

*Full Length Research Paper*

# Drivers of hospitality industry employees' job satisfaction, organizational commitment and job performance

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**This study aims to combine empowerment, internal marketing, leadership and job stress to propose an integrated model of hospitality industry employees' job satisfaction, organizational commitment and job performance. The subjects of this study were hospitality industry employees from Taipei City, and the structural equation modeling was adopted to validate path relationships in integrated model. The findings showed that employees' job satisfaction directly and positively influences organizational commitment, but does not directly influence job performance. Employees' job satisfaction enhances job performance only through organizational commitment. Internal marketing, empowerment and leadership also positively influence job satisfaction. Empowerment and leadership enhance employees' organizational commitment. Internal job stress negatively influences employees' job satisfaction and external job stress enhances employees' job performance. According to the findings, this paper realized the main factors which influence hospitality industry employees' job satisfaction, organizational commitment and job performance, which can function as criteria for human resource management in the hospitality industry.**

**Key words:** Hospitality industry, job satisfaction, organizational commitment, job performance.

## INTRODUCTION

With the change of the industrial structure in recent years, the output value of the service industry has become more than 70% of the GDP in most advanced countries (CIA, 2009). Thus, the service industry plays a significant role in national economic development. In 2008, as the world encountered a financial tsunami, the governments of different countries selected potential service industries and supported them with resources, in order to energize economic development. The hospitality industry is a typical service industry, and it is critical service industry around the world. In Taiwan, the scale of

the hospitality industry has been increasing year by year. According to the Statistics Department, Ministry of Economic Affairs, in 2001 the business volume of the hospitality industry in Taiwan was NTD 261.3 billion. In 2006 it passed NTD 300 billion and in 2009 it reached NTD 321.7 billion. However, the hospitality industry refers to labor services and relies on manpower in areas such as production, delivery and restaurant service. Thus, the hospitality industry is mainly based on services. As mentioned in Bitner's (1995) framework of the service marketing triangle, service providers play a critical role in the service industries.

In service industry management, regarding the importance of employees, Heskett et al. (1994) proposed the framework of service profit chain. In the service profit chain, there are critical linkages among internal service

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quality, employee satisfaction/productivity, the value of services provided to the customer, customer satisfaction and company's profits. This chain shows that internal service quality can enhance employee satisfaction, which will enhance employee productivity and further result in external service value and enhanced customer satisfaction. Finally, the company can make a profit (Zeithaml et al., 2009). Therefore, satisfied employees make satisfied customers. Service personnel satisfaction significantly influences organizational commitment and job performance on customer satisfaction and corporate operational performance (Ladkin, 2002; Dunlap et al., 1988; Tansuhaj et al., 1988; Chowdhary, 2003; Yang and Chen, 2010). How to enhance service personnel satisfaction, organizational commitment and job performance is a critical issue in service industry management.

In past research on employee satisfaction, organizational commitment and job performance, many scholars (Babin and Boles, 1998; Bernhardt et al., 2000; Van Scotter, 2000; Koys, 2003; Testa, 2001) have validated that employees' job satisfaction positively influences job performance and organizational commitment. In studies on factors of employees' job satisfaction, job performance and organizational commitment, the service profit chain proposed by Heskett et al. (1994) and service marketing management model indicated by Tansuhaj et al. (1988) on overall service industry both demonstrated that management's internal marketing activities produce job satisfaction and commitment to the organization. In addition, many studies have found close relationships between leadership, employee satisfaction, organizational commitment and job performance (Billingsley and Cross, 1992; Yammarino and Dubinsky, 1994; Burton et al., 2002; Avolio et al., 2004; Chen and Silverthorne, 2005). The above studies have mainly focused on the educational service industry, retail industry, manufacturing service industry, medical service industry and governmental institutions, but have not conducted in-depth explorations on the hospitality service industry. Hopfl (1994) indicated that in the service delivery, first-line employees must be empowered to some degree in order to cope with customers' special demands. Thus, job empowerment can be treated as important management to encourage first-line service personnel and immediately solve customers' differential demands. Avolio et al. (2004), Caykoylu et al. (2007) and Chen et al. (2008) respectively conducted empirical studies on medical personnel and employees of the telecommunication industry, banking industry and postal industry, and found that empowerment positively influences employee satisfaction and organizational commitment. One issue worthy of further study is the extent of how empowerment positively influences hospitality industry employee satisfaction and organizational commitment. In addition, first-line employees face different customer demands and supervisor requirements, therefore job stress is a critical issue for them. Jamal (1990) and Jex (1998) suggested that reducing employees' job stress could enhance employees' job

satisfaction and job performance. Williams and Cooper (2002) and Ouyang (2009) indicated that proper job stress would enhance employees' job performance. In the hospitality industry, the influence of job stress from external customers and internal supervisors on employees' job satisfaction and job performance is an issue worthy of further exploration.

Based on the above, internal marketing, leadership, empowerment and job stress are possible factors of service industry employees' job satisfaction, organizational commitment and job performance, and these factors are validated in various service industries. However, the outcomes in different service industries are not the same. For the hospitality industry, it is important to validate and analyze the influences of the above factors on employees' job satisfaction, organizational commitment and job performance. Thus, this study intended to combine internal marketing, leadership, empowerment and job stress and proposed an integrated model of hospitality industry employees' job satisfaction, organizational commitment and job performance. Hospitality industry employees in Taipei City were treated as the subjects, and the researcher probed into factors of hospitality industry employees' job satisfaction, organizational commitment and job performance in order to function as criteria for management in the hospitality industry.

## LITERATURE REVIEW

### Job satisfaction

The term "job satisfaction" was proposed by Hoppock (1935) who suggested that job satisfaction means employees' emotions and attitude toward their jobs, and is their subjective reaction toward their jobs. The definition of job satisfaction is generalized into three categories:

(1) Definition of generality: Job satisfaction refers to the affective reaction to one's job as the most (Özer and Günlük, 2010). Job satisfaction, which is one of the most important necessities for an individual to be successful, happy and productive, is a feeling of satisfaction, that is, an outcome of the perception of what the job provides for an individual (Ay and Avaro lu, 2010); (2) Definition of difference: This refers to the degree of satisfaction and the difference between individual actual returns and required returns. For instance, Porter and Lawler (1968) suggested that the degree of satisfaction depends on the difference between a person's actual returns and expected returns; (3) Definition of criterion framework: Peoples' subjective perception and interpretation on objective traits of organizations or jobs would be influenced by individual criterion framework.

According to Smith et al. (1969), job satisfaction is the outcome after a person interprets the job traits according

to the criterion framework. The influence of certain work situations on job satisfaction is related to many factors, such as comparisons between good and bad jobs, comparisons with others, personal competency and past experience, etc.

