

EMPLOYEE SATISFACTION AND ORGANIZATIONAL LOYALTY IN THE HOSPITALITY INDUSTRY

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Abstract

The study empirically examined the effect of employee satisfaction on organizational loyalty in the hotel industry. Specifically, it assessed the relationship between compensation/rewards, career development, job security, work environment and employee loyalty. Cross Sectional variant of survey design was adopted for this study. The population of this study covers all employees who are working in the hotel industry in Benin City. A total of 368 copies of questionnaire were administered to employees of the selected hotels in Benin city. Data collected through questionnaire administration were analyzed using descriptive and inferential statistics. These statistics were carried out through the use Statistical Package for Social Science (SPSS) Version 24. The study found that there is a significant impact of employee satisfaction on organizational loyalty. The study recommends that in order to secure and sustain employee satisfaction, fair compensation management will improve the performance loyalty of hotel employee.

Keyword: Career development, Compensation, Employee satisfaction, Job security, Loyalty, Work environment.

Introduction

The last few decades have witnessed significant changes in the potential, quality and performance of the service industry and this has attracted the interest of individuals, government, financial experts, consultants and professionals both in the industry itself and in the field of academics. With the gradual shifting of countries from the base of manufacturing towards a service based economy, both the industry as well as the academia are paying close attention to it (Fitzsimmons & Fitzsimmons, 2006). The service industry consists of a notable network of institutions ranging from specialized banks, insurance companies, capital market, hospitality firms, finance companies and other corporate firms who are in the business of rendering valuable services at a price to the public. Notable among these is the hospitality sector.

The hotel industry is currently booming and is therefore encountering an environment that is highly competitive worldwide. The formulations of strategic marketing plans, strengthening and consolidating of the operations of hotels and upgrading the quality of service delivery have become essential not only for the purpose of performance, but also for the survival and profitability of hotels (Jawahar, 2006). It has been observed in recent time that the hotel business in Nigeria is booming thereby attracting investors from all parts of the world. There is no gainsaying the fact that the hospitality industry in Nigeria is progressing to a state of rapid profitability and constant growth. Overtime, the government has done quite a lot to create an enabling environment for hotel businesses to thrive internally. Reports have shown that there is a continuous inflow of foreign direct investors who want to be part of the process so as to get a piece of the action (Nigerian Tourism Development Corporation, 2016).

However, it has come to light that the growth of the hotel industry in Nigeria is impeded and hindered by the high labor turnover of employees who worked in the hotel industry. Employees who are satisfied are those who are well positioned and they enjoy their positions and feel that their efforts are rewarded. These employees will ultimately be the most successful, as well as the most beneficial to their companies. Naturally, employee satisfaction is used to describe the happiness, contentment of employees and the ability to get their desires and needs at work fulfilled. Employee satisfaction is a key element in employee goal achievement, motivation and morale in the workplace. Even an employee who is a mediocre would like to work and remain in the organization if he is satisfied with the environment in his workplace. Employees' satisfaction directly affects their loyalty in the hotel industry. Employee loyalty can be described as a situation where certain attitudes give rise to certain behaviors. The model chain of relationships between constant profits and rapid growth are linked to the loyalty of customers while customer loyalty is linked to the satisfaction of customer, in turn, customer satisfaction is linked to value of service while service value is linked to productivity and performance of employee, whereas employee productivity is linked to the loyalty of employee, employee loyalty is in turn linked to the satisfaction of employee and employee satisfaction is linked to the internal quality of work life. This study therefore measures the effect of employee satisfaction on organizational loyalty using a case of selected hotels in the Benin Metropolis.

