

## **The Impact of Employee Retention on Customer Satisfaction in the Nigerian Service Organizations (A Study of Some Selected Hotels in JOS, Plateau State)**

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**Abstract:** *The role of employees in service organizations is comparable to the role of the service itself. Their Importance to the firm is critical to both service delivery and service production. There is no gainsay that, service is all about the people (employees) because they appear more often to be the most tangible clue to customers' perception of what quality service entails. It is in this light that this research was undertaken to determine the extent to which employee retention influences customer satisfaction, as well as establishing the extent to which the concept of retention is internalized by the players in the hospitality industry in Nigeria. It also ascertained the rate at which variables like; remuneration, resource strategies, product knowledge, working condition and training translates into customer satisfaction, and determine how retention is perceived by employees. A sample size of 400 employees was adopted from twenty hotels which were selected at random. One hypothesis was tested to determine the relationship between employee retention and customers' satisfaction, a z-test analysis of population proportion was also conducted. The results show a weak relationship between employees' retention and customers' satisfaction in the Nigerian hospitality industry. Based on these findings, the paper recommends that Hotel managers in Jos need to internalize the message in employee retention through improving the working condition of employees. Also, the need to upgrade employees' service knowledge through training was advocated. Finally, the paper also advocated the need for managers to encourage employees to consolidate on their achievements in service delivery by exploring the untapped potentials that abound in the hospitality industry in Nigeria.*

**Keywords:** *Customer, Customer satisfaction, Retention, Employee Retention*

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### **Introduction**

One of the most important ingredients of success in the market place is customers' satisfaction. Hence, customers are the life blood of an organization, their satisfaction is the top goal of the firm, and is ranked by their satisfaction score. Wirtz (2003) provided the lists of customer satisfaction to include: repeat purchase, loyalty, positive word-of-mouth and increased long term profitability. Authorities like Oliver (1977), Churchill and Surprenant (1982), Tse and Wilton (1988) and Yi (1990) have postulated that customer satisfaction is a function of the discrepancy between customer's prior expectations and perception regarding the patronage or purchase. When an experience is better than what the customer expects, this is thought to be positive disconfirmation of the expectation, and a favorable customers' evaluation is predicted. This assertion is aligned with customer retention.

According to Zeithaml, Parasuraman, and Malhotra (2006), the role of employees in service organizations is comparable to the role of the service itself. Their importance to the firm is critical to both service delivery and service production. In services, it is all about the people (employees) because they appear more often to be the most tangible clue to the quality of the service. Zeithaml et al. (2006), further explained that the people factor in services is a very important element in the evaluation of that service (as all human actors who play a part in service delivery and thus influence the buyers perceptions) from the company's personnel to the customers in the service environment. Employees like the mirror of an organization are the interface between the

organization and the customer, what they portray is what the customers see and use in their evaluation of the service experience. Zeithaml et al (2006:350), defines employees' role in the organization to the customers as satisfied employees make satisfied customers and vice versa, as the customers of the organization are important to their success so also are the employees and their relevance. It can therefore be inferred that customer satisfaction is the barometer that determines a satisfied employee.

Individual who are not satisfied with their job are not committed to the organization, and because they are not committed, service delivery will certainly suffer serious setback. To dispense quality service to valued customers at the right time, form and place, most customer focused organizations in the 21<sup>st</sup> century positioned their employees strategically to anticipate and satisfy customers need through employee retention. Though the concept of retention and empowerment has been the subject of great debate, employee retention in modern organization gives employee better latitude in the work place. This is seen in the level of training, supervisory support reward strategy and opportunity for creativity of employee in a workplace. Equidistantly, Bowen and Lawler (1992), added that organization can create the best and flexible employee when high premium is given to knowledge and competence development, equitable reward system and power sharing.

In spite the criticism of the concept of retention; exponents are optimistic that the concept is an important step in the evolution of organizational psychology which has the potential of building hugely more flexible and efficient corporate entities. Empowerment enables organizations to be more responsive to the market place, by de-layering unnecessary structure, ensure lateral communication among work teams with minimal supervision to enable top management focus on strategic matters, while the empowered employees grapple with mundane issues. The inability of the management to control the service encounter makes the employees responsible for the quality of service delivered to the customers. In order for the management to trust that the employees are successful in dealing with their customers, the management has to give the employees the authority and necessary support to succeed at it.

