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The Relative Importance of Hotels and Airlines to the Business Traveller.

by

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How are changes in travel policy affecting job satisfaction and performance?

Introduction

A well-satisfied employee is able to function more productively. Therefore, if for business travel the components of accommodation and travel are managed well to minimize stress, the traveller will arrive at the destination able to function to the best of his or her ability[1]. This study sets out to investigate the role of hotel and airline arrangements as a critical factor in the success of overseas business trips.

The background to corporate travel

Table I shows in the first part that, for short-haul flights within Europe, the most usual class of flight is economy class, even among board directors and senior managers. In fact, the use of non-economy class appears to have declined for short-haul flights. The second part of the table indicates that for long-haul flights to other continents it is more usual to allow business and club class flights. Correspondingly, the use of first class has declined substantially. In 1987, 48 per cent of companies allowed their directors to fly first class on long-haul flights. By 1993, this figure had declined to 19 per cent.

Table II shows that 51 per cent of companies now have a specific policy related to the use of hotels by their employees. Approximately 21 per cent of companies insist that certain hotels (or hotel chains) are used whenever possible.

It is clear that organizations are becoming more sophisticated in the construction of their travel policies. There is an increased use of selective criteria such as length of journey or grade of manager being used to justify club class travel. This emphasis has been reflected

in a 10 per cent reduction in the number of companies operating a club-class travel policy throughout the world, so that less than 15 per cent of organizations now operate such a policy. A travel management survey [3] questioned corporate travel purchasers as to their company policy regarding the choice of airline, hotel and car rental. The results (Table III) indicate that, for a high proportion of travellers, choice was effectively removed through firm travel policy guidelines. However, the question is, how are all these changes affecting job satisfaction and performance? The figures in the Tables I-III highlight the need to question the impact of some of the recent changes on frequent business travellers. The relationship between job satisfaction and job performance is elusive but if satisfaction creates improved performance then organizations should try to see that their employees are adequately satisfied. However, if performance causes satisfaction, then high satisfaction is not necessarily a goal but rather a by-product of an effective organization.

The methodological approach: critical incidence technique

After considering several research methods to examine satisfaction attributes, the authors selected the critical incidence technique (CIT) developed by Flanagan[4] as most appropriate for discovering the perceptions of business travellers to recent changes in corporate travel policy. The technique has been used extensively in diverse disciplines and the full discussion of the actual methodology utilized in this article is to be found in the research in brief of *IJCHM* [5]. A critical incident is one that contributes to or detracts from the general aim of the activity in a significant way. Critical incidents are defined as specific business trips that were especially satisfying or especially dissatisfying. Examining such memorable critical incidents provided an insight into the factors leading to business travellers' evaluations of satisfaction/dissatisfaction.

Table I. *Class of air travel allowed for management grades*

	Board directors %	Senior managers %	Middle/junior managers %
Short-haul flights			
First class	12	1	–
Business/club class	40	30	14
Economy	42	62	77
Depends/varies	6	7	9
Long-haul flights			
First class	19	3	1
Business/club class	49	46	26
Economy	17	34	53
Depends/varies	15	17	20

Source: [2]

Table II. *Highest grade of hotel allowed for management levels*

	Board directors %	Senior managers %	Middle/ junior managers %	Field/ sales force %
Five star	43	12	3	4
Four star	32	35	17	15
Three star	14	39	47	36
Two star	–	1	14	20
Depends/varies	11	12	19	25

Source: [2]

Collection of incidents

The first stage was to collect a series of business travel incidents to meet four criteria:

(1) involving a business trip abroad;

(2) being satisfying or dissatisfying from the business travellers' point of view;

(3) being a discrete episode;

(4) having sufficient detail to be visualized by the business traveller being interviewed.

Letters were written to the travel manager or director of purchasing of the 25 leading UK companies requesting personal interviews with three or four frequent business travellers. Frequent was defined as travelling on at least five business trips a year. The sample was based on a quota sample calculated using the American Express 1993 Business Travel and Expense Management Report.

Table III. *Company policy regarding the choice of airline, hotel and car rental*

Company policy regarding choice	Airline choice %	Hotel choice %	Car choice %
Discretion with advised company policy	40.3	38.8	31.3
Firm corporate guidelines	26.9	17.9	32.8
Traveller's choice	14.9	28.4	14.9
Choice dictated by department	6.0	4.5	10.4
Discretion/firm corporate guide	4.5	1.5	0.0
Traveller and department choice	3.0	1.5	3.0
Traveller/firm corporate guide	1.5	1.5	0.0
Traveller/discretion	0.0	1.5	0.0
Other	1.5	1.5	1.5
No response given	1.5	3.0	6.0
Total	100.0	100.0	100.0

Note:
Base: 67 leading companies
Source: [3]

From the sample, 92 incidents were provided based on 30 respondents.

The respondents were not asked to identify the underlying causes of satisfaction or dissatisfaction, but rather to describe a specific instance in which a good or bad business trip occurred.

