# IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES ON TURNOVER INTENTION AMONG HOTEL EMPLOYEES IN AMMAN, JORDAN

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# IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES ON TURNOVER INTENTION AMONG HOTEL EMPLOYEES IN AMMAN, JORDAN

by

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Thesis submitted in fulfillment of the requirements for the Degree of Doctor of Philosophy

**March 2024** 

#### **ACKNOWLEDGEMENT**

First and foremost, praise be to Allah, Lord of the Worlds, who brought me to this great achievement. I would like to extend my deepest and warmest thanks, gratitude, and appreciation to my supervisor, Dr. CH Supian Mohammad Nor, for the continuous support and encouragement he provided me during my journey of writing my thesis. I acknowledge that without the continuous support of my supervisor, this work would not have reached this stage of completion. I also extend my truthful thanks and gratitude to my co-supervisor Dr. Abdullah Helalat, for all the great efforts and support he gave me. My sincere thanks are also extended to my prestigious university USM represented by the School of Distance Education for their great role in supporting my study. furthermore, I extend my sincere thanks and gratitude to my family especially my wife for their warmest support and encouragement, which certainly had a great impact in encouraging me to work continuously and exert effort during the research journey. In the end, I acknowledge that we are all partners in every good that we offer to people that facilitates their lives and contributes to further progress and success for our countries.

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#### LIST OF ABBREVIATIONS

DV Dependent Variable

GDP Gross Domestic Product

HR Human Resources

HRM Human Resources Management

HRMP Human Resources Management practices

IV Independent Variable

JDI Job Descriptive Index

MOTA Ministry of Tourism and Antiquities

MV Mediator Variable

JST Job Satisfaction

EIB Employee Innovation Behavior

TRA Theory Of Reasoned Action

SET Social Exchange Theory

TOI Turnover Intention

HRP Human Resources Planning

SEM Structural Equation Modeling

PLS Partial Least Square

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# IMPAK AMALAN PENGURUSAN SUMBER MANUSIA KE ATAS NIAT UNTUK BERHENTI KERJA DALAM KALANGAN PEKERJA HOTEL DI AMMAN, JORDAN

#### ABSTRAK

Sektor hotel di Jordan mengalami banyak cabaran yang disebabkan oleh kadar pusing ganti yang tinggi di kalangan pekerja yang bekerja dalam sektor ini. Objektif utama kajian ini adalah untuk mengkaji hubungan antara amalan HRM dan niat pusing ganti di hotel lima bintang di ibu negara Jordan, Amman. Kajian ini juga menyiasat kesan pengantaraan kepuasan kerja terhadap hubungan antara amalan HRM dan niat pusing ganti dan kesan penyederhanaan tingkah laku inovatif pekerja terhadap hubungan antara amalan HRM dan niat pusing ganti, di samping kesan penyederhanaan tingkah laku inovatif pekerja terhadap hubungan antara kepuasan kerja dan niat pusing ganti. Rangka kerja penyelidikan dibina berdasarkan teori tindakan beralasan (TRA) dan teori pertukaran sosial (SET) supaya rangka kerja ini membolehkan proses penyiasatan amalan HRM sebagai peramal niat pusing ganti, bersama dengan kepuasan kerja sebagai pengantara dan inovatif pekerja. tingkah laku sebagai moderator. Kajian ini menggunakan kaedah tinjauan untuk mengumpul data daripada 354 kakitangan barisan hadapan yang bekerja di 20 hotel lima bintang di Amman, dengan menggunakan teknik persampelan rawak. Di mana banyak ujian telah dijalankan ke atas data ini untuk memastikan kesahan, kebolehpercayaan, dan berat sebelah biasa. Data yang dikumpul dianalisis dengan menggunakan pemodelan persamaan struktur kuasa dua terkecil separa dengan menggunakan perisian SmartPLS 4. Hasil kajian ini menunjukkan bahawa amalan HRM mempunyai hubungan signifikan negatif dengan niat pusing ganti dan hubungan signifikan positif dengan kepuasan kerja. Keputusan juga mengesahkan bahawa kepuasan kerja mempunyai hubungan negatif dengan niat pusing ganti, selain itu, kepuasan kerja didapati menjadi pengantara hubungan antara amalan HRM dan niat pusing ganti. Tambahan pula, keputusan menunjukkan bahawa tingkah laku inovatif pekerja mempunyai hubungan negatif yang signifikan dengan niat pusing ganti, di samping itu, tingkah laku inovatif pekerja didapati menyederhanakan hubungan antara amalan HRM dan niat pusing ganti, manakala tingkah laku inovatif pekerja tidak menyederhanakan hubungan antara kepuasan kerja dan niat pusing ganti. Hasil kajian ini amat penting dan bermanfaat kepada semua pihak yang terlibat dalam mengurus dan membangunkan sumber manusia dalam sektor perhotelan khususnya kategori lima bintang di Amman. Di mana kajian menjelaskan kepentingan penggunaan berkesan amalan HRM dalam mengurus dan mengawal peningkatan niat pusing ganti. Hasil kajian ini amat penting dan bermanfaat kepada semua pihak yang terlibat dalam mengurus dan membangunkan sumber manusia dalam sektor perhotelan khususnya kategori lima bintang di Amman. Di mana kajian menjelaskan kepentingan penggunaan berkesan amalan HRM dalam mengurus dan mengawal peningkatan niat pusing ganti. Hasil kajian ini amat penting dan bermanfaat kepada semua pihak yang terlibat dalam mengurus dan membangunkan sumber manusia dalam sektor perhotelan khususnya kategori lima bintang di Amman. Di mana kajian menjelaskan kepentingan penggunaan berkesan amalan HRM dalam mengurus dan mengawal peningkatan niat pusing ganti.