### **Problem Discussion**

Hospitality industry in Nigeria, particularly Plateau State, even though still at it low level of activities and growth offers vast opportunity to investors to explore the tourism potentials of the State. To succeed, investors must understand the interplay of success factors in the industry. One notable characteristic in hospitality organizations is the general offering in the industry that is averagely similar, even though they may engage in different approaches to achieving a differentiation from the others, to be able to gain more market share and customers in the industry. Organizations that compete in offering standardized product tend to differentiate themselves from their rivals by offering higher quality of services to their customers than their competitors hence, makes the basis of their competition to be defined by their services. It is noteworthy to say that most players in the service industry in Nigeria have not fully internalized the significant interface between the organization and the customers; this is apparently manifested in their attitude towards employee empowerment. Because employees are the voice and face of the organization, Ashis (2008) observed that failure to train them to provide quality service, to know what to do and how to do it can simply amount to paradox of value. He also acknowledged the need for employees to have the requisite authority to make decisions regarding customer satisfaction which is the basis of retention.

Employee commitment, productivity and retention issues are emerging as the most critical challenge on the management of workforce in the immediate future. This challenge is driven by the concerns of employee loyalty, corporate restructuring efforts and tight competition for key talents. For many firms, employee departures can have significant effects on the execution of business plans and may eventually cause a parallel decline in productivity. This phenomenon is especially true in the light of current economic uncertainty and following corporate downsizing, as occasioned by outsourcing and other intricate production dictates. The impact of losing critical employees increases exponentially. This is so because every economy relies on the capacity and knowledge - competence of its human resource for economic development. Hence, human resource is the greatest asset of any organization.

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Globally, the retention of skilled employees has been a serious concern to management. The desired critical measures for retention of employees have therefore become strategic to sustainable competition among organizations in a globalizing economy such as Nigeria. This development has dramatically changed human resource practice in the area of attracting skilled employees into organizations, and most importantly is the strategy for retaining them (Samuel, 2008). Employee retention connotes the means, plan or set of decision-making behavior put in place by organizations to retain their competent workforce for performance. There have been many human resource strategies provided to retain employees for the advantage of the organizations. These strategies are aimed at avoiding employee turnover. Organizations rely on the expertise, knowledge, skills, and capital resource and capacity development of their employees in order to compete favorably and indeed gain competitive advantage in the international market. However, recent studies have shown that retention of highly skilled employees has become a difficult task for managers, as this category of employees is being attracted by more than one organization at a time with various kinds of incentives. This behoves on management to create an enabling and sustainable critical culture and strategies to work out retention systems and structures for their existing core employees in these contemporary organizations. This is pertinent because according to Czkan (2005), the motivational strategies used to attain retention in the past are or may no longer be appropriate to motivate critically talented and mobile employees to remain, thereby increasing the rate of turnover.

It is upon this backdrop that this study is undertaken to evaluate the impact of employee retention on customer satisfaction in the Nigerian service organizations (a study of some selected hotels in Jos, Plateau state)

### **Research Questions**

Having analyzed the context in which customer service is dispensed, in today's organizations and the need to improve and strengthen the interface between the organization and customer satisfaction, the paper seeks to unravel some critical issues which include:

1. To what extent does employee retention influences customer satisfaction?
2. To what extent is the concept of retention internalized by the players in the hospitality industry in Nigeria?
3. How does the identified variables such as; job satisfaction, training, reward strategy and supervisory support translated into customer satisfaction?
4. How is retention perceived from the employees' perspective?

### **Objectives of the Paper**

In line with the itemized research questions, the following objectives have been formulated to guide the research.

1. To determine the extent to which employee retention influences customer satisfaction.
2. To establish the extent to which the concept of retention is internalized by the players in the hospitality industry in Nigeria.
3. To ascertain how the identified variables such as; job satisfaction, training, reward strategy and supervisory support are translated into customer satisfaction.
4. To examine how retention is perceived by employees.

### **Research Hypothesis**

#### **Hypothesis I**

**Ho:** There is no significant relationship between employee retention and customer satisfaction in the Nigerian hospitality industry.

### **Literature Review and Theoretical Framework**

#### **Concept of Employee Retention**

Careful investment in human resources entails the acquisition, management and maintenance of a talented workforce in an organization. It is appropriate that every new employee who reports to an

organization be adequately trained during orientation and induction process in order to be well versed with the necessary knowledge and skills to undertake the responsibilities of the position in pursuit of accomplishment of the organizational objectives. The training or induction process costs the organization a good amount of resources in terms of finances, time and equipments. However, the organization must at some point invest in this exercise. This means that the loss of an employee from an organization is a direct loss to the organization because of the cost incurred, not only during the recruitment but also during replacement. Since employers replace seasoned employees with inexperienced personnel, the remaining employees' work schedules are disrupted as they pick up the slack for employees in training (Rowley 2001).

