The Organizational Climate and Employee Turnover Intention in Dubrovnik Hotels

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The aim of this study was to find out the organizational climate (OC) in hotels in Dubrovnik and how it correlates to employees' intention to leave the organization. Surveys administered to front-liners and employees in non-managerial job positions in three, four and five star hotels, measured different elements of OC, in terms of performance of their organization and their perceived importance. The results indicate that the organizational climate in these hotels is best described as rule-oriented. The employees reported the highest level of satisfaction with 'Role Clarity' in their company, and were least satisfied with 'Career Development.' While the participants also perceive 'Role Clarity' as the most important factor for the organization, which suggests that management is adequately addressing the expectations of employees, 'Career Development' is one of the factors rated as least important, which is arguably troubling in the industry that struggles with employee retention. Results further show that 'Training and Job-Socialization' is neglected in hotels, though high importance is allotted to training by hotel personnel, making this the area in need of immediate improvement. The absence of appropriate training could be seen as one of the factors influencing the difference in rating of companies' performance by permanent, seasonal and co-op workers, with latter providing lower ratings for performance of companies regarding 'Role Clarity' and 'Commitment and Morale.'

Introduction

Organizational Climate. Organizational climate is a psychological environment in the workplace; it is the way in which employees perceive the organization (Manning & Davidson, 2004). The initial interest in organizational climate has been attributed to Kurt Lewin and his field theory of motivation (Furham & Goodstein, 1997). Organizational climate is defined as a psychological state strongly influenced by conditions in the organization, like systems, structure, and managerial behavior. It may be further described as the shared

perceptions of organizational members who are exposed to the same organizational structure (Schneider, 1990). Organizational climate is also defined as a perception of environment in the organization, how it is composed, and its elements and dimensions. The term organizational climate is derived from organizational culture which is a set of rules, values and beliefs that a company has, and according to which the employees of the organization must act (Asif, 2010; Cutler 2014). The culture helps the employees by giving them guidelines on how to perform their job correctly. The organization creates an atmosphere in which the employees work, and the way that they feel inside that atmosphere is considered to be the organizational climate. Organizational climate is the way employees perceive events, practices, and procedures, and learn about the kind of behaviors that are rewarded and respected.

Categorization of Organizational Climate. There are three basic types of organizational climates: people-oriented, rule-oriented and goal-oriented organizations (Manning & Davidson, 2004; McLaughlin, n.d.). According to Hellriegel and Slocum (1974) the people-oriented organizational climate is the type of environment in which the satisfaction of the employee is the most important aspect, and where employees experience favorable working conditions. In this climate category leaders are working hard to satisfy their employees' needs, such as fair compensation, flexible working hours, independence, involving them in the decision making processes, etc. This kind of approach gives them a feeling of belonging and builds their confidence (Manning & Davidson, 2004). The rule-oriented type of organizational climate is based on tradition and a strong set of rules that are valued and are not to be changed. It is expected from the employees to fit in and follow the procedures where rule-orientation refers to a concern for adhering to rules and regulations. The existence of rigid rules and regulations are negatively related to innovation and are one of the characteristics related to big organizations (Nystrom, Ramamurthy & Wilson, 2002). This is a traditional, old fashioned type of organizational climate and is not popular with the new generation of employees (Manning & Davidson, 2004). The goal-oriented type of climate sets an atmosphere in which it is expected from the employees to reach the organizational goals. Goals can be set on daily, weekly or monthly bases.

One must be able to reach the specific goals in the specific time period in order to satisfy the organizational standards and rules. Litwin and Stringer (1968) found that goal-oriented organizations and leaders encourage their employees to take personal responsibility for their specific job tasks and the results of these tasks. By doing so, employees set high standards for themselves and for the organization.