# IMPACT OF HUMAN RESOURCES MANAGEMENT PRACTICES ON TURNOVER INTENTION AMONG HOTEL EMPLOYEES IN AMMAN, JORDAN

#### ABSTRACT

The hotel industry in Jordan suffers from many challenges caused by the high level of turnover among employees working in this sector. This study determines the relationship between HRM practices and turnover intention among five-star hotels in the Jordanian capital, Amman. This study investigated also the mediating effect of job satisfaction on the connection between HRM practices and turnover intention in addition to the moderation impact of employee innovative behavior on the relationship among the HRM practices and employee turnover intention, in addition to the moderating influence of employee innovative behavior on the connection between job satisfaction and turnover intention. Research framework was built based on a theory of reasoned action (TRA) in addition to social exchange theory (SET) so that this framework enables the investigation process of HRM practices as the predictors of turnover intention, along with job satisfaction and employee innovative behavior as a mediator and a moderator. This research adopted a survey approach to collect the data from 371 frontline employees in 20 five-star hotels in the Jordanian capital Amman, by employing a random sampling technique. Many tests were conducted on these data to ensure validity, reliability, and common bias. The data collected were analyzed by applying partial least squares structural equation modeling by using SmartPLS 4 software. Results obtained showed that HRM practices significantly reduce turnover intention and significantly increase job satisfaction. Additionally, Job satisfaction has a negative relationship with turnover intention, in addition, job satisfaction was found to mediate the relationship between HRM practices and turnover intention. Furthermore, results indicated that employee innovative behavior has a significant negative relationship with turnover intention, in addition, employee innovative behavior moderates the relationship between HRM practices and turnover intention. However, employee innovative behavior doesn't affect the relationship between job satisfaction and turnover intention. The findings are extremely important and beneficial to all those involved in managing and developing human resources in the hotel sector, especially the five-star category in Amman. The study explained the significance of the effective use of HRM practices in managing and controlling the increase in turnover intention.

#### CHAPTER 1

#### **INTRODUCTION**

#### 1.1 Introduction

In this chapter, an overview of this study is presented, as this chapter is split into 0a group of sections, as it begins with providing a comprehensive study background, and the research problem discussion and its implications are indicated. This is followed by the objectives of the research, its questions, and the resulting hypotheses. Then this chapter discusses the importance of the study, whether from a theoretical or practical point of view. The most important terms contained in the thesis are listed, followed by the general structure of all the chapters of the thesis. conclusion section presents a summary of the most important sections that were discussed.

#### 1.2 Background of the Study

Like several developing countries, the Hashemite Kingdom of Jordan suffers from several economic challenges, particularly those related to energy and water. This made the Hashemite Kingdom of Jordan redirect its main investments toward its fundamental resources, including HR and natural resources. Among the natural sources that Jordan invested in was tourism as Jordan has several tourist places that make it a potential real destination for several tourists from many countries of the world (MOTA, 2020; Albalawi et al., 2019; Alowna et al., 2021).

Through the growth in investment in the tourism sector, this sector contributes now12.4 % of the Gross Domestic Product (GDP) of Jordan, as Jordan is currently visited by more than 5 million travelers annually coming from several countries around the world, in addition, the truism sector employs directly about 41000 employees distributed

in many tourism sectors such as hotels, restaurants, tourist offices, tour guides, and other tourism activities (MOTA, 2020; Albalawi et al., 2019; Jarwan & Ibrahim, 2020).

Despite the diversity of investments in the tourism sector, the hotel sector is the largest investment in terms of employees and the economic value of the investment as the employees in this sector are about 16944 (41%) of the total HR in the tourism sector, remarkably, 10423 (67%) of them are working in the five-star hotel sector (MOTA, 2020). Like many other service sectors, HR in the hotel sector plays an essential role in the realization of this sector (Al-Dmour, 2022).

With the great expansion of the hotel sector, a set of challenges began to appear related to HR working in this sector. Among these challenges is the problem of high TOI which reached 35% by the end of 2015 (Al-Zgool, 2015). According to Armstrong (2020) the term TOI refers to the intention of the employees to leave their jobs in a company or that the company itself is planning to terminate them, as leaving the job may be for a voluntary or involuntary reason. Voluntary turnover happens when the employees choose to leave their jobs, whereas involuntary turnover happens once the organization decides to lay off the employee.

