

Role of Job satisfaction and organizational commitment in Employee Loyalty: Empirical Analysis from Saudi Hotel Industry

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Abstract

Employees are an inevitable element of the employee loyalty process. Employees are not loyal by birth, they turned to be loyal to their job roles and organization; eventually, through employee loyalty process. The purpose of the study is to enhance employee loyalty especially in the hotel industry of Saudi Arabia. Quantitative method is employed in the present study. By a similar rationale, the present study utilizes the blended techniques to investigate the real usage of employee loyalty in the hospitality business of Saudi Arabia. The present study is rationalized through the cluster sampling method. Data were collected from the five big and busy cities of Saudi Arabia. A questionnaire was distributed in five, four and three-star hotels. The research findings indicate that there is a significant relationship between job satisfaction and organizational commitment with employee loyalty.

This study has made contributions in the theoretical, methodical as well as the managerial fields. This research will help hospitality management to recognize the impact of low employee loyalty. Executives in the hospitality industry can apply strategies to increase employee loyalty. As a result, the industry can maintain its employees and develop its operative performance. By exploring the value of employee loyalty in the hotel industry specifically, the researcher hopes to contribute to the enhancement of the quality of life in hotel employees and society as a whole. This research is among the few studies on how hotel industry benefit and utilize employee loyalty, as a whole.

Keywords: Loyalty, employee loyalty, mutual trust, organizational commitment, job satisfaction and hotel industry

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INTRODUCTION

Among all other stakeholders of the business, Employees are the primary and longer-lasting asset of any organization. If we take a birds eye view of the successful business organizations, we will find that the organizations who have got loyal employees are on the top of the successful business organization's category (DeCenzo, Robbins, & Verhulst, 2016). Employee loyalty is not just a phrase or an HR term, it's a proven outcome of the researches and studies, since decades (Aksoy et al., 2015). To manage the employees in an effective and efficient way is key to operational employee management. To recruit and retention of loyal employees is vital for any successful business (Alhmoud & Rjoub, 2019)

Employees are an inevitable component of the employee loyalty process that's why they work hard to achieve the results and are committed to their assigned jobs (N. K. Jaiswal & Dhar, 2015). They are devoted and sincere towards their organization, they are employed for. The dedicated loyal employees who have trust in the organization's goals and objectives will work for the well-being of the company (Al Qudah, Yang, & Anjum, 2018).

Organizations are attaining reasonable benefits in the market through employee loyalty and these organizations are going through a lot of business accomplishments (Idrees, Vasconcelos, & Ellis, 2018). Successful organizations are well aware of the fact that how to produce and utilize loyal employees for specific job tasks and work progressions to get maximum benefits from human resources (Atitumpong & Badir, 2018). Through ensuing, this perception, (Naranjo-Valencia, Jiménez-Jiménez, & Sanz-Valle, 2016) claimed that the process of loyalty is extremely thoughtful for the organizations to progress, and delivery of the services to get the better results to cop up with the extremely competitive marketplace environment of these days. It is notable that to achieve the employee loyalty successfully, is established on the diverse factors like organizational learning and structure, human capital, leadership style, work environment, amongst other employees (Do, Budhwar, & Patel, 2018). Employees are considered as the dominant element for the achievement and improvement in the organization (Leal-Rodríguez, Eldridge, Roldán, Leal-Millán, & Ortega-Gutiérrez, 2015). In any industry, employee loyalty is a primary source of any progressive and sustainable business. Researches have also shown that companies with high employee loyalty will generate greater profits for the shareholders (Högler, 2015).

Due to the importance of employee loyalty to the company, the researchers look at employee loyalty and the factors that affect employee loyalty (Alhmoud & Rjoub, 2019). One important determinant which could affect employee loyalty is Job satisfaction (Prabhakar, 2016). Satisfied employees will have fewer complaints and can focus more on work activities. Satisfied employees should be willing to extend better cooperation to the supervisors and the company (Raziq & Maulabakhsh, 2015). Satisfied employees are also less likely to act in a detrimental way to the directions of the company (Hanaysha & Tahir, 2016). This then should attract the supervisors to provide support as this support will further accelerate the contribution of the employees to the company. Job satisfaction and employee loyalty are said to be the drivers of productivity, efficiency and profit in business organizations (Rajput, Singhal, & Tiwari, 2016). Ultimate Rewards are an important attraction for the hard-working, loyal employees (Akunda, Chen, & Gikiri, 2018). These rewards are not only in the shape of some cash prizes, but it can also be appreciation, promotion or any other incentive which can motivate the employees for better work inputs. This can transform employees more loyal to the employers and organizations

The other factor that could affect employee loyalty is Organizational commitment (D. Jaiswal & Dhar, 2016). Committed employees are likely to support the activities of the company. The employees will normally put the interest of the company above their own (Ammari, Alkurdi, Alshurideh, & Alrowwad, 2017). With Organizational commitment, employees will be self-driven.

