

Relational Capital and Satisfaction of Employees in Hotel Industry

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ABSTRACT

This quantitative study aimed to ascertain how the relational capital of the company and employee satisfaction are related. A survey questionnaire was distributed to several hotels in the Davao Region to collect data. In this study, correlational research was employed. There were 400 regular employees as respondents to this study. The findings indicate a strong correlation between employee satisfaction and relational capital. The study also looked at whether hotel employees' relational capital and level of satisfaction were significantly correlated. The results showed a significant correlation between employee satisfaction and the following indicators: strategic alliances, licensing and agreements, customer and supplier relations, and customer knowledge.

Keywords: Employees Satisfaction, Relational Capital, Hotel Industry, Davao Region.

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1. INTRODUCTION

The impact of employee happiness on the company and turnover is significant. Many sectors place greater importance on relationship capital, and the hotel sector is no exception. According to Zopiatis, Constanti, and Theocharous (2014), lacking opportunities could lead to low employee satisfaction, hurting the firm. In a corporate collaboration, relationship capital (RC) is characterized by close friendship, mutual trust, respect, and understanding. Close social links, reciprocity, and mutual trust are characteristics of embedded relationships that can benefit trading relationship outcomes (Rodriguez-Aceves, Mojarro-Durán and Rivera, 2023). One type of capital that is hard for rivals to get and imitate is relational capital. Relational capital interacts with stakeholders both inside and outside the company.

The primary goal of every firm is to ensure its customers are delighted since this positively impacts the organization's finances, personnel happiness, and overall customer satisfaction (Ashraf, et al, 2024). The body of knowledge about employee happiness in the hotel business is supplemented, and this study fills gaps in the literature. Thus, this study will determine the impact of employee satisfaction. The investigator decided to conduct the investigation focusing on the factors as a notion of employees satisfaction.

2. LITERATURE REVIEW

The independent variable is relational capital (Bontis, 2001). Relational capital includes *strategic alliances, licensing and agreement, customer and supplier relations,* and

customer knowledge. On the other hand, observed variables for employee's satisfaction include *leadership, motivation, rewards, expectations, job organization, and work environment* (Salanova & Kirmanen, 2010).

The first indicators studied in relational capital are *strategic alliances, licensing, and agreements*. The role of an alliance in learning competitive advantage knowledge based on relational capital is vital (Yu, Lu, & Liu, 2010). The advancement in forming strategic alliances will lead to the complication and vagueness of the business environment Ho, Rokpelnis, Zhao, and Azadi, (2020).

The *customer and supplier relationship* is also considered. This means managing customer relationships enabled by social media technologies facilitates open dialogue and the opportunity to co-create customer value, resulting in a truly customer-centric approach to customer relationships (Malhotra, & Agarwal, 2021).

Customer knowledge is the last indicator of this study. Customer knowledge is considered the most important type of knowledge for the effective operation of an organization. It is a dynamic combination of experience, value, and insight information needed, created, and absorbed during the process and exchanges between the customers and the organization Joia (2000). Hughes, Le Bon, and Rapp (2013) mentioned that employee empowerment motivates sales representatives and customer knowledge.

Employees' Satisfaction

According to Asinas and Fampo (2024), satisfaction is the happiness that results from having one's needs, expectations, or desires met.. When employees are given challenges to grow personally and feel that they belong in the organization, their level of satisfaction rises (Osman, Ing, Adis, Razli, Majid & Bujang, 2015). Organizational leaders should take into consideration employees' satisfaction by improving their jobs, creating a better working environment, developing a learning organization, lowering resignation rates, and acting as facilitators that allow employees to achieve personal objectives at the same time as achieving the organization's goals (Chang & Lee, 2007).

Improving unsatisfied employees is a big challenge in every organization Buckingham (2010). This challenges the organizational leader to identify the different considerations that will uplift employee satisfaction and expectations that they will receive from the organization (Skaff, 2012). The study of Rigg, Day, and Adler (2013) was supported by Gursoy, Chi, and Karadag (2013) when they revealed that employee satisfaction is vital in the service industry, which includes hotels, due to the nature of work in an organization. This was also reinforced in the study of Kusluvan, Kusluvan, Ilhan, & Buyruk (2010) that service is the complementation of production and consumption, and the service process must be standard.

