

## Relationship between Organizational Culture and Job Loyalty among Five-star and Four-star Hotel Employees

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### Abstract

This study examines the relationship between the organizational culture, its attributes and the effect towards job loyalty among the 5-star and 4-star hotel employees in Malaysia. Data were collected from 270 hotel employees through self-administered questionnaires. Instruments were adopted from previous researchers. Data were validated using exploratory factor analysis, and linear regression was employed to examine the relationships between the variables under investigation. From the result, three organizational cultural dimensions (bureaucratic, innovative and supportive culture) were found to have significant impact on employees' loyalty. This study develops a better understanding of organizational culture and leadership styles and their influence on employee loyalty towards their organisation. As a future research direction, researchers can examine organizational culture with other variables such as leadership style, organizational commitment, and employee engagement, specifically in the Malaysian setting.

**Keywords:** Organizational Culture; Innovative; Supportive; Loyalty, Hotel Industry

### Introduction

Loyalty has become a fundamental concern for every organization, and it usually depends on the extent of facilities and benefits that have been provided by their employer. When employees satisfied with their organization, it leads them to stay longer in the organization. The employee is one of the critical assets in any organization as they determine the smoothness of the overall operation. Scholars argue that organization's success is well depending on the employees' performance while poor employee performance is detrimental to the company's success (Campbell, Gasser, and Oswald (1996); Dalal, Bhawe, & Fiset, 2014; Perez et al., 2018). Due to this, the orientation of the organization to its employees turned to be one of the critical tasks of strategic management and human resources (Bratton & Gold, 2017; Chen & Huang, 2009; DiVanna & Rogers, 2005).

According to McBain (2007) and Rofcanin, Las Heras, and Bakker (2017), the organizational culture is one of the factors that give impact to employee engagement in their work. Many organizations emphasized that the organizational culture not only heightens the employee's performance but attain positive job satisfaction (Ezirim, Nwibere, & Emecheta, 2012). As mentioned by Lok and Crawford (2004) and Zulfikar, Prasetyo, and Ramdhani (2018), authoritative organizational culture such as supportiveness and openness has a noteworthy impact on the workers' dedication and execution. Meanwhile, Saeed, Waseem, Sikander, and Rizwan (2014) posited that organizational culture influences the job satisfaction and reduces the employee's turnover intention and in turn lead to employee loyalty. In this sense, when employees are satisfied with their job performance, the highest level of satisfaction will be obtained and subsequently contributes to the employee loyalty. In fact, the relationship between the organizational culture, employee satisfaction and intention to remain in the organization or known as loyalty have received much attention among the academic scholars and practitioners in various industries, including the hotel industry (Ahmad, Iqbal, Javed, & Hamad, 2014; Ram & Prabhakar, 2010; Wahyuni, Christiananta, & Eliyana, 2014).

### Issues

Hotel is a service-oriented industry that provides services to the consumers (Arasli, Bahman Teimouri, Kiliç, & Aghaei, 2017; Bharadwaja, Lee, & Madera, 2018; Gatling, Shum, Book, & Bai, 2017). Since service-oriented in nature, the hotel industry is highly dependent on their employees to create customers value: offering a memorable experience, attracting new and maintaining the existing ones for their business survival. Bharadwaja et al. (2018) noted that the key for the hotel to sustain their competitive advantage in today's marketplace would be through the provision of the outstanding service quality to their customers by their employees and management.

Meanwhile, scholars argued that the hotel is a very sensitive or fragile industry where it is still facing the issue of shortage of manpower supply, poor transfer of the fresh graduates into the industry, job hopping, and employee turnover (Brown, Thomas, & Bosselman, 2015; Buang, Hemdi, & Hanafiah, 2016; Goldsmith & Zahari, 1994; Sigala & Baum, 2003). Specifically, job hopping has been labelled as a common practice among the hotel labour workforce and this trend has been affecting many hotel companies to review back their human resource strategy in order to reduce costs in high turnover and retain their employees within the organization (Farris, 2012; Jules, Ghazali, & Othman, 2017). Chovwen, Balogun, and Olowokere (2014) stated that job-hopping has become a norm in most industries and workers like to hold a job at companies for years and then jumps to another job, position to others position, either exploring their option or forced to do so due to layoffs and unemployment.