This value will, in turn, cause the supervisors to take more interest in the employees to execute the work activities that have been set (Devece, Palacios-Marqués, & Alguacil, 2016). As per Ling Suan and Mohd Nasurdin, (2016), with the supervisors extending support to the employees, they will be more motivated to complete their work tasks well. Hence, employee loyalty will be enhanced.

Above mentioned discussion has explored the importance of many factors which can enhance employee loyalty. Therefore, this research looks at the relationship of Employee loyalty with Organizational commitment and job satisfaction.

Since the academic research started scholars have explored different factors of employee loyalty. The first step is “to generate loyalty in employees” and the second step is “to keep the potential loyal employees “. This is the most important and challenging task for the managers and employer (Hayat Bhatti et al., 2019). In any industry, including the hotel industry, employee loyalty is a primary source of any progressive and sustainable business organization (Teimouri, Hosseini, & Ardeshiri, 2018). Moreover, the employee’s turnover is the most serious issue with hotel industry employees. Meanwhile, scholars argued that the hotel is a very sensitive or fragile industry (Shum, Ghosh, & Gatling, 2019). There is a lack of recognition and appreciation of the employee hard work (Chapman, 2019). Cormier, Landine and Rivera, (2019) stated that the hotel industry is having the extreme employee turnover (voluntary and involuntary) as compared to the rest of industries specifically, in the service industries. Extended working hours, low salary, low job satisfaction, no rewards and lack of trust, no supervisor support are some of the causes (Cho, Bonn, & Han, 2018).

The right person for the Right job is inevitable in the present competitive work environment (Madanat & Khasawneh, 2018). This research is exploring the different dynamics and variables of employee loyalty, exclusively in the hotel industry of Saudi Arabia. The Saudi hotel industry is not able to retain people who are loyal that can ensure competitiveness and sustainability to be achieved (Idrees et al., 2018). The deprived ratio of the employee turnover and HR management take along a thoughtful influence on the employees in the hospitality industry of Saudi Arabia (Alferaih, Sarwar, & Eid, 2018). Teamwork and collaboration between leading employees and non-management employees are lacking (Idrees et al., 2018). The Saudi hospitality industry is unable to retain the employees, it increases employee turnover and the cost of recertifying or replacing new employees (Alferaih et al., 2018).

Therefore, this is a challenging assignment for every single organization especially in the hotel industry, to retain loyal employees in an organization (Arici, Arasli, Çobanoğlu, & Hejraty Namin, 2019). There are several studies, such as on the relationship between trust and loyalty; satisfaction and loyalty; commitment and loyalty, but they have been done at the individual levels (Razali *et al.*, 2018; Yu *et al.*, 2018).

Based on the above-discussed literature, not many studies have been done to understand the relationship between Job satisfaction, Organizational commitment and employee loyalty and there is a lack of studies which integrates all the said variables in one model in Saudi Arabia generally and Saudi hotel industry in particular.

LITERATURE REVIEW

Employee Loyalty

Scholars define employee loyalty in several ways. Employee loyalty is defined as the mental state that explains the relationship between employees and organizations. This, in turn, affects the decision of the employees to remain in the organization (Allen & Grisaffe, 2001). Loyalty can also be looked upon as an attachment to the organization as part of an emotional response, due to the desire of the members to be with the organization. This desire is driven by strong beliefs in organizational goals and values (Turkyilmaz, Akman, Ozkan, & Pastuszak, 2011). Associates of the business are keen to

put a lot of struggle (Becker & Ostrom, 1995). Thus, the main element of loyalty is the employees' Believe in the morals of the organization, and therefore, it creates the strong desire of employees to work for the organization at their best. Masakure, (2016) stated that loyal employees will work hard in the company to achieve the goals set by the organization. This is a vital aspect to retain employees into the organization.