Organizations should therefore maintain their workforce in employment to minimize cost. This maintenance of employees in an organization is termed as retention. Turnover on the other hand refers to a phenomenon where an organization fails to retain its employees or loses its employees to other organizations. When retention rates are low, extra time and money are spent on recruiting, selecting, and training new employees that could have been spent on other activities like performance improvement or career development of employees (Abbasi, 2000). Additionally, organizations may experience a decrease in performance, efficiency, and morale, and an increase in the disorder of social networks, group cohesion, and communication (Sightler 1999). As Day (2000) argued, if companies cannot retain their employees, "the economic results could be devastating for an organization. A substantial amount of value could potentially end up employed by a competitor, or ... become the competition". Hinkin (2000) determined that the most costly element of employee turnover, representing 60 percent, is that of lost productivity

Employees on the other hand have a role to play as far as retention or turnover is concerned. This is because they make the decision on whether to remain in their current organization or to move to other organizations. However, there are a number of factors that influence these decisions. These factors may either be from the employee's current organization or the next potential employer and they range from the terms and conditions of service, the work environment, the reward scheme, the individual career goals, the benefits, the line of command, employee management and any other factor perceived by the employee enough to influence the decision to move out. Thus the awareness of the importance of employees staying with an organization is evident (Cho et al., 2006). Scholars advocate that hospitality executives who understand the value of human capital and adopt organizational policies and management practices in pursuit of employee retention will outperform the competition. Indeed, tenured workforces not only reduce the separation, recruiting, selection and hiring costs associated with the churning of employees, but also become more productive over time, resulting in higher competitiveness and added profitability (Cho et al., 2006 ; Hinkin 2000). Effectively designed and well implemented employee retention programs that increase employee tenure more than pay for themselves through reduced turnover costs and increased productivity. Moreover, financially successful hospitality firms (e.g. Starbucks and Southwest Airlines) have attributed their strong performance to their emphasis on employee retention and development (Hinkin 2000).

Most organizations have taken measures to ensure that their team of employees is retained in the organization. Since the mid-1990s, scholarly research investigations have been focusing not only on determining why employees leave organizations but also concentrating on those factors positively influencing employees to stay (Hoisch, 2001). It is appropriate for organizations to have a human resource department which adheres to their terms, needs, benefits and handles all issues pertaining to the workforce and in whose docket the formulation and implementation of Reward that guides the management of employees in the organization is bestowed. This in most countries in the world is more of a legal requirement. The Reward informs the manner in which the employees are to be treated in the organization. They also state the manner in which employees are expected to conduct themselves in the organization as well as steps to be followed when decisions about employees are made. Lastly, the policies should also address the review and revision procedures of the policies themselves. Katou and Budhwar (2006, p. 1241), in their research based on a sample of 178 organizations in the Greek manufacturing sector, concluded that "managers should recognize that changes in employee skills, attitudes and behaviour that are caused by Reward precede changes in organizational performance". Purcell (1995) argued that the challenge of human resource management is to show a link between policy, practice, and organizational outcomes that is meaningful to the corporate board.

### **Traditional Employee Retention Strategies in the Nigerian Organizations**

The intent of this sub section is to draw an insight on some of the traditional employee strategies currently being employed by most organizations in Nigeria. These include: Job satisfaction, training, reward strategy and supervisory support.

#### **Job Satisfaction**

Job satisfaction is a general attitude toward an individual's current job. This encompasses the feelings, beliefs and thoughts about the job. According to Riggio (2003), job satisfaction consists of the feelings and attitudes one has about one's job. This includes all aspects of a particular job, good and bad, positive and negative, which are likely to contribute to the development of feeling of satisfaction or dissatisfaction or turnover intentions. This conforms to the views of Kim, Leong, and Lee (2005). They agreed that job satisfaction entails what employees' feel and perceive about their jobs and what their experiences on work are. Yang (2009) described job satisfaction as the agreeable emotional condition resulting from the assessment of one's job as attaining or facilitating the accomplishment of one's job values. Job satisfaction can be influenced by a variety of factors, such as pay practice, quality of workers' relationship with their supervisor, and quality of the physical environment in which they work (Hamdia and Phadett, 2011). Job satisfaction and turnover are basically related to the extent that job satisfaction has direct effect on employee retention and turnover. Al-Hussami (2008) affirmed that if employees are more satisfied with their job, it will enhance their ability in terms of creativity and productivity. This will in turn impart on their intention to remain in the organization. This simply suggests that employees who are satisfied with their jobs are likely to remain with the organization longer than those who are dissatisfied with their jobs. It also implies that employee retention can be achieved and turnover minimized if management is able to identify and apply appropriate variables that will create job satisfaction amongst employees.

