

# [Survey of employees loyalty within hospitality establishments business essay](https://assignbuster.com/survey-of-employees-loyalty-within-hospitality-establishments-business-essay/)

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COURSE: BA (Hons) International Hotel Business ManagementGROUP: A3ACADEMIC SESSION: 2012 - 2013TITLE: Survey of employee’s loyalty within hospitality establishmentsSUPERVIZOR: Mister Alex Stefan

## DECLARATION:

## Student

No part of this work has been submitted in support of an application for any other qualification of this, or any other institution of learning. I declare that this is an original piece of work and that all data has been collected and results analyzed as stated within. This research has been conducted in an ethical manner in accordance with the School’s Ethical Framework. I have shown my supervisor evidence of data collection and analysis. Signed.............................................................. Date................................. Supervisor (please sign after the appropriate statement)The student has presented sufficient evidence during supervision to verify that this dissertation is their own work and that the data collection and analysis is genuine. Signed ……………………………………………………Date…………………….. The student has not presented sufficient evidence during supervision to verify that this dissertation is their own work and that the data collection and analysis is genuine. Therefore I cannot verify data collection and analysis at this stage of the assessment procedure. Signed ……………………………………………………Date…………………….. Copyright@ American Hotel Academy 2013

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## ABSTRACT

The main aim of this survey is to evaluate the concept of employee’s loyalty and to identify the key motivational factors and the ways to improve employee’s loyalty within hospitality establishments. Undoubtedly, the ‘ human factor’ is one of the great challenges for hospitality managers today. Because of the labor intensive character of the industry, and the involvement of individuals in delivering the hospitality ‘ product’, the hospitality industry is requiring ‘ people skills’ from its workers. Long and irregular working hours, split shifts, seasonality, low wages, low industry image, the lack of career paths, high 'casualization' (e. g. part-time workers) of the workforce and multiethnic are particular characteristics of this industry. What makes this issue even more challenging is the status and perception of employment in the hospitality industry, often characterized by high levels of absenteeism, high turnover of staff, low commitment levels, low job satisfaction, and high job stress. It is ironic then, that hospitality employees, working under the conditions referred to above, are expected to deliver high quality service to customers and colleagues, and to be loyal to their company and management. There is not an easily way to maintain and cultivate the employee loyalty in an organization to retain the employees. There have several variables that are influence the employee loyalty in the hospitality industry out of which group of factors are: career development, compensation and rewards, job security and workplace environment. Based on the past study, there is a significant relationship between these groups of factors and the employee loyalty. The research in this study is conducted by using the questionnaires distributed to the employees who work in the hospitality establishments. In the literature research of this study is identified also the important role of employees’ motivation and ways to be improved for the company productivity and operation. Furthermore, there also has recommendations proposed in the last part of this research for cultivating the employee loyalty towards the hospitality establishments.