Classification of incidents

Once the technique had been successfully piloted, data were collected and the incidents were classified into a series of categories. The development of the categories is a largely subjective process looking for "natural" groups within the incidents. The reliability of the classification of the incident descriptions was independently verified by utilizing a non-involved person to check the categories.

Two key areas emerged from the findings.

Area one: self-esteem
This area represents the business travellers who are primarily concerned with their self-image and how they are perceived by others. Factors which were perceived as being important included prestige, status, reputation, recognition and importance.

Method of travel to the destination
Factors as positive aspects of the trip included:

● company or client arranging and paying for business or first-class travel;

- overall comfort and service provided during the trip;
- a direct flight;
- flying business class on short-haul flights when economy travel is a more normal policy;
- free upgrading by airline;
- method of travel to the airport (i.e. taxi rather than rail/bus);
- adequate allowances for subsistence expenses;
- access to a business lounge.

Negative factors related to the method of travel included:

- noise and bustle of being out of club lounges, having to mix with economy groups which is found to be very tiring;
- delays, coupled with poor service, making travellers feel invisible and unimportant;
- travelling economy class on long-haul flights;
- problems of being near to children if travelling economy.

The quality of the hotel

For some respondents the quality of the hotel in terms of service, comfort and cleanliness was vital. It was perceived by some as a reflection of the importance of the trip and the value given to it by their company and client. Positive factors included:

- comfortable bed, good service and pleasant surroundings to ensure physical and mental wellbeing;
- a good-quality hotel which guarantees the availability of essential facilities such as a fax machine and photocopier;
- a relaxing hotel providing the right atmosphere to unwind after stressful journeys;
- the standard of hotel as a reflection of status since the traveller believes the client/company values and appreciates his/her work according to hotel standard selected;
- ability to invite a client to a meeting-room or restaurant without fear of being seen to be in sub-standard accommodation.

Negative aspects of the trip included:

- poor hotels having problems with service, comfort and infestation (cockroaches);
- noise, making sleep difficult and causing stress and irritability;
- perception of self-worth when colleagues were put in a far better standard of hotel;
- fear regarding the hygiene and healthiness of the food.

Managing the business side of the trip

Respondents in this category were concerned with the successful management of their business meetings or presentations. This affected their overall satisfaction with the trip and made a difference to their own self-esteem.

Area two: time available for leisure

This second key area includes respondents who perceived the most significant underlying satisfaction factor of their trip as the spare time they had available for tourism and leisure activities:

- experiencing different cultures;
- experimenting with new foods;
- meeting local people;
- visiting historic monuments and remains and other interesting places;
- having the time available for these activities.

Frequencies for positive and negative incidents

Frequencies were calculated for positive (61 incidents = 66 per cent) and negative incidents (31 incidents = 34 per cent). The categories were then placed in rank order for both positive and negative incidents, as shown in Table IV.

These results show that the category needing most improvement is the quality of the hotel, and the least problematic area is the business side of the trip.

The negative results are likely to have been dominated by the quality of the hotel because this affects the whole trip on both a personal level and a work-related level. The flight is only a relatively small part of the trip, whereas a hotel and particularly the bedroom itself is used every day. The business side of the trip is likely to be of vital importance as it is the reason for the trip in the first place. Travellers wanted to be successful to impress their

Table IV. *Frequencies of incidents*

Incident	Percentage
Positive	
Managing the business side of the trip	37
Method of travel to the destination	26
The quality of the hotel	23
Time available for leisure	14
Total	100
Negative	
The quality of the hotel	66
Method of travel to the destination	34
Total	100

companies but also for their own satisfaction. Figure 1 clarifies the importance of the various arrangements associated with business travel.

Discussion of results

Have changes in corporate travel policy affected business travellers' performance while on business abroad?

The perceptions collected via the critical incident technique suggest that higher-quality arrangements enhance performance. Examples of the positive incidents include being booked into a high-grade hotel which ensured a restful and relaxed stay allowing the individual to perform at his best. The comfort of the hotel and its business facilities are of particular importance when travellers have a busy schedule to keep to. Travelling business class was deemed important in order to arrive feeling ready for work or for having the ability to alter travel arrangements.

The negative incidents connected with performance also related to the class of travel and grade of hotel. Flying economy when previous trips to similar destinations had been business class, crowded flights with severe delays and diversions, uncomfortable seats and noisy children making sleep impossible involved negative incidents. Incidents of flights arriving late affected the travellers' frame of mind when they arrived. Hotels were also the perceived cause of poor performance. One respondent

Figure 1. *Model of the importance of different business travel arrangements*

Key:
— Strong connection
······ Weak connection

stayed in a Russian four-star hotel which her client had booked her into. The hotel was expensive; but the rooms were dirty with cockroaches everywhere and the service was appalling. The respondent was unable to sleep for the ten days she was there, and although she tried not to let it affect her work performance she was upset, tired and irritable. Another respondent had a similar experience in a Spanish three-star hotel. Again the room was dirty and the service was bad, but the lighting in the room was also poor, making it difficult to prepare for meetings.