#### **Training**

Training is referred to as a planned effort to facilitate the learning of job-related knowledge, skills and behaviour by employee (Noe, Holleneck, Gerhart, and Wright, 2006). Wan (2007) posits that the only strategy for organizations to radically improve workforce productivity and enhance their retention is to seek to optimize their workforce through comprehensive training and development. To achieve this purpose, organizations will have to invest on their employees to acquire the requisite knowledge, skills and competencies that will enable them function effectively in a rapidly changing and complex work environment. Batt (2002) argues that high-involvement practices such as autonomy, team collaboration, and training are related to reduce employee turnover and increase productivity. Employees consider training, education and development as crucial to their overall career growth and goal attainment and will be motivated to remain and build a career path in an organization that offers them such opportunity (Samuel, 2008). A study by Babakus, Yavas, Karatepe and Avci (2003), reports that an organization that provides training sends a strong signal to its employees regarding management commitment to their retention and customer service. The study by Steel, Griffeth, and Hom (2002) reveals that empirical data show that lack of training and promotional opportunities were the most frequently cited reasons for high performers to leave the company. Also, the study by Bradley, Petrescu and Simmons (2004) reports that an increase in high-performance work practices is as a result of training which is converted to a decrease in employee turnover in organization. This implies that when an organization provides training to its employees, it will, to a large extent, reduce turnover and enhance employee retention.

#### **Reward Strategy**

According to Agarwal (1998), reward is defined as something that an organization gives to the employees in response to their contributions and performance and also something which is desired by the employees. A reward can be extrinsic or intrinsic. The extrinsic variables include company policies, co-workers relationship, supervisory styles, salary, work conditions and security. The intrinsic variables include achievement, recognition, work itself, responsibility, advancement and growth (Bassett-Jones and Lloyed, 2005). Reward can be in form of cash, bonuses, and recognition amidst others. The purpose of reward strategy is to develop policies and

practices which will attract, retain and motivate high quality people (Armstrong, 2003). The result by Taplin, Winterton, and Winterton (2003), confirmed that rewards, as provided by organizations, have positive relationship with job satisfaction and employee retention. This simply suggests that a high level of pay or benefits relative to that of competitors can ensure that an organization attracts and retains high quality employees.

### **Supervisory Support**

The immediate supervisor is very important in organizational change. When a supervisor provides mentoring, the relationship affects the protégés skill development and intentions to remain with the employer (Atif, Kashif, Ijaz, Muhammad and Asad, 2011). When an employee's skill improves, it will positively affect productivity in organization. Conversely, non-supervisory mentor may increase mentee's confidence by providing access to outside organization (Scanduraa and Williams, 2004). A study by Karasek and Theorell (1990) reveals that poor supervision not only caused the dissatisfaction of employees with their work, but also instigated turnover. Keashly and Jagatic (2002) opine that poor supervision leads to dissatisfaction of employees hence the propensity for turnover. Harmon, Scott, Behson, Farias, Petzel, Neuman and Keashly (2007) in their work, argue that the control work practices which are supervision – oriented and supportive significantly correlated with increased job satisfaction and lower turnover rates among the workers. Literature that supports social and organizational culture indicates that whenever a subordinate is properly supported by supervisor, this will generate positive outcomes both for the organization and the employee (Shanock and Eisenberger, 2006). Simth (2005), in his contribution posits that this is also beneficial for supervisor, because the more competent and more supportive the supervisor is, the more likely the employees and supervisors retain their jobs. He further states that supportive supervision enhances impact on both organizational commitment and job retention. This will in turn impart on productivity in the organization.

### **Why Employee Retention is Critical in Nigeria**

Nigerians and indeed Africans are still grappling with understanding and implementation of management concepts. When compared to the early exposure and erudite contribution of pragmatist, as seen during Taylorism, Fordism, Behaviourialist etc in the Western and European context we can say that, they are better placed on a pedestal. This paper is not in any way making case for mediocrity and ineptitude but rather acknowledging the sincere challenges that might emerge in the process of articulating and internalizing very conceptual management practice like employee retention in Nigeria.

Considering the immense benefit accruable to organizations and individuals, it will be regarded as “Penny wise” on that part of organizations to ignore such a workplace revolutionary trend under any guise what so ever. Below are some reasons why employee retention is critical:

- Global competition and ever changing business environment requires retained and empowered employee who can rapidly respond to customers’ “wildest” expectations by not only responding to them, but take the lead on their behalves to ensure efficiency and performance (Greasly et al 2005).
- Lead to building a pool of knowledgeable employees, who works with least supervision. Information sharing, is cardinal to retention, this involve exposing employee to basic knowledge and accepted work behaviour, which can result into employee job mastery giving managers leeway to focus on strategic matters.
- Reduce employee turnover and enhances retention capacity. Greasly et al(2005) contends that employee who considered themselves retained and empowered are unlikely to experience conflict and ambiguity in their role to certain extend, as they are capable of controlling their work environment. This development Nykodym, Simoenetti, Waren, and Welling (1994) acknowledged; reduces emotional train on the employee. Similarly, it is obvious that, retained employees have high possibility of job satisfaction, motivation, and organizational loyalty. This forms an important attribute in the job description index.