Usually, employee loyalty is attained by developing a practical situation where the link between both business management and the employee becomes more appropriate and hence it could be monitored easily (Kentaro, 2018). Aityan and Gupta, (2012) stated that the degree of employee's loyalty can be enhanced by conducting proper training for the employees. Fleming and Asplund, (2007), also debated about the employee's satisfaction and said that organizational commitment can play a significant role in employee's loyalty. In this regards, it could be said freely that if the output of employee's official assignments is valued high and appreciated, this will help to enhance the loyalty level of employee and it will certainly improve his working skills and devotion to his work (Kentaro, 2018). Furthermore, employees will be energized when they perceive the positive responses of management and if they perceive responses negative, this will definitely develop an uncertain situation of fear among the employees (Aityan & Gupta, 2012).

The definitions of employee loyalty put forward by the researchers revolve around the main factors of employer, employee, effort, relationship, agreement and goal-setting. Employers and employees are what an organization is made up of and they are the players that ensure the dynamics of the organization. Loyalty also involves more than one party because when discussing employee loyalty, the employees are referring their loyalty to another party; hence, there is this relationship factor. This relationship does not happen by itself and come automatically but requires actions and effort. Hence, this relationship between the parties can evolve into an agreement which would be positive for the organization or it can be a disagreement (unresolved) which can be negative. Although the results of the relationship, it is developed based on certain aims and intents which commonly are the business goals and objectives of the organization.

The employee loyalty definition by (Auer Antoncic & Antoncic, 2011) describes the specific targets of allegiance; these are the leaders and the organization. Allegiance to the organization means that the allegiance of employee loyalty is not only to the leaders but may include the other employees as well. The definition by (Allen & Grisaffe, 2001) is very general as only 'relationship' is mentioned. Other definitions by (Mathieu & Zajac, 1990); (Chen, Tsui, & Farh, 2002); and (Powers, 2000) are very simplistic. In this research work, the definition by (Antoncic & Antoncic, 2011) is adopted because employee loyalty is more than just a relationship (identification and allegiance) and there is clarity on the targets.

Job satisfaction

Scholars have defined Job satisfaction in several ways. According to Sarieva, (2015), high Job satisfaction can be leading to constructive ends, for example, loyalty. Vice versa, low Job satisfaction can lead to negative ends. Negative ends could include disloyalty, intention to leave the organization and lower work performance (Sarieva, 2015).

Scholars have defined job satisfaction as either an expressive state (Kim & Hamner, 1976); or as an attitude (Rainey, Backoff, & Levine, 1976), which not only relates to the task (Schermerhorn, Hunt, & Osborn, 1995); but also to the job conditions that can create positive and conducive work acceptance. These include explicit factors, like pay as well as implicit factors like personal growth and development (Cumbey & Alexander, 1998). However, pay may not be the only factor that is important but the work package, such as medical, bonuses and other monetary-related work incentives, also impact Job satisfaction. The environment of the job and the work situation could

also play a role in job satisfaction even though the nature of the job and the work environment that is acceptable for one individual may not be acceptable to others. For example, some may prefer the 'office environment', while others may prefer 'hands-on' work environment. Employees also would want to grow with the organization as a long-term objective. This could include going through the process of job rotation, training and job enrichment, as part of the career development process.

In addition, employee unfaithfulness also leads to low profitability. Overall, job satisfaction shows the wide-ranging quality of an individual's work experience (Kalleberg & Loscocco, 1983). Job satisfaction is measured as extremely particular and dynamic. Kalleberg and Loscocco, 1983; Oldham, Hackman and Pearce, (1976) argue that job satisfaction comprises of general factors such as the general perception of work pleasure and specific factors such as job security, compensation, cooperative personnel, management and personal development and growth. The five job features of pay, raise opportunities, co-employees, direction and the job itself, typically are the main factors that influence overall job satisfaction (Lehmann-Willenbrock, Beck, & Kauffeld, 2016). Hence, job satisfaction is not only qualitative by the task the employee is responsible for but also the environment the employee is interacting with. It happens based on a mutual relationship amongst the employees and the organization. A positive work experience would commonly result in improved satisfaction. A positive work experience does not necessarily mean one without issues and problems but the way these issues and problems are handled and mitigated are important. It should bear satisfying results for the parties involved.