## CHAPTER 1: INTRODUCTION

## 1. 1. Research Background

In the last two decades, the relationships between employers and employees have an evolution with remarkable changes on perception, attitude, motivation, satisfaction and finally loyalty on one employee’s side, and new vision & approaches, new strategies and incentive programs, etc. on the employer’s side. The hospitality industry has suffered an increasingly high turnover of staff resulting from relatively poor wages as well as its jobs’ low social status in certain countries, particularly in the Eastern European area. After 1989 and more after last two waves of EU extension to 27 members, the Europe market offers extended opportunities for mobile employees, many of whom work in services sectors and particularly in the hospitality industry. A direct effect of the above mentioned " macro" changes, the low retention rates for this sector has falling lower, with influence in the organizations stability, performances, services quality, all the above affecting Customer loyalty. Therefore appears the necessity for new studies on change’s dynamic of the motivational factors of job satisfaction and employee’s loyalty with its place and role in the organizations behavior. The literature review of this Dissertation’s survey is focuses on four issues related to employees’ loyalty. Firstly, the research being conducted by a researcher with former less knowledge in this field is conducted on Loyalty and Employees Loyalty Definitions & Concept since early studies till today. Some of findings are discussed hereby below: Loyalty, according to " The free Dictionary", by Farlex, is defined as, " the state or quality of being loyal, a feeling or attitude of devoted attachment and affection". Also, Fred Reichheld in his book, " The Loyalty Effect", defines loyalty as the willingness to make an investment or personal sacrifice to strengthen a relationship" Our loyalties are to " our" friends, " our" family, " our" profession", or " our" country, not " your", unless " your" is also " our". Josiah Royce, professor of the History and Philosophy at Harvard University, also discovered in the book, " The philosophy of loyalty" by the Macmillan Company, 1908, page 16, a paragraph which defines the " loyalty" concept as " The willing and practical and thoroughgoing devotion of a person to a cause." He mentions that a man becomes loyal firstly, when he discovers a cause to which to be loyal to, secondly, devotes himself entirely to that cause, and thirdly, he practically serves his cause with consistent devotion. He then explains " the cause" as being " something which seems to the loyal person to be larger than his private self, external to his purely individual will, something that appears to him to be at once personal and impersonal, since it concerns both himself and other people."" Employee loyalty can be defined as employees being committed to the success of the organization and believing that working for this organization is their best option. Not only do they plan to remain with the organization, but they do not actively search for alternative employment and are not responsive to offers"(The Loyalty Research Center: 1990) In other words, the key to employee’s loyalty stands in the way employees are treated and motivated within an organization. It all depends on the mentality employees have, the organization’s goal being to make its staff see it as a one of a kind establishment. The more satisfied the employees are, the brighter the future of the organization will be. More details on this issue are discussed in Chapter 2. Secondly, are discussed the labour turnover as a consequence of the lack of loyalty together with its financial implications. Some studies exploring the role of monetary and non-monetary compensation in retaining staff loyalty. It is well and general accepted that without its employees, an organization would not be able to exist, especially when they represent one of the greatest investments, with reference to locating, recruiting, training, health care plans, bonuses, etc." Employee satisfaction is the employees who enjoying their positions and feeling rewarded for their efforts will ultimately be the most successful, as well as the most beneficial to their companies. Employee satisfaction is also used to describe the employee’s happiness, contented, fulfilling their desires and needs at work. Employee satisfaction is a factor in employee motivation, employee goal achievement and employee morale in the workplace. A mediocre employee would like to stay in the organization if the employee is satisfied with the workplace environment. Moreover, the longer an employee works for a company, the more valuable they are becoming, especially in the service industry." (Heskett et al.: 1997)" Replacement can cost a company anywhere from 35% to 58% of an hourly worker’s salary. For a technical or professional worker, the cost can go as high as 125% of that worker’s salary. Most managers do not realize how expensive losing good, effective workers can be. Anything less than a loyal, productive worker will cost a company, which is why performance goal setting and review ar so important for weeding out the " bad" ones; or for providing additional training and support to those who can be developed or rehabilitated." (Loyalty Research Center: 1990)Because the cost of replacing employees is so high, and the fact that so many continueto leave, businesses who effectively manage the employee can turn these facts around, making these burdens a strength. They can realize increased productivity, happier employees who willingly promote the business, and eventually, greater profits and other positive business outcomes. Third is a brief overview of the researches on motivational factors for job satisfaction and employees loyalty. The factors that make employees loyal, generate organizational commitment and motivate them to stay with a company have been researched extensively. High employee turnover, one form of the manifestation of lack of employee loyalty, is attributable to factors including lack of job satisfaction, poor working conditions, low compensation and inadequate benefits (Wasmuth and Davis 1983; Milman 2003,). Largely diverse research findings and opinions exist regarding the power of pay in reducing labour turnover and increasing organizational commitment, but employees attitudes may depend on the job level and type and cultural background. Hospitality workers in most of studies were found to be motivated by increased wages. Employees appear to be sensitive to financial compensation and, in some situations; pay is the factor most significantly contributing to job satisfaction (Lam et al., 2000; Ineson et al., 2000). In addition to financial compensation, social involvement and affective factors have been shown as important and significantly contributing to job satisfaction. Ineson et al. (2000) found supportive management and a feeling of close affiliation with the Company to be of critical importance to operative retention. The fact that the intent to stay with a company may be fuelled by factors other than pay is further confirmed by Israeli and Barkan (2003) who noted that employee satisfaction can be significantly enhanced by social issues. In their case study they shed light on how employee loyalty improved after a social event and the former prime importance of financial benefits in the factors contributing to employee loyalty became secondary. When comeing to 2000s years, factors that motivate employees are seen to be changed and in this situation technological developments, rapid increase of competition factor among businesses and changes in employees needs are seen to be effective. For example, in his research to determine what are the factors that affect working staff Olcer (2005) determined that factors, affect service employees motivations are job security, good relations with superiors, wage and appreciation based on fair performance, trustful and cooperative relations with workmates, appropriate working environment, ensuring opportunities for social development, doing group work, giving important and appropriate works in accordance with employee’s skills and work rotation. Olcer stressed that there is a meaningful relation in a positive way between motivation level and performance level. Studies reveal importance of Work Engagement as a factor to increase employees loyalty and organization performances; In 1990, William Kahn, a researcher and professor at the Boston University School of Management, defined the concept of work engagement as " the harnessing of organizational members’ selves to their work roles." The concept was later expanded to describe when employees feel positive emotions toward their work, find their work to be personally meaningful, consider their workload to be manageable, and have hope about the future of their work. Increased employee engagement in work results in better employee productivity and loyalty. Companies with high employee engagement outperform low engagement companies in many areas of business success. Engagement can be improved by using more positive supervisory communication styles, offering workplace mental health services to employees, and by larger Organizational-level changes.(" Research Works June 2009")Forth issue is a review of Employees Loyalty programs developed by most Employers as responds to the results and conclusions of studies and analises done by their own or by specialised entities on Employees motivational factors and needs. More details on above issues are discussed in Chapter 2. Taking into account the findings from the literature review, a the primary research is conducted be get answers about the key groups of factors of employees job satisfaction and loyalty to their hospitality establishments and to what extent are these factors interrelated?