### **Concept of Customer Satisfaction**

Consumer satisfaction is central to the fields of management and marketing. With evidence of strategic links between satisfactions and overall firm performance (Anderson, Fornell and

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Lehman, 1992), it is now common to find mission statements designed around the satisfaction notion, marketing plans and incentive programs that target satisfaction as a goal and consumer communications that trumpet awards for satisfaction achievements in marketplace. Satisfaction generally is conceptualized as an attitude like judgment following a purchase act or based on a series of consumer- product/service interaction (Yi, 1990). The popular view is that the confirmation/ disconfirmation of preconception product/service standards are the essential determinant of satisfaction (Erevelles and Leavitt 1992; Oliver 1996).

By far, the most common are *predictive expectations* of attribute performance, as incorporated in the expectations – disconfirmation (ED) model of satisfaction response (Boulding et al 1993; Oliver 1996, Tse and Wilton 1988). *Desires* based on features and benefits that are considered ideal or inspirational in the service quality domain have also been recommended (Westbroole and Reilly, 1983). Other models use *equity expectations* based on what the consumer believes reasonably should occur given the product/ service price (Oliver and Swan, 1989), and *experience based norms* derived from personal experiences or information received (Cadotte, Woodruff, and Jenkins, 1987). Although these four (4) types of comparison standards reflect the four principal satisfaction models articulated within the CS paradigm, past researchers probably have overemphasized the significance of predictive expectations and the ED model (Cadotte, Woodruff, and Jekins, 1987).

A few Customer Satisfaction paradigm researchers have gone beyond these cognitively toned model formulations to consider the affective nature of satisfaction (Oliver, 1996; Westbrook, 1987). Perhaps most intriguing is Oliver's (1989), suggestion that there exist five different modes or prototypes of satisfaction: **contentment** (with its primary effect on acceptance or tolerance), **pleasure** (a positive reinforcement state that involves the evocation or enhancement of a positive, well- liked experience and primarily affect happiness), **relief** (a negative reinforcement state occurring when an aversive state is removed), **novelty** (expectations of the unexpected that yield a primary affect of interest or excitation) , and **surprise** (a primary effect of either delight or outrage as occurs when service (in our case, service quality) perform outside the range of expectations).

The customer satisfaction level has been analyzed in two terms i.e material customer satisfaction (MCS) level and abstract customer satisfaction (ACS) level. Customer satisfaction in material sense denotes the aggregate position of firm (hotel) in terms of fee charged, frequency with which problems are faced and post purchase behavior of the customers. In abstract sense, customer satisfaction level denotes the position of a firm (let's say hotel) in terms of post purchase or patronage behavior, the efficiency of facilities provided and the examples of others using facilities of the same hotel (Komal, 2009). Material Customer Satisfaction (MCS) level has been examined on the basis of three variables as stated above (fee charged, problems faced and post purchase or patronage behavior).

- Fee charged by the hotels is one of the variables taken for checking customer satisfaction level. If customer feels that the fee charged by the hotel is reasonable then he is satisfied and vice-versa. This implies that there is direct relationship between fee charged and customer satisfaction
- Second parameter for measuring MCS level is problem faced by the customers while using facilities of a particular hotel. If consumers are facing problems more frequently, customer satisfaction level will be less and vice-versa. Hence, there is indirect relation between the problems faced and customer satisfaction.
- Post purchase or patronage behavior has been analyzed through two statements (Komal, 2009). If they are agreeing with these statements, then their customer satisfaction level is rated high. Post purchase or patronage behavior has direct reaction with customer satisfaction level.

### Methodology

The study was undertaken to evaluate the impact of employee retention on customer satisfaction in the Nigerian service organizations (a study of some selected hotels in Jos, Plateau state). One may wonder why the choice of this population as subject of research, seeing that product here is

standardized. It is simply because the services offered in this very important sector have gone through varying degree of changes and sophistication in recent time with customer at the focal point. This is possible through preliminary interactions before administering the data collection instrument. About 400 questionnaires were distributed to the respondents (i.e. employees and customers). Data collected were presented using simple descriptive statistical method such as percentage and charts and the hypothesis tested using chi-square statistical tool of analysis.