Job satisfaction is also defined as the emotional (feeling) orientation that an employee has towards various aspects of his/her work (Lehmann-Willenbrock et al., 2016). In this emotional logic, "job satisfaction can be considered as a global feeling about a job" (Spector, 1997); and is appropriately measured by how much somebody individually and emotively enjoys their job overall (Thompson & Phua, 2012). Instead, cognitive job satisfaction (thinking) is not based on emotional judgment, but on the assessment of situations, prospects or results (Moorman R. H., 1993). Therefore, it is fully measured by an assessment of compensation, opportunity or other reasonable objective terms (Locke, 1969). It is essential to note that in the actual situation, no one employee will be satisfied in every single domain of the job. There will be positive experiences as well as negative experiences. The aspect of Job satisfaction is to be taken as the cumulative work experience and as the overall work package, whether monetary or non-monetary-related.

Organizational commitment

Scholars have defined Organizational commitment in several ways.

Most of the organizational commitment definitions revolve around the dedication of the employees to targets, which commonly are the employers and organizations. The definitions by (Meyer and Allen, 1991; Sunarsih, 2007, Meyer 2009; Suddaby and Foster, 2017) pointed out the existence of a 'binder' either in the form of commitment, effort or dedication towards the target. Organizational commitment is a specific psychological attachment between the employee and the target. The attachment happens through social interactions with the individual developing a conscious sense of caring and concern for the target. This means there is also a sense of commitment and dedication towards the target (Suddaby and Foster, 2017). Organizational commitment happens when an employee is willing to put in the effort and continue working to meet the goals of the organization (Sales, 2006).

Other academics define the commitment of employees as a firm belief and acceptance of the organization's objectives and values, which leads to the willingness to work for the organization and stay in the organization (Porter et al., 1974). Some academics define it as the power to connect employees with the organization. This power may be related to the wishes of the employees, the perceived costs or obligations to the organization (Meyer and Allen, 1991). The definition of March

and Simon, (1958) implies the attitudes of employees towards the goals and objectives. Organize and maintain relationships with organizations to achieve objectives. The definition of Porter, (1981) is characterized by three psychological factors that are expected to remain in the organization, contributing to the organization and acceptance of the values and objectives of the organization.

The definition by Kline and Peters, (1991) is that it is a belief in being responsible to serve the organization due to the internal pressure on the employees to perform in harmony with the objectives of the business. The definition by Meyer and Herscovitch, (2001) is based on a study by researchers on the similarities and differences of the various definitions by earlier scholars. They presumed that the centre pith of employee duty is the power that ties a person to a strategy that is of significance to a specific target.

Organizational commitment has been conceptualized in numerous measurements. As indicated by Meyer and Herscovitch, (2001), it is viewed as a mental express that associates an employee to a business, consequently decreasing the issue of the employee turnover and as an attitude that takes a few structures and interfaces an individual to a course of activities that is vital to a particular target (Hassan and Mahmood, 2016). Also, organizational commitment is a sentiment of commitment to one's utilizing business, eagerness to buckle down for that business, and the plan to proceed with that hierarchical connection of the individual to the business. The prime target behind any enrolment procedure is to enlist submitted employees which help a firm in improving the hierarchical execution (Hassan and Mahmood, 2016). The United Arab Emirates has an assorted business condition. Consequently, enlisting qualified occupation candidates is an essential procedure because few expansive business experience issues in gathering gifted employees who can fulfil their chiefs while appearing the abnormal state of execution, which is, pondered the efficiency of neighbourhood business in U.A.E (Alansaari, Yusoff and Ismail, 2019).

Other definitions on commitment include approach (Blau, 2000); objective or worth equivalence (Chatman and O'Reilly, 2016); and some motivational perceptions (Agarwal and Sajid, 2017). Some of the definitions are behavioural-based; whilst some are attitudinal-based. The definition by Suddaby and Foster, (2017) for example, relates to attitude as it mentions 'dedication'; while the definition by (Nayır, Rehg and Asa, 2018) is behaviour-based as it relates to 'effort'. The definitions also emphasize on the existence of a target, which in this case commonly is the organization, therefore alluding to a relationship.

We observe that these definitions focus on the two main areas of bonding and target. This bonding is not forced but occurs willingly from the employees. This bonding develops internally within the employees.

