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Foreword

This thesis is the last part of my studies at the Norwegian School of Hotel Management, University of Stavanger. My personal interests in the cruise industry and the experience that I have gained there as a middle management position motivates me to write this thesis. In the whole process I had so many challenges and obstacles but luckily I received great support by the people who surrounded me. I would like to thank to each and every one.

First, I would like to say BIG THANK YOU to my supervisor – Associate Professor Olga Gjerald who was interested in my study and helped me in the whole process – from the beginning to the very end. I can only say that I was lucky to have such a fantastic supervisor.

Second, I would like to thank to Prof.Dr Jan Pieter van Oudenhoven at the University of Groningen, Netherlands and Chileshe Ng'andu Musaba, MBA Graduate at Regent Business College in Namibia, South Africa for giving me the opportunity to obtain and use their research measurements. My thesis would not have been the same without your help.

Next, I would to thank to each single respondent, from all around the world, who found the time to help me with conducting this study.

Last but not least, I am grateful for the support of my family and their understanding in these several months.

Abstract

Purpose – The purpose of the present master thesis was to examine the relationship between

employees' service quality perceptions, job satisfaction and turnover intentions in the cruise ship

industry.

Methodology – the data was collected by using self-administrative online questionnaire. The

questionnaire consisted of the following sections – (1) perceived service quality was measured

by SERVQUAL instrument; (2)multicultural aspect of the employees was assessed through

analyzing the obtained sample of respondents from more than 20 countries; (3) employee

satisfaction and turnover intentions were assessed through standardized common scientific

questionnaire statements. The survey also incorporated a number of demographic control

variables. Questionnaires were distributed to multicultural employees working in the cruise ship

industry.

Value/Originality – the present master thesis focuses on the importance of multicultural

employee's service quality perceptions. It is the first one that investigates employee's

perceptions of the service quality with origin from different cultural backgrounds, by applying

SERVQUAL approach.

Key words – perceptions of service quality, employees, SERVQUAL, cruise ship industry

Table of Contents

Abstract	3
I. Introduction	6
II.Literature review	10
The concept of Service Quality	10
1.Service Concept	10
2. Quality Concept	13
3. Approaches to Service Quality	15
4. Obstacles and methods for attainment of good service quality	17
SERVQUAL	19
1. History, development and evolution	19
2. SERVQUAL gaps	21
3. Service dimensions	22
4. Methodology	24
5. Overview of SERVQUAL applications across industries	25
6. Advantages and disadvantages	30
7. The end of SERVQUAL.	31
Multicultural Personality Scale	35
Job Satisfaction and Turnover Intentions	40
III. Research Model, Hypotheses and purpose of the study	41
IV. Methodology	42
1. Design	42

2. Sample	43
3. Data Collection and Measurement Instruments	44
4. Questionnaire development	45
5. Testing of the questionnaire	48
6. Data Analysis	48
V. Results	49
1. Sample	48
2. Reliability and Validity of the constructs	50
3. Factor analysis	52
4. Multiple regression analysis	54
5. One way ANOVA	56
VI. Discussion and Implications	57
VII.Conclusion	64
VIII.References.	66
IX.Appendix	74
1. Appendix 1 – Questionnaire	74
2. Appendix 2 – SPSS output	79

I. Introduction

The cruise industry is an important part of the tourism industry. Its quality is monitored and supervised by the Cruise Lines International Association (CLIA) which is the world's largest cruise industry association with representation in North and South America, Europe, Asia and Australasia. Despite the global economic crisis, according to the same association, for the year of 2013 the industry supported in total 900,000 jobs and is expecting 23 million passengers to sail in 2015. This confirms the major impact which the industry has on the global economy and its progressive growth in the recent years (CLIA, 2015). The specific nature of labor, constant progress and never ending competition among the big corporations in the industry have certain implications on the labor management and as a consequence the industry experiences high staff turnover which affects adversely—service quality delivery. As suggested by Musaba, Musaba and Hoabeb (2014) one critical factor for the success in the hospitality industry is the availability of high quality staff. "Cruise ship employees are expected to provide high -quality services that could influence the quality of the tourist experience and the competitiveness of the organization. "(Sehkaran & Sevcikova, 2011, p. 70).

In that light, understanding the employees' perceptions of service quality is of crucial importance for the success, competitiveness and future development of any organization. Service quality and customer satisfaction are inextricably bound up with each other. Furthermore, employees are internal customers and their perceptions of the working environment determine the quality offered to the external customers (Musaba et al., 2014). Parasumaran, Zeithaml and Berry (1985) suggested when service quality is perceived high, customer satisfaction will elevate as well. In the same sense, if employees' perceptions of service quality are high, job satisfaction levels

would be high. As Jeon and Choi (2012) suggested, employees' satisfaction leads to customer satisfaction.

Service quality is a crucial determinant for the success of any organization. Lobo (2008) suggested that service quality is the major element which differentiates one cruise line from another. Consumers' perceptions and expectations prevail in the studies of service quality in the many service industries based on SERVQUAL model. SERVQUAL approach has been used mainly from the customers' perspective. Very few of the studies are focused on the service providers, namely the employees, for example Ramseook-Munhurrun et al. (2009) and Subramony et al. (2004).

Almost all of the studies in the hospitality and particularly in the cruise industry are focused on customer satisfaction rather than their employees. Examples are the studies of Testa and Sullivan (2002), Lobo (2008), Yi et al. (2011).

Need for the present master thesis

Literature review indicated that little or practically no research has been conducted investigating the employees' perceptions of service quality in the hospitality industry. Recently published study "Employee Perceptions of the Service Quality in the Namibian Hotel Industry: A SERVQUAL Approach" (Musaba et al., 2014) is the first one that investigates the employees perceptions in the hotel industry rather than the customers. On one hand, as the authors argue, no previous studies from the employees' perceptions of the service quality in the hotel industry. On the other hand, cultural diversity is already evident in all service sectors. Cynthia G. Wagner Managing Editor of Futurist (2010) suggests that the future workforce would be more diverse than one can ever imagine. Managing such a diverse workforce is of paramount importance for

the success of any business organization. The cruise industry, being part of the broad tourism industry, represents such a multicultural workforce in a global environment

The lack of studies on the multicultural employees' perceptions makes it difficult to determine the relationship between employees and employers in the cruise industry. Hence, this thesis tries to investigate the employees' perceptions of service quality by investigating the situation in the industry.

Research question

The primary objective of this master thesis is to determine "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?"

Research purpose

By integrating one of the oldest, most cited and reliable instruments for service quality measurement – SERVQUAL with Multicultural Personality Questionnaire, the thesis would research and try to shed lights on the above mentioned problem statement. This thesis aims to investigate how do the multicultural employees' perceptions of service quality determine job satisfaction and concequent turnover intentions.

Originality/Contribution to the science

This is the first study and respectively master thesis where SERVQUAL aprroach was applied to multicultural employees to measure their service quality perceptions. Moreover, based on their perceptions it will be determined job satisfaction and intentions to leave.

Based on all of the above mentioned reasons, this thesis is important not only for the cruise industry in particular but for any organization managing diverse workforce.

Organization of the thesis

First chapter- introduction part where the issue is addressed and research gap identified.

Second chapter - relevant literature review and empirical findings are discussed. Moreover, the arguments why each concept has been chosen to be applied are presented. Next, the conceptual model and the research purposes together with the hypotheses are introduced.

Third Chapter - methodology, where the empirical study researched is explained.

Forth - discussion of the yielded results

Last but not least of importance – conclusion based on the all previous chapters is drawn, limitations and future research directions are given

In addition to the above chapters, abstract took place in the very beginning, followed by table of contents. Relevant references and appendixes are at the end of this thesis.

II.Literature review – The aim of this chapter is to introduce to the reader main concepts and notions applied in this master thesis. It beginns with defining the notions of Service Quality, followed by the measure for it - SERVQUAL. Next, Multicultural Personality Questionnaire is discussed. Finally, job satisfaction and turnover intentions are examined. All the relevant literature was obtained electronically through the data base of the UiS library. Last but not least, few additional resources needed for the purpose of the thesis could not be found and the respective authors were contacted and student obtained them.

The concept of Service Quality

1. Defining Service concept

Over that last decade the service sector has become a dominant part of the economy. The service sector constitutes a huge % of the GDP of most industrialized countries. According to the World Bank analysis(2015), for the year of 2013 Norwegian service sector constitutes 57.7% of GDP, for the EU 74.1 %, for USA 77.7 % and last but not least on worldwide scope 70.2 %. These figures represent the importance of the service sector and thus defining the concept of service quality is necessary for the sustainment and future development of the service sector.

Starting point in the discussion for service quality is the differentiation between the characteristics of service and manufactured goods. This will help to distinguish the both concepts and better examine the service quality features. What distinguishes goods from services is namely, the nature of the service.

According to Ghobadian, Speller & Jones (1994) and Parasumaran et al. (1985) the salient differences between services and goods are – inseparability of production and consumption, intangibility, perishability and heterogeneity of services. Moreover, these differences are indeed

the specific characteristics of service which distinguish manufacturing from service sector. For the purposes of the current master thesis, the focus would be more on service characteristics which follow below:

Inseparability – in the service industry inseparability means that services are consumed at the same time when they are purchased. Production and consumption of the service occurs simultaneously at the same time. Furthermore, the customer is involved in the process of delivery of the service which introduce additional factor for the quality of the service delivery on which the management has no control. Both parties, the provider and consumer of services, affect the final outcome of service quality delivery.

Intangibility – means that there is no physical product. In the tourism industry, people are sold experiences and those cannot be seen, touched, smelled or heard before being purchased. The tourist buys a tangible ticket for the cruise to travel but he receives on board the ships intangible services in the promise of experience. What will be the quality of delivered service is just a promise for great experience which depends on the service provider and consumer behavior.

Perishability – services are perishable and if they are not consumed the first time, they cannot be stored for later usage. Example occurs when passenger books a cruise and he/she does not show up at the time for embarkation. His/her room cannot be used from another person or could be kept for later usage.

Heterogeneity - it is very difficult the service to be reproduced in the same consistent and exact manner. According to Ghobadian et al. (1994), a number of factors affect the heterogeneity level of the services. First, service delivery is the contact between the front line employees and the customers in certain company. The behavior of the both parties influences the delivery of

service. Second, the accuracy of the information and the ability of the employees to interpret it in a right manner influence customers' perception of service quality. Last but not least, the perceptions and expectation of the customers can be different every time he/she uses the services. Example of heterogeneity in the cruise industry is when employee at the front desk offer assistance to a guest at the counter. The same employee cannot provide the same service to the next customer based on the differences in behavior and situation. (Bahamas Ministry of Tourism, 2015), (Ghobadian et al., 1993).

According to Vogel, Papathanassis & Ben Wolber (2012), heterogeneity and inseparability are the two most challenging characteristics of the service at sea. The reason behind those is the unique and very specific nature of the cruise service sector. In terms of heterogeneity, cruise employees are exposed to direct contact with the passengers for long periods of time, especially during the days at sea. Those periods of time predispose the employees to higher numbers of service failures and unsatisfactory outcomes. As the authors suggest, cruise ships are highcontact systems and in such an environment the level of inconsistency is higher than in a regular hotel for example. Further Vogel et al. (2012), argue that consistency is the most important element for organizational success. They reveal that in cruise ship industry, inconsistency occur due to a number of reasons. Among those reasons, the most important are high staff turnover and a multicultural crew who possess different perceptions of service quality. The employees' perceptions of service quality and passengers behavior in the process of service delivery should be taken into consideration in the implementation of human resource policies. Since this master thesis deals with service providers perceptions, customers' behavior and perceptions would not be deeply discussed but the main focus would be put on employees' perceptions.

