



**Enhancing Employee Engagement and Employee Loyalty among
Generation Y Employees: A Case Study of Large Hotels in
Hatyai, Songkhla**

Sorawit Wutijaroenwong

**A Thesis Submitted in Partial Fulfillment of the Requirements for the
Degree of Master of Business Administration (International Program)**

Prince of Songkla University

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Author Mr. Sorawit Wutijaroenwong
Major Program Business Administration (International Program)

Major Advisor

.....
(Dr. Daraneekorn Supanti)

Examining Committee:

.....Chairperson
(Asst. Prof. Dr. Walapa Phathana)

.....Committee
(Dr. Daraneekorn Supanti)

.....Committee
(Asst. Prof. Dr. Suthinee Rurkkhum)

The Graduate School, Prince of Songkla University, has approved this thesis as partial fulfillment of the requirements for the Master of Business Administration (International Program)

.....
(Assoc. Prof. Dr. Damrongsak Faroongsarng)
Dean of Graduate School

This is to certify that the work here submitted is the result of the candidate's own investigations. Due acknowledgement has been made of any assistance received.

.....Signature
(Dr. Daraneekorn Supanti)
Major Advisor

.....Signature
(Mr. Sorawit Wutijaroenwong)
Candidate

I hereby certify that this work has not been accepted in substance for any degree, and is not being currently submitted in candidature for any degree.

.....Signature
(Mr. Sorawit Wutijaroenwong)
Candidate

ชื่อวิทยานิพนธ์	การเสริมสร้างความผูกพันและความจงรักภักดีของพนักงานเจเนอเรชั่น วาย กรณีศึกษาโรงแรมขนาดใหญ่ในอำเภอหาดใหญ่จังหวัดสงขลา
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บทคัดย่อ

งานวิจัยนี้ศึกษาปัจจัยที่มีอิทธิพลต่อความผูกพันและความจงรักภักดีของพนักงานเจเนอเรชั่นวาย ในโรงแรมหาดใหญ่จำนวน 15 แห่งโดยใช้การวิเคราะห์การถดถอยพหุคูณ ตรวจสอบว่าความสัมพันธ์กับหัวหน้า การจ่ายผลตอบแทน การฝึกอบรมและการพัฒนาและการสื่อสารกับพนักงานมีความสัมพันธ์กับความผูกพันและความจงรักภักดีของพนักงานหรือไม่ ผลการวิจัยแสดงให้เห็นว่าผลตอบแทนและการสื่อสารกับพนักงานส่งผลให้เกิดความผูกพันของพนักงานอย่างมีนัยสำคัญทางสถิติ นอกจากนี้การจ่ายผลตอบแทน การฝึกอบรมและพัฒนาและการสื่อสารกับพนักงานมีความสัมพันธ์กับความจงรักภักดีของพนักงาน ผลการวิจัยชิ้นนี้ชี้ให้เห็นว่าผู้จัดการโรงแรมควรมุ่งเน้นการจ่ายผลตอบแทนและการส่งเสริมการสื่อสารอย่างมีประสิทธิภาพแก่พนักงานเจเนอเรชั่นวายเพื่อสร้างแรงจูงใจและรักษาพนักงานให้มีความภักดีและความผูกพันต่อองค์กรมากยิ่งขึ้น

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Author	Mr. Sorawit Wutijaroenwong
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Abstract

The study examines factors influencing employee engagement and employee loyalty of generation Y employees in Hatyai hotels. Self-administered questionnaires were distributed to generation Y employees in fifteen large-size hotels in Hatyai. Multiple regressions were used to examine whether relationship with supervisor, reward and recognition, training and development, and employee communication are significantly related to employee engagement and employee loyalty. Results revealed that reward and recognition, and employee communication have significant and positive effects on employee engagement. In addition, reward and recognition, training and development, and employee communication are significantly related to employee loyalty. These findings suggest that hotel managers who handling with generation Y employees should strongly focus on how organizations provide reward and recognition as well the establishment of effective communication channel that motivate and retain employees to be more loyal and highly engaged at work.

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Table of Contents

	Page
Chapter One: Introduction	
1.1 Background	1
1.2 Problem Statement	4
1.3 Purpose of Study	5
1.4 Research Questions	5
1.5 Research Hypothesis	5
1.6 Key Terms and Definitions	6
1.7 Chapter Summary	7
 Chapter Two: Literature Review	
2.1 Conceptual Definitions	8
2.2 Theoretical Foundation	13
2.3 Factor Influencing Employee Engagement and Employee Loyalty	16
2.4 Research Model	30
2.5 Chapter Summary	31
 Chapter Three: Research Method	
3.1 Introductions	32
3.2 Research Approach	32
3.3 Population and Sample	32
3.4 Research Procedure	33
3.5 Research Instruments	35
3.6 Data Analysis	36
3.7 Chapter Summary	36
 Chapter Four: Results	
4.1 Introduction	37
4.2 Demographic and Background Information	37
4.3 Exploratory Factor Analysis (EFA)	39

4.4 Pearson Correlation Matrix	45
4.5 Regression Analysis	47
Chapter Five: Discussion	
5.1 Conclusion	51
5.2 Discussion	51
5.3 Limitation	54
5.4 Recommendation for Future Study	54
5.5 Practical Implication	55
5.6 Summary	56
References	57
Appendix A	77
Vitae	80