In this research, the definition by Meyer and Herscovitch, (2001) is adopted since it provides the overall encompassing elements of bonding and target without describing the specifics which can limit the scope of coverage. Additionally, this definition is analysed based on the work by other commitment scholars.

HYPOTHESIS DEVELOPMENT

Job satisfaction and commitment form part of an organization's work to hold employees by way of the high level of performance since knowledge are important in order to keep on competitive and to propel the business forward (Matzler and Renzl, 2006). Studies have shown that trust in management and trust in colleagues influence Job satisfaction, which in turn, influence employee loyalty, hence giving evidence on the durable connection between employee trust, Job satisfaction and employee loyalty (Matzler and Renzl, 2006). Also, loyalty is the complement of trust. Therefore, when the trustor trusts the trustee, the trustee honours the trust because of his/her loyalty to the

trustor. In the first instance, the trustor is willing to give the trust to the trustee because the trustor expects the trustee to be loyal by keeping the trust. In the second instance, honouring the trust by the trustee creates loyalty, and hence the complementary behaviour (Rosanas and Velilla, 2003).

Research on the connection between Organizational commitment and worker responsibility with employee dedication was done in India among the workers in the computer programming industry. The examination explored the precursors and results of worker dedication. The examination presumed that worker commitment, commitment and employee responsibility have emphatically huge consequences for employee dependability and are the noteworthy components for anticipating worker unwavering ness (Onsardi, Asmawi and Abdullah, 2017). Research work has demonstrated that representatives who are resolved to work for life in an organization, thus, make businesses who are additionally increasingly faithful to their representatives with a solid feeling of trust between these two gatherings (Altman, 2008).

It is additionally expected this would make workers who are progressively faithful to their managers dependent on the idea of correspondence. Other research has demonstrated that worker commitment is a solid determinant of employee obligation and employees loyalty (Grønholdt and Martensen, 2001; Mak and Sockel, 2001), incorporating into the accommodation business (Abdullah et al., 2011). This is likewise in accordance with the work did by Turkyilmaz et al., (2011), who considered workers in Turkey. The examination researched the connections between worker commitment and employee dependability, mulling over the two parts of the relationship and impact with regards to a creating economy. The investigation features that there is solid proof of an emphatically huge connection between representative commitment and worker steadfastness (Turkyilmaz et al., 2011). An examination on seaward assembling firms was completed by Jun, Cai and Shin, (2006) on the elements that influence representative commitment and worker devotion. The exploration found that worker strengthening, collaboration and employee remuneration affect employee accomplishment. Improved worker commitment at that point brought about improved employee dedication (Jun, Cai, and Shin, 2006).

Research carried out in the hospitality sector in Malaysia has indicated that Job satisfaction influences employee loyalty (Abdullah et al., 2011). It is expected that a similar relationship can be observed for other industries in Saudia, including, the Hotel industry. Additionally, it has been observed that higher commitment, satisfaction and organizational support in the manufacturing sector in Malaysia have resulted in a lower report of turnover intention among employees (Wahab et al., 2014). A similar observation has been reported for the retail industry in Malaysia (Salleh, Nair and Harun, 2012). Since the turnover intention is influenced by employee loyalty, it is expected that commitment and support would then influence loyalty. Therefore, the above discussion leads to the following hypothesis:

H1: There is a significant relationship between Job satisfaction and employee loyalty

H2: There is a significant relationship between organizational commitment and employee loyalty.

METHOD AND MEASURES

Data Collection Procedure

Cluster sampling technique was used to collect data. The questionnaire was distributed on a random basis because this was the requirement of the study. Researcher belonged to Jeddah, so he actively participated in collecting data from Jeddah, Makkah and from Madinah. Appointed assistants in Riyadh and Abha and collected data. The collected questionnaire was randomly numbered and examined for completeness. Out of 1700 questionnaires that were administered, only

390 were completed and suitable to be used for the study. The researcher did not want to make any compromise on the reliability of the instrument so keeping in mind the minimum sample size 384, few more suspected questionnaires with missing values were removed from the collected Questionnaires.

Instrument

This study intends to investigate the impact of Job satisfaction and organizational commitment on employee loyalty. Employee Loyalty questionnaire was adopted from Renzl and Matzler, (2006). Job satisfaction measure comprised of six questions was adopted by Matzler and Renzl (2006). Organizational commitment comprising 18 questions based on Meyer, Allen and Smith, (1993) scale covering the aspects of affective (a desire), continuance (a need) and normative (an obligation) commitments. There are two reasons why this scale is selected. Firstly, the scale was developed based on the Organizational commitment Questionnaire (OCQ) by Mowday, Steers and Porter, (1979), which has been widely used and secondly it has been tested and verified.

