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# The Mediating Role of Employee Motivation on Internal Marketing and Employee Retention

#### **Abstract**

This study seeks to fill a gap by demonstrating how five Internal Marketing dimensions, namely, staff development, teamwork, internal communication, employee empowerment, and incentives and rewards effect on the retention of highly skilled employees. The concept of motivation sheds light on the relationship between internal marketing and employee retention. This study examines the mediating role of employee motivation in the relationship between employee retention in an international chain hotel company in Lebanon. The data were collected from 284 international chain hotel employees. The results of the study revealed that motivation, which is also positively related to employee retention, mediates the relationship between internal marketing and employee retention. Study results were consistent with the literature concerning the positive correlation between employee motivation and retention. During this survey, it noticed that the international chain hotel in Lebanon is currently in the process of implementing employee motivation. The results of the study corroborate that motivation is an important variable that positively impacts the relationship between internal marketing and employee retention.

**Keywords:** internal marketing, employee motivation, employee retention, hospitality industry, Lebanon.

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# **ORIGINAL SCIENTIFIC PAPER**

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#### 1. Introduction

The service industry has become an essential part of virtually every nation's economy (Reid & Bojanic, 2010) and a defining trait of today's digital economy. Thus, services providing sectors such as hospitality, banking, insurance, transportation, and media have become more competitive and allowed individual companies to dominate the market. As Tag-Eldeen & El-Said (2011) mentioned, talented and highly skilled employees play a substantial role in the service industry, particularly in the highly competitive hotel sector, where there is generally more interaction between customers and employees. Therefore, adopting effective employee retention strategies is essential for the success of service-based companies (Ahmed & Rafiq, 2003).

One strategy is Internal Marketing (IM), an organizational policy that promotes the company's objectives, services and products to employees and significantly contributes to employee retention (Ahmed & Rafiq, 2003). Thus, various studies have investigated the relationship between employee retention (ER) and IM (Ahmad & Sheeraz, 2012; Omar & Shehada, 2015). Scholars also noted that the positive effects of IM dimensions on the retention of employees help to build successful organizations. Five major IM dimensions, (a) staff development (SD) (Braimah, 2016), (b) internal communication system (IC) (Ahmad & Sheeraz, 2012), (c) teamwork (TW) (Waddah & Noorain 2015), (d) employee empowerment (EMP) (Omar & Shehada, 2015), (e) programs of incentives and rewards (IR) (Narteh & Odoom, 2015), have been singled out in previous studies to increase employee motivation (EM) and thus developing organizational performance.

Extended and considerable literature on IM seen in many studies (e.g., Berry, 1981; Berry & Parasuraman, 1992; Grönroos 1981; Grönroos, 1985; Piercy & Morgan, 1991; Gummesson, 1987; Mudie, 1987). However, there are many discussions regarding the IM concept where, for three decades, forty-two definitions have proposed for this construct (Huang & Rundle-Thiele, 2014). Heretofore, IM literature lacks a standardized framework to investigate the mediating role of employee motivation in the relationship between IM and employee retention (ER). According to authors knowledge in this field in Lebanon, there were no earlier studies which empirically determine the effect of employee motivation and its mediating role in the relationship between IM and ER in Lebanon's hotel sector. The study bases its theoretical framework on empirical research by Ahmad & Rafiq (2003) and Omar & Shehada (2015), who explore the relationship between IM and IR. It also emphasizes the role of employee motivation as a mediating variable in the relationship between IM and ER. Besides, this study seeks to provide new insights into the antecedents of ER by showing how the adoption of IM strategies contribute to employee retention and motivation in the Lebanese hospitality industry. Despite the steady growth of leisure and business travel worldwide, the hospitality industry struggles with employee retention. While current research examines the impact of employee turnover on organizational productivity and performance, few studies address the effects of employee retention in the hospitality industry in Lebanon where leisure and business travel generate significant revenues.

In order to demonstrate the points described above, this study investigates the relationship between internal marketing dimensions and ER in one hand, and the strategies hotels should adopt to increase the retention of highly skilled and talented employees in the Lebanese context on the other.

# 2. Theoretical Background and Hypotheses

# 2.1 The Development of the Lebanese Hotel Sector

Today, competition among hotels in the Lebanese market has become more robust due to the emergence of many chain hotels. This situation, due to the political instability in the country, drove some chains such as Starwood, Marriott, and Sofitel (Accor) to end their operations.

Lebanon has more than 340 hotels with around 21,000 rooms, and this is considered a significant number compared to surrounding countries. Add that from 2010 until today, more than 60 hotels applications for license acquisition presented to the Ministry of Tourism (Lebanon Ministry of Tourism, 2019). Many international chains exist and will be opened soon in Lebanon, and expected that room numbers would be increased by 2000 in 2019. Lebanon had its door opened for globalization before the Lebanese war in 1977 in all fields. The hospitality field was also part of the globalization in Lebanon. Before the outbreak of war in the mid-1970s, Beirut had the best-developed hotel market in the Middle East.