### Data Analysis and Results

The questionnaires distributed were 400 (100 for staff and 300 for customers of some selected hotels in Jos). However, only 350 were properly filled and returned (80 for staff and 270 for customers)

**Table 1.** Results of the responses Staff of some selected Hotels in Jos

Questions	Options	Responses		%	% +	% -
		+	-			
<b>Job Satisfaction</b>						
Members in a shift are not blamed for any service failure (-)	Agree	40	40	50	50	50
The supervisor bears responsibility for customers' satisfaction or disappointments (-)	Agree	30	50	62.5	37.5	62.5
I, not my immediate supervisor bears responsibility for error committed or successes achieved (-)	Strongly Disagree	20	60	75	25	75
<b>Average</b>					<b>37.5</b>	<b>62.5</b>
<b>Training</b>						
My employer often share critical information concerning the mission and the vision of the organization (-)	Disagree	33	47	58.8	41.2	58.8
All necessary information I need to perform my job effectively is available at my disposal (-)	Disagree	15	65	81.3	18.7	81.3
Supervisors/Management always give me the necessary clues on key success factors on the job (-)	Disagree	25	55	68.8	31.2	68.8
My achievements and successes recorded are always communicated to me (+)	Agree	45	35	56.3	56.3	43.7
<b>Average</b>					<b>36.9</b>	<b>63.2</b>
<b>Reward Strategy</b>						
My pay is not necessarily subject to organizational performance (-)	Agree	12	68	85	15	85
Pay package and the work I do is less than I deserve (-)	Strongly Agree	70	10	87.5	12.5	87.5
Employee initiative is always rewarded in this organization (-)	Disagree	28	52	65	35	65
<b>Average</b>					<b>20.8</b>	<b>79.2</b>
<b>Supervisory Support</b>						
Supervisors must direct me before I embark on any action (-)	Strongly Agree	26	54	67.5	32.5	67.5
Customers' needs are met better without supervisors' input (+)	Agree	50	30	62.5	62.5	37.5
My supervisor has confidence in the ability of our team members always (+)	Strongly Agree	60	20	75	75	25
<b>Average</b>					<b>56.7</b>	<b>43.7</b>
<b>Total Average</b>				<b>68.9</b>	<b>37.9</b>	<b>62.1</b>



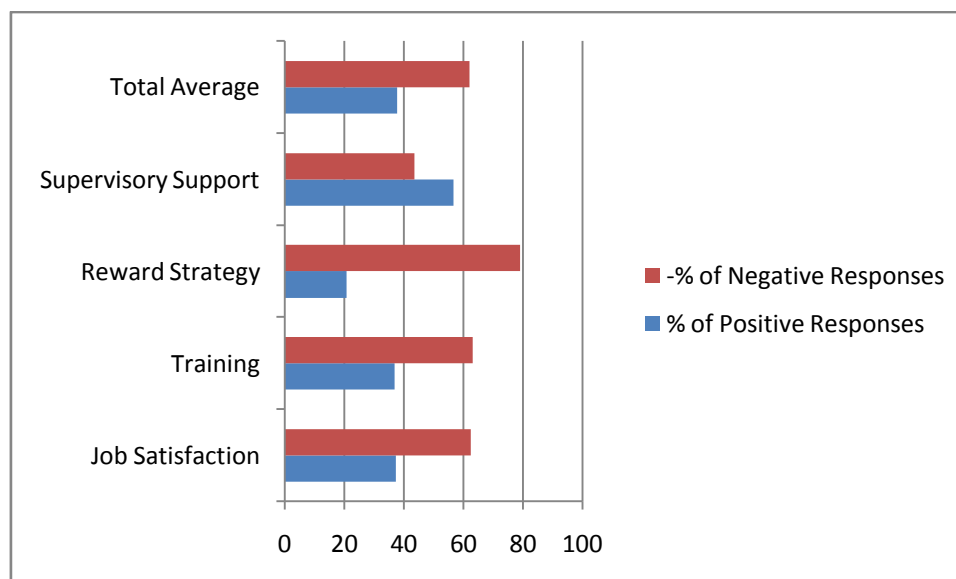
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**Table 2.** Positive and Negative Employee Retention

Empowerment Index(Average)	% of Positive Responses	-% of Negative Responses
Job Satisfaction	37.5	62.5
Training	36.9	63.2
Reward Strategy	20.8	79.2
Supervisory Support	56.7	43.7
Total Average	37.9	62.1

Source: Table 1 Above

**Chart 1.** Positive and Negative Employee Retention



Source. Field Survey, 2012

**Job Satisfaction:** From the table above 40(50%) of the respondents agreed that members in a shift are not blamed for any service failure, 50% disagreed; 50(62.5%) strongly agreed that the supervisor bears responsibility for customers’ satisfaction or disappointment, 37.5% strongly disagreed; 60(75%) strongly disagreed that they, not their immediate superiors bear responsibilities for errors committed or successes achieved, 25% strongly agreed. On the average it could be seen that 37.3 indicates positive Job satisfaction, while 62.5 indicates negative job satisfaction. We could hence deduce here that there is poor retention with respect to handling of job satisfaction of the employees in the hospitality industry in Jos metropolis.

