

Promoting employee loyalty through organisational learning A study of selected hospitality firms in Port Harcourt, Nigeria

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Abstract: *This study examines the influence of organisational learning on employee loyalty. The study adopted a cross-sectional research design collected data from a sample of 122 employees drawn from a target population of 50 three and four star hotels operating in Port Harcourt. These 50 hotels were listed on the Yellow Pages of the Rivers State Ministry of Commerce and Industry, Port Harcourt, Nigeria. The formulated research hypotheses were tested using Spearman's Rank Order Correlation Coefficient (rs) with the aid of Statistical Package for the Social Sciences (SPSS). The research instrument reliability was tested using Cronbach Alpha Test. From the results of the data analysis, it was found that workers loyalty expressed in terms of continual, emotional and moral loyalty among workers in the hospitality industry is strongly rooted in the organisational learned (learning) pattern and experience by way of demonstrate awareness, intellectual cultivation and communication. Based on this finding, the study concluded that organisational learning improves workers loyalty in organizations. Drawing from our conclusion, the study recommended that organizations should improve their learning capacity through enhancing knowledge awareness, intellectual cultivation and information sharing to ensure effective employee loyalty.*

Keywords: *learning organization, organisational learning, knowledge management, awareness, intellectual cultivation, communication, emotional loyalty, continued loyalty, moral loyalty*

I. Introduction

Hospitality industry requires employees that are loyal and dedicated to their leaders as well as to duties in order to achieve the desired objective. Loyal employees contribute immensely to the effectiveness and prosperity of the organisation. They present an attractive image of the organization from the hotel reception to the ushering in of the prospective customer. The hotel industry is service oriented therefore require employees that are loyal to both the managers and the customers at large. The Moscow Times, (2012) argued that employee loyalty includes dedication to the company's goals, adherence to its principles and a feeling of pride in the company (probably the most important quality). This suggests that, when the goal of a firm is specified, it becomes very clear for the employees to follow; coerciveness style of leadership becomes irrelevant in the workplace. On the other hand, when goals are not defined, it becomes very cumbersome for employees to understand what the company represents and what they really stand to achieve in the business environment. The implication is that, customers will be quick to notice the disagreement on the faces of the employees. This may change customer's attitude towards patronizing that particular hotel.

Organizations that demonstrate learning tend to be at advantage over its competitors. Armstrong (2009) argued that the outcome of organisational learning contribute to the development of a firm's resource capability. This is because; no one individual knows it all. Loyalty supersedes commitment. One can be committed and not be loyal. Loyalty is being submissive to the objectives, culture and vision of the organization. It is significant for managers to lead by example so that their subordinates can exemplify them.

Several studies have been conducted with respect to employee and organisational loyalty in different parts of the world. Elizabeth (2006) studied exit and voice: organizational loyalty and dispute resolution strategies. She found that workers with greater loyalty are more likely to embrace "voice" as a way to address their problems. Seema et al, (2010) study employee loyalty towards organization. The findings of their research conclude that there is a significant difference in loyalty that exists between professional and non-professional teachers. Also there is significant difference in loyalty that exists between female and male teachers of professional courses. Chetna and Rajni (2012) researched on the impact of job satisfaction and organizational commitment on employee loyalty. The results of their study show that there is an impact of job satisfaction and organizational commitment on employee loyalty.

Alfaris (2011) investigated the impact of motivation policies on organizational loyalty. The results of their findings showed that there was a strong and positive relationship between motivation and organizational loyalty. Rishipal & Manish (2013) studied performance management and employee loyalty of 162 bank

employees from a universe of bank employees of private and nationalized banks situated at Punjab, Haryana and National Capital Region of New Delhi, India. The finding of the study shows that there was a positive and significant relationship between the loyalty of employees and their role in performance management. Ahmad (2013) studied on the factors affecting the organizational loyalty of workers in the Jordanian commercial banks. They reported in one of their findings that there are significant differences in the attitudes of the employees in the Jordanian commercial banks towards the influencing factors, due to differences in personal characteristics related to age, gender, educational qualification, and the number of years of service. However, considering the dynamic nature of the hospitality sub-sector in Nigeria and the increasing need for development, it is important that employee loyalty is enhanced, but very little is empirically known on how the rapid organisational learning in such a dynamic context affect loyalty. The study sought to bridge that gap.

