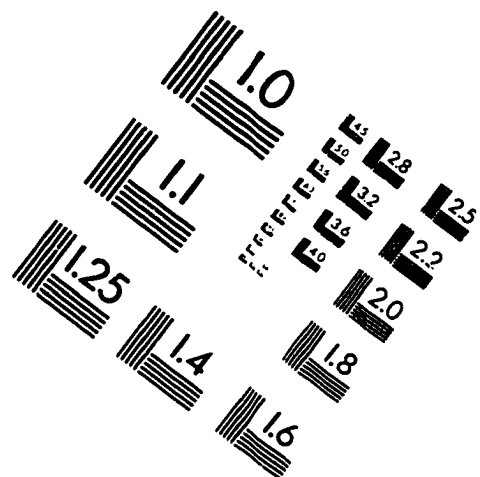
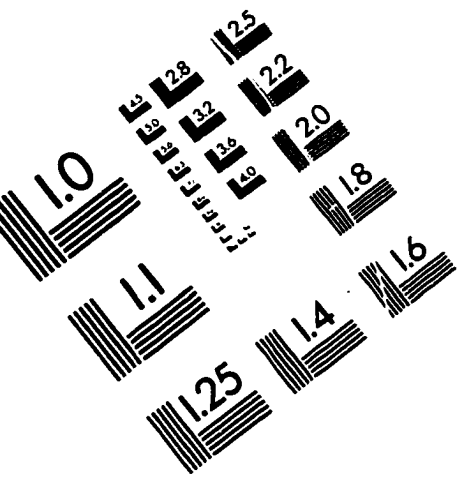
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Thesis Title: The relationship Between Employee Satisfaction and Organizational Commitment.

Thesis Examination Committee:

Chairperson, Dr. Gail Sammons, Ph.D.
Committee Member, Dr. Gerald Goll, D.B.A.
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