

A Study to Identify the Best Predictor of Organizational Commitment in Hotel Industry

Mridula Mishra* and Kanika Garg

School of Business, Lovely Professional University, Phagwara – 144411, Punjab, India

Abstract

In the present era, the fundamental need of an organization is agility, responsiveness, innovation, efficiency and execution for sustainable competitive advantage. It is here that job satisfaction, employee empowerment and organizational commitment can help organizations to develop up to their fullest capacity. This paper identifies the best predictor of Organizational Commitment in hotel industry, where Organizational Commitment has been taken as dependent variable and Job Satisfaction and Employee Empowerment has been taken as independent variables. The data was collected by standardized questionnaire which is developed by Salazaar, (2000)) with 200 front-office employees working at 5 Star Hotels in Northern India. The study found that Job Satisfaction has been the best predictor of Organizational Commitment among the two variables- Employee Empowerment and Job Satisfaction. The results revealed that the predictor variables, Employee Empowerment and Job Satisfaction, both account for a little variance in Organizational Commitment.

Keywords: Employee Empowerment and Job Satisfaction, Organizational Commitment

1. Introduction

Over the last one and a half decade Indian hospitality industry has attained speed and is growing at a healthy rate. Tourism and hospitality industry in India has contributed to the service sector as a key driver of growth. India being diverse geographically, culturally and ecologically, has significant potential for growth of tourism and hospitality. The main two benefits of tourism to country are employment generation and source of foreign exchange. It is estimated that this industry will generate 13.45 million jobs through its all sub-segments. As per the tourism and travel competitive index India has achieved 13 more positions and is ranked at 53 now. The successful growth story of 'Hotel Industry in India' seconds only to China in Asia Pacific'. The contribution of tourism and hospitality industry to national GDP is 6.23% and share in total employment in country is 8.78%. Indian hospitality industry is constantly transforming, growth oriented and improving standards, which has gained it approval all over the world. Hotel industry of India consists of hotels,

suite hotels, resort hotels, airport hotels, extended stay hotels, apartment hotels, casino hotels, and convention and conference centers. Factors responsible for growth of hospitality industry in India are: rise in household income, increase in medical tourism and niche tourism, FDI attraction by tourism and hospitality sector, diversity of country, government initiatives for infrastructure development and India being labor intensive country. India has a total of 1,12,384 branded hotel rooms. It is expected to grow up to 1,146,485 by 2019-20, Noida and Kolkata being the highly increasing markets. Since 2010 hotel occupancy has been on increase, during 2010-14 it was between 57% and 58% more recently it has crossed 60%. Means 6 out of every 10 rooms are occupied. Over 7.1 million tourists arrived in 2015. In India foreign tourist arrivals increased at 7%. By 2025, foreign tourist arrivals in India are expected to reach 15.3 million, according to the World Tourism Organization. With tremendous pool of opportunity, India is a destination for hotel chains looking for growth. MNC Hotel Industry giants are flocking India and forging Joint Ventures to earn their share of

*Author for correspondence

pie in the race. Government has approved 300 hotel projects, nearly half of which are in the luxury range. Sources said the manpower requirements of the hotel industry will increase by many folds. Jobs for millions of people are being created in all skilled and unskilled categories.

Empowerment is a concept with different meanings in different organizations but it generally refers to initiatives designed to give employees more discretion in the way they manage customer requests. In⁹ stated that employee empowerment leads to increase in employee satisfaction due to greater feelings of involvement and importance and improved personal relationship among the co-workers. Another research study conducted at Hilton Hotels supported these findings and stated that empowerment does lead to an increase in job satisfaction, reduction in turnover and helps in creating a culture which supports better service quality. Many studies have revealed that empowerment leads to higher organizational commitment of the employees within the organization, increasing organizational commitment, and reduction in the turnover of hotel industry. The ability to predict organizational commitment would be a great benefit to the organization. In¹⁵ his research study described commitment as a psychological phenomenon having three components: affective, continuance and normative. Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Continuance commitment refers to the awareness of the costs associated with the change in the exam. Normative commitment represents the feeling of obligation to continue with the present job.

