

**Management Service Initiatives as Predictors of Employees’  
Job Satisfaction and Employees’ Customer Service  
Behaviors: The Case of Hotels in Adama City**

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**Abstract**

*The study was aimed to examine management commitment initiatives as predictors of employees’ job satisfaction and customer service behaviors in Hotels of Adama city. For this purpose, out of 14 international standard hotels, 6 hotels were randomly selected using random sampling technique. The total number of employees was also obtained from the front office managers of the participating hotels, and then the required sample size was selected using stratified random sampling technique. The survey questionnaire for this study was adapted from the work of Kim, et al.(2009). The collected data were analyzed using descriptive and inferential statistics. Results of the findings revealed that Adama city hotel employees have a significant positive relationship between management commitment initiatives (organizational support, reward, empowerment, and training) and their job satisfaction. In contrast, there was no significant relationship between management commitment initiatives (reward, empowerment, and training) and employees’ service behaviors. Providing good training programs, increasing rewards, developing the empowerment, and*

*improving the organizational support will increase employees' job satisfaction and employees' service behaviors.*

**Key words:** Hotels; management commitment; reward; empowerment; support; training

## **1. Introduction**

### **1.1 Background of the Study**

In this modern era where world has become a global village, firms are considered to be competitive on the basis of competence of their human resources. To run firms smoothly, effectively and efficiently, the most valuable and indispensable factor service firms need is human resource (Mosadragh, 2003).

In the competitive business environment, service sectors enhance their competitive advantage by offering better service experiences to their customers. In this regard, organization's survival is highly determined by its ability to attract and retain customers. Customers are attracted and remain loyal only if they are satisfied with the product or service offered by the company.

Customers' satisfaction has a potential impact on profitability of an organization through repeat of purchase and as a source of new business through word of mouth. This requires effective delivery of quality services. Service quality is the ability of the organization to meet or exceed customer expectations. It leads to an organization's profitability because of an increase in the number of customers (Davis, 2005).

However, quality service delivery can be affected by the human element of the delivery system. Strong customer satisfaction and loyalty depends on the value they receive which in turn depends on the relationships between people within the firm and customers (Doyle, 1995). The attitude and behavior of employee contact can also influence customers' perceptions of the service quality (Coggins, 2003).

The success of service firms depends on frontline employees who make face-to-face interactions with customers, pro-social behaviors (expected and extra-role customer service behaviors) by the employees has become a critical issue for the service sector (Chebat, Babin & Kollias, 2002). Hence, frontline employees are the first lines of contact in the organization and they are the main role players to create the first and long lasting impression on the organization and project a positive image in the minds of customers.

Besides, frontline employees are also capable of creating awareness, understanding and need among customers to use the organization's programs, products and services effectively to generate revenue. Satisfied employees deliver the organization's promise and create a favorable image by striving to provide a better service than competitors (Malhotra & Mukherjee, 2004). According to Lovelock and Wirtz (2004), competent employees play a crucial role to create satisfied and loyal customers. They are the actors who appear front stage in the service drama when they serve customers.

On top of this, the employees' perception of services based on management commitment may have an influence on their service-related behaviors and perceptions of the capability to provide pro-social service behaviors to customers. To develop a commitment to employees and customers, the

management team should focus on a promise on job satisfaction of employees. Well-qualified, satisfied and capable personnel are important in context of achieving goals and objectives of an organization.

Thus, managerial activities are expected to improve service quality which in turn enhances employees' job satisfaction. In this regard, researchers have found that management initiatives in the form of organizational support, rewards, empowerment, and training are the main drivers of frontline employees' job satisfaction and excellent customer service (Babakus, Yavas, Karatepe&Avci, 2003).In light of aforementioned background, this study is designed to examine the relationship between management service initiatives and employees' job satisfaction &employees'customer service behaviors, the case of Hotels in Adama City.

### **1.2 Statement of the Problem**

The assessment of management commitment initiatives to service leads to employee satisfaction, and this emotional response affects employee service behaviors. It is well known that employee behaviors can affect customer satisfaction and loyalty. Employee behaviors during interactions with customers have either a positive or negative impact on customer perceptions of service quality (Malhotra & Mukherjee, 2004).

It is evident that Adama city Administration has been attempting to provide hotel services with full facilities for all its guests coming from different angles of the country and part of the world. It hosts guests in thousands

daily. According to information obtained from Adama city administration culture and tourism office, hotels are parts of the plan to make Adama City a tourist destination as well as business and conference center.