Employee Turnover in Hospitality Industry. Hospitality is one of the biggest industries in the world, it employs large amounts of people and contributes significantly to the international gross domestic product (Vasquez, 2013). Yet, it must be stated that compared to other industries' employee turnover rates the highest occur in the hospitality industry (Tews, Michel & Ellingson, 2013). In fact, the annual turnover rates for entry-level employees in hotels and restaurants can easily exceed 50% (Hinkin & Tracey, 2000).

Quality employees are the most important factor in the hospitality industry (He, Lai, &Li 2011), as they provide a critical competitive advantage to companies and can determine the difference between successful and unsuccessful companies. The company must make and maintain an organizational climate which will encourage workers to be more efficient and achieve great results. Management is being pushed to make adjustments and new plans to retain their employees and lower their turnover rate. High turnover rate in a company can hurt their image and credibility, but this is also problematic for the remaining employees because it spreads negative energy among them (Baneryee, 2014). Another impact of employee turnover is that turnover harms a company's efficiency and can be costly (Joseph, 2013). High turnover rate has an effect on more than just the industry, it also influences the local and global economy since the hospitality industry, as we mentioned earlier, is one of the biggest employers, both locally and globally (Vazquez, 2013). Additionally, employee turnover impacts productivity, effectiveness, and may alter a hotel's cost structure and plan (Davidson, 2010).

Employee turnover is both expensive and troublesome as organizations are confronted with endless cycles of recruitment, selection and training. According to Vazquez (2013), employee

turnover is not only problematic because of the productivity and the negative impact it has on other employees, but also because of the resources that are wasted in the process of recruitment, selection and training. A typical organization spends $10,000 USD when managerial level turnover occurs, and employees in lower positions such as waiters or receptionists cost as much as $1,500 USD due to the training needed in order for them to function according to the companies' rules and standards.

Organizational Climate and Job Satisfaction. Job satisfaction is a feeling of satisfaction and dissatisfaction in the workplace (Rahimic, 2013). It can be defined as a positive attitude resulting in pleasure and passion about the job or workplace. A study done in the USA showed that out of most people, 80-85%, are satisfied with their job, at least on the primary level (Rothman, 1997). This is true mostly because it is a part of human nature to rationalize things. Furthermore, every job has its advantages and disadvantages, but it is essential to find the right balance between the two. By rationalizing, people tend to eliminate the negatives by focusing on the positive aspects of the workplace. In other words, if the feeling of satisfaction overwhelms the feeling of dissatisfaction, people will overall find themselves satisfied with their job position, and vice versa. Job satisfaction highly correlates with rewards. There are two main types of rewards, extrinsic and intrinsic rewards. Extrinsic rewards include conditions in the workplace and reward systems (Rothman, 1997). Extrinsic rewards are tangible rewards like salary, benefits, security, and intangible rewards like working hours, schedule and the like. There are also social benefits, and relationships with co-workers that contribute as important factors of extrinsic rewards. On the other hand, intrinsic rewards are focused on job content such as autonomy and self-direction, challenges, decision-making and the like. Dissatisfaction in the workplace is mostly connected with unrewarding job positions. Dissatisfying and psychologically unrewarding jobs can lead to dissatisfaction in an employee's personal life as well.

Organizational climate and job satisfaction are two different constructs but they both influence employee performance and the intention to leave (Rahimic, 2013). It is very important to have good communication, healthy relationships and a well-functioning

environment in order for the company to operate properly. The same principles apply for employees to reach the peak of their productivity and to have them actively participating in the company's goals and objectives. Organizational climate is a motivation strategy. There are too ways to motivate your employees, by assuring them with fair financial compensation and by providing them with a workplace that is taking care of all their needs and therefore motivating them to perform better (Milman, 2002).

Factors like flexible working hours, staff training, team building, awards, etc., are important to make them happy. Satisfied employees are key to success (Hamington, 2010), explained by the simple narrative that organizational climate influences employee job satisfaction, and is therefore crucial for the success of a company. It influences the employee's psychological processes of communication, problem solving, education, productivity and encourages innovation which results in job satisfaction. Because of this, companies are starting to realize the importance of understanding organizational climate.