## Type of dissertation

The type of dissertation chosen is based on an empirical research dissertation. This type of dissertation has a conceptual/ literature base (secondary research) and also undertakes a primary research. Secondary research (literature) : The key words used are: employee loyalty, hospitality, loyalty programs, perspective, employee satisfaction, employee commitment, employee engagement. The electronic database used is: MMU Online Library, Online Articles and Journals, Research articles, Conferences communications. The primary research: involves collecting and analyzing original primary data collected through questionnaires.

## 1. 2 Aim and Objectives

## Aim

To evaluate the concept of employee’s loyalty within hospitality establishments.

## Objectives

To define the role, the importance and the trends of employee's loyalty in hospitality establishments. To identify the key motivational factors for job satisfaction and employees loyalty and the ways to be improved in hospitality establishments. To determine which are employee’s perspective regarding employee’s loyalty. To draw conclusions and recommendations regarding the employee’s loyalty within hospitality establishments. In order to get more information to achieve the first three objectives of this research, researcher has conducted literature review to understand the concept of each variable in this research. Also researcher has conducted a Primary research for collecting own primary data by questionnaires, to analyze and compare the results with those of other previews studies revealed in Literature review/ Secondary research and draw conclusions.

## 1. 3 Structure of the Dissertation

Chapter 1 is briefly discussed about the employee satisfaction which affects the employee loyalty in the field of hospitality industry. It is included the research background, objectives of the research and the significance of study. It is an overview and outlines the importance of this research. Chapter 2 is studied about the review of the research questions and some secondary sources of information. It provides the foundation for developing a theoretical framework to proceed with further research. Chapter 3 consists of the research methodology. The questionnaire method is the primary method and it describes how the research is carried out in terms of research design, data collection methods, sampling design and so on. Chapter 4 presents the results and findings which are relevant to the research questions from the questionnaire. The Statistical Package is widely used to illustrate the charts and tables which include descriptive analyses and inferential analyses. Chapter 5 outlines the success of the study when compared to the objectives that were set. It also suggests the further work for the research area and summarizes the most important findings.

## 1. 4 Conclusion

As a conclusion, the overview of this research was laid down in Chapter 1. The entire problem encountered, research objectives and questions, for the research and significance of study are established in Chapter 1. In order to have a better understanding, Chapter 2 will provide a review of literature relevant to this study.

## Chapter 2: LITERATURE REVIEW

## 2. 1 Introduction:

There are a great number of theories which have been proposed to explain what keeps employees loyal to their company, especially within a hospitality establishment. Although there are a wide variety of such theories, this survey will focus on the evolution of employee’s loyalty, since the most ancient to the most actual times. The survey will be divided into 3 sections. The first will refer to the concepts of " loyalty" and " employee loyalty", the second to clarify the role, the importance and the trends of employee loyalty in general and especially within hospitality establishments and the third will focus on identifying the loyalty programs and the ways to improve employee’s loyalty and employee loyalty programs within hospitality establishments.