Statement of the Problem

The hotel industry in Nigeria has been recognized as a potential prospect in the growth and development of the service industry. However, it has come to light that this growth is hindered and impeded by the high rates of turnover among employees in the hotel industry (Usman 2009; Charumathi, 2012). Many hotels operating in the hospitality industry face different problems in recruiting and retaining employees since they are unable to identify and itemize those factors that contribute to the satisfaction of employee and the resultant loyalty. Experts in the field of employee retention have affirmed that management of hotels spends millions of dollars to train and induct newly recruited employees to take the place of seasoned and hardworking employees who leave on a yearly basis. It is no more surprising to know that the cost of losing a seasoned and hardworking worker is between half and one-and-a-half times their annual salary (CHA International, 2009). So, recruiting and employing new staff is an exercise that is expensive, time consuming and this affects the organization's bottom line directly. The hotel industry has high rate of turnover and this may be a function of their satisfaction level which in turn affects their loyalty towards their organization (Usman, 2009). This may have a link with the employees' job satisfaction that the company offers. Therefore, organizations should be concerned about their employees' level of job satisfaction because employees' satisfaction increases employee retention. Hence the need for this study.

Although several studies have outlined the theoretical relationship between employee satisfaction and organizational loyalty, disagreements still persist. Hooi (2013) in his study revealed that there is no relationship between employee loyalty and the extent to which Japanese style of managing people impact on workers in the workplace. Kumari and Pandey (2011) found that performance on the job was comparatively high when positive beliefs and affective experiences are significant and thus predominate at a certain level but that performance on the job may be low comparatively at some other times when negative beliefs and affective experiences are significant and predominate. Kabir and Parveen (2011) tested those factors which affect employee satisfaction and suggested that managers of organizations should focus their attention on those identified factors that affect, enhance and improve job satisfaction of employee for high productivity and better performance of the organization. Khuong & Tien (2013) argue that in order to achieve high level of loyalty from employees, firms in the banking sector should achieve high level of job satisfaction, enhance the support of

supervisors, emphasis on teamwork among employees and provide good and enabling working environment. Apart from the divergent views expressed by the researchers above with respect to factors affecting employee satisfaction, they failed to examine the causal dynamics between employee satisfaction and organizational loyalty in the hotel industry and this study fill this need.

However, from the review of the theoretical and empirical literature, it appears that while many studies on employee satisfaction and organizational loyalty in the hospitality industry have been conducted in the developed countries (Gronholdt, Martense, & Kristensen, 2000; Baah & Amoako, 2011; Sell & Cleal, 2011; Bakotic & Babic, 2013; Ineson, Benke, & Laszlo, 2013; Gronholdt & Martensen, 2014), only a few have been conducted in developing countries like Nigeria (Barros & Obijiaku, 2007; Barros, Guglielmo & Ibiwoye, 2008; Usman, 2009). This study therefore set to evaluate the effect of employee satisfaction on organizational loyalty using a case of selected hotels in the Benin metropolis.

Empirical Review

Buhai, Cottini and Nielsen (2008) examined the impact of workplace conditions on firm performance in Denmark. The study used Danish longitudinal register matched employer-employee data, merged with firm business accounts and detailed cross-sectional survey data on workplace conditions. The study revealed that improvement in some of the physical dimensions of the work health and safety environment (specifically, "internal climate" and "repetitive and strenuous activity") strongly impacts the firm productivity, whereas "internal climate" problems are the only workplace hazards compensated for by higher mean wages.

Baah and Amoako (2011) examines Frederick Herzberg's two-factor theory and assesses its application and relevance in understanding the essential factors that motivate the Ghanaian worker. The two-factor theory of motivation explains the factors that employees find satisfying and dissatisfying about their jobs. These factors are the hygiene factors and motivators. The hygiene factors when absent can lead to dissatisfaction in the work place but when fully catered for in the work environment on their own are not sufficient to satisfy workers whereas the motivators referring to the nature of the job, provide satisfaction and lead to higher motivation. This study conclude that what motivates the Ghanaian worker most and creates

the platform for a re-evaluation of the thinking and viewpoint that workers rate motivator factors higher than the hygiene factors in the work setting.