In that situation, it is believed that management commitment and employees' job satisfaction would lead to customers' attraction & satisfaction and hotel's profitability; because there would be an increase in the number of guests, the length of stays, and the money spent by guests through the use of hotel facilities and services. However, to the best knowledge of the researcher, no studies have found that examined management commitment initiatives and employees' job satisfaction & employees' customer service behavior with regard to Hotels in Adama City Administration. Hence, the present study is aimed to examine management commitment initiatives as predictors of employees' job satisfaction and employees' customer service behaviors. To this end, the specific objectives of the study are to:

1. find out the relationship between management commitment initiative and employees' job satisfaction.
2. identify the potential predictors of employees' job satisfaction.
3. find out the relationship between management commitment initiative and employees' customer service behaviors

4. identify the potential predictors of employees' customer service behaviors an
5. find out the relationship between employees' job satisfaction and employees' customer service behaviors.

### **1.3 Significance of the Study**

Providing excellent services to customers has become a significant issue to the hotel industry. As many studies suggested, employers benefit from satisfied employees as they are more likely to profit from lower staff turnover and customers satisfaction if their employees experience a high level of job satisfaction. It is believed that the understanding of employee job satisfaction and its contributing variables are important for hotels to attract customers. Thus, the findings of this study will help Adama city administration culture & tourism office and owners to have awareness with regard to management commitment initiatives, employees' job satisfaction and employees' customer service behaviors of Hotels in the city.

Moreover, the findings of the study may give an insight to researchers, experts and other stakeholdersto studythe effect of management commitment on employees' job satisfaction and service behaviors in Hotel industry.

### **1.4 Definition of Terms**

- Organizational support: The recognition and respect that employees receive from the organization.

- Reward: Positive benefits in terms of money based on performance. This study limits the definition of reward as the monetary.
- Empowerment: the authority that employees have without asking the supervisors' permission.
- Training: the program those employees should have to improve performance.
- Extra-role customer service: Giving extra services to customers even though service is over the limits of the job description requirements.
- Cooperation: Helping the coworkers when they face extra workloads.

## **2. METHODOLOGY OF THE STUDY**

In this chapter, target population of the study, participants and sampling techniques, instrument of data collection and method of data analysis are delineated.

### **2.1 Target Population of the Study**

Target population of this study was employees of selected Hotels in Adama city. According to information obtained from Adama City Culture and Tourism Office, there are 14 hotels (at the time of these data collection) with international standards in the city.

### **2.2 Participants and Sampling Technique**

From the total fourteen hotels with international standards found in Adama city, six hotels were randomly selected using simple random sampling technique. The total number of employees was obtained from the front office managers of the participating hotels. From information secured from

respective hotels, thirteen subjects per each hotel were selected using stratified random sampling technique.

### **2.3 Instrument of Data Collection**

The survey questionnaire for this study was adapted from the work of Kim, H.J., et al.,(2009). The first part of this survey includes demographic questions. The second part involves questions pertaining to four management service initiatives (organizational support, rewards, empowerment, and training), employees' job satisfaction and employees' customer service behaviors. Respondents were requested to indicate the level of agreement on each statement in their questionnaire on a 5-point Likert scale (1 = *strongly disagree*; 5 = *strongly agree*). The survey questionnaire was also tested to check the clarity of each item prior to survey distribution through pilot study.

In that case, the reliability of the instruments was assessed by means of the internal consistency. That is, the reliability of each scale and total scale were found to be greater than .75 which is acceptable according to suggestions of George and Mallery (2003).

### **2.4 Method of Data Analysis**

Descriptive statistics (frequencies for categorical variables) were employed to describe the respondents' demographic profiles. Spearmanrank order coefficient of correlation was used to describe the strength and direction of the linear relationship between variables. Ordinal Logistic Regression Analyses was also used to determine overall predictability of independent variables in predicting employees' job satisfaction and employees' customer



service behaviors. In the same way, step-wise regression analysis was used to identify relative contributions of significant predictors.

### **2.5 Variables and their Categories**

There are two categories of variables in this study. These are:

- a. Independent variables: Management commitment to service quality which includes organizational support, rewards, empowerment and training.
- b. Dependent variables: Employees job satisfaction and Employees service behaviours

## **3. RESULTS**

In this chapter, the results arising from the empirical analysis of the data obtained are presented. The most salient results emanating from the results obtained in the study are also discussed.

### **3.1 Respondents' Demographic Profiles**

The demographic characteristics of respondents in selected hotels were presented and explained. The participants of the study were 48 females (61.5%) and 30 males (38.5%). The largest age group was 18-25 years old (57.7%) and others were 26-35 years old (32.1%), 35-45 years old (9%) and above 45 years old (1.3%). About 14.1% of employees completed grade 8th, 29.5% of employees completed secondary school, 49% of employees graduated from TVET, and 7.7% of employees earned a bachelor degree. With regard to service years, the majority of employees (74.4%) have served up to 2 years and 25.6% of employees have 3-5 years of service. The percentages of employees were 17 Receptionists (21.8%), 22 House-

keeping (28.2%), 22 Waiters/Waitress (28.2%) and 17 Restaurant & Barworkers (21.8%).