DATA ANALYSIS

The present study uses Smart PLS, version 3.2.7 software to perform data analysis as this software is widely used to perform PLS-SEM method in management and business (Alkipsy & Raju, 2019; Anjum, Ramzani, & Nazar, 2019; ChenXi & Sara, 2019; Malik Farrukh, Kalimuthuan, & Farrukh, 2019; Anjum, Nazar, Sharifi, & Farrukh, 2018; Muhammad Farrukh, Chong, Mansori, & Ravan Ramzani, 2017; Muhammad Farrukh, Ying, & Mansori, 2017; Shahzad, Farrukh, Ahmed, Lin, & Kanwal, 2018).

A PLS-SEM path model is normally interpreted and analyzed into two stages, that is measurement model and structural model (Hair et al., 2017) First, the measurement model likewise acknowledged as an outer model and it is verified to confirm its validity and reliability between constructs and indicators. Measurement properties of multi-item constructs, including convergent validity, discriminant validity and reliability, and they were tested by conducting confirmatory factor analysis (CFA). Second, the structural model, which is also recognized as an inner model was used to the analysed the relationship between constructs using R square (R²). Bootstrapping of 5,000 subsamples repetition as mentioned by Hair et al. (2017) and it was used to test the study hypothesis. The original study model contained 26 reflective measurement items for nine variables (latent variables) which constitute six hypotheses for relationships between them.

Measurement Model

The initial stage in PLS-SEM path modelling was to validate the measurement model used in this study. This initial step was to define how well the indicators load on the theoretically defined constructs. Observing the outer model confirmed that the survey items measured the constructs, they were reliable. To determine the reliabilities of an individual item, the study examined each of their loadings to the relevant variables. For this part, confirmatory factor analysis (CFA) was conducted to assess the validity of the measurement model. In using CFA, the number of factors within each set of variables was predetermined, and those with high loadings were determined before the computation of the results. For testing purpose, the goodness of measure, the two primary standards used are validity and reliability. Here validity is meant to test how well the instruments used in the research measure the intended concept.

Convergent Validity

According to (Hair et al., 2017), convergent validity is to evaluate the amount to which two

methods of the same conceptions are correlated. They further suggest that research scholars develop the factor loadings, composite reliability (CR) and average variance extracted (AVE) to evaluate convergence validity. All the items loadings should be above than the mentioned value of 0.70 (Hair et al., 2017). Also, composite reliability values revealed the level of the construct indicators which show the latent variable and they ought to be higher than 0.70, as commended by previous researchers (Hair et al., 2017). In the current study, all the composite reliability values were above than 0.70, as displayed in Table, showing good internal consistency reliability. On a final note, the average variance extracted (AVE) measures the difference taken by the indicators relative to measurement inaccuracy and loading value higher than 0.50 was recommended to validate the use of the construct (Hair et al., 2017). In this study, the AVEs values for all the constructs were well above the threshold value. As presented in the Table 1, mentioned below the entire latent variables fulfilled the threshold value and were well thought out to have met the standards commended for the convergent validity.

Table 1: Measurement Model Evaluation

Constructs	Items	Loadings	AVE	CR	Cronbach's α
Employee Loyalty	EL1	0.7583	0.5046	0.8532	0.7138
	EL2	0.7662			
	EL3	0.7424			
	EL4	0.6995			
	EL5	0.8196			
Job Satisfaction	JS1	0.7662	0.5345	0.8129	0.7966
	JS2	0.83			
	JS3	0.8284			
	JS4	0.4195			
	JS5	0.8044			
	JS6	0.7922			
Organizational commitment			0.5564	0.8316	0.7349
	OC1	0.7128			
	OC2	0.7781			
	OC3	0.8632			
	OC4	0.6057			
	OC5	0.9314			
	OC6	0.9143			
	OC7	0.9001			
	OC8	0.9132			
	OC9	0.6842			
	OC10	0.8782			
	OC11	0.8686			
OC12	0.8135				

OC13	0.7775
OC14	0.8471
OC15	0.7775

Discriminant validity

Discriminant validity of the measures was the extent to which items distinguish amongst constructs or measure distinct conceptions. In this regard, (Hair et al., 2017) explained that discriminant validity stipulates each latent construct's average variance extracted (AVE) must be greater than the highest squared association of further latent construct as Fornell and Larcker, (1981) recommended that criterion and the item's loadings should be larger than all its cross-loadings. Accordingly, the correlation matrix and AVE for the respective variable had confirmed. (Fornell & Larcker, 1981) criterion as depicted in Table 2 and consequently established discriminant validity.