As mentioned, job satisfaction is related to turnover intentions in the workplace. Various hypotheses have been put forth in regard to the causal relationship between job satisfaction and organizational commitment: satisfaction instills commitment; commitment instills satisfaction: satisfaction and commitment are reciprocal. The components of this applied organizational behavior research will attempt to investigate the relationship between empowerment, job satisfaction and organizational commitment. The results will assist managers in assessing current practices that involve empowerment strategies in the hope of increasing the job satisfaction. Moreover, the study will contribute greatly to existing literature specifically in inspiring managers to develop various strategies on how to empower their employee in organization, reducing employee turnover and increasing satisfaction and commitment.

2. Review of Literature

There are various studies which have already been conducted, on various dimensions of job satisfaction, employee empowerment and organizational commitment. Mentioned below is the literature review of some of the studies which are related to the area of research.

In¹⁰ depicted a study to evaluate the association between job satisfaction and organizational commitment. In order to attain the objective fire and Rescue department of Malaysia has been selected. The study found that job satisfaction was significantly associated with organizational commitment, intrinsic satisfaction was significantly associated with organizational commitment, and extrinsic satisfaction was significantly associated with organizational commitment. This study also confirms that when employees satisfied with intrinsic satisfaction and extrinsic satisfaction from his or her job condition may lead to greater organizational commitment in the studied organizations.

In²⁶ conducted a study to examine the constructs of job satisfaction and organizational commitment. The study found that, three Canonical Correlation Coefficients (CCC) were estimated and the first two of them CCC was no significant also squared CCC indicates the proportion of variance a dependent variable linearly shares with the independent variable generated from the observed variables sets where job satisfaction accounted for 21.36% of the variance in organization commitment while organizational commitment explained 17.15% of the variation in job satisfaction.

In¹⁹ conducted a study to examine the relationship among job satisfaction, organizational commitment and turnover intention of employees. In this study selected 250 employees of a Turkish manufacturing company. The study found that the results indicate that job satisfaction is one of the most antecedents of organizational commitment and turnover intention and suggest that high levels of job satisfaction results in higher commitment and lower turnover intention so job satisfaction positively influences on affective commitment, continuance commitment and normative commitment while it is negatively impact on turnover intention. The results emphasize the need to consider the factors can be having effects on the relationship by highlighting to studies conducted on job satisfaction, organizational commitment and turnover intention.

In⁴ depicted a study to find the relationship among job satisfaction, organizational commitment and turnover intention are investigated to determine statistically significant relations. In order to attain the objective study selected 100 employees from production and 82 employees from service sector. The study found that job satisfaction has a significant and positive relationship with three dimensions of organizational commitment and turnover intention has a significant and negative relationship with job satisfaction and organizational commitment.

In⁶ tested an exploratory model of empowerment in a Taiwanese sample of school health nurses by examining the mediating role of psychological empowerment in the relationship between external factors and work-related attitudes, specifically job satisfaction and organizational commitment. The indicated that psychological empowerment did not fully mediate the relationship between organizational empowerment and job satisfaction because of the strong direct effects of organizational empowerment on job satisfaction. The influence of empowerment on organizational commitment was mediated through job satisfaction. In¹³ investigated the effect of work redesign on two personal outcomes: Self-perceived psychological empowerment and organizational commitment. An empirical study is conducted in the field of high-tech industrial organizations in Taiwan. Data was collected from 40 technological companies, located in the Taipei. The results revealed that both work redesign and empowerment generate positive and direct influence on employees' commitment. Specially, the effect of work redesign is amplified on employee commitment through the implementation of employee empowerment. In¹ examined the influences of psychological empowerment on overall job satisfaction of Front Office Receptionists in Kuala Lumpur 5-star hotels. A total of 210 questionnaires were distributed at 21 hotels in Kuala Lumpur, Malaysia. Results showed that psychological empowerment does have significant influences (through the dimensions of meaningfulness, competence and influence) on overall job satisfaction of the receptionists. The findings also suggested that receptionists' age and tenure affected their sense of overall job satisfaction. Hotel managers should include this in their effort and consideration to enhance employees' performance and competencies. More competitive solutions such as enhancing participation by the departmental decision making process, encouraging creativity, implementing better work environment and employment packages may harmonize work relationships

