

Psychological Empowerment Influence the Retention Intentions of 5-Star Rated Spas' Employees

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ABSTRACT

The study's objective was to identify the relationship between employees' psychological empowerment and retentions intentions in 5-star rated spa centres in Klang Valley. In this study, 180 questionnaires were distributed to spa employees at 10 participated spa centres within Klang Valley, with a total of 109 employees responded. From the findings, this study has found that there is a relationship between employee's psychological empowerment and retention intention among the spa employees. As the spa employees feel empowered with the management, they tend to remain in the organization. In addition, gender profile did not show any significant relationship as shown $t = -0.12$ and 1.755 for $p > 0.05$ between these variables. Nevertheless, for spa employees' years of working, there was a statistically significant difference with F-value ($df = 3, p < 0.05$) = 0.922 in retentions intentions but not psychological empowerment F-value ($df = 3, p > 0.05$) = 0.444. However, age, academic qualification, race or ethnicity, and job position have shown a significant difference ($p < 0.05$) related to psychological empowerment and retentions intentions. Therefore, the findings may help the spa management to oversee the issue properly and propose for the elevated training programs in order to retain their employees.

KEYWORDS: Employees, Psychological Empowerment, Retention Intention, Spa.

INTRODUCTION

In Malaysia, the spa industry is steadily going through dazzling growth potential in recent years. The spas have become a relevant cultural force. It is beyond than influencing the customers to overhaul their appearance, comfort, and health but also how they work, travel, spiritualize, and socialize [16]. With the stress and hustle of the current lifestyles and the changes in sleeping and eating pattern that come along, people may need to reconnect their bodies and minds by resorting to a spa. In addition, the rising levels of education, sophistication among travelers and also income level raised the awareness and attractiveness of spa treatments. The potential market for spa development has attracted global and premium brand spas to expand their service menus. In addition, those establishments offer therapeutic treatments, herbal, healing, and traditional bathing. It derived from many years ago in practices also recognized in positioning themselves as spas, and some are investing in facilities, equipment, new services, as well as modify their ambiance [20].

In order to delight their customers, spa operators have attempted to provide various services and techniques from traditional to up-to-date. It has based on diverse cultures as to meet the different needs of their customers such as massage, mud wraps, scrubs, aromatherapy, acupuncture, and reflexology. In addition, it also offers fitness centers with personal trainers, (e.g. for yoga and Tai Chi) [1]. The spa therapy has become popular among customers and become interpreted as potential lifestyle activities that have less to do with strictly hedonistic pursuits of pampering and more with long-term approaches to healing and therapy [4]. In [11] highlights that most of the baby boomers visit the spa because of they want a place that can improve their physical and mental well-being. They tend to look for the offers to rest, to do some exercise and being pampered by the spa therapist. It had influenced the growth of sales volume and the number of spa facilities.

Discovered that the numbers of spa centres in Malaysia have grown over 200% since 2002, 174 spas identified as currently operating and another 25 spa centres are under development [8]. The results showed 54% were day spa centres and 46% were spas located in hotels, resorts or retreats. The report also mentioned the spa industry in Malaysia generated revenue of \$50 million between July 2001 to June 2002 which able to attract 120,000 locally and internationally. It shows that the spa industry is more than just a trendy fad, but it is a major player in the

hospitality and leisure arena [5]. However, spa industry faces an increasing competition in the market. Players in this industry must be able to keep and attract new customers by satisfying their increasingly unique demands and at the same time struggle to maintain and capture their staffs' interests to remain working at their organization. The best companies' approach to sustain their spa employees' interest is by psychological empowering the employees to take initiatives without hesitating. In addition, to serve the collective interests of the company, and to act as leaders in the organization [3]. Lack of psychological empowerment by the management can slow down the workflow of the operation. The impact on the organization's labor retention intention depends on the ability of managers to empower their spa employees [9, 18].