Leadership is the first measure of an employee's contentment. The manager's leadership style is the main factor in organizational effectiveness, and companies are more focused on creating, comprehending, and altering leadership styles to fit the company's system, strategy, and structure. The second measure of an employee's pleasure is motivation. As mentioned in motivation, the consequences of job performance and behavior are determined by systematic analysis, task characteristics, and environmental factors.

Employee motivation is the result of an organization's success. According to Latham (2012), human resources and management in businesses aim to keep workers motivated.

The third indicator is rewards. Wangechi, Kiragu, and Sang's (2018) study found that incentives and the physical office environment fueled workers' productivity and happiness with their jobs in the government. According to Wangechi et al. (2018) research, job satisfaction among government section employees was impacted by organizational commitment, which was demonstrated by appropriate pay, recognition, and advancement. The fourth indicator under observation is the expectation. When expectations are fulfilled, employees often become satisfied at work. They typically look for innovations and seek out new experiences to feel more content. This is particularly evident in today's workforce, which is younger than previous generations. According to a study by Chen, Wang, and Chu (2010), mature workers typically adjust at work even when their expectations are not realized and are realistic about their circumstances.

The job organization should also be considered as the sixth factor of employee satisfaction. Employees are the most effective resource in the company to maintain the competitive edge (Huselid, Jackson & Schuler, 1997). Improvements in organizational attraction, growth, and retention lead to employees staying with a company, according to a study by Holtom, Goldberg, Allen, and Clark (2017). The work environment is the final measure of employee satisfaction. Putri, Adi, and Afif (2018) define the work environment as anything surrounding employees that may affect their ability to complete tasks. According to Tay, Tan, Lew, Tan, and Chea (2017), an improved work environment can improve employee job satisfaction.

The last yardstick for gauging employee satisfaction is the workplace. The work environment, according to Putri, Adi, and Afif (2018), is everything around employees and could impact their productivity. According to Tay, Tan, Lew, Tan, and Chea (2017), employee job satisfaction may increase in response to better work environments. A study conducted by Razak, Ma'amor, and Hassan (2020) found that organizations should establish a healthy work environment for employees to ensure a positive working environment, which can boost job satisfaction and ensure higher-quality work from employees.

Conceptual Framework

Figure 1 is the conceptual framework of the study. Relational Capital variables considered the strategic alliances, licensing and agreement, customer and supplier relations and customer knowledge and its effect on employee satisfaction.