## 2. 2 The Loyalty concept:

Loyalty, according to " The free Dictionary", by Farlex, is defined as, " the state or quality of being loyal, a feeling or attitude of devoted attachment and affection". Also, Fred Reichheld in his book, " The Loyalty Effect", defines loyalty as the willingness to make an investment or personal sacrifice to strengthen a relationship. Loyalty is usually seen as a virtue, even though, a problematic one. It is constituted centrally by perseverance in an association to which a person has become intrinsically committed. Its empiric expression is found in friendship, to which loyalty is integral, but many other relationships and associations seek to encourage it as an aspect of affiliation or membership; families expect it, organizations often demand it, and countries do what they can to foster it. Until recently, loyalty did not attract much philosophical attention. Most of the detailed engagement with loyalty came from creative writers, business and marketing scholars, psychologists, religious scholars, political economists, and pre-eminently-political theorists, who took a particular interest in patriotism and loyalty oaths. The grand philosophical exception was Josiah Royce, who created an ethical theory round " loyalty to loyalty". Since the 1980’s, though, some independent philosophical discussion has begun to emerge, not only in the context of political theory, but also in those of professional ethics, whistleblowing, friendship, and virtue theory. The Old Testament writers were continually occupied with the fickleness of human commitments, whether to God or to each other. In Medieval to Early Modern, uses of the term loyalty came to be affirmed primarily in the oath or pledge of loyalty or allegiance sworn by a vassal to his Lord. Although it is often spoken of loyalty as though it were a relatively free-floating practical disposition, which it can be, it is very common to associate loyalty with certain natural or conventional groupings. " Our loyalty tends to be expressed in loyalties."" Our" loyalties are not expressed to any groups that may exist, or even to any group with which we have some association, but only to those to which we are sufficiently closely bound to call " ours". Our loyalties are to " our" friends, " our" family, " our" profession", or " our" country, not " your", unless " your" is also " our". Josiah Royce, professor of the History and Philosophy at Harvard University, also discovered in the book, " The philosophy of loyalty" by the Macmillan Company, 1908, page 16, a paragraph which defines the " loyalty" concept as " The willing and practical and thoroughgoing devotion of a person to a cause." He mentions that a man becomes loyal firstly, when he discovers a cause to which to be loyal to, secondly, devotes himself entirely to that cause, and thirdly, he practically serves his cause with consistent devotion. He then explains " the cause" as being " something which seems to the loyal person to be larger than his private self, external to his purely individual will, something that appears to him to be at once personal and impersonal, since it concerns both himself and other people." In addition, the cause of being loyal, it is never entirely impersonal. Loyalty involves communication, it is something social, and thus it involves other persons.