The process through which managers enable and help others to achieve influence within the organization is known as empowerment. In order to success in working systems, the sharing information is a necessary precondition. Empowering employees can increase organization's team effectiveness because empowered employees tend to be more productive, cooperative, and supportive. They will recognize themselves as valuable workers in the organization [9]. In [13] saw that empowerment arising from external and internal challenges for organizations. External challenges have resulted in consequences of higher levels of competition, changes in the composition of the workforce, and higher expectations from customers. Internal challenges relate to employee retention, motivation, and development. Many employees do not feel empowered by their managers even though they appeal to be allowed. They are unable to make their decision-making and participated in the management process. Lack of empowerment given by the managers make the employees feel burdened, and stressful, thus providing more opportunities to well-trained spa employees to go elsewhere [19].

Therefore, the issue of high employee dismissal has become one the major concerns for many 5-star rated spa outlets. In addition, the question of how to manage and keep the employees perceived that they are psychologically empowered and to maintain their retention intentions to stay working at the spa is also a challenging issue. In many cases, managers do not know therefore do not act on the most critical areas affecting an employee's intention to leave and it source the retention programs often fail. Thus, empowering and retaining employees are becoming critically important the betterment of financial performance of the organizations [12]. As today's employees are different from old times, as soon as they feel dissatisfied with the current employer or the job, they tend to switch over to the next job [15]. The service sectors such the spa industry recorded the highest number of vacancies at about 35.7% due to the high turnover rate [10]. Hence, it is crucial for spa managers to have an understanding of their employees' feeling and needs at the workplace [19]. Managers need to understand how empowerment is vital to the employees to perform their job and its effect to the decision to remain in the organization.

To detail the dimensions of the variables, this study is conducted to identify the relationship between the employees' psychological empowerment and retention intentions in the spa industry in Malaysia. The outcome of this study provides comprehensive and precise information about the current situation in spa industry's empowerment and retention intentions among the employees of the industry.

METHODOLOGY

In order to measure perceived of employees' psychological empowerment, retentions intentions and collect demographic information, this research uses survey method. The variables of participated spas in Malaysia were assessed by a close-ended survey questionnaire. Most of the items in the questionnaire were adopted from [17] for psychological empowerment and adopted from [19] that measures retention intention. The study examines the following hypotheses:

H1: Employees' psychological empowerment positively influences retentions intentions in the spa industry.

H2: Employees' psychological empowerment scores differs significantly based on demographic profile.

H3: Retention intention scored differs significantly based on demographic profile.

A total of 180 numbers of questionnaires distributed to those 10 participated spa outlets in the Klang Valley, and a total of 109 questionnaires were retrieved for analysis. Incomplete questionnaires were excluded from further analysis. Thus, 109 questionnaires data were used for analysis with the response rate were 60.56%.

RESULTS AND DISCUSSION

Reliability Analysis

The Cronbach's alpha coefficient value for all variables in the study revealed a range of coefficient value from 0.75 to 0.70 accordingly. The independent variables of psychological empowerment scale had a high-reliability coefficient of 0.75 as compared to the dependent variable of retention intention 0.70. Based on the result, the alpha

value had met the minimum level of reliability as recommended by [7]. Hence, the internal consistency of the measures was considered acceptable.

Descriptive Statistics and Analysis

The result found that a total of 109 female respondents (95%) showed that the distribution of gender was higher for females. Besides, there were only 5 male respondents or 5% out of the total respondents. The age of the respondents showed that most of them (52%) were 26-30 years old, 20% were 31-35 years old, 17% were above 35 years old and the rest (11%) were below 25 years old. The respondent academic qualification distribution showed majority of spa employees (38%) were diploma holder, 36% of them passed high school, 16% were degree holder, 7% from lower secondary level and only 3% hold the master. As for the race or ethnicity of the respondents, the highest percentage went for Chinese (51%), followed by other race or ethnicity (27%) such as Siamese, Indonesian, Vietnamese and Philippines. While the remaining of the respondents (16%) are Malay and only 6% of the respondents are Indian. Based on the current position in the company, result showed the majority of respondents (29%) were spa therapists, followed by skin specialists (14%); foot masseuses (11%) and Thai masseuses (10%). Senior masseuses and oil masseuses share the same percentages which comprise 8% each. Another 7% of the respondents work as supervisor. The remaining respondents' current position was beauticians (6%). Only 2% of the respondents were assistant managers. The data also showed the majority of the respondents (59%) reported that they have been working with the company for 1 to 3 years, followed by 4 to 6 years in the business (34%) and (5%) for 7 to 9 years in the company. A further 2% of the respondents have been working for more than nine years.