# 2.2 Theoretical Background

The importance of IM lies in motivating the employees and encouraging them to offer super services to customers that will improve the customers' satisfaction regarding the services of the companies (Kukreja, 2017). IM was first described by Berry (1981), as a process in which the employee functions as an "internal customer" who performs a job which he characterizes as "a product." The notion of the employee as an internal customer was an efficient means to promote employee satisfaction, and to better equip them to provide quality products and services to external customers (Berry, 1981). Following this, Grönross (1981), defined IM as a management philosophy and a strategic marketing tool which is described as a "process of 'selling,' i.e., promoting the objectives of a corporation to its employees whom he also called 'internal customers'. IM also utilized as a vital marketing tool and motivation technique which supports organizational goals and objectives (Berry & Parasuraman, 1992; Grönross, 1985).

Furthermore, Miles and Mangold (2004), found that IM can be a tool used in human resource management (HRM) to attract and retain employees. Recently, number of researchers demonstrated that, if IM if implemented, than it can positively impact service organizations by improving job satisfaction (Al-Hawary et. al., 2013), loyalty (Narteh & Odoom, 2011), commitment (Braimah, 2016), and employee retention (Ahmad & Sheeraz, 2012; Omar & Shehada, 2015). According to Lings and Greenley (2010), IM implies a perspective centered around human resources management, based on the conceptualization of individuals' work as the main component of a firms' final products. Kameswari and Rajyalakshmi (2019) supported that internal marketing dimensions like training and skill development activities, work environment, superior support, coworker support and recognition have a significant impact on the satisfaction level of employees.

Although the literature on IM lacks a standardized framework to implement strategies, it offers a variety of elements which organizations can use to influence and motivate their employees. As mentioned earlier, this study draws the conceptual framework of IM developed by (Ahmad & Sheeraz, 2012). Subsequently, Omar and Shehada (2015), further elaborated on Ahmad's conceptual framework to analyze the impact of IM on ER at private hospitals in Amman, Jordan. They noted that these hospitals implemented IM dimensions such as focusing on service culture, using a marketing approach to HR and marketing communication with employees, in addition to offering them incentives and rewards. Since scholars differ in their description and analysis of IM dimensions, there is no standard definition of the concept (Ahmed & Rafiq, 2003). As a result, this study draws on. It investigates the following IM dimensions: internal communication, staff development, reward and recognition system, employee empowerment, teamwork, and the mediating role of employee motivation. This study operationalized the constructs of internal marketing mainly; internal communication, staff development, teamwork, empowerment and incentive rewards. These constructs discussed below.

# 2.3 Staff Development and Employee Motivation

Employees are an organization's greatest asset (Ahmed & Rafiq, 2003). Therefore, the service sector should invest in training and developing their workforce to keep them up-to-date with the latest innovations and well-equipped to deliver quality services in a highly- competitive environment (Hammond & Churchill, 2018; Jaworski et. al., 2018). Martensen and Grønholdt (2006), mentioned that employees who have undergone proper training, developed new skills and acquired knowledge are visibly more competent, secure and confident than their counterparts who have received inadequate training. Literature reveals that SD is an IM training strategy that leads to a systematic development of knowledge, skills and attitudes which employees should have in order to perform adequately (Abu ELSamen & Alshurideh ,2012; Ahmad & Sheeraz, 2012; Al-Hawary et. al., 2013; Back et. al., 2011; Braimah, 2016; Waddah & Noorain, 2015; Narteh & Odoom, 2011). Kaliyamoorthy (2018) found out that SD is one of the significant motivational factors to retention. It is also apparent that there is a positive relationship between staff development and employee motivation (Dar et. al., 2014). Nevertheless, SD helps to develop the overall personality of employees by making them more productive through developing a sense of TW. Training also boosts up the morale of the workforce, which is the most crucial factor in getting high profits. Employees get motivated through training as they gain clarity about their roles and boundaries as well as the expectations from them; they get a better knowledge of how to act in various situation or circumstances. Łukasik (2017), in his study, examined the effectiveness of on-the-job training conducted in the chosen group of companies to determine its impact on the motivation of employees. The results showed that companies should consider providing more useful training because, to a greater extent, they motivate employees, especially that 83% of them think that training improves their motivation. In this connection, the following hypothesis proposed:

**Hypothesis 1:** There is a positive relationship between staff development and employee motivation.

# 2.4 Teamwork and Employee Motivation

Various studies have indicated that when internal customers (employees) work as a team, they fully satisfy external customers. The term internal teamwork was characterised by Edmondson and Moingeon (1996, p.166) as "the extent to which team members engage in behaviours to monitor performance against goals, obtain new information, test assumptions and create new possibilities". Another study conducted by Drake et al. (2005) shows that the effective implementation of internal marketing can lead to better TW. Moreover, TW plays an especially important role as an IM dimension (Braimah, 2016; George & Bennett, 2005; Waddah & Noorain, 2015).

TW regarded as the key to staff development and businesses would benefit from successfully motivating people working in teams. According to Mumby (2013), the team will possess an aim and motivation to reach company goals and becomes a more comprehensive team. Based on their findings and the other studies described above, the following hypothesis will be tested.