It is also possible that the relationship between job performance and satisfaction for business travellers is moderated by the perceived equity of rewards. Many of those interviewed spoke of feeling the need for equity of travel arrangements between colleagues so as not to affect job performance.

Of the total 92 incidents, 15 respondents commented on their overall satisfaction with the trip as well as specific aspects of it. As a result of those incidents which were described as satisfying, the respondents characterized their performance as being positively affected. The opposite was found for trips which were described as highly unsatisfying. The link between job performance and satisfaction is tentative but the results from this study would appear to support a relationship between these two factors. Vecchio[6] notes that this relationship is more likely to exist in situations where there is pressure on individuals to be productive. For many of the business travellers interviewed, the importance of successfully completing company business had produced such pressure.
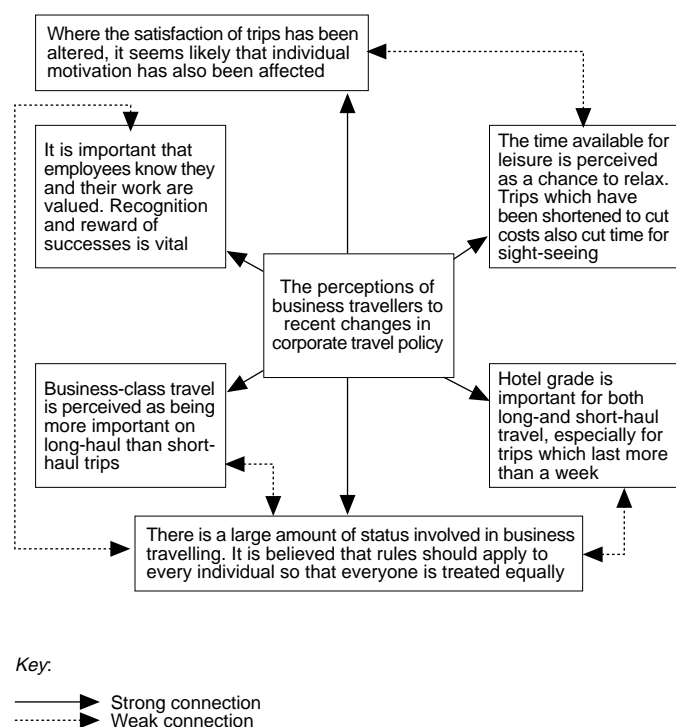
Have changes in corporate travel policy affected the motivation of business travellers while on business abroad?

Although none of the respondents specifically referred to the word "motivation" emotional needs were mentioned. Lack of self-esteem factors were talked about frequently and the indications were that recent downgrading created despondency and less-successful trips.

Have changes in corporate travel policy altered the way business travellers perceive themselves in terms of image and status?

This was also an important area to many of the respondents. Of the total 92 incidents, 30 commented on either status, image, prestige, recognition, self-worth, importance or attention. Respondents mainly talked of class of travel and grade of hotel as being indicative of status, although how they were treated by their company and their client was also perceived as affecting their self-image. Respondents who felt they were well treated perceived themselves as having more status than when they were not looked after as this gave the impression that they were valued and important.

Respondents who fly economy on long- and short-haul flights did feel undervalued and many said it made them think they and their work were unimportant. Other respondents who were flying economy when all previous trips had been on business class wondered if this had anything to do with the importance of their work and this in turn detrimentally affected their motivation to do well.

Have the changes in corporate travel policy made differences between long- and short-haul travel?

Long-haul trips accounted for half the incidents. The main difference between long- and short-haul travel is that short-haul trips are usually economy class and long-haul are business, or first class. Most travellers commented that the short-haul economy flights were uncomfortable and the service was often very rushed because of a lack of time. However, this was usually dismissed as unimportant because of the lack of time to do any worthwhile work on the flight. The respondents who did travel business class on short-haul flights all commented on how much they enjoyed the trip, rather than on it being a necessary part of the trip to be tolerated. For all of them it made a pleasant change, was an "ego-boost", and made them feel their business was more important. Only one mention was made of feelings of guilt at having had such an expensive flight for a very short journey.

The travellers flying long-haul distances in economy class complained about crowded flights being noisy and making sleep and work impossible. For two travellers whose flights were badly delayed the whole flight was a terrible experience – especially knowing that had they been in business class they would have been far more comfortable with better service.

The grade of hotel that respondents stayed in did not seem to vary with distance travelled or length of stay.

This is likely to be because companies have approved lists of hotels which have agreed to special corporate rates. To many travellers the hotel is perceived as more important than the class of travel flown as this is said to affect their satisfaction and enjoyment of the trip as well as their attentiveness at meetings.

Conclusion

Business travel is likely to remain an important part of a company's budget and therefore cost cutting will continue. This is affecting the satisfaction level of a number of employees and, while the standard of hotel accommodation is not yet affected to the same extent as the class of flight taken, the findings reflect the importance of retaining hotel grade standards.

Based on the study findings, Figure 1 is offered as a means of assimilating the results obtained and a framework for further exploration in this subject area.

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