In general, there are varied reasons that lead an employee to decide to leave work. These reasons are related to the nature of work, financial return, leadership style, or the relationship between co-workers, in addition to opportunities for promotion, and institutional culture (Dessler, 2020). Despite all the efforts made by the HR departments in the hotel sector in Jordan to control this challenge, the levels of TOI are still high (Jarwan & Ibrahim, 2020).

Given the significance of HR in the hotel sector, the HR department has sought to provide many management practices that enable them to effectively manage these resources even though there are still many challenges facing HR in this sector (Jarwan & Ibrahim, 2020). Many studies have been performed to search for the causes behind these challenges, especially the high TOI (Al-Zgool, 2015). Studies have confirmed the significant relationship between HRMP and controlling the increase in TOI (eg., Ababneh et al., 2021; Mahmoud et al., 2021; Jarwan & Ibrahim, 2020).

Job satisfaction is considered one of the important influences that affect TOI, Armstrong (2020) confirmed that the term JST indicates the feelings and state of mind that people feel about their jobs. As the lack of JST negatively affects productivity and causes an increase in TOI (Al-Sabi, 2019). Taking into account the significant role of HR in the service sector and the tourist sector in particular, as it works directly with customers, several studies at the international and local levels have attempted to study the reasons that influence the level of JST (Alhelalat et al., 2017; Allan, 2019; ErsanAlown & Al-Gasawneh, 2021). Among the factors that these studies have found to affect JST are those that are related to salaries, incentives, promotions, and many other factors related to the work environment.

HRM practices contribute significantly to creating an innovative environment in organizations which in turn helps in stimulating Employee Innovative Behavior (EIB) (Kuo, 2019). EIB can be defined as the external expression resulting from the internal innovation of employees; it is the method used by the employee to develop products or improve service by generating creative ideas that contribute to solving problems and

developing work (Danaei & Iranbakhsh, 2016). Studies have proven that the EIB contributes significantly to reducing the TOI (Demircioglu & Berman, 2019).

The high levels of TOI pose big challenges to the tourism sector, especially the hotel sector. Some of these are direct, such as losses resulting from losing talent, reemployment, and rehabilitation of new employees, and others are indirect losses, such as the decline in work quality and productivity resulting from the use of new unqualified employees (Noe et al., 2017). This is why investment in HR in this sector is very important. Moreover, HR directly contributes to customer satisfaction as customer satisfaction plays a critical role in achieving a competitive advantage in this sector (Aboyassin & Sultan, 2017). This is where the idea of this research emerged which is to find factors that have an impact on TOI and how this would contribute to helping HR departments retain their employees, and thus contribute significantly to the development of work in this sensitive sector.

The present study proposes that a significant level of job satisfaction may serve as a possible mediator between HRM practices and TOI. Pieters (2017) Confirmed that mediators provide a better scientific understanding of the mechanisms that interfere with the relationship between the IV and DV variables. Therefore, the mediation model has become 'almost mandatory' in modern literature and research (Bullock et al., 2010). Scholars confirmed that HRM practices (IV) have a significant impact on JST (Cherif, 2020; Pradhan et al., 2019; Ashton, 2018). JST has also a significance impact on TOI (Zhang et al., 2019). Which makes JST works as a potential mediator in the relationship between IV and DV. There is also a group of variables that can act as mediators in this study such as motivation, leadership style, work environment, and other factors.

This study suggests that a significant level of Employee Innovative Behavior may serve as a possible moderator in the relationship between HRM practices and TOI. Scholars confirmed that the moderator variable is a third variable that can affect the strength or the direction of the correlation between IV and DV (Fritz & Arthur, 2017). moderators offer a more widespread understanding of complex relationships, help recognize boundary conditions, and offer insights into the relative factors that influence the results (Hayes, 2018). Scholars confirmed that EIB plays an important role in reducing the TOI which makes EIB a potential moderator for this study (Berman 2019; Kuo, 2019; Magableh et al., 2022; Choi et al., 2021).

#### 1.3 Problem Statement

In 2018 two years before the pandemic and according to "Bureau of Labor Statistics' Job Openings and Labor Turnover" (JOLTS, 2018) the turnover rate in the hospitality industry reached 70% (Bureau of Labor Statistics, 2019). Recent studies by the Bureau of Labor Statistics indicated that the hospitality industry turnover rate has increased to approximately 70-80% (Garcia, 2022). Jackofsky & Slocum (1987, p. 266) confirmed that "perceptions of turnover behavior prior to making the stay/leave decision concerning the current job", they also confirmed that 57% of those with high turnover intention have already left their jobs within one year.

Given the great importance of the tourism sector in Jordan, and specifically, the hotel sector, which constitutes 60% of tourism income in Jordan, the human resources departments in this sector are looking forward to applying the best practices in human resources management that ensure the effective operation of these resources (MOTA,

2020). Human resources in the hotel sector take this great importance because they work directly with customers and they play a critical role in service delivery and achieving customer satisfaction (Aboyassin & Sultan, 2017). Among the most important human resources are the frontline staff including reception, front offices, restaurants, food service, and room services.