Inseparability of the services in cruise industry – customer is seen as co-producer of the services (Largo and Lusch' study 2004 as cited in Vogel et al., 2012). As earlier mentioned, cruise ships are high-contact systems and hence customers' participation in the process is high as well.

Those two service characteristics of the cruise product are of great importance for the high level of service quality delivery. Hence, they should be considered by the HR management in the cruise industry.

Next in the discussion of service quality, it is necessary the clarification of definition for quality.

2. Quality concept

After carefully revising of the literature, it becomes clear that quality is not a one sided concept and notion. Moreover, there is no one universal definition which clarifies and specifies in exact terms what does it mean quality? Quality has a different meaning for the different people (Ghobadian et al., 1993). Ghobadian et al. (1993) definition for quality is "...the extent to which the service delivered meets the customers' expectations"

Some of the most popular and cited definitions for quality reviewed by Parasumaran et al. (1985) and Mbise & Tuninga (2013) studies include the following below:

"Quality is "zero defects - doing right the first time" – (Japanese philosophy as cited in Parasumaran et al., 1985)

"Quality is conformance to requirements" – (Crosby, 1979, p.17)

"Pleasing customers not just protecting them just from annoyance" - (Garbin, 1987)

"Conformance to requirements that have been set by the organization" – (Parasumaran et al., 1985)

Defining the notion of quality is not easy task as could be seen from the above. It is obvious that there are many different views. As Reeves and Bednar (1994) suggested global or one-purpose definition does not exist and the different definitions of quality are appropriate for use under specific circumstances. Researchers defined the concept in different ways, but the one thing that unifies them is the fact that customers' satisfaction lies in the core of the concept. As mentioned earlier, customer satisfaction is closely related to employees' perceptions of service quality. For that reason, employees' perceptions of service quality are subject of investigation.

From those above-mentioned definitions became clear that quality exists in two forms – service and product quality. For the purposes of this thesis, service quality concept would be defined and discussed throughout the thesis. Furthermore, Grönroos (2001) refers to the notion of missing product. In other words, service companies such as the cruise organizations offer interactive processes. There are no physical products to be maintained and managed but only interactive processes with result for the customers. For that reason, product quality is unnecessary in this case since the cruise ship industry offers services and this thesis matters mostly with service quality perceptions rather than products' perceptions.

After careful review of the notions of service and quality, it is naturally to be discussed the main approaches to service quality concept.

3 Approaches to Service quality - In the scientific literature exists two main approaches to service quality concept. Those are namely the Nordic school perspective, represented by Grönroos (1982) and the American by Parasumaran et al. (1985).

Table №1 reveals the major differences between the two approaches. Grönroos (1984) suggested that service quality is based on the expected and perceive quality, while Parasumaran et al. (1985) argued that service quality is the result of comparison between desired and perceived service. To put it in other words, the Nordic model concentrates on the outcome of service delivery while in the American perspective, the focus is on the service quality delivery process.

In this section of the literature review it will be discussed profoundly Nordic service quality model and brief explanation of Parasumaran et al. model. The reason – this thesis is based on SERVQUAL research method and thus it will be discussed in detail in separate literature review section.

Table№1

Main service quality ap	pproaches	
		Dimensions
Nordic perspective	Service quality = perceived quality - expected quality	Technical, functional and corporate image
American perspective	Service quality = perceived service – desired service	Responsiveness, assurance, tangibles, empathy, reliability

The first model or approach to measure service quality is developed by Grönroos 1982. According to his model, service quality exists under three different forms – technical, functional and corporate image service quality.

Technical quality refers to the outcome or what the customer receives from the service. It is result from the interaction between the customers and employees. Grönroos (1984) argue that the service is immaterial and hence what has happened during those interactions define the perceived service quality. In the cruise industry technical quality occurs when a passenger book a room and

get bed for sleep or consumption of meals at the restaurants onboard. Those interactions are crucial in the passengers' perceptions of service quality

Functional is the way they get it or simply said – the process of service delivery. Grönroos (1984) pointed out the importance of that type of quality where the customer is being influenced by the way the technical quality is transferred to the customer functionally. Examples in the cruise industry would be the appearance and behavior of guest relations agents, cabin stewards, waiter, bartenders etc. All of those front-line employees are in a way "transmitters" of the technical quality in reality. Last but not least, Grönroos (1984) concluded in his scientific work that the most significant importance of all three dimensions on the service quality perceptions is the functional quality. That is why understanding their perceptions is so important and has been chosen as topic for research in the current thesis.

Corporate image is direct result from technical and functional quality. Grönroos (1982, p.26), as cited in Riberiro (1993) define corporate image as "the result how the customers perceive the firm". Grönroos (1984) reviewed corporate image a quality dimension which can influence the perceived service quality either in positive or negative manner. If a cruise ship passenger believes that certain cruise company offers good experience but some of the staff are not that great, the customer still would prefer to go back to this company. On the other hand, when passenger travelled with cruise ship for some period of time and never received satisfactory experience, he/she would not come back and hence the perceived service quality would be negative. As the author suggests, traditional marketing activities and external influences such as word of mouth play important role in the image quality dimension and should not be forgotten.

Parasumaran et al. (1985) developed a five-dimensional model of service quality including responsiveness, reliability, empathy, assurance and tangibles (refer to figure 1, page 21). Those are as well the components of service quality. SERVQUAL is a gap model estimating the difference between expectations and actual experience (perceptions). It is the most widely used model in the service sector scientific studies for the past 30 years. The model itself has been employed in the many various service settings (refer to Tables №2, 3 and 4 on page 25). For more thorough examination of the model, please refer to the SERVQUAL subsection in this part of the literature review.

4. Obstacles and methods for attainment of good service quality – according to Ghobadian et al. (1993) four major obstacles and four ways in improving service quality need to be considered from the service organizations. All of those are reviewed below by taking into consideration the cruise ship industry.

4.1 Obstacles

- Lack of visibility As per CLIA (2015) Annual Cruise Industry Outlook report, only 11 % of the passengers onboard are not satisfied with their vacation and 16% would not recommend it to a friend. Even though the percentage numbers are low, the lack of visibility on the service providers creates the need for the cruise line operators to apply creative and non-standardized methods for improvement of the service quality. Those methods for enhancement are directly connected to the unit of analysis of this thesis multicultural cruise ship employees.
- Difficulties in assigning specific accountability It is not easy to be determined the specific issues which arise at each stage of providing service quality. Moreover, the complex nature and

specific environment of the cruise ships make it even harder to resolve the issues right there and on the spot.

- Time required for improving service quality very often the time is not enough. The cruise vacations are normally with duration from 2 up until 14 or longer days. Within this range of time and the enormous capacity of passengers, the issues cannot be resolved in effective manner. As Ghobadian et al. (1993) argue service quality depends mainly on people and service quality issues require long period of time to be resolved. Last but not least, the cruise industry is notorious with the high turnover rates and that could present major obstacle for improving the service quality.
- Delivery uncertainties caused by the interactions between passengers and employees. Both groups change over certain period of time (passengers and employees are onboard the ships for limited time) and thus present a problem for keeping up with the current rates of service quality.
- 4.2 Methods for achievement of good service quality
- Market and customer focus
- Empowerment of front-line staff
- Well-trained and motivated staff
- Clear service quality vision

SERVQUAL

According to Asubonteng, McCleary and Swan (1996), service quality is the cornerstone in the marketing strategy for any organization. That is why, it is important to be measured and evaluated. SERVQUAL is a conceptual model or framework which is widely used throughout the years to measure the service quality perceptions. Even though this model has been used mainly to assess customers' perceptions, in this master thesis SERVQUAL will measure employees' perceptions. The reasons for employing this model are to be found in the below discussion of the model.

1. History, development and evolution of the model – SERVOUAL model was developed in the 80s by Parasumaran et al. In 1985 they did an explanatory investigation on the concept of service quality because the literature in that area during this period of time was not rich enough to create a model evaluating the service quality. The researchers conducted focus groups with customers and in-depth interviews with executives in order to develop a conceptual model with main objective – measuring and evaluating the service quality concept. The research was conducted initially in four service sectors – retail banking, credit card, securities brokerage and product repair and maintenance. After analyzing the results, Parasumaran et al. (1985) found out remarkable insight from their research - the discrepancies or the gaps of knowledge which the executives' have about perceptions of service quality. As the authors conclude, these can be major problem for the delivery of high service quality and affect the quality perceptions of the customers. Based on the findings, the researchers created the initial version of SERVOUAL model. A model which consists of five gaps and those gaps are the ones that could affect the customers' perceptions of service quality. Those gaps are depicted in graphic of SERVQUAL in the next section of the literature review (refer to page 21). Since this section deals mainly with the

history, development and evolution of the model; they will be discussed in a separate chapter.

The reason for that is because their major importance in the master thesis methodology part.

Further, findings from the conducted research with the focus groups revealed that all of the customers, from the different service sectors investigated, had similar criteria for service quality. These criteria Parasumaran et al. (1985) defined as the perceived service quality component. They group all of the criteria into 10 groups and this is how service quality determinants or some authors refer to them as dimensions have emerged. Those dimensions are as follows – reliability, responsiveness, competence, access, courtesy, communication, credibility, security, knowing/understanding the customer and tangibles. Total of 97 items were included in the abovementioned dimensions.

Since some of the dimensions were overlapping between each other, Parasumaran, Zeithaml and Berry (1988) did a refinement and purification of the scale. Service quality dimensions were reduced to five and the scale items into 22. Those dimensions are namely – tangibles, reliability, responsiveness, assurance and empathy.

After that time, SERVQUAL have been revised continuously and applied in the many various service industries with major focus on customers' perceptions of service quality. Tables №2, 3 and 4 on page 25 refer to the most cited studies applied the model and confirmed the variety of service industries used it.

Figure 1. Service Quality Model

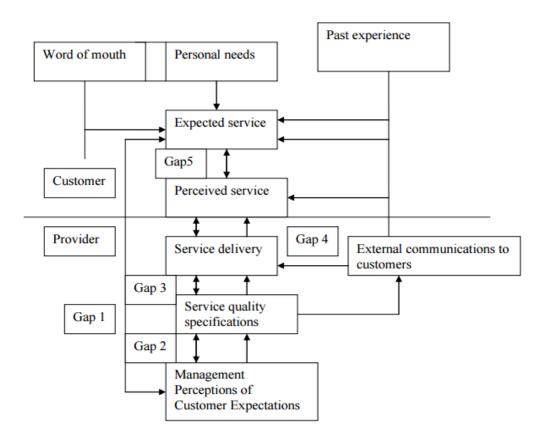


Figure 1. Service Quality model, adopted from "A conceptual model of service quality and its implications for future research," by Parasumaran et al., 1985, *Journal of Marketing*, p.44.

- 2. The SERVQUAL gaps as earlier mentioned, SERVQUAL gaps stems from the different expectations and perceptions on service quality of the service providers, management and the customers. Parasumaran et al. (1985) identified 5 different gaps:
- 2.1. GAP1 management perception gap. This type of gap occurs from the difference of customers' expectations and the management perception of those expectations.
- 2.2. GAP 2 quality specification gap. It results from the discrepancies between management perceptions of customers' expectations and the company's service quality specifications.

Parasumaran et al. (1985) suggest that this gap is formed to certain extend due to resource constraints and market conditions.