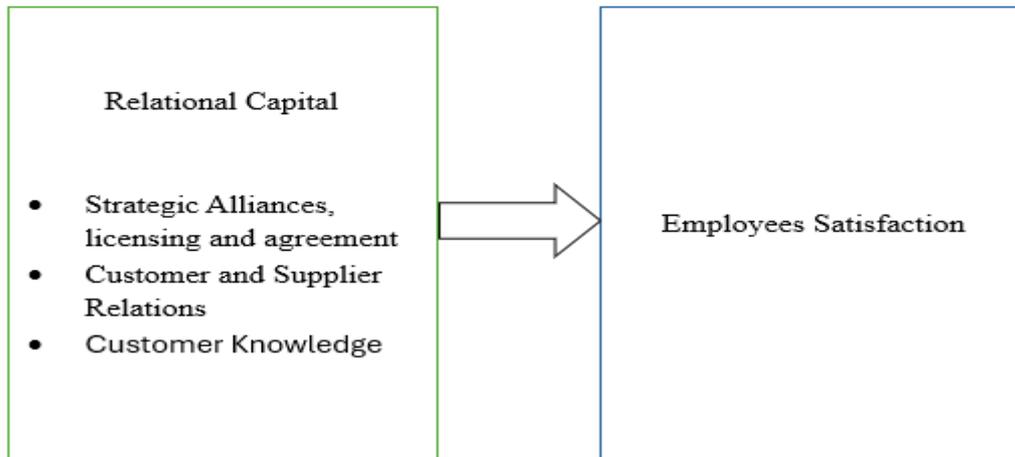


Figure 1. Conceptual Framework

3. RESEARCH METHOD

This study used a quantitative research approach with a primary research design. It examines relational capital concerns on employee satisfaction and how they respond to varying levels of satisfaction from hotel managers and supervisors. Since study participants were employees voluntarily, the study's respondents were selected using a technique known as "accidents sampling" Ratnamiasih, Nusantara, & Dewi, (2024). Each questionnaire item is measured using a 5-point Likert scale, ranging from 1-5, with point 1 indicating that the respondent is very low, while point 5 indicating that the respondent is very high with the statement.

Population and Sample

The 400 respondents of this study were the hotel employees. The researcher used scientific processes to select the respondents. Purposive sampling was employed to determine the number of employees per city. Respondents were allowed to be part of the study or not; respondents were not coerced into contributing their time and effort during the research process. Respondents were given full awareness of the procedure, objectives, and benefits of the study. Only regular employees were the study respondents.

The distribution of the respondents coming from the star-rated hotels and apartments in Davao Region are presented below. Davao City has an estimated 966 regular employees, Tagum City has an estimated 131 regular employees and the Island Garden City of Samal has a total of 55 regular hotel employees. Below is the distribution of respondents in the provinces of Davao Region.

Research Instrument

The research instrument used was adopted and modified to fit in the study. Questionnaires were modified based on the suggestions of the expert validators on the local conditions.

Table 3.1 Distribution of Respondents

Provinces of the Davao Region with Star-Rated Hotel	Number Star-Rated Hotels per City/province	Number of Employees employed	Number of Employees Respondent	Percentage
Davao City	9	780	323	81
Tagum City	1	131	54	14
Island Garden City of Samal	2	55	23	6
Total	12	966	400	100

4. FINDINGS AND DISCUSSIONS

Exhibited in Table 4.1 is the correlation between employees' satisfaction and relational capital. The data revealed the correlation between relational capital and hotel employees' satisfaction, revealing a correlation of $r = 0.787$ and a p-value of less than 0.05. This also denotes that the null hypothesis is rejected.

Table 4.1. Significance on the Relationship between Relational Capital with Employee Satisfaction

Independent Variables	Employees' Satisfaction						
	LeLeadership	Motivation	Rewards	Expectations	Job Organization	Work Environment	Overall
Relational Capital	.795*	.777*	.691*	.698*	.735*	.697*	.787*
Strategic Alliances, Licensing and Agreement	.755*	.751*	.697*	.686*	.721*	.692*	.771*
Customer and Supplier Relations	.703*	.692*	.602*	.613*	.644*	.599*	.690*
Customer Knowledge	.730*	.695*	.599*	.621*	.654*	.624*	.702*
	.000	.000	.000	.000	.000	.000	.000
	.000	.000	.000	.000	.000	.000	.000

Featured in Table 4.2 is the stepwise regression analysis of the influence of relational capital on employees' satisfaction. Its purpose is to show significant predictors of hotel employees' satisfaction. The results reveal that relational capital was found to be an essential predictor of hotel employees' satisfaction.

Relational capital has shown to have a positive standardized beta and has a highly significant influence on hotel employees' satisfaction with a p-value < 0.000 . This indicates that when hotel employees' satisfaction was regressed on relational capital, it

generated an R^2 of 0.706. The ANOVA value of this regression is 70.60, which is significant at 0.000. It can be stated, therefore, that the combination of the three independent variables significantly influenced the hotel employees' satisfaction. The R^2 of 0.706 indicates that 70.4% of the variance in hotel employees' satisfaction is attributed to relational capital. This means that this study does not cover 29.4% of the variation in hotel employees' satisfaction with other variables.