Despite the efforts made by HR departments in the hotel sector in Jordan, it still suffers from many challenges, including the high TOI, especially among employees working on the frontline (Jarwan & Ibrahim, 2020). Due to the importance of frontline employees in the hotel sector, several studies have been conducted on the local and international levels to identify factors that affect TOI (Ali & Mohamad, 2018; Altarawmneh & Al-Kilani, 2010; Batra & Kaur, 2021). Despite the measures taken by the institutions of the tourism sector and the hotel sector in particular to control the high levels of TOI, the results are still not satisfactory as the results showed a remarkable increase in the TOI (Al-Khasawneh, 2013; Khaleefah & Al-Abdalaat, 2016; Ali & Mohamad, 2018; Aburumman et al., 2020).

TOI in the hotel sector in Jordan is not a new challenge, Jordan Hotel Association has published in its annual report for the year 2010 that job turnover has exceeded 40% (JHA, 2011, as cited in Al-Zgool, 2015). This confirms the results of Altarawmneh & Al-Kilani (2010) study which showed that 50% of the employees working in a five-star hotel in Jordan have the intention of leaving work in the coming year. Al-Khasawneh (2013) confirmed that the TOI in the hotel sector in Jordan is high. Al-Zgool (2015) also confirmed that TOI in the five-star hotel sector in Jordan is 35%. A recent study

conducted by Jarwan & Ibrahim (2020) confirmed that the TOI in Jordanian hotels is still high compared to most service sectors in Jordan.

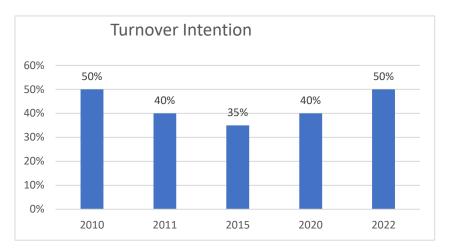


Figure 1.1

Turnover intention in five stars hotels in Amman during the last 10 years (Al-Kilani's, 2010; JHA, 2011; Al-Zgool, 2015; Jarwan & Ibrahim (2020); Maqableh et al., 2022)

The problem of TOI has caused many negative effects on the tourism sector and the hotel sector in particular, including tangible and intangible effects (ErsanAlown & Al-Gasawneh, 2021). Among the tangible losses caused by the high TOI are financial costs as a result of losing talent, re-employment, training, and rehabilitation (Khdour, 2021). In a study of the industrial sector in Jordan, the study showed that the cost of replacing one employee resulting from turnover is 800 Jordanian dinars (GIZ, 2018). Another study conducted by Narkhede (2014) confirmed that the cost of each employee turnover incident in the hospitality sector is up to \$2,500 as direct costs and \$1,600 as indirect costs. Although Jordan suffers from an unemployment issue, the hotel sector was forced to use foreign labor to deal with the high TOI, as 15% of the employees working

in this sector are foreign employees, and this reduced the number of job opportunities available to Jordanians (MOTA, 2020). Among the intangible losses caused by the high TOI is the decline in productivity and effectiveness in utilizing human resources, in addition to the challenges caused by using new unqualified employees, which negatively affect quality, customer satisfaction, and competitive advantage (Khdour, 2021).

Before conducting this research, the researcher contacted the Studies Department of the Jordan Hotels Association to discuss the extent of the seriousness of the TOI problem, as the association confirmed that the problem still exists and constitutes a great concern for human resources departments in Jordanian hotels. To increase the emphasis on the existence of the TOI problem, the researcher launched research to measure the impact of training (as one of the HRM practices) on TOI, as the study confirmed the presence of high TOI in the five stars hotels in the city of Amman (Maqableh et al., 2022).

HRM practices perform a vital role in managing the challenges facing employees, including JST and TOI (Ababneh et al., 2021; Mahmoud et al., 2021; Jarwan & Ibrahim, 2020). HRM practices also play a major role in achieving job satisfaction, which in turn contributes to solving many challenges, including the TOI (AlBattat et al., 2013; Agustinningtyas & Dewi, 2020; Falatah, 2021; Chen et al., 2019). This indicates that HRM practices and job satisfaction are major tools that human resource departments can use to address many of the challenges they face such as increased turnover intention.

Among the solutions offered by the Human Resources Department to control TOI, is to achieve job satisfaction, organizations that achieve JST can retain their employees and at the same time, they become more capable of achieving customer satisfaction

(Aburumman et al., 2020; Alowna et al., 2021; Ali & Mohamad, 2018). JST is an important factor in job stability, and many studies have tried to measure the positive impact of this factor on employees' performance (Al-Ababneh et al., 2018; Alown et al., 2020; Alsheikh & Sobihah, 2019). Based on the great importance of job satisfaction in controlling the TOI, the researcher chose this variable as a mediator in the relationship between HRM practices and TOI.

Employees' innovative behavior (EIB) plays an important role in mitigating the problem of TOI, several studies have proven that organizations that provide an innovative environment that stimulates the EIB can retain their employees for a long period (Kuo, 2019; Demircioglu & Berman, 2019; Batra & Kaur, 2021). Studies indicate that employees who have the opportunity to experience and apply their ideas in the development of work become more engaged and interactive at work and more accepting of their jobs (Ansari et al., 2018). Based on the great importance of EIB in controlling the TOI, the researcher chose this variable as a moderator on the relationship between HRM practices and TOI.