### **Job performance**

Kane and Lawler (1976) suggested that job performance refers to the record of the results when employees have practiced a job for a certain period of time. According to Schermerhorn (1989), job performance refers to the quality and quantity accomplished by individuals or groups after fulfilling a task. After a certain period of time, measurements of employees' job performance could serve as criterion for promotions, wage adjustments, rewards, punishments and evaluations. Cascio (2006) suggested that managers must specifically define performance to allow the teams or employees to recognize the organizational expectations in order to fulfill the organizational goals. In other words, managers must set concrete goals, trace the fulfillment degree and evaluate the teams' or employees' performance. Van Scotter and Motowidlo (1996) suggested that employees with a high degree of job enthusiasm will demonstrate extra effort and devotion, and will actively seek out solutions to problems at work in order to enhance their job performance.

Robbins (1998) divided the measurement of job performance into job result, job behavior and personal traits. Lee et al. (1999) divided job performance into efficiency, efficacy and quality. Efficiency refers to the employees' output rate and is the ability to accomplish tasks before deadline. Efficacy refers to the employees' goal accomplishment rate and proposals. Quality refers to the employees' error rate and complaint rate, supervisor satisfaction, customer satisfaction and colleague satisfaction. This study suggested that in the application of this construct to measure hospitality industry employees' job performance, efficiency should refer to the employees' speed in customer service, efficacy should mean the accomplishment of tasks assigned by customers, and quality should mean the employees' performance in customer service. As to measurement, Shore and Thornton (1986) indicated that self-evaluation allows individuals to participate in performance evaluation and serves as a criterion. Based on the above, according to the views of Lee et al. (1999), this study divided job performance into efficiency, efficacy and quality, and measured hospitality industry employees' job performance using employee self-evaluation.

Smith et al. (1969) proposed the Job Description Index (JDI) to measure job satisfaction, with the constructs including wage, promotion, job, supervisors and colleagues. Black and Gregersen (1997) found a positive correlation between job satisfaction and job performance. Organ (1990) suggested that when employees are satisfied

with their work, they are willing to sacrifice themselves and devote to their organization.

### **Organizational commitment**

From the perspective of attitude, Porter et al. (1974) indicated that organizational commitment is a person's active and positive intention to identify with and internalize organizational goals and value. According to Reyes and Pounder (1990), organizational commitment is the strong belief and intention to identify with organizational value, devote to and stay with the organization. Mathews and Shepherd (2002) suggested that organizational commitment refers to workers' attitude, behavior and connection between individuals and the organization. Guest (1995) indicated that organizational commitment is at the core of human resource management. It transforms traditional manpower management into the core of human resources. Organizational members' attitude or intentions particularly indicate the importance of employees' organizational commitment. Dee et al. (2006) suggested that organizational commitment is a person's intention to devote to and be loyal to the organization. Lambert et al. (2006) suggested that organizational commitment is the structural phenomenon of trading between individuals and organizations. It increases with time, but it does not lead to a transferable investment outcome. Thus, in theoretical study and practical use, scholars have valued organizational commitment in human resource management.

In recent years, many scholars have probed into organizational commitment from the view of Porter et al. (1974). Thus, this study also followed the above view and divided organizational commitment into value commitment, effort commitment and retention commitment. This study further treated these three constructs as criteria to measure hospitality industry employees' organizational commitment. Definitions of these constructs are thus shown:

- (1) Value commitment: a strong belief and identification with organizational goals and values.
- (2) Effort commitment: the intention to devote more to the organization.
- (3) Retention commitment: a strong intention to continue being part of the organization.

### **Internal marketing**

Internal Marketing (IM) is the process of handling staff as internal customers and projects as internal products that satisfy the needs and desires of the customers and adhere to the company's goals (Berry and Parasuraman, 1991). Rafiq and Ahmed (1993) suggest that internal marketing involves "a planned effort to overcome organizational resistance to change and to align, motivate

and integrate employees towards the effective implementation of corporate and functional strategies". Joseph (1996) suggested that internal marketing is can be applied to marketing and human resource management, combining theoretical techniques and principles in order to encourage, recruit and manage all employees in the organization and constantly improve external customer service and mutual services. In addition, Ahmed et al. (2003) defined internal marketing as the employees' evaluation of the reward system, internal communication, training and development of the company. Internal marketing empirical research in the service sector has proven that internal marketing has influenced on internal customers (that is, employees) satisfactions. Berry and Parasuraman (1991) suggested that the advantages of internal marketing implementation in organizations are as follows:

(1) To acquire and keep excellent talent; (2) to provide a common vision so that employees have job purpose and meaning; (3) to give employees the ability and knowledge to accomplish the work; (4) to encourage employees to share the results of teamwork; (5) to create job designs be based on the findings of marketing studies.

The aforementioned views reveal that corporate implementation of internal marketing allows employees to enhance service quality, which increases the production and profits of the companies. The implementation of internal marketing in the organizations results in an internal service culture, raises service consciousness and increases profits (Parasuraman et al., 1985). Based on the views of these scholars, internal marketing is critical for organizations and influences external marketing to further enhance customer satisfaction.

According to the these definitions and based on the views of Rafiq and Ahmed (1993) and Ahmed et al. (2003), this study treated employee evaluations of reward systems, internal communication, and training and development of companies as criterion for measuring internal marketing of the hospitality industry.

## **Leadership**

Leadership refers the process of influencing the team to accomplish the goals (Robbins and Coulter, 2005). Leaders are key success factors of an organization (Bass, 1985; Daft, 2002). Skillful leaders recognize and use the interpersonal relationships of the team and strengthen the members' loyalty and morale. Effective leaders must learn skills such as patiently sharing information, trusting others and recognizing the timing of interventions (Steckler and Fondas, 1995). In recent years, numerous scholars have tried to discuss leadership from new perspectives. New studies of leadership theory have particularly stressed the influences of demands between leaders and subordinates, the interaction of personality

traits and situational factors on leadership (Bargal and Schmid, 1989). Corporate leaders must select a proper leadership according to their subordinates' different demands for supervision, in order to enhance employee satisfaction and fulfill expected goals.

Bass and Avolio (1997) divided leadership into transformational leadership and transactional leadership. In transformational leadership, subordinates trust, respect and are loyal to their leaders. Leaders can develop their subordinates' potential and enhance their confidence by changing their values and beliefs in order to increase their organizational commitment, intention and motivation to create exceptional outcomes. Transformational leadership can be divided into ideal traits, ideal behavior, the encouragement of inspiration, and the stimulation of wisdom and individual care. In addition, transactional leadership means leaders and members remain in the process of negotiation and mutual benefit instead of a persistent one-purpose relationship. Social exchange theory is treated as the theoretical base. When subordinates act according to their leaders' expectations, they will have returns with a specific value. Transactional leadership can be divided into contingent rewards, and active and passive exceptional management. Most quantitative studies on leadership have created questionnaires using the MLQ scale designed by Bass and Avolio (1997). The MLQ scale includes two constructs (transformational leadership and transactional leadership). This study also designed a leadership questionnaire for the hospitality industry according to the MLQ scale.