*Hypothesis* 2. *There is a positive relationship between teamwork and employee motivation.* 

# 2.5 Internal Communication and Employee Motivation

IC has been described as an essential IM tool in the literature (e.g., Braimah, 2016; Omar & Shehada, 2015; Waddah & Noorain, 2015). Moreover utilising internal communication is a prerequisite for the proper functioning of an organisation's internal activities (Al-Hawary et. al., 2013). Ineffective communications may lead to misunderstandings, lack of information,

lower performance and more employee rotation. According to Pinder (2008), assigning more obligation and responsibility to employees, expressing recognition as well as having effective communication could also motivate employees. To succeed in intrinsic motivation, and affective IC system is required (Cheney et al., 2011). Managers are responsible for the given basis and generating intrinsic motivation from the company's side (Mishra et al., 2014). The following hypothesis, based on literature findings, will be tested in this study.

*Hypothesis 3:* There is a positive relationship between internal communication and employee motivation.

# 2.6 Empowerment and Employee Motivation

Employee EMP plays a vital role in the service sector (e.g., Ahmed & Rafiq, 2003; Al-Hawary et. al., 2013; Berry & Parasuraman, 1992; George & Bennett, 2005; Grönross, 1981; Narteh & Odoom, 2011). Wilson et. al. (2008) stated that many organisations understand that to be responsive to clients, employees should be empowered so that they can accommodate customer requests and act appropriately to solve unexpected problems. As an IM dimension, EMP is a process of authorising and enabling employees to act, behave, think and make decisions to fully perform their tasks (Al-Hawary et. al., 2013). Drake (2007) stated that motivated employees play a crucial role in organisational success. In addition to this, past research has indicated a positive association between perceptions of empowerment and motivation. Thus highly motivated employees are a critical factor in the long-term success of many organisations. As the results of these studies' findings indicate that IM dimensions are significantly associated with employee motivation, the following hypothesis will be tested.

**Hypothesis 4:** There is a positive relationship between empowerment and employee motivation.

# 2.7 Incentives, Rewards and Employee Motivation

The implementation of a fair reward and recognition system is another fundamental dimension of IM. Several researchers have investigated this dimension over the years. Studies on reward and recognition systems were conducted by different researchers (e.g., Ahmad, Zhou Maochun & Rehman, 2019; Ahmed & Rafiq, 2003; AL-Belushi & Khan, 2017; Foreman & Money, 1995; Narteh & Odoom, 2011; Novianty & Evida, 2018; Omar & Shehada, 2015). Rewarding and recognition structure has a great impact on employee behaviour and organisational effectiveness (Freedman & Montanari, 1980; Huseman & Hatfield, 1990). As an effort to stimulate employees' creativity, many managers have used extrinsic rewards (e.g. monetary incentives) to motivate their employees (Fairbank & William, 2001). Safiullah (2014), on the other side, found out that, with the advancement in the career path, income level and age, intrinsic rewards become the vital factor for employee motivation. Duly the following hypothesis will be tested.

**Hypothesis 5:** There is a positive relationship between incentives and rewards and employee motivation.

# 2.8 Employee Motivation and Employee Retention

Motivation defined as "willingness to reach high levels of effort toward organisational goals, conditioned by the effort's ability to satisfy some individual need" (Robbins, 1993). According to Mitchell (1982, p.2), motivation is "the sum of those psychological processes which are goal-oriented and caused by volunteer actions". Different studies have focused on employee motivation and its effects on ER (e.g., Ramlall, 2004; Samuel and Chipunza, 2009;

Sandhya and Kumar, 2011). These studies have used the two-factor motivational theory by Herzberg (1957) to evaluate the effect of employee motivation on ER. According to Herzberg, employee motivation is a result of internal organisational values rather than external values. In other words, for his motivation is internal and is, therefore, affected by many variables which are intrinsic to what Herzberg called "*employee motivators*," i.e., the type of work an employee performs (Hezberg, 1957).

Retention was defined by Chaminade (2007) as an organisation's voluntary initiative to create a work environment that keeps employees engaged for the long term. Chiboiwa et. al. (2010, p. 2104) described ER as a strategy "to prevent the loss of competent employees from leaving productivity and profitability". Chew and Chan (2008), in their study, indicated that the hiring process had led organisations to pay special attention to the relevance of ER.

Moreover, to sustain a competitive advantage, organisations should maintain a stable workforce (Luna-Arocas & Camps, 2008). The authors also indicated that employee retention is crucial to the overall success of organisations and is one of the most critical issues managers face, mainly due to a shortage of skilled human resources, limited economic growth, and high employee turnover. According to Kyndt, et. al. (2009), retaining talented employees as an asset is crucial because knowledgeable and skilful employees are central to a company's ability to gain competitive advantage. Besides, ER has become increasingly relevant to organisations because periodic labour shortages can reduce the availability of high performing employees (Jones & Skarlicki, 2003, p. 1227). As a result, while workers are searching for better employment opportunities, firms are seeking to improve the productivity of their workforce (Leeves, 2000).

Nowadays, organisations are aware of the benefits of retaining employees, mainly because an employee intent to resign is often frustrating for both employees and employers. According to Lockwood and Ansari (1999), because organisations have to bear the costs of hiring and losing their employees, they should keep turnover low by retaining their staff. In fact, by retaining employees and valuing their skills, organisations preserve their investment in employee training, thus lowering the loss of human capital and increasing retention (Acton & Golden, 2003).