Research gap: Although Jordanian society is peculiar compared to other global societies there were some studies on the Jordanian market on the impact of HRM practices on TOI, they were directed toward other sectors such as banking and telecommunications, and such studies are rarely found in the Jordanian hotel sector (Aburumman et al., 2020). Some studies dealt with the TOI in Jordanian hotels, but they suggested solutions related to leadership styles, work environment, and emotional intelligence (Al-Zgool, 2015). There is also a great rarity of studies related to the impact of EIB on TOI, whether locally or globally. The scarcity of studies that dealt with HRMP and the psychological and

mental aspects of the employee and its impact on the TOI has led to a large knowledge gap in the Jordanian hotel industry (Ababneh et al., 2021; Mahmoud et al., 2021; Jarwan & Ibrahim, 2020).

Accordingly, the research problem becomes as follows: Due to the significant increase in the turnover intention among employees working in Jordanian hotels and due to the lack of knowledge and scarcity of research in studying the effect of the HRM practices on TOI (Ababneh et al., 2021; Mahmoud et al., 2021; Jarwan & Ibrahim, 2020). The absence of any previous studies to measure the mediating impact of JST and the moderator effect of EIB between the HRM practices and TOI in the Jordanian hotel sector made a large knowledge gap worthy of study. The present study aims to manage this gap by examining the impact of HRM practices on TOI considering JST as a mediator and EIB as a moderator. The results of this study would greatly help in controlling the challenge of TOI in this sector and reducing the costs involved in operating HR. Therefore, it can be completely relied on by the local labor force and therefore offer many jobs for the Jordanian laborers who suffer from extreme levels of joblessness.

#### 1.4 Research Objectives

Due to the existence of a knowledge gap in the effect of HRM practices on TOI and the mediating impact of job satisfaction on the relationship between the HRM practices and TOI and the moderation impact of EIB on the relationship between HRM practices and TOI and the moderating impact of EIB between JST and TOI. The overall objective of this research is to identify the relationship between HRM practices and TOI in five-star hotels in Amman and the impact of JST as a mediator and EIB as a moderator. To accomplish this purpose, the research identified the following objectives:

- 1. To study the relationship between human resources management practices and turnover intention.
- 2. To examine the relationship between human resources management practices and job satisfaction.
- 3. To determine if job satisfaction mediates the relationship between human resources management practices and the turnover intention.
- 4. To determine if employee innovative behavior moderates the relationship between human resources management practices and the turnover intention.
- 5. To determine if employee innovative behavior moderates the relationship between job satisfaction and turnover intention.

#### 1.5 Research Questions

This study attempts to resolve the following research questions related to Jordanian five-star hotels:

- 1. Are there any relationships between human resources management practices and the turnover intention?
- 2. Are there any relationships between human resources management practices and job satisfaction?
- 3. Does job satisfaction mediate the relationship between human resources management practices and turnover intention?
- 4. Does employee innovative behavior moderate the relationship between human resources management practices and turnover intention?
- 5. Does employee innovative behavior moderate the relationship between job satisfaction and turnover intention?

#### 1.6 Significance of the study

This research and its potential outcomes are extremely important as it provides insight into the various HRM practices required for successful performance in operating HR in five-star hotels in Jordan. It provides non-traditional solutions for human resource management which could be different from those used in the Jordanian market. Taking into account the emotional and cognitive characteristics of the employees in the current work environment will probably yield significant gains for employees and organizations.

#### 1.6.1 Theoretical Significance

There is a shortage in the number of studies related to the influence of HRM practices on TOI related to the hotel sector in Jordan, and this has caused a knowledge gap in this aspect (Jarwan & Ibrahim, 2020). Despite the importance of innovation in the service sector, there is a scarcity of studies that study the importance of innovation in the hotel sector in Jordan and its impact on TOI, this also creates an additional knowledge gap that affects the effectiveness of human resource planning (Al-Sabi et al., 2019).

This study is based on a well-articulated scientific theory, which is a Theory Of Reasoned Action (TRA) (Fishbein & Ajzen, 1975). The findings of this research will contribute to bridging the literature gap related to the effect of HRM practices on TOI in addition to the mediating and moderating impact of JST and EIB on the relationship between HRM practices and TOI among five-star hotel employees in Jordan. It provides scientific evidence on the importance of considering JST and EIB when recruiting and operating HR. This study will also open new horizons for researchers to continue researching this topic to reach better HRM practices in operating HR.

#### 1.6.2 practical Significance

This study investigated the most important determinants of TOI in the hotel sector of Jordan and thus showed the most effective HRM practices in addressing these determinants. Instead of random use of HRM practices, this study shows what are the most effective HRM practices and what are the external influences that the EIB and the JST have on them. Hence, HR managers should focus on these HRM practices and continue to measure their impact on reducing TOI.