## 2. 3 The Employee loyalty concept:

" But what exactly does loyalty mean in a business setting?" This is a question asked by Dr. David G. Javitch, in his work, " Creating Loyal Employees", December 2006, According to him, loyalty in business, in its most basic sense, is the relationship between an employer and an employee-an abstract, often unwritten contract in which the employer agrees to provide the materials and resources the employee needs to get the job done, matched by the employee's agreement to work at an optimal level to fulfill the goals of the company. He also supports the idea that loyalty is really the glue that ties an employee to their job, and that tie is a function of the respect and allegiance the entrepreneur attempts to develop in their employees. In other words, he agrees that loyalty is a key reason many employees remain on their job." Seema Mehta et al, Int. J. Buss. Mgt. Eco. Res.., Vol 1(1), 2010, 98-108 Employee Loyalty towards Organization - A study of AcademicianIn general, employee loyalty can be best described in terms of a process, where certain attitudes give rise to certain behaviors (intended or actual). There have been major changes in the business world and the workforce in the last couple of decades. In the past, once hired an employee believed it was a life time job and managers expected their unstinted loyalty to the enterprise. Similarly, workers used to be devoted to their employer. This image of employment loyalty has gradually changed with the advent of " globalization" when employees began to face restructuring, company relocations, and downsizing. Employers ‘ broke the rules’, mutual obligations are reconsidered, life time employment and devotion is no longer expected, job-hopping is considered to be a normal phenomenon, and people are constantly striving for higher salaries or better working conditions. Loyalty and trust have become more difficult to obtain and give in the work place. Loyalty seems like a quality that's becoming increasingly harder to find, whether it's employee loyalty to a company or consumer loyalty to a product. In the past, employees believed when they were hired by a company that they would be with that company until they retired. Starting in the 1980s as companies sought to increase profits; workers' perceptions of lifetime employment were shattered by corporate downsizing, company relocations to other states or countries and static wages. Loyalty has two dimensions: internal and external. Loyalty is, fundamentally, an emotional attachment. The internal dimension is the emotional component. It includes feelings of caring, of affiliation and of commitment. This is the dimension that must be nurtured and appealed to. The external dimension has to do with the way loyalty manifests itself. This dimension is comprised of the behaviors that display the emotional component and is the part of loyalty that changes the most. The first step is to redefine loyalty as internal feelings that can be manifested in a variety of new ways. Instead, what happens most often is that the leaders of an organization feel that they are very loyal to their employees and that the organization has policies in place to reflect that-but that workers don't understand what management is trying to do. On the other hand, employees who feel they are very loyal to their companies aren't demonstrating it in ways management understands. The terms of the loyalty are far different from what they were in the past. Rather than a blind corporate allegiance, employees show their commitment through their efforts for the organization. Powers, Edward L. in his analysis, " Employee Loyalty in the New Millenium", 2000, developed a conceptual framework in which to analyze employee loyalty in the 21st century, and had made a clarification on loyalty and employee loyalty concept as follows:

## " Typical loyalty contexts:

## Typical indications of Employee Loyalty:

Loyalty to CountryLoyalty to FamilyLoyalty to SelfLoyalty to ProfessionCustomer LoyaltyLoyalty to Sports TeamsLoyalty to Religious BeliefsLoyalty to CommunityAnimal’s Loyalty to MasterLoyalty to National OriginWork – RelatedLoyalty to SupervisorLoyalty to CoworkersLoyalty to JobLoyalty to CompanyRemaining with the company; not leaving; not job huntingStaying late to complete a projectKeeping the company’s business confidential; No " whistleblowing" Promoting the companu to customers and communityAdhering to rules without close supervisionSacrificing personal goals to achieve company’s goalsNot gossiping, lying, cheating or stealingBuying company productsContributing to company-sponsored charitiesOffering improvement suggestionsParticipating in company’s extracurricular activitiesFollowing ordersTaking care of company property and not being wastefulWorking safelyNot abusing leave policies, including sick leaveHelping coworkers; cooperating"