It has also noted that employee turnover can also be affected by different factors such as the internal structure of the organisation, recruitment policies and strategies, career progression opportunities, rewards and benefits, and training and development (Fitz-enz, 1990). Moreover, improving employee-employer relations and employee commitment has proved to reduce turnover. Thus, organisational management policies should address the aspects as mentioned above of IM (Ahmad & Sheeraz, 2012; Braimah, 2016; Narteh & Odoom, 2015; Omar & Shehada, 2015).

Motivation is an essential element which enhances the retention of the employee (Ahmad & Sheeraz, 2012). Kaliyamoorthy et al. (2018) pointed out that there is a significant relationship between motivation and employee retention and work satisfaction and employee retention. Besides the study results by Sarmad (2016) revealed the impact of compensation and motivation on employees. The author also indicated that substantive enhancement in motivation level and practical handling of compensation might yield a corresponding improvement in employee retention. In a similar development, Aguenza & Som (2012) investigated the motivational factors that influence employee retention. It recommended that organizations should holistically formulate appropriate retention strategies to reduce turnover rates, and this require employee motivation factors. Thus this leads to the following hypothesis.

**Hypothesis 6:** There is a positive relationship between employee motivation and employee retention.

# 2.9 Mediating Role of Employee Motivation on Internal Marketing and Employee Retention

Dar et al. (2014) found that employee motivation is one of the most critical factors that can mediate the relationship between post-selection HRM practices and organizational performance. Furthermore, and according to their study, employee motivation mediates the relationship between SD, IR and the employee intention to stay, which could be used to back up the findings of this paper. Motivation has been regarded as one of the fundamentals to improve employee retention (Ramlall, 2004; Samuel & Chipunza, 2009; Sandhya & Kumar, 2011), and it is the primary tool of IM (Ahmed & Rafiq, 2003; Locke & Latham, 1990).

Moreover, a clear connection between motivation, employee responsibility and retention are well established in the literature (e.g., Ramlall, 2004; Samuel & Chipunza, 2009; Sandhya & Kumar, 2011; Zain & Ghani, 2009). The following hypotheses were formulated based on the proposed research model.

*Hypothesis7a:* Employee motivation mediates the relationship between staff development and employee retention.

*Hhypothesis7b:* Employee motivation mediates the relationship between teamwork and employee retention.

*Hypothesis7c:* Employee motivation mediates the relationship between internal communication and employee retention.

**Hypothesis7d:** Employee motivation mediates the relationship between empowerment and employee retention.

**Hypothesis7e:** Employee motivation mediates the relationship between incentives and rewards and employee retention.

# 2.10 Proposed Research Model

According to the literature described in this study, researchers have asserted that five IM dimensions can be associated with employee retention. Moreover, motivation as a mediating variable positively affects the relationship between IM and ER. Figure 1 represents the framework of this research.

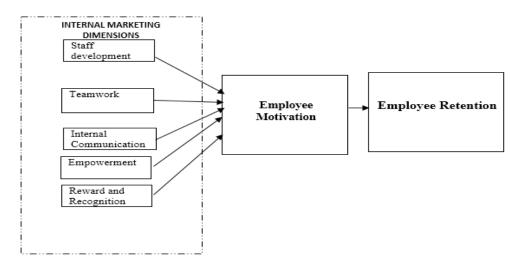


Figure 1. Research Model.

# 3. Methodology

# 3.1. Sampling and Data Collection

The current study was conducted to determine the mediating role of motivation in the relationship between IM and ER. The sample of the study was driven from 1,330 international chain hotel employees working in Beirut, Lebanon the population of this study is referred to the Yamane's calculation method (Yamane, 1973) and confidence level is 95%. The sample size of the study was calculated as n=307.

Stratified sampling was used to elect approximately equal numbers of employees for each chosen branch regarding each hotel's number of employee. Waddah and Noorain (2015) and Al-Hawary and Metabis (2012), have adopted the stratified random sampling technique due to its importance when there are many branches involved in the study. Five strata with stratified sampling technique used to allow the entire population. Each stratum represented one hotel, while the strata consisted of top management, middle-management, and employees. Also, the questionnaire was pilot tested with 29 employees from different branches of the chain hotel to find out whether it was necessary to revise its content. The pilot test showed that there was no reason to change the survey instrument. Of the 307 questionnaires, 284 completed and suitable for data analysis, the response rate was 92.5%.

#### 3.2. Research Instrument

The survey instruments were back-translated from English into Arabic by a certified translation service company. Responses to the items based on a 5-point scale option that varied from 1= strongly disagree, to 5= strongly agree. The survey instrument consisted of four sections. The five items used to measure motivation were adapted from Gounaris (2008), Al-Hawary et al. (2013), and Braimah (2016). Sample items include: (a) whether employees paid competitive salaries, (b) whether available fringe, benefits–and incentives offered, (c) whether employees were encouraged "to do their best" 30 IM dimensions adapted from Foreman & Money (1995). To measure SD seven items, seven items for IC, seven items for EMP, and four items of TW, and five items related to the IM practice of IR adopted from Braimah (2016). Three control questions designed to describe the characteristics of the organisation and its employees, such as length of employment, job title and organisation size.

# 3.3. Data Analysis

The data were analyzed through The Statistical Package for Social Sciences (SPSS) version 23. In data, there were no missing values detected and observed that variables were not distributed normally. Descriptive statistics were used to identify the profile of the respondents and various independent variables. Statistical tests, such as independent sample t-test and ANOVA, were used to analyse differences between-group variance. Regression analysis was used to verify the relation between the dependent and the independent variable, while hierarchical regression was utilised to test the mediation effect of motivation on internal marketing and employee retention.