Besides job hopping, employee's turnover is the most critical issue in dealing with hotel industry employees. Tracey and Hinkin (2008) together with Brown et al. (2015) reported that this industry is facing the highest employee turnover rates compared to other industries. Differentiating the two types of turnover intention; voluntary and involuntary, the latter is more prone to the hotel employees (AlBattat & Som, 2013). Long working hours, low salary, low job security, compensation and irregular hours are some of the causes (Han, Bonn, & Cho, 2016). In other words, these elements directly influence and affect the employee performances and lead to higher turnover intention. It is a challenging task for every

organization especially in the hospitality industry to retain talented employees in an organization (Tracey & Hinkin, 2008).

The above notion indicates that developing or having a strong the organizational culture is much more important in the hotel industry compared to other sectors. Some researchers stated that having a healthy organizational culture which refers to the shared beliefs and values among members in the organization would be able to curb with those mentioned issues and importantly create employee's loyalty (Belias & Koustelios, 2014a, 2014b; Chipunza & Malo, 2017; Habib, Aslam, Hussain, Yasmeen, & Ibrahim, 2014). Some studies have been undertaken to look at the employee loyalty in the hotel industry from different perspectives. Several researchers looked at the impact of the leadership toward employee engagement and their loyalty (Harter, Schmidt, & Hayes, 2002; Kompaso & Sridevi, 2010), the impact of strong commitment on the organization and loyalty (Harter et al., 2002; Kompaso & Sridevi, 2010; Rich, Lepine, & Crawford, 2010; Saks, 2006), the effect of the job satisfaction on employee loyalty (Costen & Salazar, 2011; Matzler & Renzl, 2006; Turkeyilmaz, Akman, Ozkan, & Pastuszak, 2011), the impact of the organizational culture and leadership style on employee engagement and employee loyalty (Ali & Mohammad, 2006; Lok & Crawford, 2004; Suharti & Suliyanto, 2012) and working environment and significant impact on employee loyalty (Raziq & Maulabakhsh, 2015; Roehling, Roehling, & Moen, 2001; Yee, Yeung, & Cheng, 2010).

Despite the proliferation of such studies, there have been few studies focused on the impact of organizational culture on employee loyalty (Dawson, Abbott, & Shoemaker, 2011; Ineson, Benke, & László, 2013; Klopota, Buntak, & Droždek, 2016). However, none of them try to look on how educational level may affect the relationship between organizational culture and employee loyalty in the hotel industry. Hence, in filling the gap and in line with the issues mentioned above, an empirical investigation is therefore needed to be undertaken that deals with the organizational culture and moderating effect of educational level toward employee loyalty. In this sense, it is presumed that the level of education might create a different level of loyalty among the hotel employees. This study aims to empirically investigate the impact of organizational culture on employee loyalty and to test the moderating effect of educational level on the relationship between organizational culture and employee loyalty.

## **Literature Review**

### ***Employee Loyalty***

According to Bramlett-Solomon (1992), employee loyalty is the willingness to stay with the organization. In the other word, employee loyalty means that workers are committed to the success of the company and put their trust by believing that working for this organization is the right choice. Most researchers stated that loyalty is considered as an employee that give their effort and being responsible toward their organization (Fu & Deshpande, 2014; Nisar, Uzair, Razzaq, & Sarfraz, 2017). Employee loyalty required a number of favourable circumstances. It is commonly believed that loyalty achieved through money and providing employees with the high salary or benefits, but nowadays this situation has changed. Employees prefer organization that create positive work environment, strong positive culture and the good relationship between employees and employer that may influence them to stay

longer with the organization (Lam & Ozorio, 2012; Reichheld, Teal, & Smith, 1996). Rousseau (1998) stated that the intensive package along with the strong relationship with the organizational culture cause employee loyal to the organization. Meanwhile, Preko and Adjetey (2013) revealed that there is a significant impact on employee engagement and job performance toward employee loyalty.