Table 2: The Discriminant Validity Analysis by Fornell & Larcker Method

	1	2	3
1-Employee Loyalty	0.710		
2-Job Satisfaction	0.397	0.731	
3-Organizational Commitment	0.317	0.384	0.745

Assessment of PLS-SEM structural model

Subsequently, after estimating the quality of the measurement model, the succeeding step in a PLS-SEM analysis was to analyse the inner model of the structural model. Given an adequate measurement model and second-order constructs model, the hypotheses were tested by probing the structural model. Mediation studies using PLS-SEM consist of several alternative approaches, and for the persistence of this research, the present research chose the bootstrapping approach. The research framework for this structural model consisted of three main constructs. After running the PLS-SEM with path weighting scheme algorithm, estimates were obtained for the structural model relationship through path coefficients, which represented the hypothesized relationship among the constructs.

Analysis of R square (R^2)

According to Hair *et al.* (2014), the key assessment criterion of the structural model, by PLS-SEM is, R^2 measures, and to conclude the impact level of the path measurements. The reason is as the objective of the prediction-oriented PLS-SEM methodology is to elucidate the variance of endogenous latent variable and reasonably high R^2 value should be obtained. A rule of thumb in marketing research studies, R^2 values of 0.75, 0.50, or 0.25 for endogenous latent variables in the structural model can be represented as substantial, moderate, or weak, respectively.

Accordingly, the obtained R^2 value could use to interpret the strength of the structural model, which indicates the explanatory variance by the exogenous variables contained in the endogenous variable. The R square value for this study is 0.321 which means 32% variance in

employee loyalty is caused by organizational commitment and job satisfaction.

Testing of Hypotheses

The final step of the analysis was to test the hypotheses. Version 3.2.7 applying PLS-SEM algorithm a bootstrapping process with 5,000 subsample iterations (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014) Although path coefficients are significant in PLS-SEM analysis, (Hair, Sarstedt, Ringle, & Mena, 2012) confirmed that when paths are non-significant or reveal signs that are against the hypothesized direction, the prior hypothesis should be rejected. On the other hand, significant paths are displaying the hypothesised track to sustenance the recommended causal correlation empirically.

Moreover, the critical t-values for a two-tailed t statistics are 1.96 with a significance level of 5%. Along with this vein, the present study chooses to set 5,000 re-sampling with an alternate number from the bootstrap case. The result shows that all the independent variables, i.e. Job satisfaction and Organizational commitment positively influence employee loyalty.

Table 3:Hypothesis Testing through bootstrapping

Hypothesis	Path	T value	Support / Reject
There is a significant relationship between Job satisfaction and employee loyalty	0.211	2.43	Supported
There is a significant relationship between organizational commitment and employee loyalty	0.221	2.53	Supported

DISCUSSION

The research question is on the determination of the relationship between, Job satisfaction, and Organizational commitment and employee loyalty. Job satisfaction and organizational commitment have a significant influence on employee loyalty. The possible explanation for this is satisfied and committed employees would feel happy to work for the organization and would tend to work effectively. They tend to stay with the organization, hence resulting in an increase in loyalty (Lee et al., 2008; Chang, Chiu and Chen, 2010; YAO, HUANG and FAN, 2008). Other studies carried out have also revealed that Job satisfaction is a strong determinant of employee loyalty (Matzler and Renzl, 2006; Turkyilmaz et al., 2011).

The research concludes that Job satisfaction and Organizational commitment have a positive and significant impact on employee loyalty and are predictors of employee loyalty.

Theoretical Contributions

This study is based on the underpinning theory, SET. The theory is an important tool to explain about workplace or organisational behaviour. In the Social Exchange scenario, people do not only maintain a relationship for personal interest but for friendship and for the interest of the organization (Blau P., 1964). Also, based on the Social Exchange approach, employees will trade under the norm of reciprocity on dedication and effort for physical and socio-emotional returns based on the relationship exchange (Blau, 1970; Eisenberger et al., 1986; Eisenberger, Cotterell and Marvel, 1987).