#### 4. Results

# 4.1. Descriptive Statistics

Table 1 shows the number of participants in the survey, a total of 284 respondents from five branches of the chain hotel in Beirut. Among the respondents, 168 (59.2%) were male, whereas 116 (40.8%) were female. In addition to gender, the demographic profile of respondents shown in the table 1, including age, position and years of employment.

**Table 1:** Demographic Profile of Respondents.

Demographic variable	Category	No. of responses	Valid %
Gender	Female	116	40.8
	Male	168	59.2
Job Position	Employee	201	70.8
	Supervisor	64	22.5
	Manager	19	6.7
Age	20 and below	22	7.7
	21-24	129	45.4
	25-40	121	42.6
	More than 41	12	4.2
Years of Employment	Less than a year	59	20.8
	1-3 years	101	35.6
	4-6 years	86	30.3
	More than 7 years	38	13.4

# 4.2. Exploratory Factor Analysis

Cronbach's alpha coefficient test is used to test the internal construct reliability (Nunnally, 1978). The overall reliability for the scale exceeded the acceptable cut-off value of 0.70 Nunnally (1978). To perform exploratory factor analysis, and support the dimensionality and convergent validity, KMO and Bartlett's test of sphericity with varimax rotation was run. The construct exceeded the threshold value of 0.50 (0.877 > 0.50) (Field, 2000). As a result, factor analysis could be used to simplify or reduce data. Table 2 shows the factor loadings for each variable. Factor loadings were greater than 0.50, suggesting a satisfactory level of validity (Barclay, 1995).

#### 4.3. Scale Reliability

Reliability test was undertaken to determine the internal consistency of the items that constituted each of the dimensions of internal marketing. For an item to retained in the scale, it should have a minimum factor loading threshold of 0.5 (Hair et. al., 2006), register an itemtotal-correlation greater than 0.3 (Blankson & Stokes, 2002) while a factor must have a Cronbach Alpha score of at least 0.7 (Pallant, 2010). All the 39 items were retained after the reliability test (see table 2). All seven variables were also employed for further analyses as they all scored high Cronbach Alpha values, with .805 being the lowest score registered by staff motivation, and .937 is the highest Cronbach Alpha score. A scale reliability test was also conducted to assess the internal consistency of the overall scale. The global scale registered a high Cronbach's Alpha score of .967, meaning that the scale as a whole had a very high degree of internal consistency, and so was reliable (Nunnally, 1978).

**Table 2:** Means, standard deviations, factor loads and Cronbach's Alpha for all variables.

Scale Items	Mean	SD	Factor loads	Cronbach's
				Alpha

	2.70	0.00		0.044
<b>Employee Motivation</b>	3.59	0.82	571	0.866
Motivation1			.571	
Motivation2			.631	
Motivation3			.646	
Motivation4			.657	
Motivation5			.677	
Staff Development	4,03	0.55		0.868
Staff Development1			.700	
Staff Development2			.713	
Staff Development3			.633	
Staff Development4			.660	
Staff Development5			.531	
Staff Development6			.700	
Staff Development7			.727	
Internal Communication	4,04	0,60		0.898
Internal communication1	•	•	.729	
Internal communication2			.691	
Internal communication3			.601	
Internal communication4			.783	
Internal communication5			.722	
Internal communication6			.655	
Internal communication7			.655	
Teamwork	4,10	0,62		0.805
Teamwork1	1,10	0,02	.500	0.002
Teamwork2			.582	
Teamwork3			.679	
Teamwork4			.669	
Empowerment	3,97	0,60	.007	0.889
Empowerment1	3,77	0,00	.613	0.00)
Empowerment2			.684	
Empowerment3			.805	
Empowerment4			.697	
Empowerment5			.709	
Empowerment6			.632	
Empowerment7			.724	
Rewards	3,80	0.69	.724	0.877
Rewards1	3,00	0.09	.642	0.077
Rewards2			.642 .782	
Rewards3				
Rewards4			.639	
Rewards5			.713 .730	
	2 47	1.00	./30	0.027
Employee Retention	3,47	1.02	727	0.937
Employee retention1			.737	
Employee retention2			.749	
Employee retention3			.714	
Employee retention4  Notes: $N = 284$ . SD: standard	1		.604	

# 4.4. Correlation Analysis Results

Before testing the mediating role of the mediating variable in the relationship between predictors and outcomes, the correlation between independent and dependent variables and mediating variable were tested. The Pearson correlation statistical coefficient was used to verify the relationship between IM dimensions (SD, IC, T, EMP and IR), EM and motivation

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before doing hierarchical regression analysis. The correlation coefficient between all variables was positive. Pearson correlation coefficient indicates the significance, direction, strength and significance of the bivariate relationship among all the variables measured at an interval or ratio level (Sekaran & Bougie, 2010). It is a statistical measure of association between two variables. The positive correlation coefficient (r) ranges from  $\pm 0.41$  to  $\pm 0.60$ , while a strong correlation should be  $\pm 0.61$  to  $\pm 0.80$ . According to table 3, there is a positive correlations between internal marketing dimensions such as SD (r = 0.618, p < 0.01), TW (r = 0.534, p < 0.01), IC is (r = 0.559, p < 0.01), EMP (r = 0.593, p < 0.01) and IR (r = 0.683, p < 0.01) with employee motivation. Moreover ER (r = 0.717, p < 0.01) was found to be positively correlated with employee motivation.