In the hospitality industry, due to low wages, long working hours and low job satisfaction, employees were less loyalty thus create high employee turnover (Borzaga & Tortia, 2006; Gazioglu & Tansel, 2006; White, Hill, McGovern, Mills, & Smeaton, 2003). In fact, issues of retaining the employee in the hotel organization due to the low job satisfaction received significant attention among researchers (Bučiūnienė & Kazlauskaitė, 2012; Thomas & Au, 2002). Many studies found that low job satisfaction leads to low employee loyalty to the organization and at the same time it contributes to high turnover intention (Aydogdu & Asikgil, 2011; Kim & Stoner, 2008; Rahman, Naqvi, & Ramay, 2008; Yin-Fah, Foon, Chee-Leong, & Osman, 2010). According to Kazi and Zadeh (2011), job satisfaction is multi-faceted, this means that when employees satisfied in one area but do not necessarily mean they are satisfied in all areas as well as when employee dissatisfaction in one area does not say they are entirely dissatisfied with their overall job. Hence, while employees were satisfied with one's job, still it will not give a guarantee of loyalty as one or the other form of job satisfaction would be either undervalued or overvalued (Ahmad et al., 2014; Belias & Koustelios, 2014a, 2014b; Bramlett-Solomon, 1992; Khuong & Tien, 2013). According to Khuong and Tien (2013) workplace environment, reward and recognition, information and communication are the factors that lead to job satisfaction and better loyalty.

### ***Organizational Culture***

Organizational culture relates to a system of shared assumptions, values and beliefs which govern how people behave in organizations. These shared values have a significant influence on people in the organization and decree how they dress, act and perform their jobs. Schein (1984) defined the organizational culture as a set of values to help an organization to run effectively. Three (3) elements of organizational cultures suggested by Wallach (1983) namely bureaucratic, innovative, and supportive.

### ***Bureaucratic***

Bureaucratic is an organizational culture which is hierarchical and compartmentalized is a clear responsibility and authority in this culture (Wallach, 1983). In bureaucratic, the work is systematically organized, with power and control that is often practiced by the organization. This type of organizational culture is usually stable, cautious, mature, power-oriented, established, solid regulated ordered, structured, procedural, and hierarchical (Ray, 2012). The bureaucratic culture has a great capacity to be elegant, working in smoothness condition, to empower and operate in coordinating way and gives significant impact on transferring knowledge and performance of employees in the organization (Berson, Oreg, & Dvir, 2008).

Bureaucratic culture refers to how employees follow the rule and instruction given to them by their top management level based on the organization's hierarchy (Berson et al., 2008). Due to the many layers of management, decision-making authority has to pass through a larger number of layers than with flatter organizations. In line with the above, bureaucratic

culture discourage creativity and innovation of employees throughout the organization. This is because organizations that are bound by rigid controls give impact on employee job satisfaction and at the same time they are unable to adapt to changes condition in the marketplace, industry or legal environment (Adler & Borys, 1996; Belias & Koustelios, 2014b). In addition, Noll and Weingast (1991) explained that bureaucratic culture gives negative impact on employee empowerment. Whereby the employees cannot make their own decision in the emergency situation that occurs in their working areas. They also stated that when employee less satisfied with their work it will lead to high employee turnover.

### ***Innovative***

Innovative as part of the organizational culture refers to a culture that is creative, results-oriented and has a challenging working environment. This culture is dynamic and exciting. It can be characterized as being entrepreneurial, ambitious, stimulating or motivating, driven and risk-taking in this culture environment (Wallach, 1983). According to Damanpour and Gopalakrishnan (2001), managing innovation culture helps the organization meet the changing in market demands, this includes creating an improved method of production and administration and at the same time enhance the organizational efficiency and responsiveness.

Hult, Hurley, and Knight (2004) explained that innovation culture has significant impact on the organization's performance. Innovations are considered as a competitive instrument for the organization's long-term performance and success. It also considered as an important means of adapting to the needs of a changing and evolving environment, gaining competitive advantage, and facilitating implementation of change initiatives (Deshpandé, Farley, & Webster Jr, 1993; Hurley & Hult, 1998). The successful innovation requires managing flexibility-control tensions, it enables creativity, empowerment, and changes for the exploration that fuels innovation, at the same time provide discipline and performance of employees (Baer & Frese, 2003; McDermott & Stock, 1999).