### **3.2 Relationship between Variables**

A Spearman correlation analysis was conducted to investigate the relationship among four independent variables (organizational support, reward, empowerment, and training), and two dependent variables (employees' job satisfaction, and customer service behaviors) as shown in Table 1. All four independent variables have a positively significant correlation with employees' job satisfaction at the  $p < 0.05$  level. More specifically, training ( $r = 0.602$ ) has moderate significant positive correlation with employees' job satisfaction, followed by reward ( $r = 0.540$ ), empowerment ( $r = 0.479$ ) and organizational support ( $r = 0.458$ ).

In contrast, reward, empowerment, and training have non-significant slight positive correlations with customer service behaviors ( $r = 0.158$ ,  $0.094$ , and  $0.208$ , respectively). However, organizational support has significant positive correlations with customer service behaviors ( $r = 0.303$  at  $p < 0.05$  level). Employees' job satisfaction has non-significant correlation with customer service behavior ( $r = 0.175$ ,  $p > 0.05$  respectively).

Table 1: Spearman's rho Correlations

	job satisfaction average	customer service behavior average	Training average	Reward total	Empowerment average	Organizational support average
job satisfaction average	1.000	.175	.602**	.540**	.479**	.458**
customer service behavior average	.175	1.000	.208	.158	.094	.303**
Training average	.602**	.208	1.000	.530**	.413**	.435**
Reward total	.540**	.158	.530**	1.000	.592**	.584**
Empowerment average	.479**	.094	.413**	.592**	1.000	.354**
Organizational support average	.458**	.303**	.435**	.584**	.354**	1.000

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

**3.3 Determining predictors of employees’ job satisfaction and customer service behavior**

The ordinal logistic analysis was conducted to examine the extent to which organizational support, reward, empowerment, and training contribute to employees’ job satisfaction.

To assess the relative contribution of each independent variable in determining employee’s job satisfaction, stepwise regression analysis was also conducted with SPSS version 20. From analysis, the variables Organizational support, Reward, Empowerment and Trainig are left in the model. Thus, the output of the model with inclusive of these variables looks like in Table 2 hereunder.

**Table2: Parameter Estimates**

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval		
						Lower Bound	Upper Bound	
Threshold	[JSt = 2.00]	3.584	1.471	5.939	1	.015	.701	6.466
	[JSt = 3]	4.418	1.346	10.767	1	.001	1.779	7.057
	[JSt =4 ]	4.931	1.318	14.008	1	.000	2.349	7.514
	[JSt = 5]	5.830	1.320	19.505	1	.000	3.243	8.418
Location	OSt	.461	.323	2.028	1	.154	-.173	1.094
	Ret	.425	.299	2.020	1	.155	-.161	1.011
	Empt	.774	.261	8.763	1	.003	.262	1.287
	Trt	.749	.276	7.339	1	.007	.207	1.291

Link function:Logit.

The result in Table 2 revealed that the variables Empowerment and Training significantly influence the employees' job satisfaction at 0.05 level of significance.

#### **Goodness of Fit of the model**

After fitting a regression model, checking (assessing) adequacy of the model is the necessary condition in statistical modelling. Thus, the adequacy of the model was checked (see Table 3) and found that the model fitted the data well.

**Table3: Goodness-of-Fit**

	Chi-Square	df	Sig.
Pearson	720.855	848	.999
Deviance	300.255	848	1.000

Link function: Logit.

The same independent variables were used to predict employee's service behaviors. In that case, organizational support was found to be the only potential predictor of employee's service behaviors. Other variables, viz.; reward, empowerment, and training had no significant effect on employee's service behaviors.

**Table 4: Parameter Estimates**

	Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Threshold [CSBt = 2.00]	-1.850	1.475	1.572	1	.210	-4.741	1.042
[CSBt = 3.00]	.052	1.184	.002	1	.965	-2.268	2.372
[CSBt = 4.00]	2.176	1.188	3.356	1	.067	-.152	4.505
[CSBt = 5.00]	2.982	1.208	6.091	1	.014	.614	5.350
Location OSt	.627	.324	3.740	1	.053	-.008	1.262
Ret	-.116	.295	.155	1	.693	-.695	.462
Empt	.038	.249	.023	1	.878	-.450	.526
Trt	.091	.265	.117	1	.732	-.429	.610

Link function: Logit.

