

A new study on employee motivation and performance lays the groundwork for creation of the IRF Motivation Index™.

MOTIVATION

In The Hospitality Industry

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INTRODUCTION

Employee turnover within the U.S. fast-food and hotel industries costs those industries in the neighborhood of \$140 billion annually. In more bite-sized terms, it will cost roughly 100% to 200% of an employee's base salary to recruit and train a replacement. Although the turnover rate for these industries hovers between 78.3 percent and 95.4 percent on a national basis, some fast-food restaurants and hotels experience much lower rates, and have significantly greater success retaining employees. Overall, higher levels of motivation and motivated performance translate into a 53 percent reduction in worker turnover.

It is generally understood that employment in these industries is often considered to be temporary, or stop-gap employment, with workers leaving eventually for what they will consider "greener pastures." And certainly, different economics are at work depending on the region, the type of establishment, etc. However, turnover rates also vary within



the same economies, the same chains, the same cities, and the same regions. All things being equal, then, what accounts for the differences in turnover rates? And more importantly, what can managers do to reduce turnover at their properties?

The Site Foundation is seeking to answer those questions by studying employee motivation and performance in the fast-food and hotel industries. The study - Motivation in the Hospitality Industry - measures key indices of motivated behavior using the widely recognized CANE (Commitment And Necessary Effort) Model of Motivation. The following describes key findings from research to date and offers methods

managers can use to reduce turnover in their fast-food or hotel operations.

About The Research

Hotel and fast-food employees from twenty-two job sites located in the Orlando, Florida area were surveyed in October

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2003. All told, 545 responses were received. Mid-scale hotels contributed 14.9 percent of the responses; fast-food restaurants contributed 85.1 percent. A follow-up phase conducted in February 2004 surveyed the same job sites.

The survey instrument was modeled after the CANE Model (Richard Clark, 1998). The CANE Model helps us to understand the various aspects of why

people are motivated to perform a specific task.

The CANE Model

The following chart illustrates the dynamics at work in the CANE Model. It is followed by an explanation of the ten predictor variables and questions in which the employee might express the effect of the variable on his or her behavior.

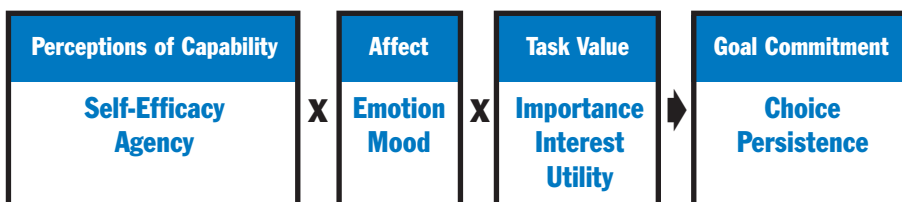
IMPLICATIONS FOR EMPLOYERS

Simply put, the study demonstrates that certain behaviors have various impacts on turnover in various ways, and these differences suggest strategies employers might use to reduce turnover. These include:

- Turnover is less when employees have a high level of value for their work. These employees persist more than colleagues who report low levels of value. Employers can help employees value their work through consistent praise, recognition, and special incentives.
- Turnover is less at work sites where employees feel supported by the organization. Organizations can increase the level of support their employees feel by listening more, understanding employee issues, and taking action accordingly.
- Employees who feel better about their jobs persist more, exert more effort, and are less likely to leave.

The CANE Model of Motivation

(Commitment And Necessary Effort)



Self-Efficacy → Effort

THE CANE MODEL

Ten predictor variables identified by the CANE Model guided the investigation of the hospitality industry. These included: self-efficacy, agency, emotion, mood, importance, interest, utility, choice, persistence, and effort.

Self-Efficacy	The belief that one can organize and execute courses of action to obtain desired goals (Bandura, 1997).	<ul style="list-style-type: none"> ■ Can I Do This? ■ Do I Have What It Takes?
Agency	The belief that you will be supported in doing a task or allowed to perform the task in accordance with your goals.	<ul style="list-style-type: none"> ■ Will I Be Permitted To Do This and Be Supported? ■ Can I Do This Under These Circumstances/Conditions?
Emotion	Negative emotions produce avoidance behaviors (tardiness, inattentiveness, job abandonment); positive emotions energize (choosing a task, staying longer on a task, etc.).	<ul style="list-style-type: none"> ■ How Do I Feel About This Task Or Job?
Mood	Moods bias people's thoughts, not their actions.	<ul style="list-style-type: none"> ■ How Am I Feeling In General?
Importance	People tend to commit to tasks when they identify with the task.	<ul style="list-style-type: none"> ■ Is This Task "Me"?
Interest	People can commit themselves to tasks even when the only thing they get out of it is pleasure from doing the task.	<ul style="list-style-type: none"> ■ Do I Like This?
Utility	Willingness to perform A to secure B. Task utility is often the most powerful motivator. If the answer to the question at the right is "nothing," people are unlikely to commit to the task.	<ul style="list-style-type: none"> ■ What's In It For Me?
Choice	Buy-in or the first step. This is that actual goal that people have selected; it differs from intention in that it involves some sort of action or response and not mere thought or words (Kuhl, 1986).	<ul style="list-style-type: none"> ■ Do I Agree With This?
Persistence	Continued choice in the face of obstacles. When people persist, they generally succeed.	<ul style="list-style-type: none"> ■ Can I Continue To Do This?
Effort	An energy-based behavior involving actual thinking rather than rote performance. When people exert effort, they increase the likelihood of succeeding in a task.	<ul style="list-style-type: none"> ■ Is It Worth The Effort?

- Older employees tend to be more motivated, persistent, exert a greater effort, and are less likely to leave in the face of difficulties.

- Salaried employees are more motivated than hourly employees.

- Women are more likely to say their work is more interesting, more important, and more useful; however, turnover for women is higher than men.

- When employees feel they cannot perform certain tasks, managers should reduce the size of complexity of the task into smaller "chunks." This helps the employee to build self-efficacy.

- Employees who perceive their work conditions to be unfair and/or unreliable need evidence that the system is there to help them be effective. If negative perceptions are correct, management should rectify them.

Conclusion: When tasks are being avoided or devalued, a carefully targeted incentive system can solve the problem in both the short- and long-terms.

About the Researchers

This summary of an IRF study is an edited version of a full report by the same name written by Steven J. Condly, Ph.D., Educational Studies Dept., College of Education, University of Central Florida, and Robin DiPietro, Ph.D., Rosen School of Hospitality Management, University of Central Florida.

WHERE TO GET THE STUDY

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Get a free summary of the research, "Incentives, Motivation and Workplace Performance: Research & Best Practices," conducted by the International Society of Performance Improvement, 2002. Contact Frank Katusak at 212-590-2518 or f.katusak@TheIRF.org. The complete study is available for \$75.