

The Impact of Organizational Trust, Job Satisfaction, and Affective Commitment of Ski Resort Employee on Turnover Intention

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With continued economic growth and the adoption of a five-day per week work policy in 2004, the ski industry in South Korea has dramatically grown over the past decade. A major contributor to this growth has been an investment by major Korean companies (e.g., Samsung, Hyundai, and LG) owning ski resorts (Park, 2006). This growth has positively impacted the total number of ski visitors; however, many older resorts are losing loyal participants due to the lure of newer modern resorts (Kim, Byun, & Jung, 2007). For example, two ski resorts out of 17 which are registered in the Korea Skiresort Business Association closed due to their severe financial losses. In addition, among the remaining 15 resorts only six of them reported an increased number of visitors while seven ski resorts reported the sharp decline in number of visitors. (Korea Skiresort Business Association, 2008). It is apparent that the emergence of new resorts has created greater competition within the industry. One solution for older resorts trying to maintain a strong visitor base is to maintain high service standards at their resorts.

The quality of intangible service (e.g., employee's attitude or quality of employee's performance) cannot be ignored since ski resort sells both tangible and intangible services to their customers (Chung & Park, 2006). For this reason, much research has been conducted for understanding the employees' trust, job satisfaction and commitment toward their organization (Donavan, Brown, & Mowen, 2004; Lee & Jang, 2007; Rayton, 2006; Schwepker, 2001; Yousef, 2002). The results of these studies showed significant relationships among these factors. Moreover, while many loyal customers that patronize older resorts are lured to newer resorts, the same can be said for the employees being attracted to newer facilities. Therefore, facing growing competition, practitioners should pay more attention to employee turnover in order to secure well trained and talented employees. Nevertheless, there has been only one empirical research study examining the impact of employee satisfaction and commitment in the ski industry on their intention to stay with their current resort (Oh & Byeon, 2007). Therefore, based on previous research (Allen, & Meyer, 1990; Becker, 1992; Choi, 2004; Lucas, Babakus, & Ingram, 1990) this study was conducted to investigate the impact of Organizational Trust, Job Satisfaction, and Affective Commitment on Turnover Intention of the employees in the ski resorts. A total of 350 questionnaires were distributed to six ski resorts in South Korea during 2006-2007 season.

A total of 286 usable questionnaires were returned for a response rate of 82%. The survey instrument included a total of 26 items. Eight items for Affective Commitment (Allen & Meyer, 1990), six items for Organizational Trust (Cook & Wall, 1980; Choi, 2004), and four items for Extrinsic Satisfaction, Intrinsic Satisfaction (Johnson, 1955; Lucas, Babakus, & Ingram, 1990), and Turnover Intention (Becker, 1992; Choi, 2004; Mathieu & Zajac, 1990) were included respectively. All items were measured using a seven-point Likert-type scale ranging from "not at all" to "very much". Cronbach's alpha coefficients and Confirmatory Factor Analysis (CFA) were employed to ensure the validity and reliability of the constructs for each scale. Structural Equation Model (SEM) was then used to examine the proposed model. Cronbach's Alpha coefficients showed highly reliable scores of internal consistency for all five factors ($\alpha = .88$ to $.94$).

CFA indicated a good fit of the proposed model to the data (chi-square (289) = 690.701, $p < .001$, RMSEA = .070, CFI = .923, PNFI = .779). In addition, the results of SEM indicated acceptable model fit indices (chi-square (291) = 742.110, $p < .001$, RMSEA = .074, CFI = .914, PNFI = .776). Analysis of the regression paths showed: (1) Organizational Trust had a significant positive impact on Extrinsic Satisfaction (.51, $p < .05$) and Intrinsic Satisfaction (.55, $p < .05$) and Affective Commitment (.30, $p < .05$); (2) Affective Commitment was significantly and positively influenced by Extrinsic Satisfaction (.13, $p < .05$) and Intrinsic Satisfaction (.39 $p < .05$); and (3) Turnover Intention was significantly and negatively impacted by Affective Commitment (-.19, $p < .05$), whereas Extrinsic Satisfaction and Intrinsic Satisfaction has statistically insignificant impact on Turnover Intention. Some of findings of this study are consistent with previous studies (e.g., Huang & Hsiao, 2007; Susskind, Borchgrevink, Michele, & Brymer, 2000). Examples are the positive relationship between Job Satisfaction and Affective Commitment and the positive impact of Affective Commitment on Turnover Intention. However, the finding that Job Satisfaction has no influence on Turnover Intention contrasts with previous research (e.g., Oh & Byeon, 2007; Schwepker, 2001). This result may be explained in terms of the unique job characteristic in the ski resort (e.g., a high number of seasonal and/or voluntary employees). Further insight into the model, marketing implications, and limitations will be discussed during the presentation.