In the modern era today, hotel managers need to think of a new way or new strategy to outperform their competitor due to the impact of economy, globalization, technology evolution and fluctuating in the hospitality and tourism demand (Tseng, Kuo, & Chou, 2008). Therefore, to maintain and sustain their business in the marketplace, they need to improve their products or service. In line with that, Orfila-Sintes and Mattsson (2009) explained that there is a significant relationship between innovation culture and hotel performance. When organization encourages their employees to create and make innovation of their product or services, this will build up their confidence level, performance and at the same time increase in the business performance (Horibe, 2016). Innovation is crucial for success in every organization, especially in the hospitality industry depending on how well the organization is applying innovative elements to their business (Amabile, 1988; Ottenbacher, 2007). Besides that, innovative approaches and products in hotel industry not only give significant impact on the employee performance but lead to competitive advantages and increase the organizational performance (Ottenbacher, 2007).

### ***Supportive***

Supportive culture is a culture that exhibits teamwork, people-oriented, encouraging and trusting the working environment. This culture is warm, "indistinct" place to work.

Peoples are usually friendly, fair, and helpful. Supportive cultures are related to openness, harmony, trust, safe, equitable, sociable, encouraging, relationship-oriented, humanistic, collaborative, and likened to an extended family (Wallach, 1983). According to Chandler, Keller, and Lyon (2000), the organization that applies supportive culture will contribute to the high level of organizational learning. This is because a supportive culture makes employees feel pleasant and engage in their organization. Besides that, work-life balance practice influences the organizational outcome through the indirect effect of the supportive culture (Cegarra-Leiva, Sánchez-Vidal, & Gabriel Cegarra-Navarro, 2012). Other than that, Kim (2014) noted that supportive culture, such as reward and compensation, communication, training, and growth opportunities, as well as supervisory support is a conservative force for employee job satisfaction and a source of competitive advantage for a firm.

In the hospitality industry, Ogbonna and Harris (2002) explained that job satisfaction gives impact on the relationship between supportive culture and organizational commitment. This is because a well supportive culture extremely increased openness to change and the desire of employees to make changes in their workplace. When trust and responsibility of employees increase, the significant improvements in ongoing operations would be appeared and actively bringing improvement of ideas and initiatives that make the organization more market competitive (Blomme, Sok, & Tromp, 2013).

### ***Hypothesis Development***

#### ***Relationship between Organization Culture and Employee Loyalty***

According to Ineson et al. (2013), an employee does not stay loyal to an organization for many reasons and one of it, probably due to dissatisfaction or unhappiness of the employees with their job and organization. Turkyilmaz et al. (2011) explained that the more employee matched with the organizational culture, the more employee are satisfied with their job. When an employee has strong job satisfaction, it will affect directly on loyalty toward their organization (Dawson et al., 2011). The previous study shows that job dissatisfaction has strongly related to employee's turnover intention (Costen & Salazar, 2011; Khuong & Tien, 2013) while job satisfaction has healthy positive relationship with an employee loyalty (Matzler & Renzl, 2006; Turkyilmaz et al., 2011).

Aljayi, Fjer, Guennioui, and Tamek (2016) stated that the working environment culture is the factor that are affecting employee engagement and he argued that employees who have less commitment toward their organization would result in disloyalty. Social exchange theory is a decent theory that looks at relationships between two parties (employees and organization) which will bring trust, loyalty, and commitment as long parties are getting the benefit or otherwise (Cropanzano & Rupp, 2008). In addition to that, bad relationship with supervisors or managers strongly will give an adverse impact on the employee loyalty. Labianca and Brass (2006) found that employee leaves their job not because they are not satisfied with their work, but they are dissociating their manager or supervisor. Other than that, he added that development of dissatisfaction among the subordinates is often primarily affected by the skills of the leader or managers.