**Table 3:** Correlations between IM dimensions and Employee Motivation.

Variables	SD	TW	IC	EMP	IR	ER	MOT
Staff Development (SD)	1						
Teamwork (TW)	.731**	1					
Internal Communication (IC)	.776***	.634**	1				
Empowerment (EMP)	.779**	.637**	.785**	1			
Incentives & Rewards (IR)	.657**	.586**	.689**	.741**	1		
<b>Employee Retention (ER)</b>	.584**	.465**	.540**	.586**	.662**	1	
<b>Employee Motivation (EM)</b>	.618**	.534**	.559**	.593**	.683**	.717**	1

<sup>\*\*</sup> Correlation is significant at the 0.01 level (2-tailed).

# 4.5 Hypotheses Testing

Hierarchical regression was performed as shown in the tables 5-9 to estimate the effect of IM dimensions (SD, IC, T, EMP and IR) on ER and to examine whether EM mediates the relationship between IM dimensions and ER in the branches of the international chain hotel in Lebanon.

**Table 5:** Hierarchical regression for H1 and H7a.

Hypothesized Relationships	Regression weights	T- values	Sig.	R Square	Supported/Not supported
Step1. $SD \rightarrow ER$	0.584	-	.000	.341	Supported
(I) Mediating effect of employee motivation between SD and ER	-				
H7a SD → Employee Motivation → ER	0.228	4.446	.000	.545	Supported

Staff development is viewed to be one of the most crucial and pivotal factors related to employee retention in the hotel sector. Table 5 showed in both steps that staff development SD have a significant relationship with the dependent variable employee retention ER ( $\beta$  = 0.584, Sig. 0.000). Thus H1 was accepted. The change in the value of the coefficient of SD ( $\beta$  = 0.584, Sig. 0.000 to  $\beta$  = 0.228, Sig. 0.000) suggests that EM mediates the relationship between SD and ER. The intervention caused by the mediating variable in the regression equation shown above proves that there is a strong relationship between SD and ER. Besides, the value of R-Square increased from 0.341 to 0.545, thus demonstrating that EM plays a mediating role in the relationship between SD and ER. The p-value 0.000 is lower than the alpha-value 0.01. As a result, the descriptors used in this study's model are appropriate to identify the relationship between the predictor variables and the dependent variables. In line with this finding; hypothesis H7a was supported. Similarly to these results, another study showed that there is a significant linkage between training and ER (Gan & Halimah, 2019; Hee & Rhung, 2019; Kakar et. al., 2017). Kakar et al. (2017) mentioned that training could provide employees with updated skills and knowledge which will enhance ER.

**Table 6:** Hierarchical regression for H2 and H7b.

Hypothesized Relationships	Regression weights	T- values	Sig.	R Square	Supported/Not supported
Step1. TW → ER	0.465	-	.000	.216	Supported
(II) Mediating effect of employee motivation between TW and ER	-				
H7b TW → Employee Motivation → ER	0.115	2.356	.019	.523	Supported

Findings regarding TW, as shown in table 6 ( $\beta$ =.465, Sig. = .000 to  $\beta$ 3 =-.115, Sig .019) revealed that employee motivation positively impacts the relationship between TW and ER. Thus H2 was accepted. The value of R-Square increased from 0.216 to 0.523 which demonstrating that EM plays a mediating role in the relationship between TW and ER. The p-value 0.019 is lower than the alpha-value 0.05. As a result, the descriptors used in this study's model are appropriate to identify the relationship between the predictor variables and the dependent variables; thus hypothesis H7b was supported. This result is consistent with Hee & Rhung (2019) who found that motivation and TW conditions, as well as comfortable workload and work environment, are all positively related to ER if adequate.

**Table 7:** Hierarchical regression for H3 and H7c.

Hypothesized Relationships	Regression weights	T- values	Sig.	R Square	Supported/Not supported
Step1. IC $\rightarrow$ ER	0.540	-	.000	.291	Supported
(III) Mediating effect of employee motivation between IC and ER	-				
H7c IC → Employee Motivation → ER	0.202	4.155	.000	.542	Supported

The same results were shown in table 7 regarding IC which revealed a positive relationship with the dependent variable ER ( $\beta$ =.540, Sig. = .000 to  $\beta$  = .202, Sig. 0.000). Thus H3 was accepted. The p-value 0.000 is lower than the alpha-value 0.01 and the value of R-Square increased from 0.291 to 0.542, thus demonstrating that EM plays a mediating role in the relationship between IC and ER. H7c was supported as the results are consistent with the research of Titus and Adiza (2018) entitled "motivation: a panacea for employees' performance and retention" which showed that employee motivation had a significant relationship between effective internal communication and employee retention.