## **Empowerment**

Empowerment signals a transition away from traditional development that confined people's role to that of passive recipients, effectively rendering them dependent on handouts in the form of foreign aid (O'Gorman, 1995). Bowen and Lawler III (1992) define empowerment as sharing with frontline employees four organizational ingredients:

(1) Information about the organization's performance; (2) rewards based on the organization's performance; (3) knowledge about contributing to organizational performance; (4) power to make decisions that influence organizational direction and performance.

Murat and Thomas (2003) suggested that empowerment does not simply refer to telling employees that they are empowered, but aims to allow the employees to recognize what power has been authorized. Boudrias et al. (2004) suggested that in managerial circles, empowerment application includes two types:

(1) Empowering the responsibility of decision-making to subordinates while emphasizing rich work environments

and diverse authority, information, resources and support, and providing the opportunity to learn in order to improve performance; (2) psychological empowerment, which refers to employees' experiences of empowerment that are inferred as a mediating variable of empowerment and expected results.

According to Sherman (1996), empowerment acknowledges that employees have the power to change in order to encourage employees to increase their competency. Kanter (1993) suggested that empowerment can keep employees from feeling helpless. Organizations could thus reduce negative effects such as low morale. The most significant effect of empowerment is to enhance employees' abilities and self-efficacy (Conger and Kanungo, 1988). Bowen and Lawler III (1992) suggested the advantages of empowerment for organizations below:

(1) To rapidly respond to customer demands and questions; (2) a high degree of employees' job satisfaction; (3) positive interactions with consumers; (4) employees with creative thoughts; (5) the creation of loyal customers.

About the definition of psychological empowerment, Spreitzer (1995) defines this concept as the psychological state that employees must experience for managerial empowerment interventions to be successful. Spreitzer's (1995) measure of empowerment was used to define psychological empowerment and comprises four components: Self-determination, competence, impact, and meaning.

(1) Self-determination reflects autonomy in the choices and decisions an individual can make regarding work allocations.

(2) Competence refers to self-efficacy specific to work or the task—the confidence that one can perform well within a particular work domain.

(3) Impact is the degree to which an individual can influence strategic, informational, or administrative decisions made at the organizational level.

(4) Meaning involves the fit between a person's values and beliefs and work role requirements.

## Job stress

Blau (1981) defined stress as the incompatibility between a person's competency and environment. Job stress extends upon the general definition of stress and is a kind of conceptual process that implies a person's cognition and reaction to danger or threats (Fleming et al., 1984). Pearson and Moomaw (2005) suggested that job stress is caused by work situations and people will have unpleasant feelings such as anger, tension, frustration, worry, depression and anxiety. Cooper et al. (1988) attributed job stress to factors intrinsic to the job, management's

role, relationships with others, career and achievement, organizational structure, home and work. The sources of stress influence job performance. When an employee can no longer handle the stress, he will fail in his work (Jamal, 1990). Blau (1994) suggests that stress source can be divided into external stressors and internal stressors. In addition, stress in the workplace frequently hits you with a double whammy of two-way pressures that come from a combination of both internal and external stressors (Stress management tips, 2010).

Matteson and Lancevich (1982) suggested that proper stress results in a sense of challenge or satisfaction for people. Without such stress, a person will lack motivation and originality. In past research on the influence of stress on job performance, the Yerkes-Dodson principle indicated a reverse U relationship between job stress and job performance (Yerkes and Dodson, 1908). In other words, an increase in work stress will enhance job performance. However, after work stress reaches a certain degree, the increase will reduce job performance. An empirical study by Huber (1981) also reached a similar finding. However, excessive job stress will increase employee turnover rate (Parasuraman and Alutto, 1984) and further enhance the personnel and training costs of firms. Based on the view of Blau (1994) and characteristics of the hospitality industry, this study divided employees' job stress in the hospitality industry into external pressure and internal stress thus:

(1) Organizational external stress: an excessive workload, business stress and load.

(2) Organizational internal stress: a lack of participation in job decision-making, without supervisory support, health advantages after changing jobs, anxiety, tension, etc.

## METHODOLOGY

### Construction of theoretical model

Testa (2001) suggested that job satisfaction is the antecedent variable of organizational commitment and there is a positive correlation. The research of Slattery and Selvarajan (2005) indicated that job satisfaction positively influences organizational commitment. In addition, Babin and Boles (1998) treated hospitality service personnel as subjects, and found a positive correlation between job satisfaction and job performance. In other service industries, it has been proved that there is a positive relationship between employees' job satisfaction and job performance (Chen and Silverthorne, 2005). In addition, Mowday et al. (1982) pointed out that organizational commitment positively influences employees' job performance. Powell (2000) also validated that organizational commitment positively influences employees' job performance. Based on the above, the hypotheses are proposed as follows:

H<sub>1</sub>: Job satisfaction positively influences organizational commitment.

H<sub>2</sub>: Job satisfaction positively influences job performance.

H<sub>3</sub>: Organizational commitment positively influences job performance.

Regarding the exogenous variables of job satisfaction,

organizational commitment and job performance, the service profit chain proposed by Heskett et al. (1994) argued that management's internal marketing activities produce job satisfaction and commitment to the organization. Tansuhaj et al. (1988), Heskett et al. (1994) and Rafiq and Ahmed (2000) indicated that internal marketing positively influences employees' job satisfaction, and internal marketing further results in better employees' customer-oriented behavior (Arnett et al., 2002). In addition, corporate implementation of internal marketing positively influences employees' organizational commitment (Tansuhaj et al., 1991; Heskett et al., 1994; Chang and Chang, 2007). Based on the above, the hypotheses are proposed as follows:

H4: Internal marketing positively influences job satisfaction.

H5: Internal marketing positively influences organizational commitment.

Besides internal marketing, Morris and Sherman (1981) suggested that leadership can integrate team relationships at work in order to enhance organizational commitment. Leaders' leadership and support positively influences the employees' organizational commitment (Billingsley and Cross, 1992; Burton et al., 2002). The research of Bass (1985) and Hughes and Avey (2009) showed that transformational leadership significantly and positively influences job satisfaction and employee performance. The study of Dubinsky (1994) indicated that leadership (transactional leadership and transformational leadership) positively influences employees' job satisfaction. The research of Chen and Silverthorne (2005) found a positive correlation between the leaders' leadership score and employees' job satisfaction. Based on the above, the hypotheses are proposed as follows:

H6: Leadership positively influences organizational commitment.

H7: leadership positively influences job satisfaction.

H8: leadership positively influences job performance.

In addition to internal marketing and leadership, Bowen and Lawler III (1992) suggested that empowerment can enhance employees' job satisfaction. According to Blanchard et al. (1996), the empowered teams can increase job satisfaction and employees' identification with their jobs. Based on the research of Fulford and Enz (1995), and Caykoylu et al. (2007), service industry employees' cognition of empowerment positively influences job satisfaction. Wilson and Laschinger (1994), McDermott et al. (1996), Avolio et al. (2004) and Chen et al. (2008) found that there is a positive correlation between empowerment and employees' organizational commitment. Lee et al. (2006) studied hotel employees and found that empowerment has a significant effect on organizational commitment. Based on the above, this study developed the following two hypotheses:

H9: Empowerment positively influences job satisfaction.