- 2.3 GAP 3 service delivery gap. This gap occurs from the discrepancies between service quality specifications and the actual service delivered by the front-line employees. Even though a company may have standardized procedures, rules and regulations for the high service quality delivery, the management cannot control how those employees would perform the service in every single moment. It is even harder to be maintained in the cruise ship industry as it is 24/7 operations and staff with multicultural background.
- 2.4 GAP 4 external communications gap. This is the discrepancy between the actual and the promised service. Media, marketing department in the cruise industry play crucial role in the formation of this gap.
- 2.5 GAP 5 perceived service quality gap. This gap is the difference between the expected service and the perceived service. It is direct result from the other 4 gaps in Parasumaran et al. service quality model. This is the most important gap and the core of the model.

3. SERVQUAL service dimensions

- -"Responsiveness willingness to help customers and provide prompt service"
- "Assurance knowledge and courtesy of employees and their ability to inspire trust and Confidence"
- "Tangibles physical facilities, equipment, and appearance of personnel"
- "Empathy caring and individualized attention which the firm extends to its customers"

- "Reliability - ability to perform the promised service dependably and accurately" (Parasuraman et al., 1988, p.23)

Each dimension consists of four or five items which aim to measure the service quality. All of the dimensions, except tangibles, have human aspect in the service quality delivery process and that is one of the reasons why SERVQUAL has been employed in this master thesis to research the question of "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?"

Another argument for the application of the above service quality dimensions is the categorization of cruise service quality by Chua, Lee, Goh and Han (2015). In their study, they categorized it in three dimensions as developed by Brandy and Cronin (2001) model – physical environment, interaction and outcome.

Physical environment refers to the physical environment on the ship which could shape the customers' perceptions. In comparison with SERVQUAL model, this dimension is analog to the tangibles. Interactional quality – those are the interactions between the customers and the employees. Furthermore, Chua et al. (2015) argue that making guests feel special is the main cruise ship employees' concern which influences customers' service quality perceptions. Therefore, this dimension of the cruise line service quality is mirror reflection of Parasumaran et.al service quality dimensions – responsiveness, assurance, empathy and reliability.

Outcome quality – what the cruise customer receives during a service encounter. That refers to the technical quality from Nordic service quality approach.

4. Methodology of SERVQUAL – According to Buttle's review of SERVQUAL (1996), Parasumaran et al.(1985) created instrument which measure customers 'expectations and perceptions (E and P) of the above mentioned service dimensions. It is registered under the form of survey (either online or paper and pen questionnaire) which consists of two parts. The first part measures expectations and the second part the actual experience of the customer with an organization. Each part consists of 22 items measuring the different service key dimensions referred as RATER. The number of the items and/or dimensions could change depending on the service industry in which the survey is administrated. In other words, they are adjusted for the needs of the specific service industry. Then customers are asked to rank the items on a 7-point Likert scale, from strongly disagree (1) to strongly agree (7). The mean of each single item in the both parts are calculated and the gap is estimated as Perceptions minus Expectations (P-E= Gap score). If the gap score is negative, these are areas for improvement in the service quality area.

5. An overview of SERVQUAL applications across industries

Table №2

Selection of scientific papers using SERVQUAL

Selection of scientifi	ic papers usin _t	g SERVQUAL		
Author(s)/Citation Van Dyke et al.	Industry Finance	Research question Measuring	Dimensions 5 dimensions-	Predictions Unstable
(1997) Cited 656	Timunee	information systems service	tangibles, reliability,	dimensionality; not significant and
		quality	responsiveness assurance and empathy	appropriate for measure of the study
Finn & Lamb (1991) cited 608	Retail	Usefulness of SERVQUAL in retail setting	5 dimensions- tangibles, reliability,	SERVQUAL dimensions are inappropriate for
		Total setting	responsiveness assurance and empathy	measuring quality in retail industry Need for different constructs
Saleh & Ryan (1991)	Hospitality	Identify guests and management	5 dimensions – tangibles,	Tangibles and reliability not
Cited 576		perceptions of attributives of hotel and guest expectation/percepti on of perceived service	reliability, responsiveness assurance and empathy	significant for the guests but for the managers The rest three – significant for the both groups
Lassar et al. (2000)	Finance	Customer satisfaction through	5 dimensions – tangibles,	Combination of technical/functiona
, ,		combined method	reliability,	l quality with Serv.
Cited 460		of SERVQUAL and Technical/Funct.Qu ality	responsiveness assurance and empathy	dimensions predict overall customer satisfaction

Table №3
Selection of scientific papers using SERVQUAL

	Selection of scientific papers using SERVQUAL						
Author(s)/Citation	Industry	Research	Dimensions	Predictions			
	question						
Reidenbach &	Health care	Patient 10 dimensions –		All of the			
Sandifer-		perceptions of	tangibles,	dimensions			
Smallwood		inpatient,	accessibility,	positively and			
(1990)		outpatient and	understanding,	strongly			
		emergency room	courtesy,	correlated			
Cited 349		services and their	reliability,				
		perceptions of	security,				
		overall service	credibility,				
		quality,	responsiveness,				
		satisfaction with	communication,				
		care and future	competence				
		recommendation					
Zhu et.al.(2002)	Finance	Impact of IT on	5 dimensions –	Perceived IT-			
GL 100-		service quality in	reliability,	based services			
Cited 337		consumer- responsivenes		affect perceive			
		banking sector	assurance,	overall service			
			empathy,	dimension			
			tangibles				
Atilla Akbaba	Hospitality	Service quality	5 dimensions	Original			
(2006)		expectations of	modified –	SERVQUAL			
C'. 1202		business	tangibles,	dimensions			
Cited 302		customers	adequacy in	needed to be			
		measured by	service supply,	adopted to			
		SERVQUAL in	understanding	specific service			
		an international	and caring,	segments and for			
		environment	assurance and	the cultural			
			convenience	context that are			
				applied into; significance			
Newman (2001)	Finance	Sarvice quality	5 dimensions	Dimensions			
riewiliali (2001)	Finance	Service quality	5 unnensions				
Cited 274		in a high street retail bank		predict the overall service			
CIICU 2/4		ician vallk					
				quality in the sector			
Wong et. al.	Hospitality	Overall service	5 original	employees is the			
(1999)	Hospitanty	quality by	dimensions, but	best predictor of			
(1))))		modified	at the end of the	service quality			
Cited 250		SERVQUAL	study they were	ber vice quanty			
Cited 250		SER I QUAL	modified for the				
			hospitality needs				
			nospitanty needs				

Table №4

Selection of scientific papers using SERVQUAL

Authors/Citation	Industry	Research question	Dimensions	Predictions
Blanchard & Galloway (1994) Cited 232	Finance	Quality in Retail Banking from customer perspective and staff perceptions and expectations	5 original dimensions	Ranking of the dimensions as per the customers – responsiveness, assurance, empathy, tangibles and reliability
Lam & Zhang (1999)	Travel and tourism	Customers' expectations and	5 dimensions responsiveness and assurance,	Overall satisfaction related to the dimensions of SERVQUAL
Cited 198		perceptions of service provided by travel agents How the service factors derived from the Factor	reliability, empathy, resources and corporate image and tangibility	Reliability dimension has the highest gap
		analysis relates to the overall satisfaction		
Juwaheer (2004)	Hospitality	underlying dimensions of hotel service quality and their impact	9 dimensions - reliability, assurance, extra room benefit room	reliability, staff outlook and accuracy, room attractiveness and décor, hotel surroundings/environmen
Cited 157		on the overall customer satisfaction - probability of returning	sought, staff communication skills and additional benefits, room attractiveness and décor, empathy, staff outlook and	tal factors explained the overall service quality in the hotels -significance

Bigne at. al.	Travel and	Reliability	accuracy form, empathy, food and service, hotel surroundings and environmental factors 5 dimensions –	- relationships between
(2003) Cited 93	tourism	and validity of adjusted SERVQUAL scale for travel agencies	tangibles, reliability, responsiveness, assurance, empathy	the 5 dimensions influence each other and thus affect the overall service quality perception - reliability in positive and significant relationship with overall quality - the mean importance of management to each dimension is less than the customers
Muhammad Butt & Cyril de Run (2010) cited 77	Health Care	Development and test of SERVQUAL model within the private health care context	5 dimensions – tangibles, reliability, responsiveness assurance, empathy	 overall negative quality gap negative score on each dimension of the scale

It becomes apparent from the tables above that SERVQUAL has been employed for the past 30 years in many different service settings such as Finance, Travel and Tourism, Hospitality, Health Care, Retail Industry. One limitation of the tables should be noted – they present the most salient and cited studies which have employed SERVQUAL but the list of the industries and authors does not limit within those tables above. SERVQUAL has been applied in accessing the

educational systems either in online or classroom learning environment (Lupo, 2013; Vaughan, 2011), transportation service quality (Awashti et al., 2011), airline industry (Chou et al., 2011; Kenan, 2012), evaluating the perceptions of library service quality (Cook and Thompson, 2000). Going through the tables, on one hand, one can see that SERVQUAL has been applied in various service industries. On the other hand, all of the studies are concentrated on the customers' perceptions of service quality in one or another way. Even though Wong et al. (1999) suggested that the best predictor of service quality is the employees, none of the studies put efforts of understanding the perceptions of the actual service providers. That is another argument for this thesis to research "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?" Further in the discussion, should be noted that almost all of the above cited studies have applied the 5 original service quality dimensions (Van Dyke et.al., 1997; Finn & Lamb, 1991; Lam & Zhang, 1999 etc.), while some of them have added or bend the dimensions as per the specific needs of their studies(Juwaheer, 2004;Akbaba, 2006). Those findings provide two major conclusions for the student of this thesis. First, SERVQUAL is a flexible model since its dimensions can be modified. Second, most of the studies concentrated on the five original dimensions. Those are among the reasons for the application of modified SERVQUAL service quality dimensions in this thesis. Moreover, this thesis will use the five original service quality dimensions but modified for the employees' perceptions of service quality. Last but not least, how the model was applied and modified would be discussed in Methodology chapter.

- 6. Advantages and disadvantages of SERVQUAL
- 6.1. Disadvantages According to Buttle (1996, p.10-11), SERVQUAL has been subject to theoretical and operational criticism. Those categories would be detailed below as they are indeed the disadvantages of the model.
- 6.1.1. Theoretical disadvantages or criticism
- Paradigmatic objections the model is based on disconfirmation paradigm and it fails to draw on established economic, physiological and statistical theory.
- Gap model little evidence that customers assess service quality in terms of P-E gaps
- Process orientation focuses on the process of service delivery, not the outcomes of the service encounter.
- Dimensionality the five dimensions are not universal and there is high degree of intercorrelation between them

6.1.2. Operational disadvantages

- Expectations the term has different meanings and hence SERVQUAL fails to capture the absolute SQ expectations.
- Composition of the items each SQ dimension have four or five items and Buttle (1996) argue that their number cannot capture the variability within each dimension
- Moments of the truth customers evaluate the SQ from MOT to MOT
- 7 Likert scale is imperfect

- Two administrations as mentioned before, SERVQUAL is administrated in two exact forms (expectations and perceptions). Buttle (1996) argue that those administrations cause boredom and confusion in the respondents.
- 6.2 Advantages Parasumaran et al. (1988) pointed out explicitly some of the benefits a researcher can obtain by SERVQUAL application.
- Multi-item scale with good reliability and validity
- Framework that could be modified according to the specific needs of the industry and/or the individual organization
- Periodically track of the service trends
- Applicable in multi-unit companies
- Service quality among different companies can be measured with the aid of SERVQUAL
- Pointing out to the management areas for improvement in service quality
- 7. The end of SERVQUAL? At the end of the discussion of the SERVQUAL model, it is worth asking the question Does SERVQUAL come to an end in the era of the information technology and Internet? Tate and Evermann (2010) presented in their study number of arguments why researchers of computer-mediated services should not use any longer SERVQUAL. The authors argue that SERVQUAL was developed in the era when Internet was non-existing and it primarily usage was for face-to-face encounters in the service industry. In 21st century with the constant technological development and Internet, SERVQUAL might have become not useful and

inappropriate to continue to build on it in the online service quality research. Furthermore, the authors suggest that within the information system age and field, the notion of service has changed – in online self-service encounter the customer does utilize services but does not meet human agent or participate in interaction. Moreover, their paper challenges the usefulness of SERVQUAL and they argue that it is not appropriate for measuring service quality in computer-mediated self-service. The main reason behind this assumption is that service provider is an information system, not a human being. The authors suggest that Internet has existed for already 20 years and the users of online and computerized services are already experienced. Further, they pointed out that the majority of those existing services behave in a similar way (e.g. booking systems, online banking), i.e. in consistent and predicable way. Hence, the service is rather controlled by the customer than the service provider. It comes up the notion of self-service environment.

