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Myth Busting

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Abstract

[Excerpt] Pure research and applied research play many roles. In part, pure research contributes to the overall development of science, the slow and gradual process by which knowledge is added "to the ever growing stockpile that constitutes scientific technique and knowledge." As such, scientific pieces contribute largely to the knowledge base of other scientists, who continue an incremental process designed to learn more about how the world works. Applied research has the added goal of making sure research findings have an effect on the way people actually do things. Journals such as the *Cornell Hotel and Restaurant Administration Quarterly* play a role here, serving as a forum for communicating applied research findings in a way that may help practitioners develop ideas for what to do differently in practice. But research also serves what I see as an even more critical role in applied settings, that is, myth busting. Research needs to test (and often falsify) the "common sense" theories that many people hold but that, in fact, are not supported by actual data.

Keywords

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Comments

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From the Editor

Myth Busting

Pure research and applied research play many roles. In part, pure research contributes to the overall development of science, the slow and gradual process by which knowledge is added “to the ever growing stockpile that constitutes scientific technique and knowledge.”¹ As such, scientific pieces contribute largely to the knowledge base of other scientists, who continue an incremental process designed to learn more about how the world works. Applied research has the added goal of making sure research findings have an effect on the way people actually *do* things. Journals such as the *Cornell Hotel and Restaurant Administration Quarterly* play a role here, serving as a forum for communicating applied research findings in a way that may help practitioners develop ideas for what to do differently in practice. But research also serves what I see as an even more critical role in applied settings, that is, myth busting. Research needs to test (and often falsify) the “common sense” theories that many people hold but that, in fact, are not supported by actual data.

Albert Einstein called common sense “the collection of prejudices acquired by age eighteen.” I am not suggesting that common sense in business is a bad thing. Indeed, a failure of common sense often leads to massive failures or lawsuits that make one wonder



what the individuals were thinking. But when it comes to “theory,” as often implicitly held by business professionals and students, there are certain perspectives that continue to hold sway despite evidence suggesting that they just do not hold water.

Take, for example, one of my pet peeves as a professor of human resources: the common sense theory that “a happy employee is a high-performing employee.” Every year

that I have taught introduction to human resources, I find that this is a pervasive view. I also come across this view among many practitioners and often professors from other fields. While in no way am I advocating that employees be made unhappy, the research evidence strongly shows that the relationship between job satisfaction and job performance is a moderate correlation of 0.30.² Furthermore, it is not clear how much of this variance is job satisfaction’s causing job performance versus high performance’s causing greater job satisfaction. The resultant problem is that if one believes that job satisfaction causes higher job performance, and if one falsely believes this relationship to be strong, one will pursue human resource or managerial strategies that will not be highly effective or efficient.

While the example above is but one myth, others pervade. Myths, heuristics, and common sense theories

should all be tested through research to help guide practitioners. In fact, I would argue that this sort of research is perhaps the most important, as these untested beliefs play such a large role in guiding decision makers.

It should also be clear that not all common sense theories are wrong. But it is my view that they should all be tested, and I feel that the *Cornell Quarterly* is the sort of outlet where such findings should be communicated. For example, Skogland and Siguaw showed that there was only a weak connection between guest satisfaction and loyalty,³ contradicting a connection that many people have believed and propounded for decades. In a recent book, Keiningham et al. present abundant evidence that the view that customer loyalty has a straightforward, direct relationship with organizational success is too simplistic.⁴ As a whole, the research discussed above suggests that the extremely popular Service-Profit Chain—which suggests that having happy employees leads to high-performing employees, which leads to happy customers, which leads to loyalty, which leads to greater profits—may truly benefit from in-depth research attention.

The *Cornell Quarterly* has served as an outlet to test many other myths. O'Neill tested the rule of thumb that a hotel should generate \$1,000 in value per room per \$1 in average daily rate.⁵ While his analyses provided some fine-tuning to the heuristics, it was largely supported. On the other hand, Parsa et al. showed that the failure rate of restaurants is dramatically lower than the often-cited statistic that 75 percent of new restaurants fail within the first year and that 90 percent fail within three years.⁶ Similarly, Lynn showed that counter to common perception, tips to

servers are only weakly related to ratings of service quality.⁷

My point here is that many myths exist in many fields; my goal here is to encourage more research specifically intended to test these myths. Not only is this an important part of science, but it is also one of the most important contributions that a journal such as the *Cornell Quarterly* can make.

—M.C.S

Endnotes

1. T. S. Kuhn, *The Structure of Scientific Revolutions*, 2nd ed. (Chicago: University of Chicago Press, 1970).
2. A large-scale meta-analysis was conducted by T. A. Judge, C. J. Thoresen, J. E. Bono, and G. K. Patton, "The Job-Satisfaction-Job Performance Relationship: A Qualitative and Quantitative Review," *Psychological Bulletin* 127, no. 3 (2001): 376-407. This study examined 312 separate samples, with a total sample size of 54,417. They showed the average observed correlation to be 0.18 and the average correlation corrected for unreliability to be 0.30.
3. I. Skogland and J. A. Siguaw, "Are Your Satisfied Customers Loyal?" *Cornell Hotel and Restaurant Administration Quarterly* 45, no. 3 (2004): 221-34.
4. T. L. Keiningham, T. G. Vavra, L. Aksoy, and H. Wallard, *Loyalty Myths: Hyped Strategies that Will Put You Out of Business—and Proven Tactics that Really Work* (Hoboken, NJ: John Wiley, 2005).
5. J. W. O'Neill, "ADR Rule of Thumb: Validity and Suggestions for Its Application," *Cornell Hotel and Restaurant Administration Quarterly* 44, no. 4 (2003): 7-16.
6. H. G. Parsa, J. T. Self, D. Njite, and T. King, "Why Restaurants Fail," *Cornell Hotel and Restaurant Administration Quarterly* 46, no. 3 (2005): 304-22.
7. W. M. Lynn, "Tip Levels and Service: An Update, Extension, and Reconciliation," *Cornell Hotel and Restaurant Administration Quarterly* 44, nos. 5, 6 (2004): 139-48.