RELATIONSHIP BETWEEN RISK TAKING PROPENSITY AND JOB PERFORMANCE OF HOTEL BUSINESS IN OFFA, KWARA STATE

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Abstract

The aim of the study is to examine the relationship between risk taking propensity and job performance of hotel business in Offa, Kwara State. The research is both explanatory and quantitative design which helped in establishing the nature of the relationships between risk taking propensity and job performance. The total number of staff members for all the active hotels in Offa is 210 which formed the population of the study but the sample size for the study is140 staff members using cross-sectional single period data collected through questionnaire administration.. Descriptive Statistics and pearson correlation were used for the analysis with the aid of SPSS 20.0. The study revealed that, risk taking propensity has a strong positive and significant relationship with job performance with r=0.819, p<0.05. The study concluded that risk taking propensity has positive relationship with job performance. Therefore it was recommended that, hotel staff should be confident and shelve all forms of fear while doing their job as this will improve quality of their work and their performance rating in the hotels.

***Keywords**:* Hazards, Hotel Business, Job Performance, Quality of work, Risk Taking Propensity.

Introduction

Risk taking propensity is a determinant of decision risk for effective performance. It means an individual's current tendency to take or avoid risks. It is conceptualized as an individual trait that can change over time and thus is an emergent property of the decision maker. The implication of this to staff in hotel business is their tendency to effectively do the job they are

employed for in spite the day-to-day body punishing and tiring nature of hotel business. These ranges from housekeeping, room servicing and working the front desk for long with typically unsociable hours.

Hotels today are competitive and offer more amenities to their guest and this results to increase of workload and unseen safety hazards that can lead to serious workplace injury. The common risk factors that staff working in hotels face are ergonomic hazards such as pushing carts, lifting heavy luggage, struggling through heavy doors and turning over mattresses that can sometimes weigh more than 100 pounds; fire safety hazards which are often manifested in electric faults, cooking appliances and poor means of escape; and slips, trips, falls and poor ventilation that could cause infectious diseases among hospitality employees. Others are harassment and violence, muscle injuries and respiratory problems. These hazards constitute risk for the hotel staff that causes them illness, discomfort and poor health.

Insofar as such job is tense with risk and uncertainty (Gasse, 1982), risk propensity has been regarded as an important determinant of the job performance (Nabi & Liñán 2013). As one of the psychological characteristics, risk propensity describes "the general tendency of a decision maker to take or avoid risks" (Sitkin & Pablo, 1992). However, the empirical findings regarding the influence of risk propensity on job performance are inconclusive, with some studies finding a positive relationship (Stewart& Roth, 2001), and others finding a negative relationship (Miner & Raju, 2004). These inconsistent findings suggest that the mechanisms linking risk propensity and job performance particularly in hotel business are ambiguous. Therefore, scholars have called for more studies to further clarify the nature of the intervening mechanisms in this relationship (Stewart & Roth, 2004). The study basically aimed to determine the relationship between risk-taking propensity and job performance of hotel staff in Offa.

Research Question

i. What is the relationship between risk-taking propensity and job performance of hotel staff in Offa?

Research Hypothesis

$H_0$1: There is no significantrelationship between risk-taking propensity and job performance of hotel staff in Offa

Conceptual Issues

Job Performance

Murphy and Kroker (1988) defines job performance as tasks that comprise standard job descriptions, and declares that it is also affected by variables such as maintaining good interpersonal relations, absenteeism, and withdrawal behaviors, substance abuse and other behaviors that increase hazards or risk at the workplace (Murphy, 1989). Befort and Hattrup (2003) indicate that the essence of job performance relies on the demands of the job, the goals and the mission of the organization and the beliefs of the organization about which behaviour are mostly valued. Carmeli (2003) emphasized that employees with a high level of risk taking can manage their emotions in terms of retaining a positive mental state which can lead to improved job performance.

Risk Taking Propensity

While risk-taking has mostly been seen as a defining property of entrepreneurship (Cantillon, 1734; Schumpeter, 1934; Hisrich and Peters, 1998), risk-taking propensity could be regarded as a general individual's current tendency to take or avoid risks associated with his/her job. Risk-taking propensity also means a person’s orientation to take risks. Risk taking propensity is one of several specific enduring personality characteristics — traits (Rauch &Frese,2007) and can be taken as the perceived probability of getting the compensations related to the accomplishment of aimed circumstances (Brockhaus, 1980).The propensity for risk taking is a function of perceived probability of receiving the rewards associated with success of a proposed situation, which is required by an individual before he will subject himself to the consequences associated with failure. It was asserted that, the process of being a performing worker in any establishment may increase the desire for moderate levels of risk, thus causing a larger percentage of successful employees to appear as moderate risk takers. But, those people who have a propensity for low or high levels of risk may tend to cease being intraprenure (i.e. entrepreneur within as established organization) at a greater rate than do those who have a propensity for moderate levels of risk (Robert, 1980). A very few studies is available on the risk taking behaviour as leading to personal growth initiatives or improved job performance. This area is not been exploited yet by many researchers.