**Table 8:** Hierarchical regression for H4 and H7d.

Hypothesized Relationships	Regression weights	T- values	Sig.	R Square	Supported/Not supported
Step1. EMP → ER	0.586	-	.000	.344	Supported
(IV) Mediating effect of employee motivation between EMP and ER	-				
H7d EMP → Employee Motivation → ER	0.249	5.039	.000	.554	Supported

Table 8 showed that EMP has a positive relationship with the dependent variable ER ( $\beta$ =.586, Sig. = .000 to  $\beta$  = .249, Sig. 0.000). Thus H4 was accepted. The p-value 0.000 is lower than the alpha-value 0.01, and the value of R-Square increased from 0.344 to 0.554, thus demonstrating that EM plays a mediating role in the relationship between EMP and ER. H7d was supported, and the results are similar to (Alhmoud and Rjoub, 2019; Hee and Rhung, 2019; Titus and Adiza, 2018) as they proved that empowerment conditions significantly related to motivation and employee retention.

**Table 9:** Hierarchical regression for H5 and H7e

Hypothesized Relationships	Regression weights	T- values	Sig.	R Square	Supported/Not supported
Step1. IR $\rightarrow$ ER	0.662		.000	.438	Supported
(V) Mediating effect of employee motivation between IR and ER	-				
H7e IR $\rightarrow$ Employee Motivation $\rightarrow$ ER	0.323	6.022	.000	.569	Supported

Moreover, table 9 shows that there is significant relationship between IR and ER ( $\beta$ =.662, Sig. = .000 to  $\beta$  = .323, Sig. 0.000). Thus H5 was accepted. The value of R-Square increased from 0.438 to 0.569. In line with these findings, H7e was supported. Many researchers previously presented similar results (Alhmoud and Rjoub, 2019; Hee and Rhung, 2019; Titus and Adiza, 2018) as they proved that rewards significantly related to motivation and employee retention.

# 5. Conclusion, Implications and Limitations

This study was an attempt to examine the critical impact of five IM dimensions: staff development, internal communication, teamwork, empowerment and incentives and rewards, on ER in an international chain hotel in Lebanon. Thus, employee motivation (EM) was considered a mediating variable.

As discussed previously, employee motivation affects the relationship between IM and ER positively. In addition to this, motivation is simultaneously a means to engage existing employees in SD programs and acquire a positive outcome of these programs. Thus, recent research has extensively examined the effect of staff development (SD) on ER by showing how it is intrinsically related to motivation.

Various scholars have demonstrated that organisations are increasingly more aware that their most valuable asset is their employees (e.g. Alhmoud & Rjoub, 2019; Gan & Halimah, 2019; Hee & Rhung, 2019; Shah & Asad, 2018; Titus & Adiza, 2018). This trend is also noticeable in the hotel sector, where hiring highly qualified workers has become a priority. Moreover, management has begun to organise SD programs to improve the performance and skills of new and existing employees as a means to invest in the workforce and offer high-quality service. Even though organisations are aware of the high cost of these programs, they understand that their investment in SD will be eventually recovered and guarantee future returns.

Different studies have also demonstrated that SD is one of the critical components of IM dimensions (e.g., Al-Hawary et. al., 2013; Braimah, 2016; Ismail & Sheriff, 2015). Their findings are consistent with the results of the study by (Ahmad & Sheeraz, 2012) on the effect of IM on ER. Moreover, Łukasik (2017) and Kaliyamoorthy et al. (2018) have proved that there is a positive relationship between SD and EM. Thus, the research as mentioned above supports this study's results. In addition to that, it has shown a positive correlation between SD and EM that have mediated the relationship between these two variables.

Another critical IM practice, internal communication (IC), is a process where employees in an organisation are encouraged to share information, ideas, opinions and plans with fellow employees or supervisors in writing or orally. Managers, on the other hand, use IC to inform employees of new policies and strategic objectives. Managers also utilise IC to provide employees with constructive feedback about their performance and to understand their needs. Thus, when managers effectively communicate with employees by listening to their requests and answering their questions, they open channels of excellent communication with their staff. As a result, both employee satisfaction and ER increase. Regarding the use of IC in the international chain hotel in Lebanon, this study's statistics suggest that IC is positively correlated with EM. This result also coincides with those of Pinder (2008) and Mishra et al., (2014) in which the IC corroborates a positive correlation between IC and EM.

Various studies have also shown that teamwork, as an IM variable, is positively correlated with EM. Researchers have argued that the engagement of employees in T positively affects the overall performance of the organisation. Moreover, T has been described as a substantial element in the relationship with EM (Jiang, 2010; Mumby, 2013). Similarly, this study maintains that when hotel management encourages a collaborative environment in its hotel, TW will be effective and will positively impact employee loyalty and ER.

EMP was a significant driver of ER in the hotels investigated in this study and is positively correlated with EM. This finding implies that management should encourage staff to use their discretion and take the initiative. In the hotel industry, this managerial approach can make employees feel relevant and improve their loyalty to the organisation. Other researchers have argued that when employees are free to handle customers, they develop a high sense of personal worth and, consequently, are more committed to the organisation.

Moreover, this study singled out the particular role EMP plays in promoting EM in the international chain hotel. Thus, management should encourage staff to use their experience and skills to improve service quality. Doing so, this will allow employees to develop self-confidence and increase their sense of responsibility. As Drake (2007) has shown, EMP improves staff dedication. Moreover, employee empowerment has been advocated by management and accounting researchers as a way to increase employee motivation.