From a practical perspective, this research provides senior management and human resource managers with creative solutions that are applicable on the ground to manage the human resource challenges they face. These solutions contribute to increasing employees' JST, and the resulting increase in productivity, and loyalty, and reduce TOI. This would raise the performance and productivity of institutions operating in the Jordanian hotel sector and increase their effectiveness.

This research will also help HR departments with a set of solutions and suggestions to motivate employees to use their innovative ideas in developing their work, and this greatly contributes to their acceptance of their jobs and staying in them for long periods. This helps the hotel sector to fully rely on Jordanian labor which opens the opportunity for new jobs for many Jordanians who are suffering from unemployment. It will reflect positively and effectively in achieving the customer satisfaction that most investment organizations seek to attain.

#### 1.7 Scope of the study

This study focused on an empirical investigation of TOI among hotel employees in Amman. This study was conducted to understand the predicting role of HRM practices

on TOI. The study explored the mediating role of JST and the moderating role of EIB on TOI and the relationship between JST and TOI. Therefore, the scope of this study is restricted to front-line employees of five-star hotels in Amman. The variables selected for this study were chosen according to the literature and the practical gap noting that the unit of analysis is individuals working in the frontline of five-star hotels in Amman.

#### 1.7 Definitions of Key Terms

Definitions of the key terms employed in the present study are provided as below.

#### 1.8 Definitions of Key Terms:

**Human Resources Management Practices (HRM practices):** This refers to a group of managerial activities directed to the HR pool to ensure the optimal use of these resources to accomplish the organizational objectives (Schuler & Jackson, 1987).

**HR Planning:** Strategy and planning process to achieve the optimal use of HR for the firms to achieve its goals and objectives (Noe et al., 2017).

**Training:** Training is "a planned effort by an organization to help employees learn job-related knowledge, skills and attitudes" (Stewart & Brown, 2019, p.318).

**Performance Apresal:** Regular review of an employee's performance as well as an evaluation of employees' skills, growth, and achievement to verify their contribution to the accomplishment of the firm's goals and objectives (Armstrong & Taylor, 2020).

**Compensation:** "Employee compensation includes all forms of pay going to employees and arising from their employment" (Dessler, 2020, p.350).

**Teamwork:** A process by which a group of employees works collaboratively to achieve the desired goal (Stewart & Brown, 2019).

**Job Security**: Employees feel that they will stay and continue to work in the anticipated future (Armstrong, 2020).

**Turnover intention (TOI):** It is the phenomenon of TOI because of the employee's intention to voluntarily terminate the employment relationship with the organization (Price, 1977).

**Job satisfaction (JST):** It indicates the state of mind and emotions that individuals feel about their job, as positive feelings and attitudes about the job suggest JST (Armstrong, 2020).

**Employee Innovation behavior (EIB):** It can be defined as a "process in which new ideas are generated, created, developed, applied, promoted, realized, and modified by employees to benefit role performance" (Thurlings et al., 2015, p1).

#### 1.9 Thesis Structure

Based on the methodology followed and approved at the USM this thesis is organized into 5 chapters. The first chapter provides an outline of the subject of the research and also provides the background of the study, its reasons, its importance, the problem statement, as well as a research gap. The first chapter also presents the objectives and questions of the research and the importance of the results from the theoretical and practical levels.

**Chapter Two** reviews the literature related to the basic concepts of study in HRM practices and the impact of these practices on TOI, as well as their impact on EIB as a

moderator. This chapter also provides the approved framework for this research including the connection between all research variables.

Chapter Three explains the research methodology, the study area and population, the way the research was designed, sampling methods, questionnaire design, the instruments adopted in measuring the study variables, and the validity and reliability of the variables. It also shows the statistical method used in data analysis, descriptive statistics, and the process of preparing and interpreting the collected data for analysis.

**Chapter Four** presents the results of analyzing the data reached by the research evaluating the measurement methods, and then testing the research hypotheses.

**Chapter five** provides a detailed discussion of the results, conclusions, and study recommendations. The findings of this study, practical and theoretical implications, limitations, and recommendations related to future research are presented and discussed.

#### 1.10 Conclusion

This chapter provided a complete summary of the subject of the study, in which the impact of HRM practices on employee TOI, JST, and EIB in the five-star hotel sector in Jordan was discussed. The chapter also presented and discussed the problem statement of the study in addition to the research objectives and questions, the importance of the study, and the meaning of key terms. The second chapter critically reviews previous studies conducted on the same subject as this study, which provides more important information for conducting this research.

#### CHAPTER 2

#### LITERATURE REVIEW

#### 2.1 Introduction

With the impressive growth in global trade and the intensified competition in businesses, major attention on investing in HR becoming a primary source of getting competitive advantage to improve competitiveness (Kotler & Armstrong, 2016). Firms work constantly to achieve JST as this significantly promotes the company's capability to retain its staff, and also to enhance the performance of the organization, and boost its efficiency (Stewart & Brown, 2019).

Despite the significant advances in technology and the great development in the field of automation, HR remains the key element in helping companies reach their goals and objectives specified in the service sector as it works in direct contact with customers (Banfield et al., 2018). Therefore, the optimal use of HR is the best way to maximize the quality and productivity that will return to companies with significant benefits (Mahmoud et al., 2021).