**Training:** The above table reveals that 47(58.8%) of the respondents disagreed that their employers often share critical information concerning the mission and the vision of the organization, 41.2% agreed; 65(81.3%) disagreed that all necessary information they need to perform their job effectively are available at their disposal, 18.7% agreed; 55(68.8%) disagreed that their supervisors/management always give them the necessary clues on key success factors on the job, 31.2% agreed; 45(56.3%) agreed that their achievements and successes recorded are always communicated to them, 43.7% disagreed. On the average it could be seen that 36.9 indicates positive access to training, while 63.2 indicates negative training. We could hence deduce here that there is poor retention with respect to the training of the employees in the hospitality industry in Jos metropolis.

**Reward Strategy:** From the table above it could be seen that 68(85%) of the respondents agreed that their pay is not necessarily subject to organizational performance, 15% disagreed; 70(87.5%) strongly agreed that their pay packages and the work they do is less than they deserve, 12.5% disagreed; 52(65%) disagreed that employees’ initiative are always rewarded in their organizations, 35% agreed. On the average it could be seen that 20.8 indicates positive reward strategy, while 63.2 indicates negative reward strategy. We could hence deduce here that there is

poor retention with respect to reward strategy of the employees in the hospitality industry in Jos metropolis.

**Supervisory Support:** The above table shows that 54(67.5%) of the respondents strongly agreed that their supervisors must direct them before they embark on any action, 32.5% disagreed; 50(62.5%) agreed that customers' needs are met better without supervisors' input, 37.5% disagreed; 60(75% strongly agreed that their supervisors have confidence in the ability of their team members always, 25% disagreed. On the average it could be seen that 56.7 indicates positive supervisory support, while 63.2 indicates negative supervisory support. We could hence deduce here that there is good retention with respect to supervisory support of the employees in the hospitality industry in Jos metropolis.

**Table 3.** Results of the responses of Customers of some selected Hotels in Jos

Questions	Options	Responses		Percentage (%)	
		(+)	(-)	(+)	(-)
How regularly do you patronize the hotel?	Regularly	103	167	38.2	61.8
How satisfied are you with the services of the hotel? (I am satisfied with the services rendered)	Not satisfied (Disagreed)	150	120	54.5	44.5
Employees of the hotel are happy when attending to you	Agree	117	153	43.3	56.7
Employees of this hotel consult their superiors before attending to you	Disagree	150	120	54.5	45.5
I am satisfied with (What is your assessment of) the handling of responsibilities by the employees	Good (Agreed)	105	165	39.6	60.4
Rate the level of innovativeness of the employees as a result of their autonomy in attending to you	41-60%	132	138	51.1	48.9
Employees of the hotel show some sense of patriotism to their customers	Agree	151	119	55.9	54.1
Areas employees need to serve customers better	Upgrading the standard of the hotels and training of employees	92	178	65.9	34.1
<b>Average Total of the percentage (+) (-)</b>				<b>50.4</b>	<b>49.1</b>
<b>Customer Satisfaction</b>					

Source: Field Survey, 2012

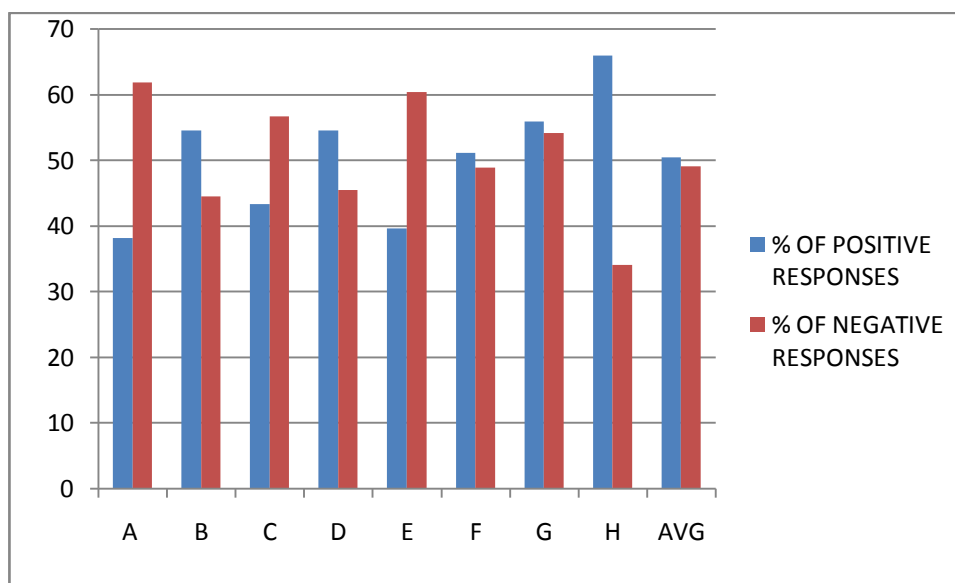
**Table 4.** Summary of Positive and Negative Customers Satisfaction Responses