H10: Empowerment positively influences organizational commitment.

Finally, the studies of Jamal (1990), Borg and Riding (1993), Chiu et al. (2005) and Chen and Silverthorne (2005) pointed out that there is a significant and negative correlation between employees' job stress and job satisfaction. In addition, Jex (1998) suggested that a reduction of employees' job stress will increase their job performance. Mughal et al. (1996) argued that anxiety caused by job stress is the main factor of job performance. However, according to the Yerkes-Dodson principle, there is a reverse U non-linear relationship between job stress and job performance (Yerkes and Dodson, 1908; Huber, 1981). In addition, there can be a positive or negative relationship between job stress and job performance. Williams and Cooper (2002) and Ouyang (2009) also suggested that proper job stress can enhance employees' job

performance. However, according to the view of Blau (1994), job stress can be divided into external and internal job stress. Therefore, according to the above theory, this study divided job stress into internal and external job stress and constructed the following two hypotheses:

H11: Job stress negatively influences job satisfaction.

*H11-1: External job stress negatively influences job satisfaction.*

*H11-2: Internal job stress negatively influences job satisfaction.*

H12: Job stress significantly influences job performance.

*H12-1: External job stress significantly influences job performance.*

*H12-2: Internal job stress significantly influences job performance.*

From H<sub>1</sub> to H<sub>12</sub>, this study constructed an integrated model of job satisfaction, organizational commitment and job performance, as shown in Figure 1.

## Data collection

Taipei City is the largest international city in Taiwan, and it has numerous international chain hotels. This study treated employees of well-known hotels and hospitality companies in Taipei City as its subjects. From February 1 to April 15, 2010, the researcher targeted 13 well-known hospitality companies (including Grand Hyatt, The Westin Taipei, Howard Hotel, Grand Formosa Regent, Royal Hotel, K-Hotel, The Grand Hotel, Caesar Park Hotel, Landis Hotel, Ambassador Hotel, La Marche, Wang Steak and Tasty) and conducted a survey on their employees using stratified sampling. There were 50 questionnaires distributed to each hotel or restaurant. A total of 650 questionnaires were distributed with 604 valid returns; the valid return rate was 92.92%.

## Measurement

The questionnaire content included job performance, job satisfaction, leadership (transformational and transactional), internal marketing, organizational commitment, empowerment and job stress (external and internal stress). The operational definitions of the construct items are shown in Table 1. This study conducted the survey using a closed questionnaire, and the participants were anonymous. A five-point Likert scale from "strongly disagree" to "strongly agree" was used. According to result of 50 pretest questionnaires, Cronbach's of the constructs were above 0.7, indicating a high degree of consistency in the constructs of the questionnaire.

## Statistical methods

The study first applied SPSS version 12.0 to process the descriptive statistic analysis, reliability analysis and related analysis on the effective questionnaires, and understand the sample structure and the internal consistency and relation between various variables. Second, this study assessed the properties of measurement scales for convergent validity and discriminant validity, and constructed composite reliability by Confirmatory Factor Analysis (CFA) using maximum likelihood to estimate parameters. Finally, it applied Structural Equation Modeling (SEM) to verify the path relationship of the research model, and applied LISREL 8.70 software as the SEM analysis tool.

## RESULTS

### Profile of the respondents

This study targeted hospitality industry employees in Taipei

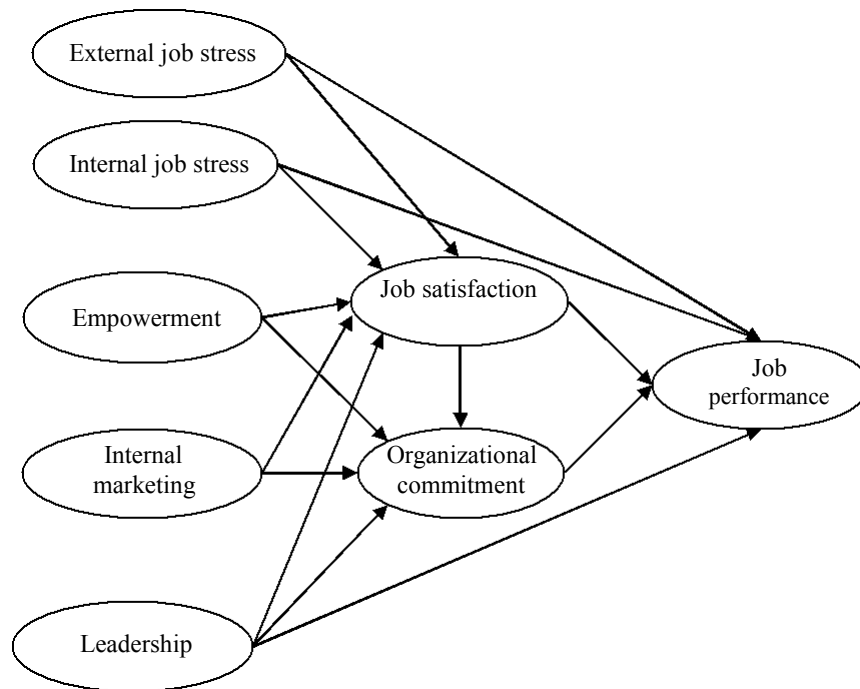


Figure 1. Research framework.

Taipei, Taiwan as subjects and successfully collected 604 valid questionnaires. Subsequently, the study applied the frequency distribution table to show the sample characteristics of this study. The sample structure attribute distribution is shown in Table 2. As shown in Table 2, there are more female employees (53.6%) and most of the subjects are 21 to 30 years old (49.7%), followed by below 20 years old (42.1%). Most of the subjects have a college degree or above (81.0%), and most have worked for 1 to 5 years (52.5%). In addition, most of the subjects are part-time employees (70.2%). The structure of the samples is similar to the structure of the human resources of the hospitality industry in Taiwan as investigated by the Directorate General of Budget, Accounting and Statistics, Executive Yuan (2009). In the hospitality industry, most employees have worked for 1 to 5 years, are young, and have a senior high school, vocational school or college educational level.

## Descriptive statistics, reliability and validity analysis

### Analysis of descriptive statistics

According to Table 3, the employees' perceived internal marketing degree was only slightly higher than ordinary (median = 3). As to the leadership, the transformational leadership degree was higher and the transactional leadership degree was lower. The employees' perceived competency empowerment was higher and their decision-making empowerment was lower. The employees' external

job stress was higher and internal job stress was lower. The employees' job satisfaction with the perceived relationship with colleagues was higher, and their satisfaction with wages, welfare, promotions and growth was significantly lower. As to organizational commitment, the effort commitment was higher whereas retention commitment was lower. As to job performance, hospitality industry employees' job performance with their perceived efficiency and efficacy was higher but their job quality was lower.