and outcomes. In¹⁴ examined the relationships between clinical educators' perceptions of empowerment, job tension and job satisfaction. High levels of workplace empowerment were significantly related to low levels of job tension. In addition, the combination of high levels of empowerment and low levels of job tension was predictive of high levels of job satisfaction. In⁵ his article says that employee empowerment is an essential managerial means that can be used to obtain competitive advantages from human resources in the new millennium. A comprehensive understanding of the essence of empowerment is crucial to facilitate its effective implementation. In this article, the author proposes a 4-dimensional empowerment model in an organizational setting and a matrix that incorporates the 4 dimensions of organizational factors. In addition, the study represents an empirical examination of the effects of personal and company characteristics on empowerment. In¹¹ examined the influence of dimensions of work satisfaction on types of organizational commitment. Significant results were found for the two affective commitment types tested but not for the instrumental type evaluated. The results indicate that satisfaction with professional status was a significant predictor of moral commitment. Dissatisfaction with organizational policies, autonomy and professional status were significant predictors of commitment. The results of this study suggest that understanding how various factors impact the nature and the form of an individual's organizational commitment is worth the effort. In¹⁶ explains the relationship between empowerment and job satisfaction. The results revealed that and psychological empowerment predicted 38% of the variance in job satisfaction. Achievement and mastery needs were not significant. Other personal attributes can be found in future research to improve job satisfaction. Through careful manipulation of the hospital environment, both structural and psychological empowerment can be increased, resulting in greater job and patient satisfaction. In¹⁸ studied that the psychological dimensions (i.e. job satisfaction and employee commitment) within the work environment can differ according to race and gender. He analyzed the relationship between employee ratings of empowerment, job satisfaction and organizational commitment within the hospitality industry. The results indicated that empowerment is related to overall job satisfaction. It also reveals that empowerment is related to organizational commitment at a hotel. In¹⁷ conducted a study to examine the relationship between Employee Empowerment and Job Satisfaction of the employees

in the hotel Industry and also study the relationship between Employees Empowerment and Organizational Commitment of the employees in hotel industry. The data was collected by standardized questionnaire which is developed by¹⁸ with 200 front-office employees working in 5 Star hotels. The study found that Empowerment is found to have direct and positive relationship with job satisfaction but it is not directly related to the organizational commitment.

3. Research Methodology

3.1 Objectives of the Study

- To identify among job satisfaction and employee empowerment the best predictor of organizational commitment in hotel industry.

3.2 Hypothesis of the Study

- **H₁**: Job satisfaction is the best predictor of Organizational Commitment.
- **H₂**: Employee empowerment is the best predictor of organizational commitment.

3.3 Sources of Data

The primary data for the research study has been collected by visiting five 5-star hotels in northern India, Hotel Radisson, Jalandhar; Hotel Intercontinental, New Delhi; Hotel Park Plaza, Ludhiana; Hotel Le Meridien, New Delhi; and Hotel Claridges, Faridabad.

4. Research Design

The research study follows a descriptive research design in order to identify the best predictor of organizational commitment in hotel industry, where organizational commitment has been taken as dependent variable and job satisfaction and employee empowerment has been taken as independent variables.

4.1 Sampling

For this study, 200 front-office employees have been taken as the sample. Both male and female employees have been included in the sample. The sample has been collected from five 5-star hotels, Hotel Radisson, Jalandhar; Hotel Intercontinental, New Delhi; Hotel Park Plaza, Ludhiana;

Hotel Le Meridien, New Delhi; and Hotel Claridges, Faridabad. The sampling technique which has been used in the present study is purposive sampling, as only front office employees have been taken as the sample. Only Front-Office employees have been as a sample, as these employees come directly in contact with the customers. Moreover, they can exercise additional power in order to satisfy their customers, and thus, these are the ones who can make use of empowerment practice.