This study looks at the relationship, Job Satisfaction, and Organizational commitment and employee loyalty in the segment of the hotel industry in Saudi Arabia. This study results in several contributions in the theoretical field.

The first theoretical contribution is on the relationship Job satisfaction and Organizational commitment with employee loyalty. There have been research works carried out and reported, looking at the relationship individually, such as between mutual trust and Job satisfaction (Van Houtte et al., 2012); mutual trust and Organizational commitment (Cook and Wall, 1980; Paillé, Morin and Grima, 2011); However, researcher has not come across research work which has looked into the aggregate relationship of Job satisfaction, Organizational commitment and employee loyalty.

The third theoretical contribution is that this research looks at the relationship of Job satisfaction, and Organizational commitment and employee loyalty in the hotel industry sector. There have been studies carried out on the service industry, including sales organizations, Hospitality sector and the education sector (Paillé, Morin and Grima, 2011; Abdullah et al., 2011; Ong et al., 2014; Patah et al., 2009; Salleh, Nair and Harun, 2012). However, these earlier research works did not investigate the aggregate impact of the variables on employee loyalty.

Managerial Implication

Findings in this study are important for the management;

This research will help hospitality management to recognize the impact of low employee loyalty. If the hospitality industry is unable to retain the employees, it will increase employee turnover and the cost of recertifying or replacing new employees. Teamwork and collaboration between leading employees and employees must increase employee loyalty in the hospitality industry and maximize employee benefits. Executives in the hospitality industry can apply strategies to increase employee loyalty. As a result, the industry can maintain its employees and develop its operative performance.

The first managerial implication is for management to understand the factors that affect loyalty. Companies want loyalty from their employees to pursue the vision, mission and objectives of the company. The second managerial implication is that management needs to provide working conditions that satisfy the employees and a working environment that leads to the commitment to the job and organization. All of these will lead to loyal employees.

Companies want committed employees who 'work hard' and are passionate about the job. On the other hand, employees also have their needs and want to feel satisfied. If an employee does not feel satisfied, the work focus will be affected. In a company, a conducive work environment can mean sharing of information, thus allowing for better communication; positive response to work request; less 'red tape' in carrying out jobs; and a more motivated workforce due to better understanding between the parties.

The third managerial implication is that management must develop a work package, including remuneration that can enhance Job satisfaction. The company would want to retain good employees as an asset to the business. In order to retain good employees, suitable work packages should be offered. From this study, management would be able to understand objectively the variables that will affect employee loyalty. Understanding objectively the relationship of each of the variables is important.

Limitations of the Study and Suggestions

This study has made contributions in the theoretical, methodical as well as the managerial fields; however, there are some limitations. One of the strengths of any study is to recognize its limitations (Van Dolen, De Ruyter and Lemmink, 2004)

The first limitation is in the sample selected for the research. The sample selected in this research is based on the hotel industry in Saudi Arabia. However, including other companies in KSA as part of the sample, regardless of the size of the business and whether they are national or non-

national status, may increase the generativity of the results and deepen the understanding about the working of the variables' relationship being studied. Wider coverage for the research would mean the companies would have diversified organizational set-ups and thus, this would require enhanced research methodology, such as additional interviews to minimise the chance of biases in the responses.

The second limitation is on the number of variables used in the study. In the current study, two independent variables, one dependent. These variables have been selected based on the literature review and the current state of research that has been carried out. The variables selected are central to a study on loyalty; however, there are also other variables that may possibly affect the relationship with loyalty. These other variables include employee empowerment and teamwork (Hanaysha, 2016; Stavrinoudis and Simos, 2016); work-family balance (Tabarsa et al., 2013) and job enrichment (Pentareddy and Suganthi, 2015).

The third limitation is on the choice of survey design used for the study. The cross-sectional survey design method is selected. The postulated causal relationships in this study are based on theories that have been well developed; hence, it has the theoretical support for the direction of the relationship. The cross-sectional method is helpful in predicting the relationship between variables and has advantages in terms of time and the resources required to support the study. However, it may not be able to capture the behaviour under continuous conditions (Sekaran and Bougie, 2013). This study is limited by time and resources and it will be challenging to operationalize a longitudinal study method

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