### Reliability and validity analyses

In accordance with accepted practice (Anderson and Gerbing, 1988; Fornell and Larcker, 1981), this study assessed the properties of measurement scales for convergent validity and discriminant validity, and construct Composite Reliability (CR) (that is, construct reliability). Table 3 lists the measurement items of the construct scales, standardized coefficient loadings of the confirmatory factor analysis results, construct CR and AVE (Average Variance Extracted) for each multi-item construct in our research model. The measurement model of this study provided a good overall fit with the data (GFI and AGFI 0.85, CFI, NFI and NNFI > 0.9,  $\chi^2/d.f < 3$ , RMR and RMSEA 0.08). Composite reliability for all constructs in our research model were more than 0.7, respectively. In general, the measurement scales used in this study were found to be reliable. The AVE for all constructs were more than 0.5, respectively, all

**Table 1.** Operational definitions.

Constructs	Definitions	Source
Internal marketing	Employees' evaluation on reward system, internal communication, training and development.	Rafiq and Ahmed (1993) Ahmed et al. (2003)
Leadership	Leadership is divided into transformational and transactional leadership and are defined thus:  (1)Transformational leadership: In order to meet employees' demands, leaders care and encourage employees, including ideal traits, ideal behavior, encouragement of inspiration, stimulation of wisdom and individual care. (2) Transactional leadership: the relationship between leaders and subordinates is based on exchange, mutual benefit, fairness degree of contribution and return, including contingent rewards and active and passive exceptional management.	Bass and Avolio (1997)
Empowerment	Managers empower employees to make daily decisions. It is the degree of employees' perceived empowerment, including meaning, ability, self-decision-making and influence.	Spreitzer (1995)
Job stress	Incompatibility between individual ability and environment. It includes external job stress (such as workload, performance stress and job objective loads) and internal job stress (including lack of participation in job decision-making, without supervisory support, health advantages after changing jobs and tension).	Blau (1994)
Organizational commitment	A person identifies with the organizational goals and values and internalizes them to show positive and active intention, including effort commitment, value commitment and retention commitment.	Porter et al. (1974), Brooke et al. (1988)
Job performance	Degrees (including efficiency, efficacy and quality) of employees' accomplishment of organizational goals.	Borman and Motowidlo (1993); Shore and Thornton III (1986) Lee et al. (1999)

exceeding the benchmark of 0.50 for convergent validity (Fornell and Larcker, 1981). Discriminant validity is established if the AVE is larger than the Squared Multiple Correlation (SMC) coefficients between constructs (Fornell and Larcker, 1981). Our results demonstrate that the AVE values for all constructs were more than SMC coefficients in Table 4. This result indicates sufficient discriminant validity for all constructs in this study.

### **Analysis and hypothesis testing**

#### ***Path analysis of research model***

According to the reliability and validity analysis above, the model of this study involved convergent validity, discriminant validity and internal consistency. Thus, this study validated the path relationships of the model using SEM. First of all,

according to model fit analysis, the fit measures were acceptable (GFI, AGFI > 0.85, CFI, NFI, IFI > 0.9, RMR and RMSEA < 0.08 and  $\chi^2/d.f < 3$ ). In the research model, the  $R^2$  of job satisfaction, organizational commitment and job performance were respectively 0.65, 0.75 and 0.72, which were all above 60%. Thus, the overall research model revealed the relative explained power. Regarding the causal relationships among latent variables of



**Table 2.** Profile of the respondents (n=604).

Background variable	Frequency	Percentage	Background variable	Frequency	Percentage
<b>Gender</b>			<b>Seniority</b>		
Male	280	46.4	Below 1 year	255	37.3
Female	324	53.6	1 - 5 years	317	52.5
			Above 6 years	62	10.2
<b>Age</b>			<b>Position</b>		
Below 20 years old	254	42.1	High and medium level supervisors	26	4.3
21 - 30 years old	300	49.7	Basic level supervisors	42	7.0
31 years old	50	8.3	Basic level employees (full-time)	112	18.5
			Part-time employees	424	70.2
<b>Educational level</b>					
Below senior high and vocational school	115	19.0			
Above college	489	81.0			

**Table 3.** Measurement scales and properties.

Constructs	Variables	Mean (S.D.)	Loading	CR	AVE
Internal marketing	Reward system	3.38 (0.81)	0.79	0.85	0.65
	Internal communication	3.44 (0.77)	0.85		
	Training and development	3.43 (0.77)	0.78		
Leadership	Transformational leadership	3.51 (0.77)	0.87	0.78	0.64
	Transactional Leadership	3.34 (0.84)	0.73		
Empowerment	Meaning	3.38 (0.89)	0.81	0.79	0.50
	Ability	3.53 (0.89)	0.75		
	Self decision-making	3.36 (0.90)	0.64		
	Influence	3.13 (0.89)	0.60		
External job stress	Job loading	3.22 (0.85)	0.81	0.86	0.67
	Performance stress	3.17 (0.88)	0.83		
	Job objectives	3.12 (0.82)	0.81		
Internal job stress	Lack of participation in decision-making	3.01(0.90)	0.65	0.81	0.52
	Without supervisors' support	2.79 (0.95)	0.76		
	Influence of job on health	3.29 (0.97)	0.67		
	Tension	2.93 (0.99)	0.79		
Job satisfaction	Salary and welfare	3.04 (0.93)	0.60	0.83	0.50
	Promotion and growth	3.16 (0.73)	0.81		
	Job content	3.39 (0.83)	0.71		
	Relationship with colleagues	3.56 (0.85)	0.66		
	Relationship with supervisors	3.32 (0.90)	0.75		
Organizational commitment	Value commitment	3.39 (0.87)	0.75	0.78	0.54
	Effort commitment	3.79 (0.87)	0.71		
	Retention commitment	3.27 (0.94)	0.74		
Job performance	Efficiency	3.54 (0.84)	0.82	0.83	0.62
	Efficacy	3.60 (0.82)	0.84		
	Quality	3.41 (0.80)	0.70		

$\chi^2/d.f$  2.78, GFI = 0.92, AGFI = 0.85, CFI = 0.96, NFI = 0.95, NNFI = 0.95, RMR = 0.074, RMSEA = 0.08.

latent variables of the research model,  $\gamma$  is the standardized path coefficient representing the direct effect among latent variables. A higher value indicates a stronger path relationship. According to the result of path analysis (Figure 2), organizational commitment ( $\gamma = 0.70$ ,  $P < 0.001$ ) and external job stress ( $\gamma = 0.10$ ,  $P < 0.05$ ) were shown to positively and significantly influence hospitality industry employees' job performance. Organizational commitment was the most influential on job performance. Influences of job satisfaction ( $\gamma = 0.09$ ,  $P > 0.05$ ), internal job stress ( $\gamma = -0.02$ ,  $P > 0.05$ ) and leadership ( $\gamma = -0.03$ ,  $P > 0.05$ ) on job performance were insignificant. Therefore, the higher the organizational commitment and external job stress, the better the employees' job performance. On the contrary, job satisfaction did not directly influence hospitality industry employees' job performance, and would only influence the employees' job performance by organizational commitment. Therefore, in order to enhance hospitality industry employees' job performance, it is critical to enhance employees' organizational commitment.