## 2. 4 The Role, importance and trends of employee loyalty

The role and importance of employee loyalty has been and it still is the object of study, analysis and evaluation made at the beginning of the 5th decade, after the year 1946. Employee loyalty and customer loyalty bring profitability to an organization and helps it develop. If the level of employee and customer loyalty is low, it can cause the company many losses and even bankruptcy. The idea that Profit and Growth are stimulated by customer and employee loyalty is also mentioned and strongly sustained in the Heskett et al (1997) as cited in Abdullah (2011):" The model chain of relationships between profits and growth are linked to customer loyalty, while customer loyalty is linked to customer satisfaction; in turn, customer satisfaction is linked to service value, while service value is linked to employee productivity, whereas employee productivity is linked to employee loyalty, employee loyalty is in turn linked to employee satisfaction, and employee satisfaction is linked to internal quality of work life." There is a strong connection between productivity, loyalty, employee satisfaction, customer loyalty and profitability. In conclusion, the secret to fostering employee loyalty is Leadership. Leaders who genuinely care about their people, who are " plugged in" to their organizations, and listen to their employees for suggestions to improve, will develop corporate cultures that naturally support the concept of the Service-Profit Chain. By no surprise, employees who trust and respect the leadership of an organization often feel more empowered and motivated to do their best. Companies with loyal employees have a significant competitive advantage and a higher rate of survival compared to companies with less loyal employees: " The long term success of any company depends heavily upon the quality and loyalty of its people" Keiningham T, Aksoy L, 2009. Why managers shold care about employee loyalty, [http://workbloom. com/blog/management/why-managers-should-care-about-employee-loyalty/]Employee’s loyalty is critical for organizations as constant turnover or churn can be very expensive." Replacing a lost employee costs 150% of that person’s annual salary" – The costs and impact of employee turnover can be grouped into four major categories: Cost due to a person leaving; Hiring costs; Training costs; Lost productivity costs. Loyal employees are assets to a company, and their retention is the key to its success; for one, they bring in loyal customers. Given their importance, employers need to be able to identify and retain loyal employees. The fact that an employee has been working for a company 20 years doesn’t automatically guarantee his or her loyalty. For example, an employee might have difficulty finding a better job opportunity due to lack of marketable skills. Green A, 2007, What is loyalty and how do you develop it? [http://www. boston. com/jobs/on\_staffing/022007. shtml]Loyal, satisfied employees generate customer satisfaction by excellence in performance that leads to organizational success thus resulting in improved financial success. In this case, there is a direct connection between employee satisfaction and customer satisfaction. Yee with colleagues (Yee RWY, Yeung ACL, Edwin Cheng TC, 2010, An empirical study of employee loyalty, service quality and firm performance in the service industry. International Journal of Production Economics, 124 (1): 109-120) developed a research model to analyze the influence of employee loyalty on company performance. Their result, based on service shops in Hong Kong, indicate that employee loyalty robustly affects company " profitability through service quality, customer satisfaction and customer loyalty." Foster with colleagues Foster C, Whysall P, Harris L, 2008, Employee loyalty: an exploration of staff commitment levels towards retailing, the retailer and the store. International Review of Retail, Distribution & Consumer Researcg, 18 (4): 423-435. and Reichheld Reichheld FF, 2001, Lead for loyalty, Harvard Business Review, 79 (7): 76-84 indicated that companies with greater loyalty among employees, customers and shareholders generate greater profits. In his research on employee loyalty, Michlitsch concluded that companies could best implement their strategies if they developed and retained their high-performing employees, including the following key factors: " clear mission and strategy, selection and training, corporate culture, communications and information, and rewards" Mischlitsch JF, 2000, High-performing, loyal employees: the real way to implement strategy. Strategy & Leadership, 28 (6): 28-33. Cascio conducted a relative study of Sam’s Club and Costco and found out that Costco’s employee-related costs were higher than Sam’s Club, but that Sam’s Club annual employee costs were three times higher than Costco’s dues to high turnover Cascio WF, 2006, The high cost of low wages. Harvard Business Review, 84 (12): 23-23. Loyalty was higher at Costco due to higher pay and benefits. In the past, most employees would work for one company their entire life. Altman noticed that, in the past, having a job meant a commitment for life. People would get hired by one company and retire from the same company. Altman W, 2008, Whatever happened to employee loyalty? Engineering & Technology, 3 (6): 76-79. The employers were also more loyal to their employees. There was a strong sense of trust between these two parties that would bond them for a long time. Levin concluded that in the past employees looked for job security in exchange for their loyalty and hard work; the same situation does not remain in the present context. Levin PM, Studies revealed changes in weight and strength motivational factors as a result of major changes in economic conditions, political and social climate nationally and internationally. Studies have revealed changes in the share and the strength of the motivational factors as a result of the major changes intervened in the economic conditions and the political and social climate at a national and international level. The dynamics of implementation of new technologies, transport, communication and computerization, globalization, elimination and others, require the reevaluation of the influential factors of approach by categories; job categories including executives, senior managers, managers, regular non-management employees, part time employees and consultants, and levels of employees ( age, activity background, etc) [" The loyalty treatment", Nursing Management, 2001]Now, employees look for a more independent, mobile workforce. Loyal employees help in the growth and sustainability of a company. Employee loyalty reduces a company’s financial strain, saving on investment in the recruiting process of new staff. The article, " The Death of Corporate Loyalty", Anonymus, 1993, Economist, 327 (7805): 63-64, posed a question whether companies that are cutting thousands of jobs will be able to generate loyalty and commitment among their remaining employees. In the past, long-term job tenure was much higher; however, such expectations are fading quickly with voluminous job cuts. Managers empowered in this way are likely to flex their muscles at every opportunity. Told to act like risk-taking entrepreneurs, they will expect entrepreneurial rewards as well. In the research report " Redefining Employee Satisfaction Business Performance, Employee Fulfillment, and Leadership Practices" published in 2006 by Wilson Learning Worldwide Inc. are revealed job satisfaction factors , as follows:" We began our research by identifying the principal elements of fulfillment, empowerment, and engagement. We identified five:• Satisfaction with the job: To be fulfilled, people need to value their day-to-day work activities. People need to have a sense of accomplishment or pleasure from the work itself.• Satisfaction with relationships: People also need to value the relationships they have on thejob to be fulfilled. People want to like working with their coworkers. While people know thatconflicts will arise, they want to be assured that the focus is not on the interpersonal differences, but the task differences.• Satisfaction with leadership: If people do not think that they are being managed or ledeffectively, it is hard to have fulfillment in the work.• Knowing that others are satisfied in their work: One of the key findings from our research isthe importance of the open expression of fulfillment in the workplace. Knowing that others gainfulfillment in their work is a powerful motivator.• Knowing that others are satisfied with the organization’s leadership: It is difficult to befulfilled if there is not open trust and support for leadership. Equally, when that open trust andsupport is present, it helps create an environment where people feel empowered and willing togive their full engagement. This combination of both personal satisfaction and communication of group satisfaction is a critical distinction between Fulfillment Satisfaction and traditional definitions of satisfaction."