4.2 Tools of Data Collection

In order to study the relationship between these three broad dimensions of behavioral dynamics namely, Employee Empowerment, Job Satisfaction and Organizational Commitment, a questionnaire (Salazaar, 2000) has been used for the purpose of collecting the primary data. As shown in Table 3.1, total 225 questionnaires were given to the employees in all hotels. 62, 50, 60, 23 and 30 questionnaires were given in Hotel Intercontinental, New Delhi; Hotel Le Meridien, New Delhi; Hotel Claridges, Faridabad; Hotel Radisson, Jalandhar and Hotel Park Plaza, Ludhiana, respectively. Out of these, the questionnaires that were complete and have been considered valid are 55 from Hotel Intercontinental, New Delhi; 45 from Hotel Le Meridien, New Delhi; 55 from Hotel Claridges, Faridabad; 20 from Hotel Radisson, Jalandhar and 25 from Hotel Park Plaza, Ludhiana. 25 questionnaires have not been considered in the analysis as some of them were incomplete, and some of them had extreme responses. Thus, those questionnaires have been excluded.

5. Result and Discussion

Table 1. Description of Respondents (Age Group)

		agegroup			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 25yrs	55	27.5	27.5	27.5
	25-35yrs	129	64.5	64.5	92.0
	35-45yrs	16	8.0	8.0	100.0
	Total	200	100.0	100.0	

Table 1 shows the description of respondents according to their age group. The first column shows the categorisation done in the age group. The second column, Frequency, shows the number of respondents, which is

Table 2. Description of Respondents (Work Experience)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	less than 1 year	22	11.0	11.0	11.0
	1-4 years	81	40.5	40.5	51.5
	4-8years	97	48.5	48.5	100.0
	Total	200	100.0	100.0	

the frequency of the respondents falling in each of the category. There were 55 respondents who were below 25 years of age, 129 respondents were falling in the age group of 25 years to 35 years, 16 respondents were falling in the age group of 35 to 45 years and there were no respondents who were above 45 years in age. The third column, Percent, shows the percentage of respondents falling in each category of age group. The fourth column, Valid Percent, is the same as Percent in third column as there were no missing values in the data. The fifth column includes the Cumulative Percent of all the age groups.

Table 2 shows the description of respondents according to their age group. The first column shows the categorisation done in the work experience. The second column, Frequency, shows the number of respondents, which is the frequency of the respondents falling in each of the category. There were 22 respondents who were having an experience of less than 1 year, 81 respondents were falling in the second category, having the work experience of 1 to 4 years, 97 respondents were having an experience of 4 to 8 years and there were no respondents who were having more than 8 years of work experience. The third column, Percent, shows the percentage of respondents falling in each category of work experience. The fourth column, Valid Percent, is the same as Percent in third column as there were no missing values in the data. The fifth column includes the Cumulative Percent of all respondents falling in all the categories of work experience.

The sample included 200 front office employees in all, from all the five hotels. 27% (n = 55) of the participating employees were below 25 years of age, 64% (n = 129) were from 25 to 35 years of age and rest were more than 35 to 45 years of age. 11% respondents (n = 22) had an experience of less than 1 year, 40% had an experience of 1 to 3 years and 48% percent (n = 97) respondents had a work experience of 4 to 8 years. Table 3 and Table 4 reveal the above information.

Table 3. Cross tabulation of age group and work experience of respondent

count		Experience			Total
		less than 1 yr	1-4 yrs	4-8 yrs	
Age group	below 25yrs	22	33	0	55
	25-35yrs	0	48	81	129
	35-45yrs	0	0	16	16
Total		22	81	97	200

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.268 ^a	.072	.067	4.801
2	.346 ^b	.120	.111	4.687
a. Predictors: (Constant), JOB.SATISFACTION				
b. Predictors: (Constant), JOB.SATISFACTION, EMPOWERMENT				

Table 3 shows the cross tabulation of respondents on the basis of age group and work experience. The first column shows the categorisation done in the age group and the first row shows categorisation on the basis of work experience. The second column shows the number of respondents who are having a work experience of less than 1 year. There were 22 respondents who were falling in this category and all the respondents were below 25 years of age. The third column shows the number of respondents who are having a work experience of 1 to 4 years. There were 81 respondents who were falling in this category. Out of these 81 respondents, 33 respondents were below 25 years of age and 48 respondents between 25 to 35 years of age. The fourth column shows the number of respondents who are having a work experience 4 to 8 years. There were 97 respondents who were falling in this category. Out of

