

A Supple Way to Induce Loyalty Among The Employees

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Abstract

Background/Objectives: Employees play a pivotal role in the hotel industry's success. In order to retain the employees, a loyal workforce must be created within the hotel industry.

Methods/Statistical analysis: The structural relationship among job based determinants, employee retention, job satisfaction and employee loyalty among star category hotel employees was analyzed by employing path analysis.

Findings: The structural relationship among job based determinants, employee retention strategies, job satisfaction and employee loyalty was analyzed by employing path analysis. The goodness-of-fit statistics indicate that the hypothesised model fits the data gathered adequately well.

Improvements/Applications: In order to increase the employee belongingness, the hotels should make the employees know all the happenings in the hotel by the way of being transparent.

Keywords: Job satisfaction, employee loyalty, path analysis.

1. Introduction

Hotel industry is a highly budding, productive and spirited market. Huge employee turnover, heavy competition, rising globalisation, increased employee acquisition cost and the rising employee expectation are the problems faced by the Indian hotel industry. The performance of the hotels directly depends on the employees' efficiency.

Employees act as the key investment for the hotel industry. Now-a-days employees have lots of job opportunities, as India is booming with many hotels. It is in the hands of hotel industry to take immense effort to retain their employees. The management should identify the factors that contribute to the job satisfaction of the employees and employee loyalty, as this is the primary step in retaining their valuable employees. The special effects of work commitment on turnover intention were meaningfully moderated by generational variances. When loyalty levels of the employee working in hotel industry decrease, then the employee intention to quit the hotel industry will increase. Job satisfaction also plays a major role in this. This implies that hotels should pay attention in maintaining employee job satisfaction because it helps in increasing employee retention.

There has been a huge increase in the application of new-fangled technologies in virtually every feature of hotel operations and management. Technology has traditionally been observed as the key to efficiency in production industries. Conversely, technology has been a main compound that has assisted service firms to transform their service offers and add value to what they deal their internal and external clients.

In a customer oriented industry like hotel industry, employees are the first customers. The management should treat them like guests in order to increase their satisfaction levels with the job. Job satisfaction will not only increase productivity but also the work quality. Instead of identifying ways to improve employee commitment towards their job, the hotels should try to find out the desires of employees. This in turn will help in increasing the devotion of the employees towards the hotel.

The job satisfaction among the employees depends on benefits package, training and development, relationship with supervisor, working conditions, teamwork and cooperation, recognition and rewards, empowerment and communication. Whereas, employee loyalty is a result of the satisfaction that arise from satisfaction variables such as, recognition and rewards, working conditions, teamwork and cooperation, and relationship with supervisor [1]. Job Satisfaction plays a key role in increasing the overall productivity of the organization and employee loyalty [2]. In [3] his study found that performance appraisal played a key role in employee loyalty and job satisfaction relationship.

Job satisfaction and organizational commitment are positively related to performance appraisal and employee turnover is negatively related.

Satisfaction of the employees increases the loyalty levels [4]. This implies that when job satisfaction of the employees increases it will result in increasing employee loyalty. Employee dissatisfaction decreases employee morale resulting in employee turnover. It will ultimately lead to employee resignation. According to the research of [5], data was collected from a survey in 29 hotels from 580 customers in India. It was inferred from fractional least square technique that there is a direct effect of both training and recompense on the dimensions of service-oriented citizenship activities. When training and compensation are increased it will have significant impact on organisational citizenship behaviour among hotel employees.

According to [6] four dimensions have great effect in boosting job satisfaction. They are co-worker relations, salary, supervision and efficiency in work. When the commitment and belief of the employees increases towards the organisation it is referred as employee loyalty. The employees will remain in the same organization and will not search for alternative jobs or attractive offers [7]. The research conducted by [8] investigated on many studies on job satisfaction led to the formation of 17 main groups. It comprises of salary, supervisor management, recognition, empowerment-participative management; Teamwork and cooperation; reward and promotion; training program, working condition career development;; communication; cooperate culture; family-friendly policy; compensation; job itself; organization as a whole; performance management; emotional exhaustion; demographics, co-worker relations and recruitment.

Rationale of the Study

Enhancement of employee retention is made possible by job satisfaction and employee retention. When the hotel industry achieves success in building a loyal workforce, then the employees will stay attached towards the hotel and the retention rate of the employees' increases. The aim of the study is to identify the key determinants that have impact on job satisfaction. Structural path analysis is used to exhibit a relationship between the job satisfaction and employee loyalty.