Consequently, it is crucial that managers are familiar with their employees and that they know what their needs and feelings are (Lam, Zhang, & Baum, 2001). It must be emphasized that in hospitality one of the critical aspects of corporate success is that companies are satisfying their customers' needs by fulfilling the needs of their employees; therefore, organizational climate plays an important role in shaping employee satisfaction.

Measuring the Organizational Climate. A large number of measures of organizational climate exist. There is a fifty-item questionnaire covering nine dimensions by Litwin and Stringer (1968), House & Rizzo's (1972) Organization Description Questionnaire, the Survey of Organizations (Taylor & Bowers, 1972), Business Organization Climate Index (Payne & Phesey, 1971), and many others including the OCQ instrument that we used in our research. Organizational Climate Questionnaire (OCQ) has a goal to deliver all the dimensions of climate (Furham & Goodstein, 1997). One of the important aspects that OCQ has to cover is that it has to 'travel well,' meaning that it can be applied across the geographical areas and across different cultures. It also asks the respondents to state how important each of the elements of

climate are. The OCQ measures 13 different dimensions of organizational climate. The first dimension is 'Role Clarity,' and it is connected with job description and job responsibilities. The second dimension is 'Respect,' and it is based on respect between colleagues within a department and between departments. The third dimension is 'Communication,' and it is connected with the level of communication between departments, and the ability to express your thoughts and the like. The fourth dimension is 'Reward System,' which is connected with salary and benefits. The fifth dimension is 'Career Development,' and it is based on the ability to progress inside the company. The sixth dimension is 'Planning and Decision Making,' and it is based on coordination, planning and autonomy. The seventh dimension is 'Innovation,' and it is based on following trends in technology and finding new ways to do things. The eight dimension is 'Relationships,' and it is connected with flexibility of management to satisfy the needs of their employees. The ninth dimension is 'Teamwork and Support,' and it is connected with workload and quality of teamwork. The tenth dimension is 'Conflict Management' and it is based on problem solving and avoiding conflict. The eleventh dimension is 'Commitment and Morale,' and it is based on the atmosphere or morale at the workplace. The twelfth dimension is 'Training and Learning,' and it is connected with amount, and quality, of training that the organization offers to its employees. The final dimension in this instrument is 'Direction,' and it is connected with company's plans for the future, and its path (Furham & Goodstein, 1997).

Methods

This study examined the organizational climate and turnover intention in three, four and five star hotels in Dubrovnik. Specifically, this study sought to determine the overall level of organizational climate in Dubrovnik hotels, detect potential differences in stances of employees in hotels with different star ratings, or different departments and detect the effect of gender and type of employment in the organizational climate assessment. Additionally, the relationship between turnover intention and specific aspects of organizational climate was examined.

The survey model is based on Furnham and Goodstein's (1997) organizational climate questionnaire (OCQ). Some

changes have been implemented into the original questionnaire. The questionnaire was translated to Croatian and some the questions were eliminated, or modified in order to fit the context when translated into the Croatian language. Since the original questionnaire measures organizational climate, and not specifically turnover intention, additional questions were implemented, e.g. 'I plan to work here in the future'.

The questionnaire is based on 46 questions of which four questions are about gender, hotel category, department, and type of working relationship, used to detect potential differences in ratings in hotels in different hotel categories, different hotel departments, and by those of different employment type and gender. The other 42 questions are answered two times and are rated on the scale from 1-7. In the first part participants needed to assess how much the statement applies in their case, i.e. performance of the company, where 1 means 'strongly disagree' and 7 means 'completely agree'. In the second part they need to rate how much they believe the item is important for the organization, generally speaking, if 1 stood for 'completely unimportant', and 7 for 'essential'.