Table 5. ANOVA^c

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	354.271	1	354.271	15.369	.000 ^a
	Residual	4564.209	198	23.052		
	Total	4918.480	199			
2	Regression	590.390	2	295.195	13.436	.000 ^b
	Residual	4328.090	197	21.970		
	Total	4918.480	199			
a. Predictors: (Constant), Job.Satisfaction						
b. Predictors: (Constant), JOB.SATISFACTION, EMPOWERMENT						
c. Dependent Variable: COMMITMENT						

Table 6. Coefficients^a

Model	B	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	43.515	1.624		26.798	.000
	JOB. SATISFACTION	.664	.169	.268	3.920	.000
2	(Constant)	51.427	2.887		17.810	.000
	JOB. SATISFACTION	1.300	.255	.525	5.100	.000
	EMPOWERMENT	-.149	.046	-.338	-3.278	.001
a. Dependent Variable: COMMITMENT						

these 97 respondents, 81 respondents were between 25 to 35 years of age and 16 respondents were between 35 to 45 years of age. The fifth column indicates the total number of respondents in each age group.

Table 4. Step-wise multiple regression analysis for organizational commitment predictor variables (job satisfaction and empowerment)

Table 6 shows the step-wise multiple regression analysis, taking commitment as the dependent variable and employee empowerment and job satisfaction as independent variables. Table 4.18.1 shows the model summary which signifies the goodness of fit. R square stands for the coefficient of determination which determines the variation caused by a particular variable in the dependent variable. R square provides with a more significant value for variance which is 7.2% (.072) for a job satisfaction and 12.0% (.120) for both job satisfaction and empowerment. Adjusted R square values (.111) are close to R square value, clears it for generalization to the population. Table 4.18.2 is the ANOVA Table which reveals the

significance of the model. The third table, Table 4.18.3 is the Coefficients Table, which shows the coefficients of the independent variables and reveals the significance of the independent variables individually.

The step-wise multiple regression procedure also permitted the identification of the variables which most accounts for the variance in organisational commitment. A pre-established level of significance was .05. The summary of the step-wise regression procedure for the predictor variables is in Table 1.4. The results revealed that the predictor variables, employee empowerment and job satisfaction, both account for a little variance in organisational commitment. Table 4.18.1 depicts an R² of .120, indicating that 12% variance in organisational commitment can be explained by employee empowerment and job satisfaction, out of which 7.2% variance can be explained only by job satisfaction and rest 4.8% by employee empowerment. The previous studies in the review of literature (Douglas, 1996) support the result, as its findings revealed that job satisfaction plays an impor-

tant role in organisational commitment. Vandenberg (1992) stated that there exists a strong causal relationship between job satisfaction and organisational commitment, and the previous results support the present findings. Studies given by Elzbieta (2004), Al-Aameri (2000) and Acorn (1997) also supported the present findings as they also stated that job satisfaction is strongly linked to and organisational commitment. Job satisfaction is the stronger predictor of organisational commitment as higher job satisfaction leads to higher commitment level of the employees. The regression results supports H1 and did not support H2, shows that job satisfaction has a significant impact on organisational commitment, and job satisfaction is the best predictor of organisational commitment among the two, as job satisfaction explains 7.2% variance in organisational commitment, where as employee empowerment explains only 4.8% variance in organizational commitment.

6. Conclusion

Job satisfaction has been found to be the best predictor of organizational commitment among the two variables-employee empowerment and job satisfaction. The results revealed that the predictor variables, employee empowerment and job satisfaction, both account for a little variance in organizational commitment. Rsquare indicated that 12% variance in organizational commitment can be explained with the help of employee empowerment and job satisfaction, out of which 7.2% variance can be explained only with the help of job satisfaction and rest 4.8% with the help of employee empowerment. The findings support H₁, as job satisfaction proved to be responsible for higher amount of variation in organizational commitment as compared to employee empowerment, explaining 7.2% variance in organizational commitment. The results revealed that employee empowerment does not have a significant impact on organizational commitment.

7. References

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