To retain an employee, an organization needs to have a strong organizational culture that gives value to the employees. Question need to be asked: To the what extent does

employee believed that they perceived an organizational culture that matches their environment affects organizational culture? According to Tnay, Othman, Siong, and Lim (2013), employee who have a high degree of perceived organizational culture at their workplaces are most likely to have higher job satisfaction, loyalty and willingness to recommend the organization as an excellent place to work. Employees that are more satisfied with their job are more likely to be committed and loyal to their organization (Mowday, Steers, & Porter, 1979; Turkyilmaz et al., 2011; Yee et al., 2010). Besides that, an organization needs to emphasize on organizational culture in order to attain positive job satisfaction as this will lead to high performance and lower the intention to leave the organization (Ineson et al., 2013; Lam & Ozorio, 2012; Reichheld et al., 1996).

In the hospitality industry, Suharti and Suliyanto (2012) explained that organizational culture and leadership style give impact to employee engagement and straight away influence the employee loyalty. According to Aksoy, Apak, Eren, and Korkmaz (2014), organizational culture can help to instil the organization's core value in the employees by shaping the collective attitudes and behaviour of the employees in the organization. Hence, the management of the organization must form and build favourable culture for their employees to achieve the organizational objectives and goals (Dawson et al., 2011; Gatling et al., 2017). This is because the organizational culture has a more significant influence on how people think, behave, and carry themselves as being a part of the organization. It will motivate employees and make them feel happier to work with the organizations, and this automatically will result in the rise of employee job satisfaction as well as lead to employee loyalty (Blomme et al., 2013; Gatling et al., 2017).

Thus, the success of an organization highly depends on the types of organizational cultures that are being practiced by the organizations (Ezirim et al., 2012; Habib et al., 2014). The three attributes in organizational culture include bureaucratic, innovative, and supportive culture. According to Jie, Zu Yee, and Wok (2017), bureaucratic and supportive culture highly contribute to the job satisfaction which leads to the employee loyalty whereby innovation culture gives the negative impact toward job satisfaction which in turn they do not stay long in that organization. Meanwhile, Haqqani and Zehra (2015) posited besides bureaucratic culture, applying the innovative culture in the organization would some affect the employee job performance and loyalty in the hospitality industry. From the above review, three hypotheses were developed:

- H<sub>1</sub>: There is a significant relationship between bureaucratic culture and employee loyalty;
- H<sub>2</sub>: There is a significant relationship between innovation culture and employee loyalty;
- H<sub>3</sub>: There is a significant relationship between supportive culture and employee loyalty.

## Methodology

This study seeks to determine how organizational culture influences the hotel employee loyalty. Descriptive research design and a cross-sectional approach was used. This study used non-probability sampling technique specifically the convenience sampling techniques. In the context of this study, the hotel's employee was chosen as a sample, and the study setting will be in the non-contrived setting. For this study, the researcher will only choose four and five-star hotel rating. The reason for choosing these two types of hotels

because each of the hotels has a different level of facilities and services offers to their customers, in which may affect the organizational culture.

With that, the four and five-star hotels located in the Klang Valley (Kuala Lumpur, Selangor, and Putrajaya) were selected as the venues for data collection. This city is chosen primarily because of it one of the fastest growing valley or cities in Malaysia with booming economic and business markets in the country (Masron, Yaakob, Ayob, & Mokhtar, 2017). According to the Ministry of Tourism and Culture Malaysia (Malaysia, 2016), more than 39 four-star and 41 five-star hotels are currently in operation in the Klang Valley, which represent approximately around 18 440 employees. The sample size required for this study was identified with justification by Krejcie and Morgan (1970). The total population for this study is around 18,440 employees. Thus 378 respondents were significant and approached by using a self-administered questionnaire survey. The questionnaire survey comprised four sections. Section A elicits the employee demographic profile, and section B is on the perception of the organizational culture attributes. Section C is used to measure the employee loyalty. Five-point interval scale was adopted.

Before data collection is undertaken, the general managers of all identified four and five-star hotel were contacted seeking permission to undertake the survey and request administrative support. Upon their agreement, the researcher distributed the questionnaires based on suitable times of the employees. The first stage of the analysis involved testing the validity of the research variables. Three separate exploratory factor analyses were conducted for each variable. Principal component extraction with Varimax rotation was applied. The Kaiser-Meyer-Olkin (KMO) value was 0.81 and Bartlett's test was significant at the 0.00 level. The criterion for the significance of factor loadings was set at 0.50 as per proposed by Hair Jr and Lukas (2014). Multiple regression was applied to test the research hypotheses.