II. Literature Review

The Concept of Organisational Learning

The concept of organisational learning has reviewed numerous scholarly attentions. Organisational learning occurs in a learning organization being an organization where managers try to maximize the ability of individuals and groups to think and be creative and thus maximize the potential for organisational learning to take place (Jones and George, 2006). Robbins et al (2009) accentuate that, learning organization is an organization that has developed the continuous capacity to adapt and change. Senge (1990) viewed learning organization as one where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspirations is set free, and where people are continually learning how to learn together. However, Peddler et al (1991) argued that a learning organization is one which facilitates the learning of all its members and continually transforms itself. Other scholars like Wick and Leon (1995) contended that a learning organization is the one that continually improves by rapidly creating and refining the capabilities required for future success.

Drawing from the above arguments, Jones and George, (2006) contended that organisational learning is the process through which managers seek to improve employee desire and ability to understand and manage the organization and its task environment. Armstrong (2009) in his view argued that organisational learning is concerned with the development of new knowledge or insights that have the potential to influence behavior. Marsick (1994) in his own perspective accentuate that organisational learning is a process of coordinated systems change, with mechanisms built in for individuals and groups to access, build and use organisational memory, structure and culture to develop long term organisational capacity. Differencing between the two concepts, Armstrong (2009) argued that organisational learning is about how people learn in organizations while learning organization is about what organisation should do to facilitate the learning of their members. Armstrong's argument seems to be germane in the sense that; what any organization does to enhance, promote or encourage learning within its boundaries is termed as learning organization. On the other hand, the behavior that surrounds learning in the organization is referred to as organisational learning.

Also, Ipek et al (2011) studied the relationship between organizational learning and firm performance: the mediating roles of innovation and TQM. The findings of their study highlight the idea that, mainly organizational learning, innovation and TQM and have began to be established as legitimate and promising pivotal factors creating firm performance. Michael and Enaruna (2013) carried out a study on organizational learning in Nigerian institutions: constraints and challenges. One of their recommendations is that if Nigerian organizations are to develop the competitive edge required to survive in the highly dynamic and globalised economy, organizational learning becomes a *sine quo non*. Yadollah et al (2013) researched on organizational learning and human resource productivity in municipality of Ardabil city. They found that the analysis of hypotheses show a positive significant relationship exists between organizational learning and human resource productivity in Municipality of Ardabil City. Sisnuhadi and Jamal (2013) examined the role of organizational learning in the relationship between quality management practices and organizational performance Indonesia's and Malaysia's ISO 9000 registered manufacturing companies. This study investigates the relationships between quality management (QM) practices (infrastructure practices and core practices), organizational learning, and organizational performance in Indonesia's and Malaysia's ISO 9000 registered manufacturing companies. The findings of the study show that the organizational learning has a positive influence on organizational performance.

Mohd and Norliya (2013) carried a research on ascertaining dimensions of organizational learning capabilities (OLC) in academic library in Malaysia. From their findings, transfer of knowledge was ranked higher (mean=5.73) compared to leadership (mean=5.70). It also showed that transfer of knowledge was moderately and positively correlated with leadership ($p < 0.01$, $r = 0.690$). Furthermore, they argued that transfer of knowledge was moderately correlated with knowledge performance ($p < 0.01$, $r = 0.640$).

Nevertheless, organisational learning can be categorized into two processes as put forward by Argyris (1992). He postulated that organisational learning takes place when an organization achieves what is intended,

and when a mismatch between intention and outcomes is identified and corrected. He distinguished these two learning as single-loop and double-loop learning. The single-loop learning is incremental learning that does not more than correct deviations from the norm by making small changes and improvements without challenging assumptions, beliefs or decisions (Armstrong 2009). Argyris (1992) elucidated that organizations where single-loop learning is the norm, define the governing variables i.e. what they expect to achieve in terms of targets and standards, and then monitor and review achievements and take corrective action as necessary, thus completing the loop. Double-loop learning however involves challenging assumptions, beliefs, norms and decisions rather than accepting them (Armstrong 2009).

In another development Dale (1994) proposed that organisational learning can be characterized into three processes. These are knowledge acquisition, dissemination and shared implementation. Clarifying the three processes, Michael and Enaruna (2013) argued that knowledge acquisition involves research and development, training as well as further education. This is in line with the human capital theory by Ehrenberg and Smith (1994) which states that the knowledge and skills a worker has – which comes from education and training, including the training that experience brings – generate productive capital. Michael and Enaruna (2013) went further to argue that for deliberate organizational learning to take place, the organization must acquire knowledge by monitoring the environment, use information systems to store, manage and retrieve the information when needed. Michael and Enaruna (2013) argued that for information dissemination to be successful, it must be properly disseminated to those who can put it to the best use. Michael and Enaruna (2013) viewed shared Information as organizational memory where knowledge is stored for future use. Nevertheless, Templeton et al (2002) in Sisnuhadi and Jamal (2013) developed organisational learning construct dimensions which include awareness, communication, performance assessment, intellectual cultivation, environmental adaptability, social learning, intellectual capital management and organisational grafting. The definitions of the above construct dimensions were captured in Sisnuhadi and Jamal (2013) as follows. Awareness: Organizational members are aware of the source of key organizational information and its applicability to existing problem areas. Communication: The extent of communication that exist between organizational members. Intellectual cultivation: The improvement of experience, expertise, and skill among existing employees.