The 42 questions are divided into thirteen different categories which are based on the different aspects of the workplace which are connected to the organizational climate. The participants were not provided with the category information. Category and item list is available in the results section of this paper (see Table 1, Table 4 and Table 5).

This survey was administrated to the employees of three, four, and five star hotels in the Dubrovnik area. Specifically, the research focused on the front-liners and employees not in management positions. From 120 distributed surveys, 28 were not filled out properly, 16 were returned blank, and 76 were analyzed. There were 28 (37%) participants working in five star hotels, 25 (33%) in three star hotels, and 23 (30%) in four star hotels. There were 41 (54%) women and 35 (46%) men participating in the survey.

Results

Organizational climate assessment for items. For the purpose of assessing the general organizational climate of the

sample, mean scores were calculated for all of the items in the questionnaire. The items with the lowest ratings reported in terms of organization performance were regarded to remaining in the company till retirement (M=3.61, SD=2.17), rarely being overwhelmed with the amount of work in a short time frame (M=3.95, SD=1.80) and the assessment of whether employees' talents are fully utilized in their job position (M=3.99, SD=2.05). Items with highest average ratings in terms of performance were those regarding role clarity, specifically, respondents reported knowing their responsibilities (M=5.82, SD=1.19), having clear objectives and goals set for their job (M=5.66, SD=1.3), and knowing exactly what is expected of them (M=5.58, SD=.99). The items rated as least important for organizations were regarded to additional assignments and work piling up (M=4.36, SD=1.78), followed by the commitment of employees to remain with the company (M=4.64, SD=1.90). The highest importance ratings regarded employees' awareness of what is expected from them (M=6.53, SD=.70), followed by the information needed to do one's job (M=6.49, SD=.90), and adequate information sharing between departments (M=6.46, SD=.76).

Item number	Performance M	Performance SD	Importance M	Importance SD
1. My job has clear goals.	5,66	1,302	6,36	,778
2. I know what my responsibilities are.	5,82	1,186	6,43	,854
3. I know exactly what is expected of me.	5,58	,983	6,53	,702
4. I feel valued by my colleagues in the department.	5,26	1,215	6,03	,894
5. I value my colleagues from the department.	5,39	1,415	6,26	,822
6. I value the colleagues from other departments, and they value my.	5,53	1,301	6,17	,839
7. I have all the information needed to carry out my work.	5,29	1,565	6,49	,902
8. I am adequately informed about significant issues in the company	4,87	1,526	6,21	,736
9. Information is adequately shared between departments.	5,07	1,700	6,46	,756
10. I have the opportunity to express my opinion.	5,05	1,624	6,17	1,012
11. Good work is recognized and appreciated.	4,78	1,654	6,39	,850
12. I think that my boss is too tolerant of poor performance.	4,00	2,203	4,76	2,320
13. Employees are adequately rewarded in my company	4,24	1,945	5,72	1,493
14. I receive appropriate salary.	4,72	1,466	5,95	1,522
15. I feel satisfied with my job.	4,62	1,697	6,16	,880
16. There is an adequate system for career development in the company.	4,18	1,853	5,84	1,189
17. I can work here until retirement.	3,61	2,173	4,64	1,909
18. My current job makes full use of my talents.	3,99	2,049	6,04	,972
19. Work is well coordinated and planned in my company.	4,42	1,899	6,42	,771
20. I am allowed to participate in significant decisions that influence my work.	4,07	1,857	5,42	1,268
21. My supervisor likes me to consult him before I take action.	4,68	1,659	5,84	1,357
22. I am encouraged to be innovative.	4,08	1,742	5,96	,807
23. My company has adequate plans for future.	4,74	1,962	6,33	,719
24. My company responds to commercial and technical trends.	4,82	1,467	6,36	,795
25. My company is meeting the needs of the employees.	4,72	1,813	6,08	1,208
26. My company is flexible in order to meet people's needs.	4,78	1,588	6,16	1,108
27. Needs of women and minority employees are met in my company.	4,83	1,762	6,43	,736
28. I am rarely put under undue work pressure.	4,24	1,565	5,74	1,100
29. I get new tasks before I can finish the previous ones.	4,71	1,623	4,36	1,779
30. I rarely have too much work over too little time	3,95	1,803	5,58	1,329
31. Conflicts in my company are constructively resolved	4,66	1,786	6,38	,765
32. Conflicts between departments are minimal.	5,32	1,288	6,13	1,024
33. In general, conflicts are managed well in my company	4,78	1,484	6,16	,895
34. Motivation is on high level in my company.	4,42	1,813	6,20	,800
35. Morale is high in most departments.	4,84	1,915	6,18	1,055
36. My personal morale is high.	5,14	1,614	6,22	,903
37. There are appropriate orientation procedures in my company.	4,59	1,507	6,18	,890
38. I have received the training I need to do a good job.	4,24	2,026	6,26	,822
39. All the training in my company are on high level.	4,25	1,870	6,28	,947
40. My company has bright future.	4,80	1,782	6,14	,890
41. The future of the company has been well communicated to all employees.	4,39	1,919	5,83	,985
42. I plan to work here in the future (retention item added)	4,32	2,118	5,71	1,220