In this new world, ruled by intense competition, human capital has become one of the most important guarantees of business continuity (Huselid, 2018). Accordingly, the retention of talented employees has become an essential factor in business practices (Dessler, 2020). To achieve this objective, it has become necessary to implement good HRM practices. If the organizations do not rectify this matter early, many employees will probably leave their work in search of what is better, and this will create great economic and administrative challenges for the organizations (Stewart & Brown, 2019).

Because the tourism sector is among the sectors the success of which depends directly on HR, this requires taking the initiative in implementing good HRM practices (Ababneh et al., 2021; Aburumman et al., 2020; Ali & Mohamad, 2018). This research contributes to finding the best HRM practices in the field of HR that help retain employees and reduce the phenomenon of high TOI which has become a concern for many organizations in this sector.

In this chapter, the literature related to HRM practices, EIB, JST, and TOI is critically reviewed. The concept of hotel organizations of how to apply HRM practices to raise the level of JST as well as control the rise in TOI is presented and discussed. Based on the previous related studies, a discussion is made on the meaning and definitions of the HRM practices, EIB, and TOI, as well as the theoretical structure of the research.

#### 2.2 The Concept of Human Resource Management HRM

Traditionally, the reason for establishing the HRM department was for the process of keeping records, archiving, and maintaining files, but it has evolved with time and has become an effective component in developing organizations and ensuring their continuity (Schuler & MacMillan, 1984). The role of HRM is to implement a set of processes and practices for managing people within the workplace to achieve organizational goals (Dessler, 2020). More recently, HRM practices have been defined as a strategic approach to attracting, hiring, developing, and well-being the people who work in the organization (Stewart & Brown, 2019).

With the great development in business sectors and the increase of competition between companies, the role of HR is no longer limited to employment, compensation, training, and development, but rather exceeded this limit to become part of the organization's higher strategy and here the idea of the strategic HR Management (SHRM) appeared (Becker et al., 2015). The main responsibility of the SHRM is to align the objectives of HR with the organizational destination so that all its objectives are consistent with the mission, vision, values, and objectives of the organization (Huselid, 2018).

Despite the growth of machinery and big data applications, HR is still the main element in the progress of business, particularly in achieving a competitive advantage (Kotler & Armstrong, 2016). The importance of HR appears more in the services sector, as this sector requires employees to deal directly with customers (Banfield et al., 2018; Kurdi et al., 2020). For the HRM to play this important role, there must be some practices that help it achieve the optimal use of HR, as detailed in the next section.

#### 2.3 Human Resources Management practices HRM practices

Regardless of the great developments in automation, HR remains the most significant factor in the success of companies, and they are the most important asset among these organizations, especially those working in the service sector (Dessler, 2020). Thus, investing in HR development will bring many benefits to organizations that will enhance their presence in the market and support their competitiveness (Porter, 2020). Kotler & Armstrong (2016) confirmed that organizations can gain better competitive advantages by hiring, training, and developing better employees than their competitors.

With the fast shift in the business world and the increase in competitiveness, several challenges have emerged that affect the performance of HR (Peccei & Voorde, 2019). Because of the importance of HR, HR departments were established to take care of these resources and provide them with adequate support that enables them to carry out their work to achieve the optimal use of HR (Bratton & Gold, 2017). To ensure the effectiveness of HRM in achieving the goals and objectives of organizations, there has been a set of practices directed to HRM termed HRM practices (Armstrong, 2020).

Noe et al. (2017) described HRM practices as an integrated strategy and planned process to achieve the optimal use of HR for the business to achieve its objectives. Stewart & Brown (2019) defined HRM practices as those practices and procedures that affect the behavior, mindsets, and performance of employees. Armstrong (2020) defined HRM practices as both strategic and tactical ways of achieving, developing, managing, motivating, and gaining employee commitment to achieving organizational goals. It is also the HRM practices that contribute to the development of employee performance by providing them with capabilities, skills, knowledge, and a work environment that stimulates effective communication and the resulting improvement in performance and increased productivity (Bailey et al., 2018).

HRM practices have an essential role in business development through their role in attracting, hiring, qualifying, and retaining employees (Banfield et al., 2018). For this importance, many studies have been conducted at the global and local levels to determine the significant roles that these practices play in the field of business development. These studies confirmed that HRM practices perform an essential role in ensuring business continuity through their role in employee retention (Gadi & Kee, 2018; Nie et al., 2018;

Aburumman et al., 2020). These studies also confirmed the significant role of HR management practices in achieving JST and how this is reflected in the performance of employees.

HRM Practices play a major role in managing and developing human resources in the hotel sector at the global level. Miah & Hafid (2019) emphasized that HRM practices play a prominent role in achieving job satisfaction for workers in the hotel sector in Malaysia, and this reflects positively on many aspects of work in this sector. Park & Min (2020) emphasized that wise management of HRM practices contributes effectively to developing the ability of hotel organizations to retain their employees, and this effectively contributes to increasing productivity and improving the quality of work.