The Concept of Employee Loyalty

Seema, et al. (2010) argued that employee loyalty can be best described in terms of a process, where certain attitudes give rise to certain behaviours (intended or actual). Kyle (2007) as reported in Seema, et al. (2010) that as an employer one must understand why employees are emotionally connected to their business - and it's generally much more than salaries, training, or benefits. Kyle's research as reported in Seema, et al. (2010) revealed that emotionally connected employees are the best employees because they are engaged and productive, and they feel validated and appreciated. Frederick Reichheld (2006) as cited in Seema, et al. (2010) reported that loyalty, for those who plan to stay with an employer at least two years, can be affected by several factors, including benefits and pay, working environment, job satisfaction and customers.

Ahmad (2013) researched on the factors affecting the organizational loyalty of workers in the Jordanian commercial banks. He adapted Allen & Mayer (1990) three model of organisational commitment (affective commitment, continuance commitment and normative commitment) and builds them up to form the dimensions of employee loyalty. In his argument, affective commitment was termed emotional or influential loyalty which he defined "as the extent to which an individual realizes the distinctive characteristics of his work in terms of the degree of independence, its importance, the required skills, the availability of supervision and guidance". He added that emotional loyalty is "also influenced by the degree of employee's sense of loyalty that the environment in which it operates allows active participation in the course of decision-making both in terms of work or its own thing".

Ahmad (2013) termed continuance commitment as continued loyalty. He defined it as "the degree of loyalty of the individual controlled by the investment value that can be achieved if he/she continues with the organization or what he/she may lose if he/she decided to move to another organization". For normative commitment, Ahmad termed it as moral loyalty. He defined moral loyalty as "the sense of commitment of the employees towards staying with the organization, and often this is enhanced by good support by the organization for its employees, allowing them to participate and positively interact, not only in the manner of implementing procedures or carrying out the work, but to contribute to the development of goals, planning and policy-making for the organization".

In this study, the researchers adapted the three dimensions of employee loyalty (emotional loyalty, moral loyalty and continued loyalty) developed by Ahmad (2013) to find out how organisational learning can enhance employee loyalty in the hospitality firms operating in Port Harcourt City, Nigeria.

III. Research Methodology

The study adopted a cross-sectional research design. The target population consists of workers in hotels registered with the Rivers State Ministry of Commerce and Industry, Nigeria. The study was conducted at the organisational level of analysis involving a sampling frame of 50 three and four star hotels registered. The study adopted a cluster sampling technique. The population of the study consists of 440 hotel workers. Krejcie and Morgan (1970) sample size determination table was used to determine the sample size for the study which gave 205. 205 copies of questionnaire were distributed to the respondents. After data cleaning, a total of 122 copies of questionnaire were found useful for data analysis. The statistical tool used for the data analysis is Spearman Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences (SPSS). Cronbach Alpha Test was used to ascertain the reliability of the instrument. Three dimensions of organisational learning developed by Templeton et al (2002) also adapted by Sisnuhadi and Jamal (2013) were used in this study (awareness, intellectual cultivation and communication) were measured on a 5-point Likert scale ranging from 5=Strongly Agree to 1=Undecided. The measures of employee loyalty (emotional loyalty, continued loyalty and moral loyalty) were also measured on the same scales. The SPSS output is shown in table 3.

Research Questions

1. To what extent does awareness associate with employee loyalty?
2. To what extent does intellectual cultivation associate with employee loyalty?
3. To what extent does communication associate with employee loyalty?

IV. Hypotheses Development

HO₁: There is no significant relationship between awareness and continued loyalty

HO₂: There is no significant relationship between intellectual cultivation and emotional loyalty

HO₃: There is no significant relationship between communication and moral loyalty

Table 1: Descriptive statistics of organisational learning dimensions

	N	Minimum	Maximum	Mean	Std. Deviation
Awareness	122	4.00	5.00	4.5984	.49225
Intellectual cultivation	122	4.00	5.00	4.6639	.47431
Communication	122	4.00	5.00	4.5820	.49527

Source: Research Survey (2015)

Table 1 above shows the mean score evaluation on organisational learning construct dimensions. Awareness has a mean of 4.5984 and a standard deviation of .49225, from the maximum mean of 5.00. Intellectual cultivation has a mean of 4.6639, and a standard deviation of .47431. Communication has a mean of 4.5820 with a standard deviation of .49527.