Cruise industry latest technological developments are a great illustration for partially self-service environment where the role of front line personnel declines. According to Travel Daily News (2014), an online network for travel professionals, the cruise line sector concentrates on improving technology in order to decrease cost of operations. Several examples come into a light - Share recognition cameras which use biometrics data to count and recognize the traffic of people in the dining venues. There is no need for the restaurant hostess to direct and manage the crowd; instead, an interactive board redirects it to the right place with the shortest queue. Another innovation is the so-called Guest Kiosks which have already been implemented on the world's largest ships – "Oasis of the Seas" and "Allure of the Seas". Guests onboard can upload money on their onboard accounts, manage their flight bookings, choose their seats in the dining rooms, book shore excursions etc. Hence the role of the front-line employees decline. Even

though the technological development has come that far, a human agent is still needed to certain extend. Moreover, in the hospitality industry where experience is main "product", it seems unreasonable and illogical all the employees to be replaced by computerized systems and gadgets. The question is: Should the researchers continue build their studies on SERVQUAL or replace it by some alternative model – to measure the mixture of human and computerized interactions?

Tate and Evermann (2010) hold arguments against SERVQUAL. They reject the expectationperception gap because in terms of online context commercial software acts in consistent manner
and the gap would be negligible. Their proposal are the notions of PU (perceived usefulness) and
PEOU (perceived ease at use). The perceived usefulness refers to the quality outcome and
perceived ease at use is related to the service quality. In a way their idea comes back to the origin
of service quality approach, namely the Nordic school service quality approach (Grönroos,
1984). Even though, Grönroos 'model was developed in the beginning of the Internet era and
has not been employed as much as SERVQUAL throughout the years, it seems that in the
modern technological society, Nordic school model could be more relevant or at least some of its
elements. Those above are just mere suggestions which should be investigated for deeper
understanding of the issue and possible alternatives.

The end of SERVQUAL is relatively new discussed topic (2010) and hence deserves further investigation and clarification of the arguments for and against. On the other hand, there is no doubt that the approach has a major impact on the businesses and academic circles. As far as this master thesis is concerned, SERVQUAL would be applied into investigating multicultural employees' perceptions. The model never has been applied into that arena, so the student

considers it that there is still room for application, modification and bending of SERVQUAL for the specific needs of the present thesis.

In conclusion of SERVQUAL model review, it is worth summarizing briefly the main reasons why the student has chosen SERVQUAL in the present master thesis research. All of the arguments for using the model were already pointed out in the above literature review. First, it is the most widely applied model in service settings (refer to Tables №2, 3, 4 on page 24). In the majority of the studies, it showed good reliability and validity scores. Next, SERVQUAL service dimensions, except tangibles, possess human element. In addition, Wong et al. (1999) suggested that the best predictor of service quality is the employees. Hence the model is appropriate for investigating employees' perceptions. Third, the "flexibility" of the model allows modifications for the various service industries. In the case of this thesis, application in the cruise line industry. Last but not least, as mentioned in the Introduction part, SERVQUAL model have been barely applied into investigation of employees' perception. Very few studies concentrated on them, but none of them investigated multicultural perceptions. Those are the major arguments for the applicability of SERVQUAL in the present scientific work at postgraduate level.

Next in the literature review, it will be discussed the Multicultural effectiveness, as defined in the conceptual model in this study, and its measure – Multicultural personality questionnaire. The reason those two methods (SERVQUAL and MPQ) are combined is because MPQ is a tool which measure how people succeed in multicultural environments. Landrum and Prybutok (2003) argue that service quality perceptions affects success. Understanding the service quality perceptions of the employees is crucial for their success in the working environment which will lead to success of their organization. Moreover, Musaba et al. (2014) implicitly suggested, lower perceptions of service quality will result in undesirable performance. Hence, perceptions of

service quality and multicultural effectiveness are inextricably bound up with each other. This study investigates employees from multicultural backgrounds and therefore both concepts/methods were considered to function well in the same research model.

Multicultural Effectiveness and Multicultural Personality Questionnaire

According to Van der Zee, Van Oudenhoven, Ponterotto and Fietzer (2013) the world have become increasingly global and the individuals need to be able to cope and operate within multicultural contexts. The number of organizations which hire expats from different nations is rapidly growing. Those individuals vary from one culture to another in terms of beliefs, values and social norms (Rozaimie, Sarkawi, Johari, William and Kasuma, 2014). It appears the need for their adjustment into the new cultural setting. Van Oudenhoven, Mol and Van der Zee (2003) outnumbered the reasons why researchers and businesses should pay attention to the expatriate adjustment. Among those reasons are - living behind family, friends, spouses and the beginning of new life at a new place. Those reasons bring into the individuals life's extreme changes. Van Oudenhoven et al. (2003) argued for the importance of prediction of the expatriates' adjustment. The authors suggested that the ability to predict it, it is essential for the hiring processes and training. Moreover, it will reduce significantly operational costs of the companies. Based on all the before mentioned grounds, Multicultural Personality Questionnaire was developed by Van der Zee & Van Oudenhoven, in the year of 2000 and revised in 2001.

It is relatively new concept aiming at measurement of the multicultural effectiveness. Moreover, it is built to measure how individuals act in a multicultural environment (Popescu, Borca and Baesu, 2014). The cruise line industry and its onboard crew represent such a multicultural

environment. Bailey (2011) suggested that cruise ships are culturally diverse workplace with staff from more than 50 different countries, with different customs, beliefs and backgrounds. Furthermore, Wood (2000) asserted that cruise ships are virtual laboratories for studying truly global force. Interestingly, those employees need to operate within a multicultural environment and their effectiveness is vital for the success of the company. Since this thesis researches "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?" it seems appropriate the application of MPQ in the conceptual model, proposed by the student (refer to page 41).

MPQ is personality measurement instrument with scales for cultural empathy, open-mindedness, social initiative, emotional stability and flexibility. The questionnaire consists of 91 items which are distributed among the five multicultural dimensions. The participants response to personal statements, evaluating to what extend does each single statement apply to them, on a 5-point Likert-type scale ranging from 1(totally not applicable) to 5(completely applicable). All of the statements are in written in 3rd person singular. Some of them are worded negatively, so that should be taken into consideration from the researchers when analyzing the data. In the below discussion of those dimensions are given examples of items in each scale and in the brackets is shown with plus or minus, if their wording is positive or negative.

The five multicultural scales (some authors as Popescu et al., 2014 refer to them as behavior dimensions) of this research tool are discussed below, as proposed by Van der Zee and Oudenhoven (2000, 2001):

Cultural empathy – it refers to the ability to empathize with the feelings, thoughts and behavior of members from different cultural groups. It includes items such as: *attention to the emotions of the others* (+), *good listener* (+), *sense when others get irritated* (+).

Open-mindedness – an open and unprejudiced attitude towards different cultural norms and values. This dimension scale includes items such as *start new life easily* (+), *try out various* approaches (+) and looking for new ways to attain her/his goal (+).

Social Initiative – how the individuals approach social situations and taking initiatives. *Takes* the lead (+), leaves the initiative to others to make contacts (-), finds difficult to make contacts (-)

Emotional stability –this is the tendency to remain calm in stressful situations. Items such as worry (-), get upset easily (-), nervous (-) are included in the scale.

Flexibility – The international employee should be able to switch easily from one strategy to another and the familiar ways to handle things might not be appropriate in the new working environment. Example of items in the scale: *works according to strict rules* (-), *works according to plan* (-) *and works according to strict scheme* (-). (Van Oudenhoven et al., 2003) (Van der Zee and Oudenhoven, 2000, 2001).

Since the development there have been not so many studies researched MPQ. To the best of my knowledge, this is the second one which investigates employees(K. I. Van der Zee & Van Oudenhoven, 2001). Table №5 below presents the most relevant empirical studies in terms of MPQ.

Table №5

Table №5	Overview of resec	erch on Multiculte	ıral Personality Scale	
Author(s)	Aim of the study	Dimensions	Sample	Reliability and Validity
Van der Zee& Van Oudenhoven (2001)	Reliability and Validity of MPQ	5 dimensions, 138 items; after revision - 78 items	Two samples – comparison of student intending to study abroad and domestic	Alpha within range .8090
Van Oudenhoven &Van der Zee(2002)	Predicting multicultural effectiveness of international students	5 dimensions,91 items	Native and foreign students	Alpha around .70 Significant correlations
Van Oudenhoven et al.(2003)	Adjustment of Western expats in Taiwan	5 dimensions, 78 items	Expatriates	Alpha .84 Flexibility lowest Alpha
Leone et al.(2004)	Cross-cultural generalizability and validity of MPQ	5 dimensions	Sample of Dutch and Italian students	The five dimensions are stable across two countries Flexibility – the lowest score
Leong(2007)	Predictive validity of MPQ	5 dimensions, 91 items	Comparison between students who took exchange program and did not	Alpha around .80
Dewaele & Stavans (2012)	To investigate the link between immigration, multilingualism, acculturation and personality profiles, measured by MPQ	5 dimensions, 91 items	Immigrants – born in and outside Israel, but permanently living in the country	All of the scales showed good reliability except Flexibility – with the modest score
Popescu et al.(2014)	Characterize multicultural personality in two case groups	5 dimensions, 91 items	Witness group of Romanian students and experimental group of students from different cultures	Good reliability – Alpha around 0.70

In comparison with SERVQUAL scale, which has been thoroughly discussed in the previous section, all of the original five dimensions as developed by Van der Zee and Oudenhoven (2000) have not ever been modified. Most of the studies revealed good reliability validity scores.

Only one study has conducted research among expatriates and the rest of the studies used student samples. None of the studies concentrated on investigating multicultural effectiveness among a vast number of nationalities. It is novel thing and this is the first time that MPQ has been applied among employee (expats) from more than 20 different nationalities.

Next, in the literature review come up the notions of Job Satisfaction and Turnover intentions. Saari and Judge (2004) pointed out in their study that there is a relationship between personality and job satisfaction. Therefore Multicultural Effectiveness is in a relationship with job satisfaction (as depicted in the conceptual model on page 41).

Job satisfaction and Turnover intentions

A great number of studies have attempted to reveal the relationship between job satisfaction and turnover intentions – Bright (2008), Mobley(1977), Brough & Frame(2004), Tett & Meyer(1993), Shore & Martin(1989) etc.

Tett and Meyer's (1993) define job satisfaction as the employee's attachment to the job and the way they see it – either entirely (global satisfaction) or satisfaction just with certain aspects of the job (e.g. management supervision). Furthermore, they defined turnover intentions as the act of the employees to leave certain organization on their own will. Their study results revealed that job satisfaction strongly predicts the act of quitting.