Results obtained in the described sample indicate that average scores for agreement (personal report) of 5 or above can be considered high (third quartile), whereas scores of 4.3 and bellow can be considered low (first quartile); and that average importance scores of 6.3 and above can be considered high, whereas importance scores of 5.8 and bellow can be considered low. With the high and low scores determined, critical items were entered into the matrix displayed bellow.

PERFORM-ANCE	IMPORTANCE ratings	low	high
	high	**Consider** -	**Celebrate** My job has clear goals. I know exactly what my responsibilities are. I know exactly what is expected from me.
	low	**Ignore** I can work here till retirement. I rarely have too much to do over too little time. I think my boss is too tolerant of poor performances. I can be part of decision making processes. There is an adequate system for career development. Employees are adequately rewarded in the company. I am rarely put under undue work pressure.	**Fix** -

Interestingly, the hotels in the sample have no items that would need to be addressed immediately, i.e. those rated as low performance and of high importance. Low performance recorded for items 'I think my boss is too tolerant of poor performances', 'I rarely have too much to do over too little time', 'I can work here till retirement', 'I can be part of decision making processes', 'There is an adequate system for career development', 'Employees are adequately rewarded in the company' and 'I am rarely put under undue work pressure', according to the matrix may be ignored as these were graded by employees as being of low importance as well, hence changing these could not be expected to yield significant improvements. For the entire sample no items were perceived as high in performance, yet low in importance for the functioning of the organizations. This suggests that there are no misguided efforts in specific areas of organization.

As for the items in the matrix that were rated as high in performance and high in importance, these belong in the 'Role Clarity' category, which suggests that in terms of role clarity generally speaking the important issues are being addressed by hotels in the sample.

Differences in assessment of items. Differences in assessment of items regarding performance and importance were examined by the use of Kruskal-Wallis test and Mann-Whitney test. Only significant differences are reported.

Hotel rating. Statistically significant differences between hotels of different star rating were discovered for three items regarding performance.

	My job has clear goals PP	I have the ability to use all of my talents on my workplace PP	Conflicts between departments are min. PP
Chi-Square	7,934	6,797	6,850
df	2	2	2
Asymp. Sig.	,019	,033	,033

Kruskal-Wallis Test
Grouping Variable: Hotel category

A post-hoc test (Dunn-Bonferroni post hoc method applied for all Kruskal-Wallis test) for assessment of performance (PP) on the item 'My job has clear goals' indicated that five star hotels had significantly lower performance ratings than three star hotels, z = -2.40, p =.03. Follow-up tests for performance rating on the item 'I have the ability to use all my talents in the workplace' show significantly lower ratings for four stars hotels in comparison with five stars hotels, z = -15.83, p =.03. Four stars also received

a significantly lower rating than five stars hotels on the item 'Conflicts between departments are minimal', z =-14.46, p =.05.