## Analysis and Results

### *Descriptive Analysis*

700 questionnaires were distributed in the survey process with 270 questionnaires were obtained and usable which yielding 38 (%) percent of the response rate. This data is considered sufficient based on the argument made by Sekaran (2010) that 30 percent of response rate is required for statistical analysis in the social science research. Table 1 presents the demographic characteristics of the respondents. Majority of the respondents are male (n=163; 61.1%) while for female respondents is (n=105; 38.9%). Meanwhile, the descriptive statistics showed that the majority of the respondents is between 25-34 years old (n=120; 44.4%). Most of the respondents are with high school certificate (n=133; 49.3%) while Diploma holder (or higher) records the fewest response (n=20; 7.4%). Lastly, the majority of respondents have an income level between RM3001 to RM4000 (n=165; 61.1%).

Table 1

### *Demographic Profiles*

Demographic characteristics		Percentage	Frequency
Gender	Male	61.1	165
	Female	38.9	105
Age	17 - 21 years	7.41	20

	25 - 30 years	44.4	120
	31 - 36 years	25.9	70
	37 - 42 years	11.1	30
	49 years and above	11.1	30
Status	Single	46.30	125
	Married	51.85	140
Education	High School	49.3	133
	Certificate	43.3	117
	Diploma and higher	7.4	20
Department	Front Office	30	81
	Housekeeping	37.4	101
	Food & Beverages	17.8	48
	Kitchen	11.1	30
	Others	3.7	10
Working	Less than one year	18.15	49
Experience	1-2 years	45.56	123
	3-4 years	28.15	76
	Five years and above	8.15	22
Income	RM2001-RM3000	37	100
	RM3001-RM4000	61.1	165
	RM4001 and above	1.85	5

N=270

Table 2

*Mean Score for Bureaucratic Culture, Innovation Culture, Supportive Culture and Employee Loyalty instruments*

Construct	N	No. of items	Mean	Cronbach Alpha
Bureaucratic Culture	270	8	4.26	.912
Innovation Culture	270	6	4.16	.901
Supportive Culture	270	7	4.12	.887
Employee Loyalty	270	7	4.05	.874

*Note: Likert Scale (1: strongly disagree, 2: disagree, 3: neutral, 4: agree and 5: strongly agree)*

Table 2 reports the mean Score for bureaucratic culture, innovation culture, supportive culture, and employee loyalty instruments. The sample showed a high perception towards the Bureaucratic Culture (M=4.26) and Innovation Culture with a mean of (M=4.16). Also, the respondent was found to be inclined towards the Supportive Culture (M=4.12) and Employee Loyalty (M=4.05).

### Regression Analysis

The standard multiple regression analysis was applied to examine how strong is the relationship between predictor variables (independent) and the criterion variable (dependent variable). Various aspect of distribution scores (normality, linearity, homoscedasticity and independence residuals) were tested through the scatter plots as a part of its procedure. The presence of multicollinearity was also determined in the correlations. The results claimed that multicollinearity did not affect the research data.

Single-Step multiple regression was conducted to test the strength of the relationship between the tourism core products and destination image as the first hypothesis ( $H_1$ ) of the study. The organisation culture (bureaucratic, innovative and supportive culture) as the predictor and employee loyalty as the criterion were entered into the equation separately as per proposed by Hair, Black, Babin, Anderson, and Tatham (1998). The subsequent analysis was undertaken to grasp how strong is the relationship between each of the single sub-dimensions of the predictor variable with the destination image as the criterion variable. Table 3 reports the summary of the results.