QUESTIONS	% OF POSITIVE RESPONSES	% OF NEGATIVE RESPONSES
A	38.2	61.8
B	54.5	44.5
C	43.3	56.7
D	54.5	45.5
E	39.6	60.4
F	51.1	48.9
G	55.9	54.1
H	65.9	34.1
<b>AVG</b>	<b>50.4</b>	<b>49.1</b>

The responses of the respondents (customers of the hotels) as presented on the table and figure above reveal that 103(38.3%) opined that they patronize the hotels regularly, 120(44.5%) observed that they are not satisfied with the services of the hotels. 117(43.3%) agreed that employees of the hotels they patronize are always happy when attending to them, 120(45.5%) disagreed that employees of the hotels consult their supervisors before attending to them. 105(39.6%) of the respondents' assessed the handling of responsibilities by the employees of the hotels they patronize as good. 138(51.1%) rated the level of innovativeness of the employees as a result of their autonomy in attending to them at 41-60%, 151(55.9%) agreed that employees of the hotels show some sense of patriotism to their customers, while 178(65.9%) enunciated that the

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areas the employees need to serve them better is through training of employees and upgrading the standard of the hotels.



Source: Table 4

**Data Analysis and Interpretation**

**Ho:** There is no significant relationship between employee retention and customer satisfaction in the Nigerian hospitality industry.

Table 5.

VARIABLES	AVERAGES FROM TABLES 1, 2, 3 AND 4			
	POSITIVE RESPONSES	NEGATIVE RESPONSES	% of POSITIVE RESPONSES	% of NEGATIVE RESPONSES
EMPLOYEE RETENTION	30	50	37.9	62.1
CUSTOMER SATISFACTION	137	133	50.4	49.6
<b>SUM/AVERAGE</b>	<b>168</b>	<b>183</b>	<b>44.2</b>	<b>55.8</b>

Source: Tables 1, 2, 3 and 4

To test the hypothesis above, z-test of population proportion is used to analyze the summary of the average responses of tables 1, 2, 3 and 4 as presented in table 5.

Given the formula:

$$Z = \frac{x - np}{\sqrt{npq}}$$

$$\sqrt{npq}$$

Where n= sample size (350)

p= proportion of event in the sample (0.442)

q= (1-p) proportion of non event in the sample (0.558)

x= number of events in the sample (167)

When substituted in the formula, it then becomes

$$Z = \frac{167 - 350(0.442)}{\sqrt{350 \times 0.442 \times 0.558}}$$

$$Z = 1.32$$

**Interpretation Result**

The computed z which is 1.32 is less than the table value = 12.59 Hence, we accept the null hypothesis which states that; there is no significant relationship between employee retention and

customer satisfaction in the Nigerian hospitality industry while the alternate hypothesis which states that there is a significant relationship between employee retention and customer satisfaction in the Nigerian hospitality industry was not supported.

### **Discussion of Findings**

Hypothesis tested above is quite revealing, this is because the findings differs the logical order. Ordinarily one would expect that negative employee retention as analysed in table 5 would translate to negative customers satisfaction, but rather in spite of the unfavourable responses by the employees regarding retention, customers seems to be at home with the services rendered. One might attribute the weak hegemony in findings to low exposure, and dearth of world class facilities since the hospitality industry in this context is still at its infancy stage, hence customers' indifference to employee retention might be explained in relation to increase in demand for such services. The result is also a pointer to the need for further research and investigation in this area using secondary data.

### **Conclusion**

Employees like the mirror of an organization are the interface between the organization and the customer, what they portray is what the customers see and use in their evaluation of the service experience. This study was aimed at ascertaining the impact of employee retention and customer satisfaction, taking an empirical study of some selected hotels in Jos, Plateau State, Nigeria. Concept of employee retention, traditional employee retention strategies in the Nigeria organizations, why employee retention is critical in Nigeria, concept of customer satisfaction, employee retention and customer satisfaction were reviewed. Furthermore, the result of the hypothesis tested revealed that there is a significant relationship between employee retention and customer satisfaction.

### **Recommendations**

Based on our findings, we hereby advance the following recommendations:

1. Since there is poor retention with respect to job satisfaction, training, reward strategy and supervisory support of the employees in the hospitality industry in Jos metropolis, management of these hotels should improve on their employee retention.
2. Hotels in Jos metropolis should maintain the pace of training their employees to better discharge their tasks
3. To better serve their customers, the hotels in Jos metropolis should upgrade their standards and invest more in the training of employees.
4. Since customers' rating of the level of innovativeness of the employees as a result of their autonomy in attending to them is between 41-60%, hotels in Jos metropolis should keep encouraging their employees to consolidate on their achievements to explore the untapped potentials that abound in the hospitality industry in Nigeria.

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