In a study to demonstrate a newly-developed risk-taking scale, a clear five-factor pattern emerged for general risk propensity, described as; a combination of high extraversion, openness, low neuroticism, agreeableness, and conscientiousness (Nicholson, Soane, Fenton-O'Creevy, &Willman, 2005). Using a combination of traits to identify risk-taking propensity by type of risk taken, those with low conscientiousness combined with high extraversion and/or high neuroticism have been identified as individuals with risk-taking propensity (Castanier, Le Scanff, & Woodman, 2010). Low neuroticism/sensitive alone has also been associated with an increase in risk taking (Vollrath, Knoch, &Cassano, 1999), yet this finding has been inconsistent in other studies (Costa & McCrae, 2012). Openness to experiences and extraversion has also been positively correlated to sensation-seeking (Costa & McCrae, 1992), which has been positively correlated with risk-taking behaviours (Mishra & Lalumiere, 2011). It is evident that determining risk propensity using the five traits is complex.
Studies have also used criteria of risk lover, risk neutral and risk averse as measures to classify level of risk propensity. It was argued that performing staff are both risk lovers but not extreme risk lovers (Kets de Vries, 1977) and risk avoidant Giuniper*oet al*., 2008), which led to Miner and Raju (2004) conclusion that, the role of risk propensity of staff remains unresolved. Conclusively, this study hold the position that, risk-taking propensity may be related to intrepreneur at moderate levels of risk-taking, whereas at the risk taking extremes (very high or very low) the relationship may be unclear.

Underpinned Theory of Risk Taking (RTT):

This study is anchored on risk taking theory of Richard Cantillon and John Stuart Mill. The theory perceives individuals as having a mental education that stimulates them to take calculated risk for which future stream of benefits are guaranteed and people taking big risk have to contend with a great responsibility (Alam&Hossan, 2003). The summary of the theory is that effective job orientation improves the ability, capability and potentials of individuals to undertake risks for which economic benefits are ensured.

Empirical Review

In the study conducted by Antoncic (2018), using country as a moderated hypothesison the relationship between an individual's risk-taking propensity and job performance (behaviors or intentions of the person) was conceptually developed and empirically tested in this study. The personal characteristics of individuals taking risk in their job can be importantly

related to their behaviour in the job. The data collection was performed through a structured questionnaire. Multi-nominal logistic regression was used for analyzing data obtained from 1,414 workers in six countries. The crucial contribution of this research is the clarification of the character of risk-taking propensity in business and the indication that the risk-taking propensity job performance relationship can be moderated contingent on power distance.

Hyrsky and Tuunanen (2016)presented study that centered on innovativeness and risk-taking for a comparison of entrepreneurial behaviour between Finnish and U.S. entrepreneurs and small business owners. The Car land Entrepreneurship Index (CEI) was employed to measure the varying degrees of innovativeness and risk-taking displayed by Finnish and U.S. entrepreneurs and small business owners. The Americans (N=456) had greater risk-taking propensity than the Finns (N=434) who tended to be more conservative and risk-averse. Americans also exhibited slightly higher levels of innovation. Regarding gender, in the combined Finnish and U.S. sample, females had higher levels of innovation preference than the males. Meanwhile, male respondents scored significantly higher on risk-taking. In both countries respondents with detailed business awareness had much higher risk-taking propensity and preference for innovation than those with no detailed plans. Finally, profit and growth oriented informants in both countries scored higher on both scales compared to those oriented to earning family income.