Sell and Cleal (2011) propounded a model on the satisfaction of job by combining variables of economics and environment of work to explain the response of workers in a work environment that is hazardous and with high rewards that are monetary and a work environment that is non-hazardous but with low rewards that are monetary. The study revealed that various forms of variables like social support, place of work, environment of work or psychosocial have direct effect on job satisfaction and that increase in the reward system does not enhance the level of dissatisfaction among workers. Similarly, Catillo and Cano (2012) conducted a study on the level of satisfaction of job among members of the faculty in a college and concluded that if interpersonal relationships, supervision and recognition are given the normal and proper attention they deserve, the level of satisfaction of job will increase. Bakotic and Babic (2013) finds that the condition of work is a very essential ingredient for job satisfaction, and so employees who work under strenuous condition of work are often dissatisfied essentially by means of this factor. In order to enhance the satisfaction of workers carrying out their functions under strenuous conditions of work, it becomes imperative for managers to enhance and improve the employee's condition of work. This will spur them on and bring about the kind of satisfaction that is equal to the satisfaction of those working under circumstances that are normal and viable and this will increase overall performance in return. In addition, Robbins (2001) supports the fact that conditions of work will affect the satisfaction level of employees as they are concerned with a physical environment of work that is comfortable. This in turn this will make job satisfaction level that is positive to be possible. Workers may have the feeling that poor condition of work can only elicit performance that is negative, since the jobs that they do can be challenging both physically and mentally.

Tariq, Ramzan and Riaz (2013) conducted a study in the Telecom sector and found out that variables that are different like salary, stress in the place of work, family conflicts and workload results in the dissatisfaction of employees and this further leads to high labor turnover. At the concluding stage, these factors that are independent negatively impact on the performance of organization which is influenced by these factors negatively. Chandrasekar (2011) argued that it will make more sense for organizations to pay rapt attention to the creation of an enabling environment of work that will enhance the capacity and ability of workers to be diligent and be more resourceful so as to be able to generate and increase profits for service

organizations especially those in the hospitality industry. He went further to say that interactions and relationships among employees and managers are becoming more effective and efficient in job satisfaction instead of placing emphasis on money whereas skills of management, energy, and time are all requirements for enhancing and improving the performance of service organizations on an overall basis and in this current era.

Hassami (2008) in his study found out that that compensation was a very significant factor in determining satisfaction of employees whereas empowering employee was also found to be very significant for the loyalty of employee. Kathawala, Elmuti and Moore (1990) conducted a survey to assess the characteristics of different jobs and how they are ranked by employees as satisfiers and motivators. The findings revealed that the major and significant element for job satisfaction that was ranked was compensation and the major and significant element for motivation was increase in the salary of workers for performance achieved. That goes a long way to show that compensation is a very important tool for employee retention and improved productivity. It also serves as a motivational force for workers that are committed to their organizations and this in turn enhances workers' attraction and employee retention (Zobal, 1998). Besides, it acts as a communicator when an appropriate reward system is administered to a worker for services rendered and this shows how much a worker is valued by the organization he or she is working for (Zobal, 1998).

Hooi (2013) conducted a study on employee satisfaction and organizational loyalty and revealed that there is no relationship between loyalty of employees and the magnitude of human resource management policies adopted and utilized by the Japanese in their place of work. Khare and Pandey (2012) conducted a study on the effect of job satisfaction on commitment of workers and found out that there was an impact of job satisfaction and organizational commitment on employee loyalty. Kumari and Pandey (2011) concluded that the performance of jobs was high when beliefs that are positive and experiences that are affective are important and are as such dominant at a particular point in time but that the performance of jobs may be low at some other points in time when beliefs that are negative and experiences that are affective are important and dominate. Parveen and Kabir (2011) carried out a test on factors that affect satisfaction of jobs and recommended that it is necessary for managers to pay attention to various underlying factors that could influence and improve the satisfaction of employee so that the organization will perform better.

Tien and Khuong (2015) on the basis of their empirical study proposed that to achieve high loyalty of employees, companies in both the hospitality and banking industry should strive to also achieve a very high level of satisfaction of jobs of workers, enhance the support of supervisors and encouraging employees to organize themselves into teams as a way of promoting teamwork, and the provision of work environment that is good and viable. Abugre (2013) opined that that the system of reward in the organization acts significantly to ensuring the increase of the satisfaction of workers, rewards that are high and satisfaction of workers on the job leads to higher performance and productivity of service firms. Schmit (2011) in his investigation discovered that empowering workers impact on satisfaction of jobs positively and significantly. They also went on to explain that there is a difference that is significant between employees whether male or female with respect to the level of satisfaction of jobs; workers who are male were found to have more satisfaction with the jobs they do more than their female counterparts.