Chiang, Back & Canter (2005) proved in their hypothesis that job satisfaction positively correlates with intentions to stay and it is strong predictor for them. Hence, job satisfaction will correlates negatively with the intentions to leave.

Research also have investigated the results from negative and positive job satisfaction (Saari and Judge, 2004). The authors reviewed those results in relation to turnover intentions. They argued that the number of dissatisfied employees leaving a company is higher than the ones satisfied. Last but not least, it was suggested that cultural background or the country of the employees has influence on the job satisfaction.

Those empirical findings are the argument for including the both notions in the conceptual model of this thesis. Moreover, taking into consideration the high rates of turnover for the cruise industry, this thesis would try to get better understanding of the issue by investigating the relationship between job satisfaction and turnover intentions of multicultural cruise ship employees.

III. Research model, hypothesis and purpose of the study

Based on the literature review the following conceptual model of this investigation was designed:



Figure 2. Conceptual model of the master thesis

Furthermore, the purposes of this explanatory study are as follows:

- 1. Measure the gaps between perceptions and expectations of cruise line employees on each of the SERVQUAL dimensions and pinpoint weak areas of the service quality and managerial implications for the cruise line industry
- 2. Estimate how the multicultural employees' service quality perceptions influence the job satisfaction

Hypothesis A – Service quality perceptions are positively associated with high job satisfaction

3. Reveal the differences between employees' service quality perceptions originating from their multicultural background.

 $\label{eq:hypothesis} \begin{tabular}{ll} Hypothesis $B-Employee$ from different cultural backgrounds perceive in a different way the service quality \end{tabular}$

4. Investigate the relationship between job satisfaction and turnover intentions of cruise line employees

Hypothesis C – Job satisfaction correlates negatively with turnover intentions.

Hypothesis D – Country of origin has influence on the job satisfaction (Saari and Judge, 2004).

IV. Methodology

This chapter provides an overview of the methodological choices which were undertaken for the conducting this empirical study. Design of the study along with sample, data collection and analysis would be discussed in the below sections.

1. Design

Firstly, this is an explanatory study in its nature. Newman (2011) define certain specific characteristics of the explanatory research design such as extension of theory to new issues; enrich theory explanations and connecting issues to a general principal. As already mentioned earlier the primary purpose of this thesis is to research "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?" In

order to answer this research question, SERVQUAL model along with MPQ scale were employed to predict the job satisfaction and turnover intentions.

This thesis attempts to extend the existing theory and literature by applying SERVQUAL on multicultural employees, which was used widely but primarily among customers. Even though this study investigates the relationship between multicultural employees 'service quality perceptions in relation to job satisfaction and turnover intentions in the cruise industry, all the connected concepts could possibly be applied in another contexts. Secondly, this study is as well quantitative. Newman (2005) summarized in his book "Social research methods: Quantitative and qualitative approaches" the main differences between quantitative and qualitative. Among those are – test of hypothesis and theories, concepts in form of variables, data in numerical form, surveys and questionnaire use, standard procedures and frequent replications.

2. Sample

The primary goal of survey research is to collect representative data of the population (Barlet, Kotrlik & Higgins, 2001). Since this is a quantitative study, the before-mentioned concepts were measured through survey based questionnaire. This study uses a purposive sampling technique. Tongco (2007) describes purposive sampling technique as the most effective when a researcher needs to investigate" certain cultural group with knowledgeable experts within." In addition, he argued that this type of sampling is suitable for qualitative and quantitative researches. First and foremost, the purpose of this thesis is to investigate multicultural perceptions of the cruise employees and second it is quantitative study. Therefore, this technique was found appropriate

for the study. The total sample consisted from 76 cruise ship employees from more than 20 different countries.

3. Data Collection and Measurements

A web based survey method was chosen to collect the data from the respondents in this study. According to Newman (2011) a survey is the most efficient and fast track data collection technique in social science. Moreover, the author argues that web based surveys are convenient and not expensive. Therefore in this master thesis was used web-based questionnaire as a way to collect the necessary data.

The questionnaire was registered in online research tool "Survey monkey" where the technical specifications allow the personal data of the respondents to remain unrevealed. Hence, the data was collected in accordance with the Norwegian Social Science Data Service Agency rules and regulations. A purposive sample technique was used to identify the prospective cruise ship employees. The respondents were approached though email, different social media channels such as LinkedIn and Facebook. Data collection process took place in the months of April and May, 2015.

4. Questionnaire development

The questionnaire was based on the conceptual model proposed (Figure 2,p.41) It consists of the five parts (refer to Apendix)

<u>Employees's perceptions of the service quality</u> - measured by SERVQUAL method – though assessing perceptions and expectations.

As discussed already in the literature review, SERVQUAL is an instrument which measure customers 'expectations and perceptions on five service quality dimensions. In this master thesis, it was used to measure employees' perceptions and expectations. SERVQUAL was registered under the form of survey in two parts. The first part measured expectations and the second part perceptions of the employees with their organization. Each part consisted of 18 items measuring the different service dimensions. The employees were asked to rank the items on a 7-point Likert scale, from strongly disagree (1) to strongly agree (7). The mean of each single item in the both parts estimated the gap in service quality perceptions. The gap is being calculated as Perceptions minus Expectations (P-E= Gap score).

The statements in that part of the questionnaire were obtained by the main article which gave the idea for this master thesis - "Employee Perceptions of the Service Quality in the Namibian Hotel Industry: A SERVQUAL Approach" (2014). The authors were contacted for acquiring of the original questions used in their research. The student received their written permission for using in it in the current thesis. Consequently, statements were adjusted for the needs of the present study.

<u>Multicultural effectiveness of the employees</u> measured by MPQ scale. The original questionnaire and its statements were sent to the student by Jan Pieter van Oudenhoven, Prof.Dr. and

researcher at the University of Groningen, Netherlands. With his writen consent, the statements were included in the current research.

Due to the extensive list of statements in original questionnaire(91 in total), additional google scholar research was conducted and it was found out that van Oudenhoven and colleagues did a research on the shorter version of MPQ. In their paper "Multicultural Personality Questionnaire:Development of a Short Form" (van der Zee et al.,2013) conducted confirmatory factor analysis. The authors shortened the MPQ to 40 items and argue that even though shorter is still valid and realiable measurement. In the current master thesis and questionnarie were included only the three statements which had the highest factor loading from the abovementioned paper.Van der Zee et al.(2013) considered statements with factor loadings above >.38 for reliable to be included in the shorter version of MPQ. All of the statements included in the survey in this thesis, have score with factor loadings within the range .85 til .68 (Refer to MPQ section in literature review where all of the statements included in this part of the survey were given as an example in the multicultural dimensions).

Respondents were asked to evaluate the three personal statetments in each of the five subscales in first person, answering to what extend do the following statements apples to you?

<u>Job Satisfaction Scale</u> - four statements were included to measure employees' job satisfaction. All of the items were extracted and adopted from the respective studies in this area. Respondents evaluted to what extend they agree or disagree with those statetments.

<u>Turnover intentions</u> – Only one question was used to measure them.It was adopted from "An explanatory study on turnover intentions among private service employees(Yin-Fah, Foon, Chee-

Leong& Osman,2010). The authors of the study used a measure for turnover intentions based on Mobley,Horner & Hollingsworth theory(1978). Their theory has been subject to various studies and researches over the years(Miller, Katenberg & Hulin,1979; Mowday, Koberg & McArthur,1984;Coverdale & Terborg, 1980 etc.) and it is still used as a foundation for the current research in the turnover intentions. This is the reason why a statement from their theory was used in the present questionnaire.

Profile of the respondents section – Statements in regards respondents gender, age, tenure in the industry, nationality and department were included.

Last but not least, it was of particular importance the length of the Likert scale which is going to be used. From one hand, the original Servqual questionnaire have always used 7 point Likert scale. From the other hand, MPQ measure respondents responses on a 5 point scale. In a sense, it is contradictory which of the both scales to be used. Since the both constructs(part of the scientific model) are used in the same questionnaire, they should use the same measurement scale/numbers in order to avoid confusion among the respondents.

The author of the master thesis decided the items in all scales to be measured on a 7 point Likert Scale. The arguements for that are:

- 5 point Likert scales are not sensitive enough to capture participants true evaluations
- for electronically- distributed questionnaire 5 point Likert scales are not able adequately to capture data (questionnaire in this thesis was conducted online)
- in general 7 point Likert scale is more likely to reflect the true evaluation of a item in questionnaire than the 5 point scale (Finstad, 2010)

Based on those assumptions, 7 point Likert scale was choosen for this questionnaire.

Finally,the questionnaire's English accuracy and spell check was made by native english speaker.

5. Testing of the questionnaire

The questionnaire was tested among 10 students from the master program that the student currently is undertaking. The Ms. International Hotel and Tourism Leadership offered by the University of Stavanger is comprised from students originating from different cultural backgrounds and thus it seemed appropriate to pre-test the questionnaire with such respondents. The idea of pre-test was to get a better idea if some of the wording in the questions was vague or not-easy to understand. Half of those students came up with suggestions in different sections of the survey and those were adjusted accordingly.

6.Data analysis – All the analysis were conducted as the same ones in Musaba et al., 2014 study, using SPSS 21 version and Microsoft Excel. Descriptive statistics were used to measure the expectations and perceptions of the service quality. Further, gap scores between them was calculated by Microsoft Excel. Pair-t tests were performed to test the significant mean differences between cruise ship employees' expectations and perceptions of service quality. Principal component analysis was used to assess the 18 items measuring employees' perceptions and simplify them into set of dimensions with intention for development of further service quality strategies. In addition, the student has utilized additional analysis in order to prove or dispute the hypothesis in this research.

VII. Results

1. Sample – The questionnaire was sent to 200 cruise ship employees and 76 actual responses were returned. The sample of 76 respondents consisted of employees from 28 different countries grouped in accordance with their geographical location. 48% were from Eastern Europe (Bulgaria, Croatia, Macedonia, Serbia, Romania, Russia, Ukraine, Belarus and Bosnia and Herzegovina), 12% Central Europe (Hungary, Slovenia and Slovakia), 3% Baltic States(Latvia and Lithuania), 8% Western Europe (United Kingdom and Scotland), 14% Northern America and 16 % Other countries (Jamaica, Mexico, Panama, Puerto Rico, South Africa, Trinidad & Tobago, Philippines and Thailand).

Out of the respondents 26 were male and 50 were female. Age of the respondents varied between from 18 to 64 with SD=.69 and M=2.39.

Only 2 employees were working in the industry for less than 6 months. 27 had tenure from 1 up to 3 years and 19 from 3 to 5 years. 28 of the respondents were working for the industry more than 5 years.

In regards the occupations of the respondents, positions onboard are as diverse as the crew members. Therefore they were grouped in the following- Concession (Spa attendants and Gift shops personnel) with 5 respondents, Food and Beverage with 28 (bar and restaurant servers, chefs, cooks etc.), Pursers (referred as receptionists on the land) with 16, Entertainment with 10 (musicians, singers, dancers etc.), Housekeeping 3 and Other 14(Human resources, Accounting, Casino staff, shore excursions etc.).

Important to be mentioned is the fact, in Musaba et al (2014) the obtained sample was only from front-line employees. In this study, the sample was not only from front-line employees since the

nature of the ship environment is so specific and almost all of the positions onboard have direct contact with the customer at certain point. Hence their perceptions are important in the analysis of the present study.