In addition, regarding the variables of organizational commitment, empowerment ( $\gamma = 0.5$ ,  $P < 0.001$ ), leadership ( $\gamma = 0.36$ ,  $P < 0.001$ ) and job satisfaction ( $\gamma = 0.24$ ,  $P < 0.01$ ) were shown to positively and significantly influence organizational commitment. However, the influence of internal marketing ( $\gamma = 0.07$ ,  $P > 0.05$ ) on organizational commitment was insignificant. It indicates that the higher the empowerment, leadership evaluation and job satisfaction, the higher hospitality industry employees' loyalty to the organization. Finally, regarding the variables of job satisfaction, empowerment ( $\gamma = 0.17$ ,  $P < 0.01$ ), internal marketing ( $\gamma = 0.45$ ,  $P < 0.001$ ) and leadership ( $\gamma = 0.21$ ,  $P < 0.01$ ) were shown to significantly and positively influence hospitality industry employees' job satisfaction. Internal marketing is the key factor which enhances employees' job satisfaction. Internal job stress ( $\gamma = -0.19$ ,  $P < 0.001$ ) significantly and negatively influenced job satisfaction. However, external job stress ( $\gamma = 0.06$ ,  $P > 0.05$ ) did not significantly influence job satisfaction. It indicates that the higher the empowerment, the higher internal marketing. As the leadership is more significant and the internal job stress is less, the employees' job satisfaction is higher.

### **Hypothesis testing**

According to the above analytical result, this study reorganized path coefficient and the results of hypothesis testing, as shown in Table 5.

### **Analysis of overall effects**

This study further analyzed the total influences of exogenous variables on dependent variables, and the result is shown in Table 6. It indicates that the most

influential exogenous variables of job satisfaction are in this order: internal marketing, leadership and internal job stress. Internal job stress revealed a negative effect. The key exogenous variables of organizational commitment were the same as those for job performance: the first were empowerment, followed by leadership and internal marketing.

### **Analysis of the difference of samples with different characteristics**

This study probed into the difference of latent variables of hospitality industry employees with different attributes (example, gender, age, educational level, seniority and position) using one-way analysis of variance (ANOVA) as the criterion for improving human resource strategies in the hospitality industry. According to the analytical result shown in Table 7, as to gender, the means of different constructs did not reveal significant differences ( $p > 0.05$ ). As to age, older employees tended to perceive internal marketing, leadership, empowerment, organizational commitment and job performance higher. Regarding educational level, employees with a higher educational level had significantly more internal job stress than those with a lower educational level. As to perceive internal marketing, leadership, empowerment, job satisfaction, organizational commitment and job performance, employees with a lower educational level revealed a significantly higher degree than those with a higher educational level. As to seniority, only perceived empowerment revealed a significant difference. Employees with higher seniority tended to perceive empowerment higher. Regarding positions, part-time employees' external job stress, empowerment, internal marketing, leadership, organizational commitment and job performance were significantly lower than other full-time employees and supervisors.

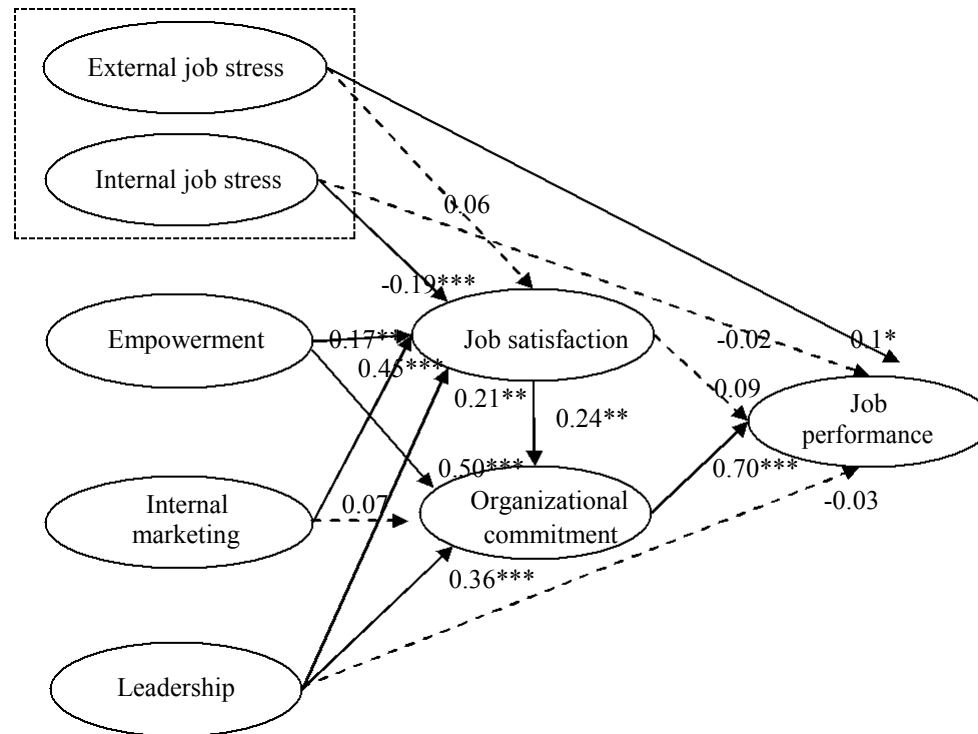
## **DISCUSSION AND CONCLUSION**

The influence of service industry employees' performance on customer satisfaction and corporate operational performance has been broadly discussed and validated in past research (Tansuhaj et al., 1988; Bitner, 1995; Chowdhary, 2003). However, in comparison to employees in other service industries, those in the hospitality industry have long working hours and low incomes. Thus, the employees have low employment intentions and a high turnover rate (Kao and Lin, 2004). Therefore, how to effectively enhance employee satisfaction, organizational commitment and job performance is a critical issue in hospitality industry management. This study combined exogenous variables, such as internal marketing, leadership, empowerment and job stress, and proposed an integrated model of hospitality industry employees' job satisfaction, organizational commitment

**Table 4.** Discriminant validity of each construct.

	Internal marketing	Leadership	Empowerment	External stress	Internal stress	Job satisfaction	Organizational commitment	Job performance
Internal marketing	0.65 <sup>a</sup>							
Leadership	0.42	0.64 <sup>b</sup>						
Empowerment	0.24	0.15	0.50 <sup>c</sup>					
External stress	0.01	0.00	0.01	0.67 <sup>d</sup>				
Internal stress	0.03	0.04	0.01	0.26	0.52 <sup>e</sup>			
Job satisfaction	0.39	0.30	0.21	0.00	0.08	0.50 <sup>f</sup>		
Organizational commitment	0.31	0.33	0.28	0.01	0.02	0.34	0.54 <sup>g</sup>	
Job performance	0.18	0.18	0.30	0.01	0.02	0.24	0.30	0.62 <sup>h</sup>

a,b,c,d,e,f,g,h represent the AVE of each construct. Other numbers represent the SMC coefficients between constructs.