As an IM dimension, EMP is a means to enable and encourage employees to act, behave, think and make decisions to get the job done (Al-Hawary et al., 2013). Andrea et al. (2007) stated that motivated employees play a crucial role in organisational success. These results have similarities with the current study, particularly regarding the positive correlation between EMP and EM, which positively affect employee loyalty and retention.

IR is positively correlated with EM, and its relevance is such that it is seen as the significant IM dimension in research by Kassa (2015) who declared in their study that employees are highly motivated with a rewards system. Beside, Safiullah (2014) mentioned that rewards become the vital factor for employee motivation. This study's findings are consistent with the research by Omar & Shehada (2015) in which the researchers examine the impact of IM on ER at private hospitals in Amman, Jordan where IR implementation was measured as beta (.348, sig. at 0.003), the strongest predictor of variation in the overall ER.

EM, which is also positively related to ER, noticeably mediates the relationship between IM and ER. Based on this study's result, it is possible to infer that motivation is positively related to employee motivation in the international chain. Thus, motivating employees should be central to management. Managers should acknowledge that employees are the organisation's most valuable asset since they create tangible products and offer intangible services. For example, according to Hee & Rhung (2019), giving the employees a sense of achievement and providing them with opportunities for career advancement and promotion constitutes a critical motivator that creates positive job attitudes. Moreover, investing in the workforce eventually generates returns to the organisation.

This study's results regarding EM are also consistent with Ahmad & Sheeraz (2012), who demonstrated a positive correlation between EM and ER. Finally, during this survey, it was noticed that the international chain hotel in Lebanon is currently in the process of implementing motivation. Their initiative corroborates this study's contention that M is an important variable that positively impacts the relationship between IM and ER.

# 5.1. Managerial Implications

According to Tag-Eldeen & El-Said (2011), IM dimensions are an essential element in an organisation. The results of this study show that IM has a significant positive relationship with ER. Therefore, when IM is effective, employee turnover is low, and retention is high. Moreover, the IM dimensions addressed in this research have been frequently adopted by various organizations to facilitate strategic management.

Regarding the IM dimensions of the international chain hotel in Lebanon, it is demonstrated that employees perceive the significance of the organization's IM dimensions such as SD, IC, T, EMP and IR before deciding whether they will continue working at the organization. Besides, it was found that there is a significant relationship between independent variables and the ER. Thus, it can be asserted that this study's findings are a reliable tool to identify the best strategies hotel management should implement to improve ER.

Moreover, our results indicate that several employees are dissatisfied with the hotel's IM practices. Consequently, hotel management should be aware of the significance of IM practices because, as it has been demonstrated, they have a substantial effect on retention.

Therefore, management should periodically review their IM strategies and regularly implement them in order to reduce turnover. Holding staff meetings, promoting events, and encouraging the exchange of ideas is a means to design and set specific and reasonable goals that employees can attain. By motivating employees, the hotel can improve the organizational reputation and increase employee loyalty and efficiency. This research has highlighted the importance of EM in the relationship between IM and ER this makes the hotel's managers, especially in Lebanon, aware of the decisive role that employee motivation plays in the purpose of retaining valuable and talented employees.

# 5.2 Limitations of the Study and Recommendations for Future Research

The present study has several limitations. Firstly, it is limited to international chain hotels in Lebanon. However, this decision made because the hotel staff is mostly from Lebanon, a country characterized by high levels of unemployment, brain drain and seasonal hospitality industry. Besides, conducting this research was a challenge, since Lebanon's complex, volatile and fragmented business environment could be inadequate to implement ER.

This study was conducted to identify the impact of IM on ER with the mediating role of EM in the international chain hotel in Lebanon while assuming, based on previous research, that employees are an organization's main asset. This research has not established whether the chain hotels have addressed their employees' needs or their intention to leave or stay in their jobs.

In addition to study results, apart from the IM practices examined, other strategies may improve ER, which this study did not address, such as offering job stability and encouraging retention in weak labour markets. Thus, researchers should investigate volatile business environments in which turnover is high and is also a common organizational practice. Doing so will address whether ER can increase organizational performance despite an adverse business scenario.

Additionally, researchers can create new variables to test IM or apply the existing ones to different contexts. For example, as seen in the literature, there are relevant variables identified by various researchers such as job satisfaction (Al Hawary et al., 2013), service culture (Omar & Shehada, 2015; Tag-Eldeen & El-Said, 2011) and vision (Foreman & Money, 1995). As mentioned earlier, due to time constraints and limited resources, this study's sample and instruments were not sufficient to collect more detailed information on ER. Thus, researchers should elaborate questionnaires that limit the respondents' tendency to provide unreliable information, a practice that is common in contexts where the job market restricted due to insecurity and other issues.

Future studies are thus encouraged to design a more complex project and research plan that allows them to target participants from different geographical locations in Lebanon and who employed in other hotels across the country. Researchers should also include in their studies employees in different service sectors such as insurance, banking, technology and communications, and compare their ER rates with those of the hospitality industry. In doing so, future studies will better evaluate the effects of employee turnover in these different sectors and propose new strategies to improve organizational performance by promoting ER.

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# ORIGINAL SCIENTIFIC PAPER

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