Research Method

This study employed explanatory design to examine the relationships between risk taking propensity and job performance of hotel staff in Offa. In addition, the present study employed survey method to collect data using self-administered questionnaire to staff members of hotels in Offa. There are 13 active Hotels in Offa but only ten (10) hotels was considered in the study due to information accessibility and up-to-date record keeping. The study relied on the number of hotel staff for these ten (10) hotels obtained from the association of hotel operators in Offa which is 210 staff members. The sample size was calculated with the aid of Dillman's (2007) formula for determining a sample size as shown in the equation below:

$$n = \frac{(Np)\,(p)\,(1-p)}{(Np-1)\,(B/C) + (p)\,(1-p)}$$

Where:

n = complete sample size needed for desired level of precision, N= size of population

p = the population proportion expected to choose among the two response categories

B = sample error, C = confidence level

Hence, the sample size of this study is determined as follows:

$$n = \frac{(210)\,(0.5)\,(1-0.5)}{(210-1)\,(0.05/1.96)2 + (0.5)\,(1-0.5)}$$

$$n = \frac{(105)\,(0.5)}{(200)\,(0.025510)2 + 0.5 \times 0.5}$$

$$n = \frac{52.5}{(200) \times 0.000651 + 0.25}$$

$$n = \frac{52.5}{0.3802}$$

$$n = \underline{138}$$

From the above calculation, the minimum sample size for the study as calculated is one hundred and thirty eight (138). One hundred and fifty (150) copies of questionnaire were distributed which is slightly above the minimum sampled size of 138 calculated. This is because it was anticipated that not all the administered copies of questionnaire would be returned and usable for the research. Based on this expectation, one hundred and forty (140) copies out of the 150 copies distributed were returned and usable for the study which is 67% of the total population and considered adequate representation of the population. Simple random sampling method was adopted in the sample selection process. The questionnaire is divided into three sections. Section A sought demographic characterization of the respondents, section B sought to obtain the risk taking propensity of the workers while section C elicited suggestions on the performance of the staff. Pearson correlation was adopted to analyze the data for test of the hypothesis with the aid of statistical package for social science (SPSS). This is because the data from the research instrument was normally distributed and in ordinal form. Job performance is measured by the scale developed by Dubinsky and Mattson (1979), and was modified by Singh, Verbeke and Rhoads (1996) while the risk taking propensity was from the work of Sitki and Weingart (1995). Participants were asked to rate each of the items using a 5-point Likert scale of 1=poor performance to 5= excellent performance and 1=strongly disagree to 5= strongly agree respectively for job performance and risk taking propensity.

Findings

Table 1: Means, Standard Deviations and Cronbach's Alphavalues of the Variables

		Risk Taking Propensity	Job Performance
N	Valid	140	140
	Missing	0	0
Mean		16.30	20.80
Std. Deviation		1.754	2.441
Cronbach's Alpha		Cronbach's Alpha on Standardized Items	N of Items
.874		.900	2

Source: SPSS Computation, 2021

As can be seen from the Cronbach Alpha values reported in Table.1 which is 0.874, items that measured the variables of the study maintained high internal consistency.

Table 2: Correlations between risk taking propensity and job performance

Correlations			
		Risk Taking Propensity	Job Performance
RTP	Pearson Correlation	1	.819**
	Sig. (2-tailed)		.000
	N	140	140
JP	Pearson Correlation	.819*	1
	Sig. (2-tailed)	.000	
	N	140	140
*. Correlation is significant at the 0.05 level (2-tailed), N=140.			

Source: SPSS Computation, 2021

Bivariate correlations between risk taking propensity and job performance variables involved in the research are reported in Table 2. The risk taking propensity has a strong positive and significant correlation with job performance ($r = 0.819$, $p < 0.05$).However, hotel staff with high propensity to take risk is likely to perform better in his/her jobs. That is, the resilience of any staff to bear the pains and the tiring nature of hotel tasks would evidently improve his/her performance on the job. In line with the hypothesis stated, the study concluded that, there is significant relationship between risk-taking propensity and job performance of hotel staff in Offa.

Conclusion and Recommendations

Just like the study of Brockhaus (1980), in this study it was also established that risk taking propensity has positive relations with job performance. From the scale adopted, the study has shown that, the result support how risk taking is related to quality of work done, target achieved, performance rating, customer relation, efficient management and expertise as components of job performance. A plausible reason for this finding may be that the study is limited only on the staff of hotel in Offa, Kwara State.

Based on the conclusion from the empirical findings of this study, the following steps should be taken serious:

i. That staff should be confident while doing their job as this will surely improve quality of their work and their performance rating in the hotels.
ii. The management of the hotels should ensure that customer-staff relationship is enhanced at all times for improved socialization on the job.
iii. Since staff expertise and efficient management of resources is also related to risk taken propensity, the staff should be trained adequately to know the details of the jobs. It is believed that, when their knowledge of the job domain improves, their propensity to take risk will be high in spite the hazard in the job.

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