Graham (1996) examined the correlation between the satisfaction of employees, satisfaction of customers, efficiency, and financial performance of organizations. The study revealed that employees who are aggrieved have efficiency that is low and high record of absence; and employees who are satisfied are loyal, efficient and innovative. A slight improvement in the satisfaction of job will encourage the workers, resulting in increase in efficiency. In a related study, Gronholdt and Martensen (2014) investigated the correlation between loyalty of employees, loyalty of customers and eventual profitability. The findings revealed that loyalty of workers and loyalty of customers were correlated positively, and likewise loyalty of customers and profitability. Nevertheless, opportunities still abound for other researchers and investigation into loyalty of employees and other characteristics of workers (Gronholdt & Martensen, 2014). Jawahar (2006) discovered that appraisal of performance was key in the analysis of correlation between workers' satisfaction and loyalty of employee in his study. Appraisal of performance is a very vital element of loyalty of employee because it is related positively to the commitment of organization and related to labor turnover negatively. Job satisfaction and commitment of workers to the organizational goals falls into a wider definition of the concept of loyalty. Yousef (2001) analyzed the relationships between job satisfaction, commitment to organization, and turnover plans among casual staff. The findings which were based on a structural equation model lend support for virtually all the hypothesis of relationships in the structural

model. They found out that positive relationships exist between employee job satisfaction and commitment of workers to the organization.

Theoretical Framework

The proposition that the satisfaction of employee enhances the quality of service is based on the social exchange theories (Gouldner 1960; Homans 1961; Blau 1964; Organ 1977). Though different opinion exists on this theory, experts have agreed on the fact that social exchange involves a process of series of connectivity and interactions in order to generate and consolidate obligations (Emerson 1976) that are not specified (Blau 1964). These connections and interactions are seen to be normally independent of other people's action (Blau 1964). The fact remains that exchange requires and involve a transaction that is bidirectional. This means that we give out something and also bring in something in return. The transaction process is capable of bringing about relationships that are of high-quality among all those involved. Equity in social exchanges assumes that many persons want social equity or justice to dominate in transactions that occur interpersonally (Organ 1977; Cropanzano, Rupp & Byrne 2003). When a person is given some kinds of gift whether socially or otherwise in excess of what is expected. He will be grateful and always feel obligated to pay the person back (Gouldner 1960; Organ 1977). These kinds of relationships that are reciprocal and positive gradually translate to trust, loyalty and commitments that are mutual. In this context, when an organization presents working conditions that is favourable, this will make its worker satisfied, and the employee will in turn be committed to going extra mile to perform for the organization as a way of reciprocating the kind gesture extended to him by the employer (Wayne, Shore & Linden, 1997; Flynn 2005), resulting in a level of quality of service that is high. The social exchange equity theory is therefore the framework on which this research is based.

Methodology

Research Design

Survey research design was used to conduct this research. Specifically, we adopted the cross sectional variant of survey research design due to the large number of respondents who participated through questionnaire administration within a particular period of time and where evidence was evaluated and hypotheses generated.

Population of the Study

In this research, the target population are the employees who work in the hospitality firms in Benin City. Record had shown that there are forty-two (42) registered hotels operating in Benin City until January 2020 (Ministry of Culture and Tourism 2019). We focused on hotels because many hotels operating in the hospitality industry face different problems in recruiting and retaining employees since they are unable to identify and itemize those factors that contribute to the satisfaction of employee and the resultant loyalty. The choice of Benin City is because of the wide geographical coverage of hotels that exists and operates in all nooks and crannies of Benin Metropolis.