Table 4.2 Multiple Regression Analysis of the Influence of Relational Capital on Employees' Satisfaction

		t-value	Sig.
(Constant)	.159	1.279	.202
Relational Capital	.200	2.774	.006
R^2	.706		
F	16.667		
p	.000		

Customer and supplier relations got the highest mean among the three indicators in relational capital, specifically on the customers having increasingly selected the company's products versus competitors' customers and customers' wants and needs by continually striving to make them satisfied as this finds importance to the efficient functioning of modern enterprise (Abubakar, Namin, Harazneh, Arasli, & Tunç, 2017). This capital provides the potential for creating company value and building competitive advantage. The study of Chaudhry and Zimmerman (2012) and Chen and Vargo (2014) agree that most academics and practitioners claim that how executives respond to the challenge of sustainability will profoundly affect competitiveness and even the survival of organizations. Managing customer relationships enabled by social media facilitates open dialogue and the opportunity to co-create customer value, resulting in a truly customer-centric approach to customer relationships.

Motivation was the highest among all indicators. These results agree with the study of Agler (2013) and Saari and Judge (2004), which states that employee satisfaction results in more productivity and contributes to an organization's success. Motivated employees are essential to the achievement of any organization. Motivating and keeping employees motivation is an integral part of human resources and management within organizations is supported by Katz and Kahn (1990); Latham (2012); Komin (1990); and Xanthopoulou, Bakker, Demerouti, and Schaufeli (2009) as they harmonize motivation and job satisfaction of employees who happen to differ from every organization that influences the values. Motivated employees exert quality performance that radiates to their colleagues to be more motivated to work, and the motivational concept of work engagement should promote an optimistic ambiance that inspires employees to be positive about their jobs. He also identified physical, cognitive, and emotional tasks as the three job channels characterized by personal engagement behaviors as essential factors in motivation.

The test of the relationship between variables reveals a significant relationship between relational capital and employee satisfaction, which leads to rejecting the study's null hypothesis. This implies that relational capital is associated with employee' satisfaction. Further, it means that employees' satisfaction is related to relational capital. The overall result of the relational capital of hotel employees in Region XI is significantly correlated with employees' satisfaction. In a singular state, indicators such as leadership, motivation, rewards, expectations, job organization, and work environment are correlated to relational capital.

The result is consistent with the study of Skowron-Grabowska and Nowakowska-Grunt (2017) that the optimization of employee behavior in an organization of the stakeholders can lead to relational capital and shows that a significant level of interest in the creation of alliances affects economic practice; thus, this will create a continuing positive partnership. Study of Yukongdi and Shrestha (2020) highlighted the importance of satisfaction in influencing employees' decisions. Also, a study of Lim (2020) supported these results emphasizing the perceived involvement affects the satisfaction of employees.

This further conveys that learning and education, experience and expertise, innovation and creation are associated with employee satisfaction. These results are congruent with the study of Odhong and Omolo (2014), who asserted that in addition to academic qualifications, graduates must possess teamwork, good communication, and the ability to appreciate others' perspectives to be more proficient. Reed, Forehand, Puntoni and Warlop (2012) said that consumer interaction translates to relational capital when a firm uses and interacts with its customers.

One of the most essential purposes of this study is the regression analysis determining the influence of relational capital on employees' satisfaction. The results show that relational capital has a significant impact on employee' satisfaction. The result is substantial; hence, the null hypothesis of no significant influence is rejected. This supports the study of Osman et al. (2015) that employees' satisfaction is increased when the feeling of belongingness of employees within the organization is respected and employees are given challenges to fulfill themselves.

This is inconsistent with the study of Sekulić, Mandarić, and Milovanović (2016) that the positive influence of the relationships with customers and stakeholders as elements of relational capital will lead to the growth of the organization (Lim & Dallimore, 2004). Nonetheless, the study of Hejase et al. (2016) also supports that reliability, sustainability, and equal relationship between customer and organization gives significant value to the organization and has no direct effect on employee satisfaction.

5. SUGGESTIONS

It is suggested that hotel owners develop and enhance more alliances with the hotel industry to make employees build a strategy for the organization. Strengthen customer and supplier relations by keeping communication lines open with customers and providing customer support and strategy to make customers loyal to the organization. Enhance customer knowledge by soliciting customer feedback as a basis for intervention for customer relations.

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