2. Findings and Discussions

Path analysis was employed to develop a structural relationship among job based determinants, job satisfaction employee retention and employee loyalty among star category hotel employees and the results are presented in Table 1.

For the model, path coefficients are illustrated in Table 1. Path coefficients are positive and have significant (p -value < 0.05). The path diagram for employee loyalty is presented in Figure 1. The model fit parameters are presented in Table 2. For the model proposed, the Goodness-of-Fit Index (GFI) obtained is 0.980. The Root Mean Square Error of Approximation (RMSEA) for the model is 0.01; as the above values are good we can conclude that the hypothesised model adequately fits the data.

Root Mean Square Residual (RMR) value of the proposed model is 0.02 indicates that the model is well fit. Another goodness-of-fit statistic used for hypothesised model is Comparative Fit Index (CFI). CFI value for the proposed model is 0.972 which is closer to 1.000 and it is inferred that there is an adequate foot of the datto the model.

3. Suggestions and Recommendations

In order to induce enthusiasm among the employees, employee engagement plays a vital role. Employee engagement results in building a committed workforce leading to a positive business outcome. Because when the employees are committed to work, the productivity of the business increases. In order to create a work environment that have employees with perfect job fit, that is employees have the required qualities specified by the hotel, the employees' emotional bonding/ attachment towards the hotel should be strong. The management should ensure in maintaining an efficient and effective internal communication systems among all the levels of employees. Internal communication will enable the employees to be loyal with their hotels and thereby increasing their trust. If the

management expects their employees to be loyal then the hotel management should be loyal as loyalty is a dual process. In order to increase the employee belongingness, the hotels should make the employees know all the happenings in the hotel by the way of being transparent.

Figure 1. Path diagram for employee loyalty

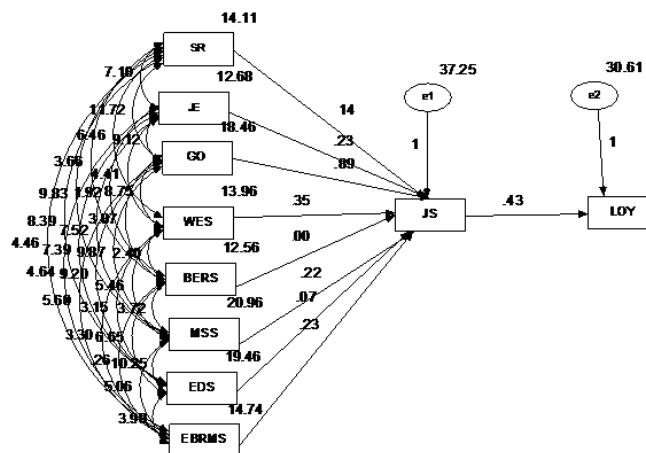


Table 1. Structural path analysis

Path	Standardized Coefficients	T test	P-Value
Job Satisfaction ← Work Environment Strategy (WES)	0.347	3.880	0.000
Job Satisfaction ← Skill Requirements (SR)	0.241	6.224	0.000
Job Satisfaction ← Job Etiquette (JE)	0.230	2.259	0.000
Job Satisfaction ← Growth Opportunity (GO)	0.891	8.359	0.000
Job Satisfaction ← Building Employee Relationship Strategy (BERS)	0.002	0.022	0.983
Job Satisfaction ← Managerial Supportiveness Strategy (MSS)	0.223	2.859	0.000
Job Satisfaction ← Employee Development Strategy (EDS)	0.065	0.775	0.438
Job Satisfaction ← Employee Benefit and Reward Management Strategy (EBRMS)	0.234	2.999	0.000
Loyalty (LOY) ← Job Satisfaction (JS)	0.433	15.511	0.000

Table 2. Model fit

Chi-Square Value	P-Value	CMIN/df	GFI	CFI	RMR	RMSEA
15.258	0.000	1.901	.980	.972	0.02	0.01

4. Conclusion

The factors that are important in relating to job satisfaction are work environment strategy, growth opportunity, skill requirements, job etiquette, managerial supportiveness strategy, building employee relationship strategy, employee development strategy and employee benefit & reward management strategy. Secondly, the relationship between job satisfaction and employee loyalty is explained and at last the important factors of job satisfaction and their impact on employee loyalty have been discussed in the study.

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