Sample and Sampling Technique

The sample for this study was taken from its population. For the purpose of feasibility and accessibility and to avoid bias, twenty hotels operating in Benin City were randomly selected. The population therefore consists of all the employees of the various randomly selected hotels operating in Benin City as at March 2020. Since the population of all the staff of the randomly selected hotels cannot be determined, we adopted judgmental sampling technique where we relied heavily on personal judgment to select twenty employees from each of the hotels for the purpose of questionnaire administration. The sample size is therefore restricted to four hundred employees of all randomly selected hotels

Model Specification

Organizational loyalty in the hospitality industry is a function of compensation/rewards, career development, job security and working environment. For the purpose of our study, the model as adapted from the work of Loveman (1998) is thus specified in this explicit form:

$$OL = f(COMP, CARDEV, JOBSEC, WORENV) \dots \dots \dots (1)$$

Therefore,

$$OL = \beta_0 + \beta_1 COMP_i + \beta_2 CARDEV_i + \beta_3 JOBSEC_i + \beta_4 WORENV_i + e_t \dots \dots \dots (2)$$

Where:

OL = Organizational loyalty

β_0 = Constant

β_1 to β_4 = Coefficients of the independent variables

COMP= Compensation/Reward

CARDEV = Career Development

JOBSEC = Job Security

WORENV = Working Environment

e_t = Error term

Our Apriori expectation is stated as: $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$, $\beta_4 > 0$

Validity and Reliability of the Research Instrument

To test the reliability of the questionnaire, we conducted a pilot study. This entails the trial of the larger research design on a small scale. In this research, we circulated a total of (40) copies of questionnaire to the employees who were not part of the sample size but constituted the population. We subjected the successfully retrieved questionnaire to pre-test by making use of the Cronbach-Alpha test. A value of 0.761 was obtained (see table 1). Field (2009) note that a minimum Cronbach-Alpha of 0.70 would be appropriate for any questionnaire administration. On the basis of the computed value of Cronbach (0.761) we say that the instrument is highly reliable.

Table 1: Reliability test for the variables

	No of questionnaire	%
Valid Cases	40	100%
Excluded Cases	0	0
Total	40	100%

Value of Cronbach's Alpha	No of items
0.761	4

Source: *Researchers' Fieldwork (2020)*

Empirical Analysis and Results

Correlation Analyses among Research Variables

Pearson correlation coefficients were conducted on the data for all the dependent and independent variables in the study. The results are shown in Table 1 below:

Table 2: Pearson correlation coefficients among research variables

existing venture duration were presented using graphical illustrations.

		Employee Loyalty	Career Development	Compensation & Reward	Job Security	Workplace Environment
Employee Loyalty	Pearson Correlation Sig. (2-tailed) N	1 368				
Career Development	Pearson Correlation Sig. (2-tailed) N	0.428** 0.000 368	1 368			
Compensation & Reward	Pearson Correlation Sig. (2-tailed) N	0.521** 0.000 368	0.680** 0.000 368	1 368		
Job Security	Pearson Correlation Sig. (2-tailed) N	0.433** 0.000 368	0.565** 0.000 368	0.638** 0.000 368	1 368	
Workplace Environment	Pearson Correlation Sig. (2-tailed) N	0.508** 0.000 368	0.610** 0.000 368	0.690** 0.000 368	0.635** 0.000 368	1 368

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

Source: Authors' Compilation (2020) using SPSS

Table 2 shows that employee loyalty is positively and significantly related to career development ($r=0.428$, $p < 0.05$), compensation and reward ($r=0.521$, $p < 0.05$), job security ($r=0.433$, $p < 0.05$), and workplace environment ($r=0.508$, $p < 0.05$). Bryman and Cramer (1997) stipulated that Pearson's correlation coefficient (r) should not be more than 0.80; otherwise the independent variables that show a relationship of more than 0.80 may be suspected and therefore guilty of multi-collinearity. The results in Table 1 show that none of the correlation coefficients is up to 0.80. This therefore means that there is no form of multi-collinearity in the model.