2. Reliability and Validity of the Constructs

Reliability and validity help for the establishing of truthful and credible findings. Both are distinguished concepts (Newman, 2011). Unlike other measurement tools, those two are primarily used for assessments of the constructs.

Pallant (2011) define reliability as "the degree to which the items that make up the scale are all measuring the same underlying attribute" (p.6). Normally reliability is measured by Cronbach's Alpha. DeVellis (2003) recommend that ideally Cronbach's Alpha should be with value .7 or above. In the present study, with the help of SPSS were estimated the values of Cronbach's Alpha for each construct in the model – Perceptions of Service quality (expectation scale α =.98 and perception scale α =.94); only two of the subscales in MPQ showed acceptable values of Cronbach's Alpha (Emotional Stability α =.69 and Flexibility α =.90). Job satisfaction scale reported α =.89 All of reported alpha's showed strong internal consistency of the scales except MPQ scale

Reliability of the scales

<u> </u>	Number of items	Cronbach's α
SERVQUAL		
Expectations	18	.98
Perceptions	18	.94
Multicultural Personality Scale	•	
Emotional Stability	3	.69
Flexibility	3	.90
Job Satisfaction Scale	4	.89

Note. Cronbach's α recommended level at .7 or higher. (DeVellis, 2003)

Validity is "the degree to which it measures what is supposed to be measured" (Pallant, 2011, p.7). Newman (2011) define the following types of validity- face, content, criterion and construct validity. He defines face validity as the one that the measure make sense to the others. Content validity – if the measure capture the entire meaning. Content validity of SERVQUAL was demonstrated by all the studies on page 24 which applied it. The content of the measure represent the concept which is being measured. MPQ content validity is as well confirmed by the studies presented on page 38. Convergent and discriminant validity are proof for the existence of construct validity (Kaplan, Bush & Berry, 1976). Churchill (1979) suggested that factor analysis is a proof of convergent validity while correlation analysis for discriminant validity.

The table below presents correlations among the constructs. Job satisfaction and perceptions of service quality positively and significantly correlate. There is a negative correlation between job satisfaction and turnover intentions (high scores on job satisfaction will be associated with lower score in the turnover intentions). The multicultural effectiveness correlates negatively and not

significantly with the rest of the constructs. According to Pallant (2011) the size of the sample influence the significance level, but here that is not the case since the rest relationships were significant. The construct was comprised of two dimensions – emotional stability and flexibility. Van Oudenhoven et al. (2003) argue that flexibility is predictor of job satisfaction. Therefore, flexibility was tested separately if there was any correlation with the other constructs. The results were again meaningless. Consequently the multicultural effectiveness was not further included in the analysis. Since it was considered as a part of the conceptual model and literature review indicated that there is relationship—with employees' perceptions and job satisfaction, implications for further research on the Multicultural Scale are given in the next chapter. The main research question of this thesis remains still untouched - "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?" The sample obtained is a clear representation of multicultural employees

Correlations

Corretations					
		Multicultural	Job	Perception	Intentions to
		Effectiveness	Satisfaction	S	leave
M-16161	Pearson Correlation	1	104	174	.275*
Multicultural	Sig. (2-tailed)		.370	.132	.016
Effectiveness	N	76	76	76	76
Job Satisfaction	Pearson Correlation	104	1	.509**	534**
	Sig. (2-tailed)	.370		.000	.000
	N	76	76	76	76
Perceptions	Pearson Correlation	174	.509**	1	483**
	Sig. (2-tailed)	.132	.000		.000
	N	76	76	76	76
Intentions to leave	Pearson Correlation	.275*	534**	483**	1
	Sig. (2-tailed)	.016	.000	.000	
	N	76	76	76	76

^{*.} Correlation is significant at the 0.05 level (2-tailed).

^{**.} Correlation is significant at the 0.01 level (2-tailed).

3. Factor analysis (refer to Appendix for SPSS output)

A principal component analysis with Oblimin Rotation was conducted on the 18 items assessing employees' perceptions, using SPSS 21 version. Worth to be mentioned, Musaba et al. (2014) conducted principal component analysis on the gap scores. In my point of view, this is not appropriate. Gap score indicates the areas for improvement in the service quality delivery or the mismatch between expectation and perceptions.

Prior conducting the analysis, the data was assessed if it is appropriate for factor analysis. The correlation matrixes revealed that almost all of the coefficients were with value .3 or above as recommended by Julie Pallant (2011). The Kaiser-Meyer-Olkin value was .86. This values is higher than Kaisers' (1970, 1974) recommendation of value .6, as suggested by Pallant (2011). Barlett's Test of Sphericity was significant at p < 0.01, as recommended by Pallant (2011) .All of those were indicators that the data is suitable for the present analysis.

Principal component analysis revealed four factors with eigenvalues more than 1. Those factors explain the total variance as follows: 48 %, 8.47%, 6.5%, and 5.9%.

The Pattern Matrix showed the item loadings. Factor one with 12 item loadings and all of them above .3 as suggested by Pallant (2011). Component two with 6, three with 4 and four with 6 item loadings. Pallant (2011) suggested that ideally factors should be retained with .3 or above. That is why those four factors were retained in the present study. Some of items load on more than one factor and they were kept in the component where they show highest value.

The first factor explained 48% of the total variance (including flexible working hours, treatment and care, commitment to the employees, payments and benefits, employees' feedback system, rewards, coaching and supervision, marketing department communication, mission and vision

orientation and safety working conditions). All of those factors in combination have the most effect in the perceptions of the cruise ship employees.

The second factor which explained 8.47% of the total variance accounted for items such as training for efficiency and effectiveness, training for quality service delivery and training for anticipation and exceed of the customers' needs.

Factor number 3 explained only 6.5 % of the variance including items mission and vision orientation, safety working conditions.

Factor number 4 explained only 5.95%. Communication of error free service, mission and vision communication and management availability

4. Multiple regression Analysis (refer to Appendix for SPSS output)

According to Pallant (2011) that type of analysis is a variety of techniques between one independent and one or many dependent variables, often referred in the scientific literature as predictor. Thus, this analysis was used to predict the two main parts of the model. What percentage of the construct perceptions of service quality predicts the job satisfaction? Job satisfaction predictions on the turnover intentions? Basically, with this analysis the student explores the predictability of his model.

Test of multicollinearity – the independent variables showed correlations above .3 as recommended by Pallant (2011) and no correlations above.7. Hence the data was found for suitable to conduct this type of analysis.

Looking at the table Model summary, R square=.259. This means that perceptions of service quality explain 26% of the variance in job satisfaction.

Model Summary							
Model	R	R Square	Adjusted R	Std. Error of			
			Square	the Estimate			
1	.509 ^a	.259	.249	1.21503			

a. Predictors: (Constant): Perceptions of Service Quality

b. Dependent Variable: Satisfaction

ANOVA confirmed the statistical significance of the obtained result (sig=.000)

Job satisfaction and Turnover Intentions

Multicollinearity test -The correlations between the two variables were above .3 and hence the second set of data was found appropriate for the analysis.

R square was only .244 meaning the job satisfaction predicts turnover intentions only 24.4 %

Model Summary

Model	R	R Square	Adjusted R	Std. Error of	
			Square	the Estimate	
1	.534 ^a	.285	.275	1.51490	

a. Predictors: (Constant): Turnover Intentions

b. Dependent Variable: Satisfaction

In Coefficients table, sig. value is less than .05 which means that the variable job satisfaction is making a unique contribution to the predictions of turnover intentions.

5. One way ANOVA Analysis

One way ANOVA analysis was conducted to be determined if there is any significant difference in the level of satisfaction in relation to the country group of origin as described in the sample.

Test of Homogeneity of Variances revealed that Sig value for Levene's test was less than .05 and the assumption of homogeneity of the variances was violated. Pallant(2011) recommend when this assumption is violated, to check the sig value in Welch and Brown-Forsythe tests. Sig value was higher than .05

ANOVA table – Pallant (2011) recommends, if the sig. value is less or equal to .05 that there is somewhere between the groups significant differences. The results in this study showed .052 which could be considered as equal to .05. Furthermore, the table Multiple Comparisons revealed that there is no significant difference between the means of the groups (no significant difference between the means of country of origin). Therefore, the country of origin has no influence on the job satisfaction.

ANOVA was conducted second time to check if the people from different countries perceive the service quality in a different way. Levene's test of homogeneity was not violated but Welch and Brown-Forsythe tests showed insignificant values. ANOVA table sig. value was higher than .05

suggesting that there is no significant difference among the mean scores for perceptions of the different nationalities.

VI. Discussion and implications

First and foremost, before discussing the actual results and findings, a well-deserved place should take the concept of Multicultural Effectiveness. The main aim of it was to measure employee's success in multicultural environment in relation to perceptions and job satisfaction. Unfortunately, it was found insignificantly correlated to the rest of constructs. One of the possible reasons for that could be the small number of items used .The original scale has 91 items but for the current research purposes they were reduced to 15 items. Another argument is the low reliability scores on almost all of the subscales. Only two of the five subscales yielded values of Cronbach's Alpha above .7 but they were also not correlated. As already discussed in the literature review, it is relatively new concept which have not been tested in variety of environments. Even though, the scale was suspended for further analysis after the validity process, one interesting finding needs to be mentioned here. In comparison with previous studies, the reliability level of Flexibility was much higher (α =.90) in the present study. That is connected with the specific working environment on the ships. MPQ was applied just among expats in landbased operations working environment and hence future research is encouraged to apply separately MPQ in the cruise industry which is a very unique diversified working environment. Further research should gain insights into how this scale functions among so many as diverse are the cruise ship employees. Unfortunately, the student had not ample time to investigate that issue but further research is encouraged in that direction. Prof.Dr. Jan Pieter van Oudenhoven who

developed that scale and kindly provided the student with his measurement, was already contacted about the results of the present study and would look into further investigation.

Means for Expectations and Perceptions and Gap scores

The table below presents the results from Descriptive analysis and respectively the means for the expectations and perceptions. The significant difference of the means between the scores was measured by Paired-T test and all the means presented in the table below were significant except regular communication of error free service.

The means for the expectations were in the range of 5.66(somehow agree) on flexible working hours (A3) to 6.41(strongly agree) on training for efficiency and effectiveness (RL4). This finding is partially consistent with the findings of Musaba et al. 2014 study where the hotel employees did not find flexible working hours as an obstacle for the quality service delivery. Training for efficiency and effectiveness had the highest score, meaning that employees' firmly agree that training it is essential for quality service delivery. This finding is directly connected to the specific labor conditions onboard – employees do realize the need for efficiency and effectiveness onboard.

The lowest means for perceptions was again flexible working hours (3.24=somewhat disagree) and the highest (5.49=somewhat agree) training for efficiency and effectiveness. It is an interesting finding that means of perceptions and expectations are match. From one side, working onboard has certain degree of limitation when it comes in terms of flexibility. The output can be interpreted as employees do understand that there is degree of limitation, but on the other hand this reflects on their low perceptions of service quality. High expectations and

perceptions on attribute RL4 simply mean that what the employees expected from a training in terms of efficiency and effectiveness, in reality they receive it. Perceptions and Expectations are match in that case.