**Figure 2.** Path analysis of the research model. \*p<0.05; \*\*p<0.01; \*\*\*p<0.001.

**Table 5.** Path coefficients of SEM analysis and results of hypothesis testing.

Hypothesis and path	Path coefficients	Hypothesis testing
H <sub>1</sub> Job satisfaction → organizational commitment	0.24**	Support
H <sub>2</sub> Job satisfaction → job performance	0.09	Not support
H <sub>3</sub> Organizational commitment → job performance	0.70***	Support
H <sub>4</sub> Internal marketing → job satisfaction	0.45***	Support
H <sub>5</sub> Internal marketing → organizational commitment	0.07	Not support
H <sub>6</sub> Leadership → organizational commitment	0.36***	Support
H <sub>7</sub> Leadership → job satisfaction	0.21**	Support
H <sub>8</sub> Leadership → job performance	-0.03	Not support
H <sub>9</sub> Empowerment → job satisfaction	0.17**	Support
H <sub>10</sub> Empowerment → organizational commitment	0.50***	Support
H <sub>11-1</sub> External job stress → job satisfaction	0.06	Not support
H <sub>11-2</sub> Internal job stress → job satisfaction	-0.19***	Support
H <sub>12-1</sub> External job stress → job performance	0.1*	Support
H <sub>12-2</sub> Internal job stress → job performance	-0.02	Not support

\* p<0.05; \*\* p<0.01; \*\*\* p<0.001.

**Table 6.** Overall effects of exogenous variables.

Path	Overall effects
Empowerment → job satisfaction	0.17
Internal marketing → job satisfaction	0.45
Leadership → job satisfaction	0.21
External job stress → job satisfaction	0.06
Internal job stress → job satisfaction	-0.19
Empowerment → organizational commitment	0.541
Internal marketing → organizational commitment	0.178
Leadership → organizational commitment	0.410
External job stress → organizational commitment	0.014
Internal job stress → organizational commitment	-0.046
Empowerment → job performance	0.394
Internal marketing → job performance	0.165
Leadership → job performance	0.306
External job stress → job performance	0.115
Internal job stress → job performance	-0.069

**Table 7.** Analysis of the mean difference of employees with different attributes.

Attributes	Category	Internal marketing	Leadership	Empowerment	External stress	Internal stress	Job satisfaction	Organizational commitment	Job performance
Gender	Male	3.430	3.416	3.405	3.214	3.029	3.279	3.461	3.519
	Female	3.407	3.428	3.303	3.125	2.989	3.309	3.504	3.510
	F value	0.168	0.044	3.272	2.156	0.456	0.328	0.503	0.023
Age	Below 20 years old	3.471	3.474	3.336	3.182	3.018	3.341	3.495	3.591
	21-30 years old	3.346	3.342	3.318	3.118	2.994	3.236	3.422	3.412
	Above 31 years old	3.578	3.646	3.615	3.373	3.035	3.412	3.800	3.740
	F value	3.817*	4.868**	4.089*	2.603	0.115	2.732	5.571**	7.354***
Educational level	Below senior high school	3.560	3.597	3.489	3.229	2.880	3.401	3.652	3.661
	Above college	3.385	3.381	3.317	3.151	3.037	3.270	3.444	3.480
	F value	6.107*	8.167**	5.802*	0.997	4.513*	3.895*	7.223**	6.196*
Seniority	Below 1 year	3.496	3.488	3.266	3.130	2.969	3.338	3.499	3.489
	1 - 5 years	3.369	3.366	3.356	3.164	3.023	3.275	3.440	3.506
	Above 6 years	3.383	3.469	3.625	3.306	3.069	3.235	3.656	3.651
	F value	2.350	1.987	6.699***	1.343	0.627	0.992	2.244	1.330
Position	High and medium level supervisors	3.386	3.467	3.596	3.423	2.981	3.250	3.744	3.615
	Basic level supervisors	3.544	3.585	3.637	3.365	3.065	3.338	3.841	3.746
	Basic level employees	3.567	3.558	3.493	3.292	2.984	3.388	3.708	3.598
	Part-time employees	3.368	3.368	3.268	3.097	3.009	3.268	3.373	3.463
	F value	3.024*	2.814*	7.289***	4.299**	0.144	1.137	11.177***	3.000*

\* p<0.05; \*\* p<0.01; \*\*\* p<0.001

organizational commitment and job performance. In the model, the explained power ( $R^2$ ) of the exogenous variables on endogenous variables such as job satisfaction, organizational commitment and job performance was above 50%, indicating that the relation model constructed by this study revealed positive prediction validity.

In the relationship between employees' job satisfaction, organizational commitment and job performance, this study found that hospitality industry employees' job satisfaction directly and positively influences organizational commitment.

The results meet the statement that service industry employees' satisfaction can enhance employees' organizational commitment (Testa, 2001; Slattery and Selvarajan, 2005; Yiing and Ahmad, 2009). However, job satisfaction does not directly influence hospitality industry employees' job performance. This finding is different from the research results of other scholars (Babin and Boles, 1998; Bernhardt et al., 2000; Van Scotter, 2000; Koys, 2003; Chen and Silverthorne, 2005). In addition, organizational commitment directly and positively influences hospitality industry employees' job performance. The result demonstrates that organizational commitment can enhance employees' job performance (Huber, 1981; Mowday et al., 1982; Gregson, 1992; Powell, 2000). Based on the above findings, although hospitality industry employees' job satisfaction does not directly influence job performance, it enhances their job performance through organizational commitment. Therefore, there is an indirect relationship between job satisfaction and hospitality industry employees' job performance. Organizational commitment is the moderator. "In practice, hospitality industry employees have low income," cohesion and loyalty upon hospitality industry employees' job satisfaction will further enhance job performance.

Regarding the factors of job satisfaction, organizational commitment and job performance, this study found that hospitality industry employees' positive perception of internal marketing, leadership and empowerment strengthen their job satisfaction. Internal marketing is the major factor of hospitality industry employees' job satisfaction, followed by leadership, internal job stress and empowerment. The findings meet other scholars' suggestions that leadership (Yammarino and Dubinsky, 1994), job stress (Jamal, 1900; Jex, 1998; Chen and Silverthorne, 2005), empowerment (Bowen and Lawler III, 1992; Fulford and Enz, 1995; Dickson and Lorenz, 2009) and internal marketing (Rafiq and Ahmed, 2000; Hwang and Chi, 2005; Gounaris, 2008) significantly affect service industry employees' satisfaction. "In practice, employee training can give them greater problem-solving abilities and encourage employees and care about employees can give them pleasant working environment. The internal marketing will enhance cohesion and loyalty of employees and will further enhance job performance of employees." Based on the above, in order to enhance employees' job satisfaction, the hospitality industry

should first make efforts on internal marketing and satisfy employees' demands and desires by reinforcing internal communication, implementing reward systems, increasing educational training and reducing employees' errors at work. Supervisors' leadership is also a key factor which enhances hospitality industry employees' job satisfaction. Therefore, the employees' perceived supervisors' leadership is an important issue for the hospitality industry to enhance job satisfaction. In hospitality service, there are usually a number of unexpected problems for customers and employees. Thus, sufficient empowerment is critical. The employees can not only solve problems immediately, but also be encouraged.