HRM practices in the hotel sector in Jordan play a significant role in developing employee performance, and customer satisfaction, enhancing productivity, and achieving competitive advantage (Aburumman et al., 2020; Jarwan & Ibrahim, 2020; Khdour, 2021). In addition, HRM practices have greatly contributed to solving many challenges facing employees in the hotel sector, such as JST, TOI, and many other challenges (Ababneh et al., 2021; Mahmoud et al., 2021; Jarwan & Ibrahim, 2020).

Several kinds of research have been performed to examine the most effective HRM practices in managing human resources. Rahman et al. (2018) identified four effective HRM practices: hiring, training, compensation, and empowerment. Aburumman et al. (2020) defined HRM practices as performance appraisal, compensation, training development, and promotion, and. Regarding the current study, the researcher proposes using the HRM practices approved by Lee et al. (2010) which identified six practices of

HRM practices: human resource planning, training and development, compensation, performance appraisal, teamwork, and job security. Studies have confirmed that these practices are the most effective and most widely used in the hotel sector in Jordan (Aburumman et al., 2020; Obeidat, 2019; Jarwan & Ibrahim, 2020; Aboyassin & Sultan, 2017; Al Rawashdeh & Khaled, 2021).

Lee et al. (2010) developed the HRM practices measure of six practices of 25 total items. These practices are derived from (Martell et al., 1996; Delery and Doty, 1996; Ahmad & Schroeder, 2003; Chang & Chen, 2002). Also, these practices are consistent with the seven HRM practices presented by Pfeffer (1998). These practices have been used in different countries and different business sectors, whether in the industrial or service sector, such as banks, hotels, and other sectors (e.g., Aburumman et al., 2020; Al-Abbadi, 2018; Chaisanit & Punyasiri, 2018). Because this measure is based on different studies in different environments and fields of work, it has been adopted in this study. Below is a breakdown of each of these HRM practices:

#### 2.3.1 Human resources planning HRP

Human resource planning (HRP) can be described as the process of forecasting the future human resource demands of the organization and then determining how to optimally use the capacity of HR to achieve the goals of these organizations (Armstrong, 2020). HRP process does not stop at providing these resources only, but it is a continuous process through which management ensures the availability of the appropriate employees who can accomplish those requirements that help the organization achieve its goals (Noe et al., 2017). HRP also requires linking the management of these resources and directing

their activities toward the organization's mission, vision, goals, and objectives included in its strategic plan (Dessler, 2020).

Given the importance of HRP, this process must go through four stages: First, assess current HR capacity, Second, forecast the future need for HR, Third, develop talent strategies, including recruitment, selection, and hiring, and Fourth, review and evaluate (Bailey et al., 2018). This process helps senior management accomplish the objectives of the business by selecting the right employee for the right job by picking the qualified manpower to suit the actual needs at the right time (Noe et al., 2017).

In a study of the Jordanian market, it was shown that HR planning has a considerable impact on organizational performance (Khdour, 2021). Studies showed that the adoption of an HR plan indicates an increase in overall productivity, and improvements in employee JST, as well as a reduction in operating costs (Al-Qudah et al., 2020). Also, proper planning of HR increases the commitment of employees and reduces TOI (Fihla & Chinyamurindi, 2018). In a research of the services sector, the statistical results showed a statistically considerable relationship between the components of career management and planning and the basic needs of the employee "physiological, security, social, self-esteem and self-realization" (Bakir, 2019).

Olaimat (2018) emphasized that HR planning has a positive impact on JST in the Jordanian hotel sector. Also, the practices taken by the HR department through planning contribute positively to promoting EIB (Liu et al., 2019). Some studies have proven that human resource planning is a key factor in reducing the TOI in the Jordanian market because job planning provides employees with the opportunity to visualize their future

career and thus direct their efforts towards achieving this future (Pattanayak, 2020; Salleh et al., 2020).

Chakraborty & Biswas (2019) confirmed that HRM practices including the recruitment plan, lead to a better result in increasing the chance of achieving the strategic objectives of the organization. The recruitment plan and talent management strategies increase the effective performance of the organization as the effective performance helps in gaining a competitive advantage for the organization, making it able to compete and continuity in the market (Obeidat, 2019). Hence the importance of human resource managers in developing plans that ensure the optimal use of HR in a way that enables organizations to achieve their goals and objectives.

#### 2.3.2 Training and development

Stewart and Brown (2019, p.318) defined training as "a planned effort by an organization to help employees learn job-related knowledge, skills and attitudes". Dessler (2020) defined training as the process of providing employees with knowledge, competencies, and skills that enable them to carry out their jobs correctly. The traditional approach to HRM is based on recruiting talents and competencies, whereas, in modern systems, these competencies can be built within the company through the right choice of training courses that can be offered to employees (Bratton & Gold, 2017).

Training is one of the primary ways through which knowledge and skills are transferred to employees. Training programs must be aligned with strategic objectives to become targeted programs aimed at reaching a specific goal (Noe et al., 2017). This requires organizations to have a training strategy that aligns with the organization's