Gap Score was calculated as subtraction between the perceptions and expectations. All of the scores were negative and this suggest that employees have higher expectations from their organization than their perceptions. The highest four scores (flexible working hours, fair treatment, comparable pay and benefits and regular communication of the marketing department) marked in bold, indicated that employees had the lowest perceptions on them. As Musaba et al. (2014) suggested higher negative gap score would lead to less desirable performance. Hence, all those areas should be prioritized as number one priority by the cruise line operators. Flexible working hours had the highest negative gap score indicating that it is the most important reason which influence the employees' perceptions. Factor analysis determined four factors from the employees' perceptions. As already discussed, the first explained 48% of the total variance in the employee perceptions. The item which loaded with the highest score was as well flexibility in working hours. All of those are strongly argumentation that flexible working hours could only improve the service quality delivery in the cruise ship industry. It is important to be mentioned that there is a limitation in the degree of flexibility onboard the ships due to the structure and capacity of the ship working environment. My suggestion for the managers is – sailing with less passengers and more crew. That would increase the level of service quality. On the other hand, cruise corporations main aim is profitability and many of them are oriented towards low-cost holidays or as often advertised by the cruise companies – "affordable vacations". Consequently, my suggestion is mainly directed to the luxuries cruise companies which can afford less guests

numbers and higher service quality delivery, attained by recruiting more crew. That would guarantee profitability in a long run by the loyalty of the customers.

The lowest gap scores were in the regular communication of error free service, employees regularly trained for quality service delivery skills, employees trained to anticipate and exceed customers' needs and expectations and employees trained for efficiency and effectiveness. Even though these are still negative scores, all of them indicate that cruise lines are performing very well in those dimensions of service quality. Hence, the managerial implication here is to continue to maintain the current practices in relation to those four scores. Another conclusion from those gaps - human resource management is really dedicated to the employees training for delivery of high service quality. Therefore it is recommended to uphold the present human resource practices.

Table
Means for expectations and perceptions, and Gap Score for the employees in the cruise industry

		Expec	tations	Pe	erceptions	GAP Score	t-value
Attrib	outes	Mean	SD	Mean	SD		
E1	Employees as a valued source	6.01	1.50	4.25	1.75	-1.76	8.08
E2	Employees coached and directed	6.20	1.33	4.51	1.57	-1.69	8.56
E3	Managers availability for consultation	6.13	1.37	4.78	1.76	-1.35	6.14
A1	Fair treatment	6.16	1.49	3.87	1.98	-2.29	9.38
A2	Comparable pay and benefits	5.91	1.69	3.75	1.78	-2.16	7.80
A3	Flexible working hours	5.66	1.79	3.24	1.82	-2.42	8.94
RS1	Empowerment to respond without management consultation	5.76	1.57	4.36	1.94	-1.4	5.19

RS2	Vision, mission oriented to quality service	5.95	1.40	4.97	1.64	-0.98	4.30
RS3	Vision, mission communication	6.24	1.24	5.17	1.71	-1.07	4.67
RS4	Outstanding performance rewards	6.19	1.43	4.31	1.79	-1.88	8.16
RL1	Regular communication of error free service	5.72	1.59	5.13	1.48	-0.59	3.17
RL2	Employees' feedback used in improvement QSD	6.05	1.62	4.21	1.98	-1.84	6.36
RL3	Employees trained to anticipate and exceed customers' needs and expectations	6.22	1.29	5.32	1.69	-0.9	4.20
RL4	Employees trained for efficiency and effectiveness	6.41	1.20	5.49	1.60	-0.92	4.55
RL5	Employees regularly trained for QSD skills	6.08	1.41	5.21	1.63	-0.87	4.21
T1	Adequate facilities and supplies	6.13	1.51	4.49	1.80	-1.64	6.48
T2	Safe and healthy place for work	6.25	1.443	4.84	1.77	-1.41	5.96
T3	Marketing department regularly communicates with front-line employees	6.01	1.58	4.10	1.95	-1.91	7.47

Note. The skeleton of this table was adapted from Musaba et al., 2014 study.

After reviewing the perceptions of the employees, it is logically to discuss how those perceptions determine the job satisfaction and turnover intentions. Hence, this would be the next part in our discussion.

Perceptions of Service Quality explained 26 % of the total variance in job satisfaction, meaning they do have certain or some influence on the job satisfaction predictability. Taking into account that, the first hypothesis **Service quality perceptions are positively associated with high job satisfaction** could be partially justified. Moreover, positive correlations between the both constructs were proven by Pearson correlations. Hence, the higher an employee perceives service quality, the level of job satisfaction will elevate. On the other hand, the gap analysis revealed negative gap score which refer to the lower perceptions of service quality in the present study. It is important to be noticed here that the survey was done in a certain point of time and SERVQUAL tends to functions best when tested repeatedly and results being compared. Hence the negative gap score could be considered as a temporary trend, which could change next time SERVQUAL is applied. That is as well considered as a limitation of the current study.

Next, One way ANOVA results revealed that country of origin as well does not determine the perceptions of Service Quality disputing **Hypothesis B** - **Employee from different cultural** backgrounds perceive in a different way the service quality

Third, Job satisfaction negatively correlates with turnover intentions. The higher the satisfaction with job, the less would be the intentions to leave. Correlation analysis proved that hypothesis. Job satisfaction explains only 24% of the total variance in the intentions to leave. These findings are consistent with the findings of Chiang, Back & Canter (2005) and Tett and Meyer's (1993) studies, discussed in the literature review section.

Forth, the findings suggest the country of origin does not influence the level of job satisfaction. This was confirmed by one way ANOVA analysis. That finding rejected Hypothesis D -Country of origin has influence on the job satisfaction which was based on Saari &Judge study (2004). In their research on "Employee satisfaction and Job attitude" the authors also discussed that the number of studies investigating the relationship between job satisfaction and culture/country of origin is not big but growing. Hence, by rejecting this hypothesis, a new contribution to the scientific community has been made. Even it may look unreasonable and illogical finding, future research is encouraged to deepen this issue. It was mentioned several times the specific working environment on this ship and this possibly could explain why the county of origin did not show any significant difference in relation to job satisfaction. Furthermore, human resource practices on the ships may be alternative explanation. All those practices aimed at respect for the individual difference and other cultures (Lloyed, 2011). Greenberg (2004) suggests that overcoming all cultural and language barriers lies in the essentials of good diverse human resource practices. Future research need to consider those practices when it comes to country of origin or cultural background.

Taking into consideration all of the above now could be answered the question - "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?"

From one hand, the higher the perceptions, the more satisfied would be the employees. On the other hand, this is not connected to the issue of multiculturalism. Even though only 25% of service quality perceptions predict the job satisfaction, employees' perceptions of service quality do determine the job satisfaction. 25% may not look impressive number, but one should not forget that there are other factors that influence the job satisfaction such as opportunities for

advancement, workload and stress level, respect from co-workers, relationship with supervisors etc., as suggested by Swarnalatha &Vasantham (2014). Future research could extend the model of the present study by including more predictors of the job satisfaction. In that way, the predictability % would be higher.

Important finding is that multicultural employees perceive the service quality in the same way.

There is no significant difference among the different groups' nationalities on their perceptions.

To sum up the answer of the research question – Employees' perceptions of service quality determine the job satisfaction to certain extend, but their perceptions are not influenced significantly by their country of origin. Neither the job satisfaction has been shaped by their country. Finally the relationship between job satisfaction and turnover intentions was found to be consistent with the findings of past research.

VII.Conclusion

The present study attempted to reveal "How do multicultural employees' service quality perceptions determine the job satisfaction and turnover intentions?" by application of SERVQUAL approach. After series of analysis, it became apparent that the mix of multicultural employees', onboard cruise ships, perceives the service quality in a similar way. Those perceptions do determine and predict the employees' job satisfaction to some extent. Job satisfaction was not influenced by the country of origin of the employees. Last but not least, job satisfaction showed negative correlation with turnover intentions which is widely validated in the social science world.

This study is not free from limitations and future researchers are encourage to resolve them.

The first limitation of the study was the sample size which could have affected some of the analysis and their interpretation. Another limitation lies in the advantages of SERVQUAL – identification of service trends when used regularly. Here in this study, SERVQUAL revealed result just for a certain period of time. Hence the presented results are valid only for certain time. Gounaris (2005) suggests that perceptions of service quality are industry-specific. This is another limitation - the obtained results cannot be generalized to other industries, as the student asserted in the beginning of this thesis.

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Appendix 1 - Questionnaire

Expectations: This section deals with your opinion for your employer and what **expectations** you have from them. Please show to what extend you think your employer should possess the following features.

Please indicate your level of agreement or disagreement with the following statements: Strongly disagre (1), Disagree(2), Somewhat disagree(3), Neither agree or disagree(4),

1. Excellent cruise companies will be committed to their employees as a valued resource.	1	2	3	4	5 6	7
	1		2	4		. 7
2. Supervisors at excellent cruise companies will provide positive coaching and direction to enable employees to perform effectively.	1	2	3	4	5 6	5 7
3. At excellent cruise companies supervisors and senior managers will be available	1	2	3	4	5 6	7
for consultation by front-line employees when problems in service delivery arise.						
4. Employees at excellent cruise companies will be treated fairly and the organization will genuinely care about their welfare.	1	2	3	4	5 6	5 7
5. At excellent cruise companies employees will be given pay and benefits comparable to employees in similar organizations.	1	2	3	4	5 6	5 7
6. At excellent cruise companies working hours are flexible in order to avoid	1	2	3	4	5 6	7
affecting the quality of working life of the employees.	1	-		•		, ,
7. At excellent cruise companies employees will be empowered to respond promptly	1	2	3	4	5 6	5 7
to customer complaints when a customer is unhappy without consulting managers or	1	_	5	•	5 (,
supervisors.						
8. At excellent cruise companies the vision and mission of the organization will be	1	2	3	4	5 6	7
oriented towards the quality provision service.	1	_	5	•		,
9. At excellent cruise companies the vision and mission will be clearly	1	2	3	4	5 6	7
communicated to front-line employees.						
10. At excellent cruise companies employees will be rewarded for outstanding	1	2	3	4	5 6	7
service performance.						
11. At excellent cruise companies senior managers will regularly communicate to	1	2	3	4	5 6	7
employees the importance of delivering error free service at all times.						
12. At excellent cruise companies there will be a system in place to listen to	1	2	3	4	5 6	7
feedback from front-line employees to improve service delivery based on responses.						
13. At excellent cruise companies employees will be trained to anticipate customer	1	2	3	4	5 6	5 7
needs and to exceed customer expectations when performing a service.						
14. At excellent cruise companies newly recruited employees will be given training to make them efficient and effective in their work.	1	2	3	4	5 6	5 7
15. At excellent cruise companies front-line employees will regularly undergo training and development to enhance their skills at quality service delivery.	1	2	3	4	5 6	5 7
16. At excellent cruise companies the organization will facilitate quality	1	2	3	4	5 6	7
performance by ensuring that employees have adequate facilities and supplies with	1	_	-	•		•
which to work as they are needed.						
17. At excellent cruise companies the organization will facilitate quality	1	2	3	4	5 6	5 7
performance by ensuring that employees have a safe and healthy place in which to						-
work.						
18. At excellent cruise companies those who make promises to customers (e.g. sales	1	2	3	4	5 6	7
and advertising people) will regularly communicate with customer service						
employees.						

Somewhat agree(5), Agree(6), Strongly agree(7)

Perceptions: The following statetments deal with your **actual experience** and **perceptions** of working with your employer.