The goodness of fit of the model was also made as usual with result in Table 5 confirming that the model adequately fit the data and can be used for prediction.

**Table5: Goodness-of-Fit**

	Chi-Square	df	Sig.
Pearson	617.142	564	.060
Deviance	286.439	564	1.000

Link function: Logit.

#### **4. DISCUSSION AND CONCLUSIONS**

Discussion and the conclusion are provided in this section. The discussion describes the findings and compares the results with those of previous studies. The conclusions reiterates the purpose of this paper and recommend ways in which management can apply the findings to their organization and also forward suggestions for future research.

##### **4.1 Discussion**

The management commitment imitative in terms of rewards, empowerment, and training are predictors of hotel employees' job satisfaction in Adama city; because reward, empowerment, and training have a significant positive relationship to employees' job satisfaction and they are found to be potential predictors. Employees attribute these three elements of management commitment to their job satisfaction. In other words, the more committed the management is to employees, the more satisfied they are.

The result shows that reward has the most significant relationship with employees' job satisfaction and found to be major determinant of employees' job satisfaction, which is consistent with the results of Babakus et al., (2003). Therefore, the management may reward employees for providing excellent service to customers and similar behaviors co-workers. In addition, if employees expect their efforts to be rewarded fairly, they are more likely to provide extra services to customers.

Training has also a significant contribution in predicting employees' job satisfaction. This result supports the findings of Babakus et al., (2003) and Tsaor and Lin (2004). First of all, training programs will improve employees' job satisfaction. Training clarifies several service issues that

employees may not know, teaches the practices that will improve guest satisfaction, and increase employee satisfaction in return. The manager should work with the Human Resources Department to programs about service quality in the hotel. Managers should offer refreshment training, because it will remind employees of their service commitment to customers. Besides, training in communication skills is believed to increase employees' job satisfaction, because they can communicate with customers, provide the right services, and satisfy the guests.

Empowerment also has a significantly positive relationship with employees' job satisfaction, which supports the finding of Ackfeldt and Coote (2003) and Babakus et al. (2003). Hotel employees are uncomfortable using their authority without obtaining permission from a supervisor. Empowerment training would show employees how to exercise their empowerment. Moreover, the hotel management should encourage employees to use their empowerment to prevent service failures. However, empowerment may backfire if the manager does not properly provide the authority to employees. The manager should monitor the employees' empowerment because sometimes employees exploit their empowerment by soliciting rewards from customers in exchange for privileges. Empowering trustworthy employees would be beneficial to the employees and to the hotel.

Organizational support, on the other hand, has no significant relationship with employees' job satisfaction, so it is not a good predictor of employees' job satisfaction. Employees might not notice the recognition or respect that managers or the organization provide to them. Perhaps the daily job routine is not interesting for them, and the hotel does not define its values and goals. Moreover, it is an unexciting routine. These are some reasons why people are not stimulated or see their work as important. And when their work



carries no value, organization support does not mean anything to them. Although the result of the study does not support a relationship between organizational support and employees' job satisfaction, past research presented a positive relationship. Therefore, the management should improve other kinds of organizational support such as educational resources, materials, equipment, and corporate philosophy (Kim, Leong, & Lee, 2005). The manager should reinforce the idea that people are the key to organizational our success (Schneider et al., 1994). These new working environments may develop employees' interest and increase their value to the organization. When employees trust the organization, they will be satisfied in their jobs and consequently provide the prosocial service behaviors (Randall, Cropanzano, Bormann, & Birjulin, 1999). This result may also build cooperation among employees.

Furthermore, there are significant positive relationships between employees' job satisfaction and customer service behaviors ( $t$ -value = 7.19,  $p < 0.01$ ) and cooperation ( $t$ -value = 1.98,  $p < 0.05$ ). The results support the finding of George and Bettenhausen (1990); and Hoffman and Ingram (1992). When employees are pleased with their jobs, they appreciate them more, and they respond by providing better service behaviors to customers and coworkers.

#### **4.2 Conclusion and Recommendations**

This study examines management commitment initiatives as predictors of employees' job satisfaction and employees' service behaviors in Hotels of Adama city. The findings support the hypothesis that Adama city hotel employees have a significant positive relationship between management commitment initiatives (organizational support, reward, empowerment, and training) and their job satisfaction. On contrary, the findings found that there

was no significant relationship observed between management commitment initiatives (reward, empowerment, and training) and employees' service behaviors.

Providing good training programs, increasing rewards, developing the empowerment, and improving the organizational support will increase employees' job satisfaction and employees' service behaviors. The hotel managers, therefore, must be attentive to employees' needs in order to increase their commitment and job satisfaction.

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