Type of employment. Results of Kruskal-Wallis test determining whether there were differences in performance assessment by permanent employees, seasonal or co-op workers indicated significant difference in ratings for five items: 'My job has clear goals' ($\chi2(2)$=10.57, p=.01), 'My company has adequate future plans' ($\chi2(2)$=6.41, p=.04), 'My company satisfies the needs of employees' ($\chi2(2)$=8.22, p=.02), 'Morale is high in most departments' ($\chi2(2)$=8.13, p=.02), 'My personal morale is high' ($\chi2(2)$=7.18, p=.03).

Post hoc tests show that the differences are accounted for by permanent employees' higher level of agreement with specific items. Permanently employed rank the clarity of their role higher that those whose employment is co-op related (z = 20.17, p =.03), or those employed solely for the tourist season (z = 14.06, p =.02). Permanent employees also rank adequacy of their companies' future plans higher than seasonally employed (z = 12.82, p =.05), report higher level of agreement with morale being high across the organization than those seasonally employed (z = 13.82, p =.03), and the same contrast was determined between these two groups with respect to personal morale (z = 13.79, p =.03).

In terms of role clarity, it needs to be noted that a significant difference was also detected with respect to importance ratings ($\chi2(2)$=8.79, p=.01), with permanent employees ranking the importance of role clarity in organizations higher than those seasonally employed (z = 12.78, p =.03).The difference in evaluation of importance of knowing all important information about the company ($\chi2(2)$=6.12, p=.05), is also detected as the difference between the higher rankings provided by permanent employees as opposed to their seasonal-employment counterparts (z = 12.43, p =.04). The only remaining difference detected in importance ratings was for the item about the importance of mutual respect between people from different departments ($\chi2(2)$=7.49, p=.02), which was also rated higher by permanent employees than by seasonal workers (z = 12.24, p =.05).

Organizational climate assessment for categories. Mean scores were also calculated for all of the categories of items regarding organizational climate. Role clarity (M=6.44, SD=.67) and Communications (M=6.33, SD=.68) were rated as most important for organizations, while, interestingly Teamwork and Support (M=5.22, SD=.78) received lowest ratings, followed by Career Development (M=5.51, SD=.76).

Importance ratings in ascending order				
	Min	Max.	M	SD
Teamwork And Support	3	7	5,22	,776
Career Development	4	7	5,51	,757
Reward System	4	7	5,80	,933
Planning And Decision Making	4	7	5,89	,693
Direction	4	7	5,98	,725
Respect	4	7	6,15	,654
Commitment And Morale	4	7	6,20	,739
Innovation	4	7	6,21	,568
Relationships	3	7	6,22	,861
Conflict Management	5	7	6,22	,676
Training And Learning	4	7	6,24	,717
Communication	4	7	6,33	,677
Role Clarity	4	7	6,44	,672
N=76				

In terms of performance, hotels in the sample received highest ratings for Role Clarity (M=5.68, SD=1.03), and Respect (M=5.39, SD=1.06) and lowest ratings in Career Development (M=3.39, SD=1.6), and Teamwork and Support (M=4.30, SD=1.08).