Regarding employees' organizational commitment, it is influenced by employees' job satisfaction. Hospitality industry employees' positive perception of empowerment and leadership enhance employees' organizational commitment. This finding meets the findings of other service industries (Morris and Sherman, 1981; Burton et al., 2002; Avolio et al., 2004; Lee et al., 2006; Chen et al., 2008). "In practice, supervisors should sufficiently empower their employees according to different jobs and profession. Thus, employees would properly demonstrate their competency and be more autonomic at work and more flexible when dealing with emergencies. This will enhance cohesion and loyalty of employees." However, internal marketing does not significantly influence employees' organizational commitment. This finding is different from the results of other service industries (Tansuhaj et al., 1991; Tansuhaj et al., 1998; Naude et al., 2003; Chang and Chang, 2007). However, this study also found that empowerment, leadership and internal marketing increase employees' organizational commitment through job satisfaction, suggesting that internal marketing indirectly influences organizational commitment. Based on the above, in order to enhance employees' organizational commitment, sufficient empowerment is the key strategy for the hospitality industry. Through empowerment, hospitality industry employees recognize value and trust from the organization, and their identification with the organization would be enhanced. However, the influence of supervisors' leadership on organizational commitment is only second to empowerment; thus, employees' perceived supervisors' leadership is the critical measure to enhance employees' organizational commitment. The influence of internal marketing on organizational commitment is lower than empowerment and leadership; however, it relatively increases hospitality industry employees' organizational commitment.

In terms of the influences of job stress on job satisfaction and job performance, this study found that internal stress and external stress reveal different effects. Internal job stress negatively influences hospitality industry employees' job satisfaction. This result meets the findings related to other service industries. Job stress reduces employees' job satisfaction (Jamal, 1990; Borg and

and Riding, 1993; Jex, 1998; Chiu et al., 2005; Chen and Silverthorne, 2005). For this study, it is possibly because most hospitality industry employees have a heavy workload. When in a stressful work place over a long term, they tend to have internal pressure, such as tension and being without supervisory support. Thus, how to reduce employees' internal job stress is an important issue for the hospitality industry. In addition, although external job stress will not influence job satisfaction, it is a key factor for enhancing hospitality industry employees' job performance. The results meet the statement that proper job stress might enhance employees' job performance (Williams and Cooper, 2002; Ouyang, 2009). Therefore, although the construction of a proper workload and performance objectives will result in some external job pressure for employees, it is relatively effective for enhancing job performance. Regarding the overall effect, empowerment is the most critical factor of hospitality industry employees' organizational commitment and job performance, followed by leadership and internal marketing. Internal marketing is the most important factor which enhances hospitality industry employees' job satisfaction, followed by leadership and empowerment. In addition, internal job stress negatively influences employees' job satisfaction, and external job stress positively affect employees' job performance.

According to the above results, empowerment, leadership, internal marketing, external and internal job stress influence job satisfaction, organizational commitment and job performance differently. Therefore, it is necessary to consider focusing on the types of employees that can enhance (or reduce) the exogenous variables in order to increase hospitality industry employees' job satisfaction, organizational commitment and job performance. Thus, this study further conducted difference analysis using attributes of the subjects, and found that younger part-time employees with lower seniority and a higher educational level revealed a lower perceived empowerment degree. Younger part-time employees with a higher educational level have a lower degree of perceived leadership, and younger part-time employees with a higher educational level have a lower degree of perceived internal marketing. Thus, in order to enhance hospitality industry employees' overall degree of perceived empowerment, leadership and internal marketing, managers should first target younger part-time employees with a higher educational level. In addition, employees with a higher educational level perceive relatively more internal job stress, but part-time employees' external job stress is relatively less. The results can serve as references for human resource management and job distribution.

## **MANAGERIAL IMPLICATIONS**

According to the research findings, hospitality industry employees' job satisfaction positively influences

organizational commitment. However, many employees are unsatisfied with their wages, welfare, promotion and growth. Thus, it is suggested that the hospitality industry should re-evaluate the fairness of wages and benefits and further enhance promotion and growth systems in the organization in order to strengthen employee satisfaction. In addition, organizational commitment is the most critical factor to enhance job performance. Job satisfaction should enhance job performance only through organizational commitment. It indicates that the enhancement of organizational commitment is an important strategy of human resource management in the hospitality industry. It should particularly allow employees to accept organizational objectives, values and beliefs, and enhance the employees' loyalty and devotion.

Empowerment (in particular) and leadership are key factors for increasing hospitality industry employees' organizational commitment. In addition, internal marketing is the most important factor to enhance hospitality industry employees' job satisfaction, followed by leadership and empowerment. This study suggests that hospitality industry supervisors should sufficiently empower their employees according to different jobs and profession. Thus, employees would properly demonstrate their competency, and be more autonomic at work and more flexible when dealing with emergencies. As to younger part-time employees with lower seniority and a higher educational level, it is suggested to enhance educational training and flexibility, giving them greater problem-solving abilities and sufficient empowerment. In addition, this study suggests supervisors to select transformational leadership or transactional leadership according to the attributes of the employees' jobs so that employees, particularly younger part-time ones with a higher educational level, will perceive their supervisors' leadership positively. The following measures are recommended:

- (1) Supervisors should regularly hold meetings with employees. Besides recognizing employees' problems and listening to suggestions, the supervisors can also promote the policies and beliefs of the company;
- (2) regularly hold employee training, job rotation, expanded and enriched jobs to allow employees to learn different affairs and further control the jobs in order to enhance their confidence;
- (3) supervisors should actively learn their employees' situations, encourage them and care about them so that the employees would realize the employer-employee relationship surpassing a mere business trade.

In addition, the hospitality industry should construct an easy communication platform, such as public message book (board), e-mail or mailbox for opinions. Thus, employees, particularly younger part-time employees with a higher educational level, will more successfully communicate with supervisors and colleagues.

Finally, the research findings reveal that the influence

of job stress on hospitality industry employees is not totally negative. Proper external job stress can enhance hospitality industry employees' job performance. Thus, in order to enhance job performance, supervisors can offer appropriate job loading and objectives according to different employees' professions, seniority or positions in order to increase employees' (particularly the part-time ones) job satisfaction and job performance. In addition, internal job stress reduces employees' job satisfaction. It is suggested that supervisors should allow employees to join in decision-making and support and care for the physical and mental health of their employees, especially those with higher level of educational background.

## LIMITATIONS OF THE STUDY

Due to limitations of time and cost, this study only treated hospitality industry employees in Taipei City, the largest international city in Taiwan, as subjects. The findings may not reflect the characteristics of hospitality industry employees in other areas or nations. In addition, the participants of the questionnaire were mainly employees of medium to high-priced chain hotels, with no subjects from low-priced hospitality firms.

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