Model Estimation and Interpretation

This section deals with the estimation and interpretation of the results of the relationship between employee satisfaction (compensation and reward, job security, career development and workplace environment) and organizational loyalty. The results are shown in Tables 2 to 4 below

Table 3: Organizational Loyalty Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.564 ^a	0.741	0.742	0.8201133	1.921

a. Predictors: (Constant), Job Security, Workplace Environment, Career Development, and Compensation & Reward

b. Dependent Variable: Employee Loyalty

Source: Authors' Compilation (2020) using SPSS

The regression result shows that when variables of employee satisfaction (compensation and reward, job security, career development and workplace environment) were regressed on employee loyalty, a coefficient of determination (R^2) value of 0.741 was obtained. This indicates that all the independent variables jointly explain 74.1% of the variation in the variable that is dependent. The Durbin-Watson statistic of 1.921 reveals the absence of first order serial correlation in the model.

Table 4: Employee Loyalty ANOVA^a Results

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	114.175	4	28.544	42.439	0.000 ^b
Residual	244.149	363	0.673		
Total	358.323	367			

a. Dependent Variable: Employee Loyalty

b. Predictors: (Constant), Job Security, Workplace Environment, Career Development, Compensation & Reward

Source: Authors' Compilation (2020) using SPSS

The F-statistic of 42.439 is significant at $p < 0.05$. We therefore conclude that there is a statistically significant relationship between the dependent variable (organizational loyalty and the independent variables (compensation/reward, career development, job security and working environment) as a group.

Table 5: Employee Satisfaction Coefficients^a

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	0.691	0.249		2.772	0.006		
Career Development	0.070	0.079	0.055	0.888	0.375	0.488	2.051
Compensation & Reward	0.359	0.094	0.267	3.838	0.000	0.387	2.582
Job Security	0.085	0.065	0.079	1.300	0.194	0.508	1.968
Workplace Environment	0.307	0.084	0.240	3.673	0.000	0.441	2.269

a. Dependent Variable: Employee Loyalty

Source: Authors' Compilation (2020) using SPSS

From the results, we see that employee loyalty is positive and significantly related to compensation and reward, and workplace environment at 5% level of significance. However, career development and job security do not significantly influence employee loyalty. The details of the relationship between the dependent variable and independent variables are shown as follows: career development ($\beta = 0.070$; $t = 0.888$; $p = 0.375$); compensation and rewards ($\beta = 0.359$; $t = 3.838$; $p = 0.000$); job security ($\beta = 0.085$; $t = 1.300$; $p = 0.194$); and workplace environment ($\beta = 0.307$; $t = 3.673$; $p = 0.000$).

To conclude that there is no multi-collinearity in any set of data, the value of tolerance must be considerably being in excess 0.10 while the variance inflation factor (VIF) should be below 5. The results in Table 4 show that the value of tolerance ranged within 0.387 to 0.508, an evidence of substantial scores above the minimum threshold. Besides, the variance inflation factors (VIFs) which ranged within 1.968 to 2.582 were way below the maximum limit of acceptability.

Discussion of Findings

Assessing the impact of employee satisfaction on organizational loyalty in the hotel industry has become very imperative because the hospitality industry is becoming highly competitive worldwide. Formulating strategies of marketing, strengthening the operational activities of hotels, transforming and upgrading the service quality of hotels have become essential not only for the purpose of making profits, but also for the survival of the hotels. The objective of this study was to assess the relationship between employee satisfaction and organizational loyalty. The findings are discussed below.

Career Development and Organizational Loyalty

The results indicate that there is positive but statistically insignificant relationship between career development ($\beta = 0.070$; $t = 0.888$; $p = 0.375$) and employee loyalty. This therefore presupposes that there is no significant relationship between career development and employee loyalty in the hotel industry. This therefore confirms the findings of Khare and Pandey (2012) and Kumari & Pandey (2011) that there is no significant relationship between career development and employee loyalty. This could be because of the weak efforts put in by hotel management towards assessing the performance of workers, identifying for workers' likely paths that will eventually lead to a fulfilling career, creating and designing different forms of experience and training to prepare the employee for more challenging and advanced job especially in the future. There is also the possibility that the programs designed by the organization to match organizational and individual needs are not strong enough. Examples of program may be policies relating to recruitment that encourage and promote information exchange between those applying and the hotel organization before hiring them and the policies relating to promotions that put the needs and aspirations of employees and the organization into consideration.