Please indicate your level of agreement or disagreement with the following statements:

Strongly disagre (1), Disagree(2), Somewhat disagree(3), Neither agree or disagree(4), Somewhat agree(5), Agree(6), Strongly agree(7)

This cruise company is committed to their employees as a valued resource. Supervisors at this cruise company provide positive coaching and direction to	1	2	3	4	5 6	7
	1	2	2			
enable employees to perform effectively.		2		4	5 6	7
3. At this cruise company supervisors and senior managers are available for consultation by customer front-line employees when problems in service delivery arise.	1	2	3	4	5 6	7
4. Employees at this cruise company are treated fairly and the organization genuinely cares about their welfare.	1	2	3	4	5 6	7
5. At this cruise company employees are given pay and benefits comparable to employees in similar organizations.	1	2	3	4	5 6	7
6. At this cruise company working hours are flexible in order to avoid affecting the quality of working life of the employees.	1	2	3	4	5 6	7
7. At this cruise company employees are empowered to respond promptly to customer complaints when a customer is unhappy without consulting managers or supervisors.	1	2	3	4	5 6	7
8. At this cruise company the vision and mission of the organization are oriented towards the quality provision service.	1	2	3	4	5 6	7
9. At this cruise company this vision and mission are clearly communicated to front-line employees.	1	2	3	4	5 6	7
10. At this cruise company employees are rewarded for outstanding service performance	1	2	3	4	5 6	7
11. At this cruise company senior managers regularly communicate to employees the importance of delivering error free service at all times.	1	2	3	4	5 6	7
12. At this cruise company there is a system in place to listen to feedback from front-line employees to improve service delivery based on responses.	1	2	3	4	5 6	7
13. At this cruise company employees are trained to anticipate customer needs and to exceed customer expectations when performing a service.	1	2	3	4	5 6	7
14. At this cruise company newly recruited employees are given induction and training to make them efficient and effective in their work	1	2	3	4	5 6	7
15. At this cruise company front-line employees regularly undergo training and development to enhance their skills at quality service delivery.	1	2	3	4	5 6	7
16. At this cruise company the organization facilitates quality performance by ensuring that employees have adequate facilities and supplies with which to work as they are needed.	1	2	3	4	5 6	7
17. At this cruise company the organization facilitates quality performance by ensuring that employees have a safe and healthy place in which to work	1	2	3	4	5 6	7
18. At this cruise company those who make promises to customers (e.g. sales and advertising people) regularly communicate with customer service employees.	1	2	3	4	5 6	7

Multicultural effectiveness: The following statetments reflect on how you adjust and adapt onboard in a multicultural working environment.

To what extent do the following statements apply to you?

Totally not applicable(1), Not applicable(2), Slightly inapplicable(3), Neutral(4), Slightly applicable(5), Applicable(6), Perfectly applicable(7)

1.I pay attention to the emotions of others	1	2	3	4	5 6	7
2.I am a good listener	1	2	3	4	5 6	7
3.I sense when others get irritated	1	2	3	4	5 6	7
4.I work according to strict rules	1	2	3	4	5 6	7
5.I work according to plan	1	2	3	4	5 6	7
6.I work according to strict scheme	1	2	3	4	5 6	7
7.I take the lead	1	2	3	4	5 6	7
8.I leave initiative to others to make contacts	1	2	3	4	5 6	7
9.I find it difficult to make contacts	1	2	3	4	5 6	7
10.I worry	1	2	3	4	5 6	7
11.I get upset easily	1	2	3	4	5 6	7
12.I am nervous	1	2	3	4	5 6	7
13.I try out various approaches	1	2	3	4	5 6	7
14.I am looking for new ways to attain his or her goal	1	2	3	4	5 6	7
15.I start a new life easily	1	2	3	4	5 6	7

Satisfaction: The following set of statements relates to how you rate your **satisfaction** with the your organization.

Please, indicate the level of agreement and disagreement with the following statements:

Strongly disagre (1), Disagree(2), Somewhat disagree(3), Neither agree or disagree(4),

1. Would you recommend this organization to someone else?	1	2	3	4	5 6	7
2. I am satisfied with my decision to work for this organization			3	4	5 6	7
3. My choice to work for this organization was a wise one	1	2	3	4	5 6	7
4. I feel that my experience with the organization has been enjoyable	1	2	3	4	5 6	7

Somewhat agree(5), Agree(6), Strongly agree(7)

Turnover Intentions:

The following statement reflects on your feelings about your future with this organization

Please, indicate the level of agreement and disagreement with the following statements: Strongly disagre (1), Disagree(2), Somewhat disagree(3), Neither agree or disagree(4), Somewhat agree(5), Agree(6), Strongly agree(7)

I think a lot about leaving this organization	1	2	3	4	5 6	7

What is your gender?
Male
Female
How old are you?
How many years have you been working in the industry?
Less than 6 months
From 1 to 3 years
From 3 to 5 years
More than 5 years
What is your nationality?
What department do you work for?

General Information

Appendix 2 – SPSS Output

Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Adequacy.	.863	
	Approx. Chi-Square	924.741
Bartlett's Test of Sphericity	df	153
	Sig.	.000

Total Variance Explained

Component	Initial Eige	envalues	Extraction Sums of Squared Loadings					
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %		
1	8.809	48.936	48.936	8.809	48.936	48.936		
2	1.525	8.473	57.410	1.525	8.473	57.410		
3	1.172	6.512	63.922	1.172	6.512	63.922		
4	1.065	5.915	69.837	1.065	5.915	69.837		

Pattern Matrix

		Co	mponen	t
-	1	2	3	4
Work hours	.929			
Treatment and care	.883			
Commitment	.705	.300		
Payment and benefits	.656			
Employees' feedback system	.614			
Rewards	.599			.394
Coaching and supervision	.565			.318
Marketing department communication	.556			
Initial training		.927		
Training to anticipated customer needs		.923		
Training for QSD		.758		
Empowerment		.625		

MULTICULTURAL SERVICE QUALITY PERCEPTIONS 81

Mission and vision's orientation	.420	524	
Adequate facilities	.442 .40)5 .469	
Safe working conditions	.427	.429	.347
Communication of error free service			.789
Mission and vision's communication		484	.502
Management availability	.361		.444

Multiple Regression Analysis – Perceptions of service quality predictability on job satisfaction

Correlations

		Job	Perceptions
		Satisfaction	
Deaman	Job	1.000	.509
Pearson	Satisfaction		
Correlation	Perceptions	.509	1.000
	Job		.000
Sig. (1-tailed)	Satisfaction		
	Perceptions	.000	
	Job	76	76
N	Satisfaction		
	Perceptions	76	76

$ANOVA^a$

Mod	del	Sum of	df	Mean	F	Sig.
		Squares	Square			
	Regression	38.170	1	38.170	25.855	$.000^{b}$
1	Residual	109.247	74	1.476		
	Total	147.417	75			

a. Dependent Variable: Satisfaction

b. Predictors:(Constant) – Perceptions of service quality

Coefficients'

Model		Unstandardized		Standardized	t	Sig.		
		Coeffi	cients	Coefficients				
		В	Std. Error	Beta				
1	(Constant)	2.335	.539		4.330	.000		
	Perceptions	.581	.114	.509	5.085	.000		
a. Dependent Variable: Job Satisfaction								

Multiple Regression Analysis – Job Satisfaction predictability on Turnover Intentions

Correlations

Correlations			
		TI	Job
			Satisfaction
Daggan	TI	1.000	.534
Pearson	Job	.534	1.000
Correlation	Satisfaction		
	TI		.000
Sig. (1-tailed)	Job	.000	
	Satisfaction		
	TI	76	76
N	Job	76	76
	Satisfaction		

$ANOVA^a$

Mode	el	Sum of	df	Mean	F	Sig.		
		Squares		Square				
	Regression	57.921	1	57.921	23.864	$.000^{b}$		
1	Residual	179.606	74	2.427				
	Total	237.526	75					
a. Dependent Variable: Turnover Intentions								
b. Pro	edictors: (Consta	ant), Job Satisfac	ction					

Coefficients

Model		Unstandardized		Standardized	t	Sig.
_		Coefficients		Coefficients		
		В	Std. Error	Beta		
	(Constant)	.127	.599		.212	.000
1	Job	.549	.112	.494	4.885	.000
	Satisfaction					

a. Dependent Variable: Turnover Intentions

ONE WAY ANOVA - Job Satisfaction and Country of Origin

Test of Homogeneity of Variances

Job satisfaction	<u>, , , , , , , , , , , , , , , , , , , </u>			
Levene	df1		df2	Sig.
Statistic				
3.052		5	70	.015

Robust Tests of Equality of Means

Job Satisfaction	on			
	Statistic ^a	df1	df2	Sig.
Welch	1.962	5	8.651	.182
Brown-	2.256	5	4.347	.214
Forsythe				

a. Asymptotically F distributed.

ANOVA

Job Satisfaction					
	Sum of	df	Mean Square	F	Sig.
	Squares				
Between	20.941	5	4.188	2.318	.052
Groups					
Within Groups	126.476	70	1.807		
Total	147.417	75			

Multiple Comparisons						
Dependent Variable:	Job Satisfaction					
Tukey HSD						
(I) Nationality	(J) Nationality	Mean	Std. Error	Sig.	95% Confide	ence Interval
		Difference			Lower	Upper Bound
		(I-J)			Bound	
	Central Europe	-1.09028	.50094	.262	-2.5581	.3776
	Baltic States	03472	.97652	1.000	-2.8960	2.8266
Eastern Europe	Western Europe	74306	.59272	.809	-2.4798	.9937
	USA/Canada	-1.03472	.46308	.236	-2.3916	.3222
	Other	-1.13889	.44806	.126	-2.4518	.1740
	Eastern Europe	1.09028	.50094	.262	3776	2.5581
	Baltic States	1.05556	1.05079	.915	-2.0234	4.1345
Central Europe	Western Europe	.34722	.70844	.996	-1.7286	2.4230
	USA/Canada	.05556	.60416	1.000	-1.7147	1.8258
	Other	04861	.59272	1.000	-1.7854	1.6881
	Eastern Europe	.03472	.97652	1.000	-2.8266	2.8960
	Central Europe	-1.05556	1.05079	.915	-4.1345	2.0234
Baltic States	Western Europe	70833	1.09751	.987	-3.9242	2.5075
	USA/Canada	-1.00000	1.03327	.927	-4.0276	2.0276
	Other	-1.10417	1.02663	.889	-4.1123	1.9040
	Eastern Europe	.74306	.59272	.809	9937	2.4798
	Central Europe	34722	.70844	.996	-2.4230	1.7286
Western Europe	Baltic States	.70833	1.09751	.987	-2.5075	3.9242
	USA/Canada	29167	.68219	.998	-2.2906	1.7072
	Other	39583	.67209	.991	-2.3651	1.5735
	Eastern Europe	1.03472	.46308	.236	3222	2.3916
	Central Europe	05556	.60416	1.000	-1.8258	1.7147
USA/Canada	Baltic States	1.00000	1.03327	.927	-2.0276	4.0276
	Western Europe	.29167	.68219	.998	-1.7072	2.2906
	Other	10417	.56109	1.000	-1.7482	1.5399
	Eastern Europe	1.13889	.44806	.126	1740	2.4518
	Central Europe	.04861	.59272	1.000	-1.6881	1.7854
Other	Baltic States	1.10417	1.02663	.889	-1.9040	4.1123
	Western Europe	.39583	.67209	.991	-1.5735	2.3651
	USA/Canada	.10417	.56109	1.000	-1.5399	1.7482

ANOVA - Perceptions of service quality and country of origin

Test of Homogeneity of Variances

Perceptions				
Levene	df1		df2	Sig.
Statistic				
1.687		5	70	.149

Robust Tests of Equality of Means

Perceptions					
	Statistica	df1		df2	Sig.
Welch	1.992		5	18.186	.128
Brown-	1.718		5	40.933	.152
Forsythe					

a. Asymptotically F distributed.

ANOVA

Perceptions									
	Sum of	df	Mean Square	F	Sig.				
	Squares								
Between	10.504	5	2.101	1.436	.222				
Groups									
Within Groups	102.411	70	1.463						
Total	112.915	75							