Table 3: Results of Linear Regression Analysis

Predictors	Model 1 $H_1$	Model 2 $H_2$	Model 3 $H_3$
Model Variables: Destination Image	Bureaucratic culture	Innovative culture	Supportive culture
Std. $\beta$	0.600***	0.199***	0.345***
$R^2$	.360	.300	0.253
Adj. $R^2$	.358	.280	0.252
F-Change	150.687***	120.731***	124.533***

Note: \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

Looking at Model 1, the independent or predictor: Bureaucratic culture ( $\beta = .600$ ,  $p < .000$ \*\*\*) accounted 36 percent ( $R^2 = .360$ ,  $F$ -change = 150.687,  $p < .000$ \*\*\*) of the variance in employee loyalty dimension. The value of ( $\beta = .199$ ,  $p < .000$ \*\*\*) indicated that Innovative culture significantly and positively contribute to the employee loyalty ( $R^2 = .300$ ,  $F$ -change = 120.731,  $p < .000$ \*\*\*). Meanwhile, Supportive culture ( $\beta = .345$ ,  $p < .000$ \*\*\*) accounted 25.3 percent ( $R^2 = .253$ ,  $F$ -change = 124.533,  $p < .000$ \*\*\*) of the variance in employee loyalty dimension. In other words, the bureaucratic, innovative and supportive culture influences employee loyalty. With this, the three hypotheses are therefore strongly supported.

### Discussion

The main aim of this study is to empirically investigate the relationship between organizational culture and employee loyalty in the hotel industry. The hotel employees in the selected areas in Klang Valley, Malaysia were surveyed. A total of 270 questionnaires were successfully collected. The data obtained was run through several types of pre-determined analyses ranging from the internal consistency, descriptive statistic, exploratory factor analysis (EFA) and regression analysis.

This study found that bureaucratic, innovative and supportive cultures influence the employee loyalty. Specifically, this finding is parallel with other studies which indicated that highly perceived bureaucratic culture gives a significant impact on employee job satisfaction which leads to employee loyalty (Noll & Weingast, 1991; Ray, 2012). Meanwhile, this study confirms that innovative culture influences the performance of the employee and increasing them to stay longer in the tourism organization (Hult et al., 2004; Orfila-Sintes & Mattsson, 2009; Ottenbacher, 2007). Lastly, supportive culture highly contributes to employee job satisfaction and which lead to employee loyalty (Cegarra-Leiva et al., 2012; Chandler et al., 2000; Rofcanin et al., 2017).

Based on the above findings, it shows that organizational culture does not only influence employee's attitude but also their loyalty toward the organization (Belias & Koustelios, 2014b; Chipunza & Malo, 2017; Dawson et al., 2011). Moreover, based on the result, it indicated that hotel employees prefer a systematically organized organizational culture with explicit authority and responsibility (Aljayi et al., 2016; Blomme et al., 2013; Chipunza & Malo, 2017). Moreover, they preferred organizational culture that applied the openness system in their organization as they can easily voice out what they think, make any suggestion and recommendation to improve their daily task. Other than that, benefits or privilege of employees is one of the most important elements that contribute to their loyalty either organization use soft or hard management (Cegarra-Leiva et al., 2012; Rofcanin et al., 2017).

## **Conclusion**

This study contributes to a better understanding of the influence of organizational culture which included bureaucratic, innovative and supportive culture toward employee loyalty in the hotel industry. In this context, organizational culture significantly influences either negative or positive on employee loyalty. A strong organizational culture positively affects employee loyalty while weak organizational culture contributes to negative employee loyalty. This insight is extending and strengthening the existing body of literature. This study also highlights the importance of having a healthy organizational culture and employee loyalty in the hotel organization. Hotel management as a whole, therefore, should emphasise in practicing the systematic organization with clear authority and responsibility, openness, team-work and more toward employee oriented rather than management egocentric. With that, if the employee is happy and well adapted to such working environment, they probably be more committed to the organization.

There is no doubt that this study can create a fundamental basis for the loyalty of hotel employee issues, but it could be better for other researchers in the future to extend this study to a broader number of hotel employee or through a comprehensive sample across the states or the whole nation. Also, for future research, a mixed method could opt which is combining the survey through questionnaire and interview. This mix method approach would provide more in-depth information about the issues investigated. Future studies can also examine organizational culture with other variables such as leadership style, organizational commitment, and employee engagement in the Malaysian setting.

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