Compensation/Reward and Organizational loyalty

The results indicate that there is positive and statistically significant relationship between compensation and reward ($\beta = 0.359$; $t = 3.838$; $p = 0.000$) and employee loyalty. This therefore presupposes that there is a significant relationship between compensation and reward and employee loyalty in the hotel industry. This stands in contrast with the study of Sell and Cleal (2011) who found that different kinds of psychosocial and variables relating to the environment of work like social support, workgroup, has immediate and direct impact on satisfaction derived from the job and that increasing the reward of employees does not necessarily improve the level of dissatisfaction among workers.

Job Security and Organizational Loyalty

The results indicate that there is positive but statistically insignificant relationship between job security ($\beta = 0.085$; $t = 1.300$; $p = 0.194$) and employee loyalty. This therefore presupposes that there is no significant relationship between job security and employee loyalty in the hospitality industry. This confirms the study by Zeppou (2014) that there is a positive

but insignificant relationship between job security and employee loyalty in the hospitality industry. This could be because there is no solid arrangement and opportunity for promoting, training and development of staff. These opportunities enable employees to acquire new knowledge which in turn can affect the decision of the employee to remain in the company because of the feeling that the company is concerned about them so much so that their jobs are relatively secured.

Workplace Environment and Organizational Loyalty

The results indicate that there is positive and a statistically significant relationship between workplace environment ($\beta = 0.359$; $t = 3.838$; $p = 0.000$) and organizational loyalty. This therefore presupposes that there is a significant relationship between workplace environment and employee loyalty in the hotel industry. This is in harmony with the position of Bakotic & Babic (2013) who found out that there is a positive and significant relationship between environmental condition of workplace and organizational loyalty in the hotel industry.

Conclusion and Recommendations

This study observed the effects of employee satisfaction on employee loyalty in some selected hotels in Benin City. The objectives of this study were to: ascertain the relationship between compensation/rewards and employee loyalty in the hotel industry, examine the relationship between career development and employee loyalty in the hotel industry, evaluate the relationship between job security and employee loyalty in the industry, and investigate the relationship between working environment and employee loyalty in the hotel industry.

Based on the findings of this study, we conclude that there is a significant impact of employee satisfaction on organizational loyalty in selected hotels in Benin metropolis. In order to secure and sustain employee satisfaction and hence the loyalty, efficiency and performance of workers of selected hotels in Benin metropolis, the following recommendations are made:

1. Hotel management should place high premium on career advancement, career counseling and career opportunities of their staff so as to increase their loyalty.
2. Managers of hotels should adopt some methods, like compensation level to determine the quality of the employee and reduce the job-hopping

rate of the high qualified employee, productivity of labour, and working experience which exert indirect influence over the income of hotel industry. The compensation must be designed to help attract and retain the employees with excellent performance and to encourage the employees to learn new skills and to develop their responsibilities. Besides, hotel managers should have a reward system that encourages employees. Such may include promotion that will increase workers' productivity and greater commitment to the goals of the organization.

3. Hotel managers should reduce the changes of organization structure to increase job security for employee and build a good relationship between employee and employer. Employees should devote their contributions to the hotels and gain reasonable rewards in return. Hotels should provide job security and career advancement opportunities in exchange for employees' loyalty.
4. Managers of hotels should continue to brighten up the workplace environment and space with a soothing and cool coloured job, plants that are green, and artwork that is tasteful. Maintaining the environment of workplace should not only be concerned with the physical office inherent in the environment but also the relationship that exists between employees in the hotel environment. The worker has to build a work relationship that is successful and have the capacity to interact with people in a positive way so as to be able to achieve the goals of the organization.
5. We also recommend that supervisors and managers build a strong and viable relationship with their employees. Employees are attracted, retained and more engaged when a good relationship and open communication exist between them and their supervisors. This will allow workers to have the confidence and be comfortable to voice out their opinions and suggest ways that will improve condition and work environment.

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