Pearson Correlation Analysis

The Pearson Correlation analysis was employed to test the hypothesis 1 that was spa employees' psychological empowerment positively influence retention intentions in spa outlets. In determining the strength of the relationship and the interpretation of Pearson correlation coefficients, in [14] recommended the following guidelines. The value of correlation coefficients (r) of $r = 0.10$ to 0.29 was considered as small; $r = 0.30$ to 0.49 was interpreted as medium, whereas $r = 0.50$ to 1.0 was termed as large respectively. In addition, in [6] advocated that very high correlation exceeding 0.90 indicate the existence of multicollinearity. As shown in Table 1, variables between retention intention and the psychological empowerment were positive. According to [14], the correlation between the psychological empowerment and retention intention ($r = 0.559$, $p < 0.05$) were considered as large correlations.

Table 1: Pearson correlation matrix for psychological empowerment to retention intentions

No	Measures	1	2
1	Retention Intention	-	-
2	The Psychological Empowerment	0.559*	-

Note: N = 109, * $p < 0.05$

This result indicates that there was no critical multicollinearity as stated because it was identified that the correlations among the variables were significant and the strength of the correlations were below 0.90 [6].

T-Test and ANOVA

The hypothesis 2 was tested by employing the T-test and ANOVA. The result showed that the gender profile was no significant differences related to the employee's psychological empowerment, meaningfulness as shown $t = -0.12$ and 1.755 , $p > 0.05$. Another demographic profile that was the year of employment also indicated no significant influence with the employee's psychological empowerment with the result F value ($df = 3$, $p < 0.05$) = 0.922 . However, there are significant differences of scores related to age, academic qualification, race and job position with psychological empowerment items (age: $p = 0.002$, academic qualification: $p = 0.004$, race: $p = 0.013$ and job position: $p = 0.004$). Most of the p-value for cross tabulation between each of these demographic profiles concerning psychological empowerment was $p < 0.05$. It shows that the employee's psychological empowerment scored differ significantly based on demographic profile whereby age, academic qualification, race and job position have an influence on spa employees to response with the empowerment. In terms of the demographics of empowerment, employees with higher levels of education, more tenure, and greater rank report experiencing more feelings of empowerment. This statement is supported by [17] as she mentioned in her study that the higher the level of education an employee had, the more he or she experienced empowerment.

Chi-Square Test

Moreover, the computation of data using Chi Square test was examined to clarify the hypothesis 3. The result showed that retention intention does not significant differ based on gender. The result does not show $p < 0.05$ which is not significant-Gender*CI ($\chi^2 = 1.409$, $p = 0.843$). However, other demographic profile shows a significant result related to retention intention items. Age, race, academic qualification, job position and year employment scores significant with retention intention with $p < 0.05$.

CONCLUSION

In conclusion, it can emphasize that there is a relationship between employees' psychological empowerment and retention intentions among the spa employees. Moreover, the results of this study also shown that no statistically significant difference appeared between spa employees in gender, and their current position in the company on both the psychological empowerment and retention intentions. Nevertheless, for spa employees' years of working, there was a statistically significant difference in retention intentions but not psychological empowerment. Besides, this study's results also indicated that there were statistically significant difference appeared among spa employees in age group and academic qualifications. Therefore, these findings found that certain categories of the demographic data do have an effect on the overall findings obtained from all spa employees.

This study perhaps will provide comprehensive and precise information of current situation in spa industry's empowerment and retention intentions among the employees of the industry. The spa service industry is now becoming a leading product under health tourism category. The findings of the research will help spas in Malaysia to improve the level of employees' service delivery, level of empowerment and retention intentions in the spa industry. The findings from this study should also provide an academic platform on valuable information and insights on the current situation of the industry, thus eliminating or further strengthening current theoretical findings and literatures. By finding out the different aspects of those variables, it will form a base to further clarify the fact and findings in instilling more interest in future research.

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