Performance ratings in ascending order				
	Min.	Max.	M	SD
Career Development	2	7	3,93	1,515
Teamwork And Support	2	7	4,30	1,087
Training And Learning	1	7	4,36	1,641
Planning And Decision Making	2	7	4,39	1,334
Reward System	3	6	4,47	,829
Innovation	2	7	4,54	1,519
Direction	1	7	4,59	1,714
Relationships	1	7	4,77	1,515
Commitment And Morale	2	7	4,80	1,455
Conflict Management	3	7	4,92	1,258
Communication	2	7	5,07	1,313
Respect	2	7	5,39	1,059
Role Clarity	3	7	5,68	1,034
N=76				

Organizational climate matrix created for item categories (first/third quartile)

suggests that in terms of the organizational climate there is one pressing issue for organizations to address (low performance-high importance category), and it regards adequate training of employees. The results are further troubling as they suggest that Career Development and Teamwork and Support are rightfully less attended to. The importance of Role Clarity and Communication and high levels of performance for these categories, on the other hand, are to be celebrated.

	IMPORTANCE		
PERFORM-ANCE	ratings	low	high
	high	Consider -	**Celebrate** Role clarity Communication
	low	**Ignore** Career Development Teamwork and Support	**Fix** Training and Learning

Differences in assessment of categories. Differences in assessment of items regarding performance and importance were examined by the use of Kruskal-Wallis test and Mann-Whitney test. The only significant differences detected were for the type of employment factor. The differences were detected in the rating of performance regarding Commitment and Morale ($\chi2(2)$=7.78, p=.02), with permanent employees rating the performance of organizations higher than the seasonal workers (z = 14.47, p =.02), and in the ratings of importance of Communication category in organizations ($\chi2(2)$=7.78, p=.02), which was again rated as being of higher importance by the permanent employees than by the seasonal workers (z = 14.47, p =.02).

Relationship between turnover intention and assessment of performance. The variable 'I plan to work here in the future (personal perspective)', positively correlates with all performance variables. Interestingly, very strong positive relationship was detected with the Innovation variable, rs (74) = .83, p <.01; and weak relationship was detected with the Reward System variable, rs (74) = .31, p <.01

	I plan to work here in the future	
Role Clarity PP	Correlation Coefficient	,576**
	Sig. (2-tailed)	,000
Respect PP	Correlation Coefficient	,677**
	Sig. (2-tailed)	,000
Communication PP	Correlation Coefficient	,622**
	Sig. (2-tailed)	,000
Reward System PP	Correlation Coefficient	,308**
	Sig. (2-tailed)	,007
Career Development PP	Correlation Coefficient	,570**
	Sig. (2-tailed)	,000
Planning And Decision Making PP	Correlation Coefficient	,658**
	Sig. (2-tailed)	,000
Innovation PP	Correlation Coefficient	,833**
	Sig. (2-tailed)	,000
Relationships PP	Correlation Coefficient	,526**
	Sig. (2-tailed)	,000
Teamwork And Support PP	Correlation Coefficient	,320**
	Sig. (2-tailed)	,005
Conflict Management PP	Correlation Coefficient	,544**
	Sig. (2-tailed)	,000
Commitment And Morale PP	Correlation Coefficient	,544**
	Sig. (2-tailed)	,000
Training And Learning PP	Correlation Coefficient	,685**
	Sig. (2-tailed)	,000
Direction PP	Correlation Coefficient	,581**
	Sig. (2-tailed)	,000
	N	76

Discussion

In this study we examined the organizational climate of three, four and five star hotels in Dubrovnik, specifically among front-liners and non-managerial employees, controlling for the effect of gender, hotel star rating, type of employment and department on the organizational climate assessment, and noting the relationship between different elements of organizational climate and employee turnover.

The results indicate that management in Dubrovnik hotels is sensitive to the importance allotted to role clarity by the personnel, and provides adequate information about the expectations associated with specific role positions. It needs to be noted that the high level of performance ratings associated with role clarity are associated with the items that determine the level of personal awareness of the requirements and expectations of one's own job position. Employees are adequately informed about the job requirements, and furthermore, provided with all the pertinent information for the company to operate smoothly, as indicated by the high performance ratings for communications. Yet, performance of the organizations in the sample in terms of role clarity receives higher grades by those who are permanently employed, and this suggests that the permanent employees in this respect are better informed than their seasonal counterparts or those employed through

cooperative education program. Although those with permanent job positions also value role clarity more, i.e. rate it as being of higher importance for the organization, the discrepancy in their stances about the organizational role clarity and the stances of co-op and seasonal workers might be the source of lower commitment and morale reported by the latter, as well as a source of their lack of belief in the bright future of their company.

