

Chapter 5

A Systematic Review of Extrinsic Factors That Destroy Organizational Effectiveness: How Hotels Can Withstand Disruptive Events

ABSTRACT

This narrative analyzes factors external to a hotel operation that correlate negatively with organizational effectiveness. The COVID-19 pandemic of 2020 is the most significant global event of this type to have occurred in the past 100 years, with hotel operations around the planet experiencing a near complete elimination of business. The pandemic revealed that the hotel industry is unprepared to survive a crisis of this magnitude. The chapter details phases of recovery from any crisis, as well as strategies to encourage solution-generating effort from all employees. This chapter also reviews how events such as the COVID-19 pandemic, economic recessions, and other crises can affect the mental health of employees and how leaders can proactively dilute the impact of negative external stimuli. The chapter concludes by analyzing dimensions of organizational resilience and an evaluation of how the hotel industry has an opportunity to strategically enrich its practices in this area.

DOI: 10.4018/978-1-6684-2528-2.ch005

INTRODUCTION: JOB INSECURITY AND EXTERNAL DISRUPTIVE EVENTS

Day to day interactions on the job for front line hospitality associates are not the only source of burnout. External factors on a national, and sometimes global, scale that are often out of control for employees (like an economic recession) can also impact emotional exhaustion and burnout. This can sometimes lead to increased levels of voluntary separation and turnover. Job and employment insecurity partially mediated the association of the recession with physical health and fully mediated its association with mental health. Job insecurity, but not employment insecurity, partially mediated the association of the recession with affective organizational commitment (Frone, 2018).

A study showed that the 1974–1975 recession observed in the United States economy was associated with a net increase in job insecurity (Tausig & Fenwick, 1999). Tausig and Fenwick’s panel study of the 1974–1975 U.S. recession found a statistically significant, though small, net increase in job insecurity from 1973 (prerecession period) to 1977 (post-recession period) among the employed. The results underscore the importance of research that furthers our understanding of how macroeconomic events affect those who remain employed, and that takes a broad view of employee insecurity regarding continuity of employment (Frone, 2018).

Job insecurity represents the perceived likelihood of involuntarily losing one’s current job (Cheng & Chan, 2008; Chung & van Oorschot, 2011; Probst, 2005; Shoss, 2017; Sverke, Hellgren, & Naswall, 2002). Research shows that job (in)security is an important predictor of employee well-being and work-related attitudes (Shoss, 2017). Moreover, several models of job insecurity propose that it is a direct outcome of macroeconomic fluctuations in society (Probst, 2005; Shoss, 2017), though little research has directly tested this assertion.

An association between recession and job insecurity identifies that an experienced or anticipated primary stressors such as a loss of income or employment as a result of a recession can lead to a proliferation of secondary stressors, which can manifest as increased concern and emotional exhaustion related to being out of work (Pearlin and Bierman, 2013).

This chapter explores the specific characteristics associated with understanding how job insecurity can be caused by external factors as well as opportunities that the hospitality sector must prepare and proactively address these situations. The narrative explores how the COVID-19 global pandemic,

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