## 2. 5 Employees Loyalty programs:

Recognition and reward programs: The aim and objectives of a company’s recognition and reward program is to motivate and engage employees, but it also must uphold employee retention, reduce accidents and healthcare costs, and encourage performance improvement and many more. By rewarding and recognizing loyalty of performance, a company gets the most of the people that work for it. Employee Performance Improvement Programs: Attendance; Training/ Certification; Suggestions/ Ideas; Participation; Compliance; Product or Service Quality; Productivity; Safety; Wellness; Teamwork; Referrals; Customer Service; New Sales, Up-Sell, Cross-Sell; Components of a loyalty program may include: Service Awards; Birthday Acknowledgement; Spot Recognition; Peer-to-Peer Recognition; Nomination Process; Suggestion Awards; Associate Referral Program; Sales Referral Program; TrainingSurvey and quizzes; Performance Management; Incentives drive interest and behavior when people value the rewards offered and they believe they can attain them. It is not possible to offer the " perfect" reward selection that has the power to motivate all employees participating in one program. That is the reason why it is better to have a large and diverse collection of rewards in the industry that can get the attention even of the most discriminating of the staff members. Rewards can vary, from electronics, to world class packages and cruises, luxury house-wares, airline tickets, tickets to sold-out events, music, movies, books, tools, sporting good and many more. A basic definition of the term " incentive" is something, such as a fear of punishment or the expression of reward that induces action or motivates effort. In the business industry, the word " incentive" is defined as an additional payment made to employees as a means of increasing production. The additional payment is not always expressed in money. There are a lot of incentives that worth more than money themselves, and usually, those are the ones that make employees the most satisfied, devoted, and loyal to a company. One of the biggest challenges faced by employees is keeping staff motivated. Offering incentive opportunities is a great way to keep things fresh and ensure employees are continually striving to hit their specific targets. Examples of incentives in the hospitality industry can vary between Sports Hospitality (sports events), Hospitality at music events (music festivals), Culture events (trip wine tasting in France), Participative outdoor events (fun activities: paintballing, 4x4 off road rides), and other. Incentive programs and promotions have helped companies: Meet and exceed sales goals; Engage and motivate employees and customers; Drive incremental revenue and profit; Launch new products; Promote stronger customer relationships.

## 2. 6 Conclusion:

The concept of loyalty has been known since the beginning of mankind and has developed with time and it is still developing nowadays. The loyalty concept is basically seen by many, as a feeling expressed by a person, to another person. It is also believed that loyalty is something that can be at once personal and impersonal, as it concerns both the loyal person and other people. Within a hospitality establishment, and among the employees of a company, the loyalty concept slightly changes. Employees are the most important asset to an organization, and for this reason, employers need to do their best possible to keep their staff loyal. In order to ease the most difficult task of an employer, (to keep employees loyal), certain loyalty programs have been implemented. There is a great variety of such programs, rewards, incentives that hospitality heads chase, in order to keep employees within a company for many years. These programs, offer employees something in turn of their devotion (vouchers, trips, electronics, etc.)The proposed study will seek to reveal the motivational factors and their influences on job satisfaction and employee loyalty in Hospitality establishments mostly located in Romania.