Furthermore, the noted high ratings of performance regarding role clarity seem to suggest a rule-oriented climate in the examined hotels (and a rule-oriented culture in terms of importance scores). Namely, high scores for communication practices and role clarity are accompanied by lower scores for relationships, innovation and direction (goal-orientation) in performances of their organizations. A troubling aspect of the functioning of these hotels, indicated by the lowest scores received for performance, is that career development, teamwork and support and training and on-the-job learning are at the bottom of the list. Namely, it seems that hotels sampled do not invest enough resources (or are perceived as such) into developing their workforce, allowing the personnel to develop and advance, or in creation of a teamwork-friendly environment in which one can find support in work assignment completion. Interestingly, as portrayed in the organizational climate matrix, the workers do not even perceive teamwork and support and career development as important elements in the functioning of organizations. This seems to suggest that even if these companies started paying more attention to career development and teamwork and support, such efforts might wind up being futile efforts if the organizational climate regarding these items, i.e. the value ascribed to them by employees, is not addressed first. In fewer words, the employees might experience teamwork or career development programs as a burden, if not convinced and informed about the values these have on both individual and organizational level.

The most pressing issue the examined hotels need to address concerns training and learning opportunities for their employees. A potential source of the reported lower morale and lesser role clarity by those not in a permanent job positions, as they might not be at the receiving end of appropriate job socialization, the absence of such trainings might equally be a source of

lesser grades allotted to career development importance by all types of employees.

Low scores on career development items inquiring whether the current job is making full use of one's talents or on the items regarding innovation, specifically, being encouraged to innovate, again speak in favor of the assessment of the organizational climate within these hotels as rule-oriented, as the emphasis that seems to be placed on clarity of expectations from workers seems not to be accompanied with an invitation for employees to make use of their talents and exceed in terms of innovative approaches to the work that needs to be carried out. Similar weak relationship was detected with the Reward System variable too. Though role clarity is a recipe for efficiency in organizations these lesser ratings on noted items indicate that the hotels are not making full use of the talent pool of their workforce, although, it needs to be noted, five star hotels seem to be doing a better job in terms of talent utilization than their four star counterparts. Furthermore, as the added retention item 'I plan to work here in the future' very strongly correlates to scores on innovation-related items in terms of performance, it would seem that the hotels would additionally profit, in terms of the potential to retain experienced personnel, if the value of innovation was more emphasized in terms of companies' culture and encouraged in performance of individuals.

In short, although training and on-the-job socialization seems to be the area in which the hotels examined should immediately mirror the importance of these practices recognized by their employees in the performance of organization, there seems to be room for improvement in making their workplaces more employee-friendly, and appealing for those seeking long-term employment and the opportunity to advance. This, it seems, requires a shift in organizational culture, and an effort in allowing the personnel to see and experience the benefits of such a shift away from structured and appropriately communicated job expectations toward an environment more welcoming to initiative taking and innovation.

Due to the scope of this research, the results cannot be generalized and observed as a measure of overall organizational climate in hotels in Croatia or Dubrovnik region. Further research to be conducted is to include a

larger and a more representative sample and should include the managerial staff as well. Additionally, both full time and part-time employees were included in the survey even though the question remains whether this is appropriate since with part-time employees the intention to quit item can't be used as a conventional 'intention to quit' dimension; namely, as soon as an employment contract expires these employees are freed of their duties and hence can't truly consider the question whether they want to stay or quit. Yet the assumption was that part-time employees may wish to come back to work in the future and therefore were kept in the sample throughout the analysis.

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