Table 2: Descriptive statistics of employee loyalty measures

	N	Minimum	Maximum	Mean	Std. Deviation
Emotional loyalty	122	4.00	5.00	4.5574	.49875
Continued loyalty	122	4.00	5.00	4.5164	.50179
Moral loyalty	122	4.00	5.00	4.5164	.50179

Source: Research Survey (2015)

Table 2 above shows the mean score evaluation on employee loyalty measures. Emotional loyalty has 4.5574 as mean, with a standard deviation of .49875; this indicates how employees attached themselves emotionally to the organization to achieve the set goals. Continued loyalty has a mean of 4.5164 with a standard deviation of .50179. This implies that employees are conscious of the cost associated with leaving the organization. Moral loyalty has a mean of 4.5164 with a standard deviation of .50179. This indicates that most of the employees in the hospitality firms in Port Harcourt are loyal to the firm as a result of the values they embraced in the organization.

V. Analysis, Results And Discussion Of Findings

Table 3 below shows the SPSS output of spearman rank order correlation coefficient for the dimensions of organisational learning and measures of employee loyalty. Since the p-values are less than 0.05, the null hypotheses were rejected. The values of correlation coefficients were positively strong ($\rho = .70$, $\rho = .08$) by Dancey and Reidy's (2004) correlation coefficient categorization adopted by Edeh and Anyanwu (2015). Hence, we accepted the alternate hypotheses in which case, there is a positive significant relationship between organisational learning and employee loyalty. From the results of the data analysis, it was found that workers

loyalty expressed in terms of continual, emotional and moral loyalty among workers in the hospitality industry is strongly rooted in the organisational learned (learning) pattern and experience by way of demonstrate awareness, intellectual cultivation and communication. Our finding corresponds with the findings of Yadollah et al (2013); Ipek et al (2011) and, Sisnuhadi and Jamal (2013).

Table 3: Correlation Coefficient Output for Ho₁, Ho₂ and Ho₃
Correlation

		Emotional loyalty	Continued loyalty	Moral loyalty
Spearman's awareness rho	Correlation	.723**	.734**	.782**
	Sig. (2-tailed)	.001	.000	.000
	N	122	122	122
Spearman's intellectual rho cultivation	Correlation	.802**	.730**	.814**
	Sig. (2-tailed)	.000	.003	.000
	N	122	122	122
Spearman's communication Rho	Correlation	.716**	.804**	.806**
	Sig. (2-tailed)	.001	.000	.002
	N	122	122	122

** Correlation is significant at the 0.05 level (2-tailed)

Positive relationship between awareness and measure of employee loyalty

We found that there is a positive significant relationship between awareness and continued loyalty. The correlation coefficient value between awareness and continue loyalty is positive (rho=.734). In Dancey and Reidy's (2004) correlation coefficient categorization, .734 is a strong correlation. This result corresponds with the findings of Sisnuhadi and Jamal (2013) in their examination of the role of organizational learning in the relationship between quality management practices and organizational performance Indonesia's and Malaysia's registered manufacturing companies. The results of their findings show that the organizational learning has a positive influence on organizational performance.

Positive relationship between intellectual cultivation and measure of employee loyalty

There is a strong positive relationship between intellectual cultivation and emotional loyalty. The Spearman Correlation Coefficient between intellectual cultivation and emotional loyalty is positive (rho=.802) which according to Dancey and Reidy's (2004) correlation coefficient categorization is strong. This is in line with Ipek et al (2011) results on the relationship between organizational learning and firm performance: the mediating roles of innovation and TQM in Turkey's industries. The results of their findings revealed that the dimensions of the organizational learning construct have a positive relationship with all the TQM dimensions in the Turkey's industries.

Positive relationship between communication and measure of employee loyalty

There is a positive strong relationship between communication and moral loyalty. The Spearman Correlation Coefficient between communication and moral loyalty is positive (rho=.806) which according to Dancey and Reidy's (2004) correlation coefficient categorization is a strong correlation. This is in line with Yadollah et al (2013) findings on organizational learning and human resource productivity in municipality of Ardabil city. They found that the analysis of hypotheses show a positive significant relationship between organizational learning and human resource productivity in Municipality of Ardabil City.

VI. Conclusion And Recommendation

Based on the finding, the study concluded that organisational learning improves workers loyalty in organizations. Drawing from our conclusion, the study recommended that organizations should improve their learning capacity through enhancing knowledge awareness, intellectual cultivation and information sharing to ensure effective employee loyalty. Managers and business practitioners should incorporate organisational learning in their vision and mission statements as this will improve the productivity, efficiency and effectiveness of the organization.

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