List of Tables

Table 1.1 Accommodation Establishments of Thai and Foreign Tourists in Songkhla from January-December 2015	3
Table 2.1 Literature Review of Employee Engagement	29
Table 2.2 Literature Review of Employee Loyalty	30
Table 3.1 Large Size Hotel Lists	33
Table 4.1 Demographic Data of Respondents	38
Table 4.2 EFA Results – Relationship with Supervisor	40
Table 4.3 EFA Results – Reward and Recognition	41
Table 4.4 EFA Results – Training and Development	42
Table 4.5 EFA Results – Employee Communication	43
Table 4.6 EFA Results – Employee Engagement	44
Table 4.7 EFA Results – Employee Loyalty	45
Table 4.8 Pearson Correlations for Measurement Scales	46
Table 4.9 Results of Regression Analysis of Employee Engagement	48
Table 4.10 Results of Regression Analysis of Employee Loyalty	49
Table 4.11 Summary of the Hypothesis Testing	50

List of Figure

Figure 2.1 Conceptual Framework	30
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List of Abbreviations

EE	=	Employee Engagement
EL	=	Employee Loyalty
S	=	Relationship with Supervisor
R	=	Reward and Recognition
T	=	Training and Development
C	=	Employee Communication
S.D.	=	Standard Deviation
R^2	=	R-square
F	=	F Test
P	=	P value
B	=	Beta

CHAPTER 1

INTRODUCTION

1.1 Background

Hospitality and tourism has become interesting and has been growing 4.7 – 6.0 percent since 2015. The revenue of hotel industry in 2016 was approximately 540 billion baht (Thansettakij, 2016). According to Kasikornbank (2016), the number of small-medium to large-size hotels has been increased both domestically and internationally in Asia. This has resulted in an intensive competition among hotels. In addition, hospitality industry normally faced with turnover issue. In addition, employee turnover rate has been organizational problem, which causes the loss of revenue (KPMG, 1998). Moreover, Rungless (2017) revealed that the turnover rate in hospitality industry is high. That is, turnover rate affects the organization's productivity as when employee leaves, other existing organizational members will be given overload amount of work as a result, and that it creates negative effect on both employees and hotels (Amason & Mooney, 1999).

The challenge for human resource department in hotels is to train, develop employee skills, and retain them for better of organizational performance and productivity. It has been stated that employee engagement is an effective solution in order to retain organizational members (Adkins, 2016). This is because engaged employees are more likely to talk positively about the company, which result in lower turnover rate (Schaufeli & Bakker, 2004). That is, employees who have strong employee engagement usually have positive experiences and hold positive image about their organization. This implies that employees are possibly satisfied working at the company. It has been found that employees who are satisfied with their work they tend to retain in organization (Alavi & Leidner, 2001) and they tend to stay longer with organization when they are loyal (Eskildsen & Nussler, 2000; Martensen & Gronholdt, 2001).

Moreover, engaged employees are more willing to maximize their potential and capacity in their work roles (Kahn, 1990), better well-being (Hallberg & Schaufeli, 2006), and better productivity (Rich, Lepine, & Crawford, 2010). Again, there are many benefits for organization that has high level of employee loyalty. Loyal employees incline to conduct better performance with their level of skill and capability. In addition, loyal employees are liable to remain with the organization and always introduce their organization as a good workplace. As a result, the organization's retention cost can be reduced (Byars, Richard, & Rue, 2001).

Furthermore, generation Y has an important role in labor market and there are generation Y employees approximately 30 percent in Thai labor market and can reach to 40 percent within the next five years (Siam Commercial Bank, 2014). Generation Y have been found to be capable employees who have a variety of skills (Adkins, 2016). As such, this may influence new managers work with generation Y. Sinnithithavorn (2010) has found that generation Y, in general, are more adaptable to technologies and have high level of confident, abilities of fast learning, and multi-tasking skills. For generation Y, freedom is very important and prefers to be stimulated and empowered at workplace. They tend to favor time flexibility at work but are dissatisfied with routinely same tasks. According to hospitality industry's growth, it requires a large number of labors to drive organizations to achieve goals. Therefore, hotel industry, in these days, needs generation Y to work for them as they are going to be a main labor in Thai market (Ruengtaweessin, 2015).

There are only 29 percent of millennials are engaged at work and millennial are the least engaged generation in the workplace (Adkins, 2016). They are also loyal to their profession. These people desire to work with organization that are responsible and reinforce towards society and environment. However, they are often ready to exit from organizations when they find that their organizations do not operate businesses with responsibility (Srisavek, 2010). They are also easily bored with same repetitive things and activities (Aolawongsuppatat, 2012). In addition, they prefer flexible time working hours in organizations and want to see them as experts as they always seek the opportunity to show their capabilities (Attasit, 2008). As a result, they want to achieve their objectives within short-term. Their priorities are family, friends,

colleagues, and themselves while level of engagement and loyalty has been found to be the least important (Srisavek, 2010).

Despite an increase in competition, the hospitality industry gain high revenue in Thailand (Boon-itt & Chomvong, 2010). This ratio is similar to Songkhla province (Department of Tourism, 2015). Specifically, Songkhla province is counted as commercial and tourism place in southern border due to variety of service such as hotels, restaurants, department stores, souvenir shops, transportation services, travel services, currency exchange shops, nightlife pub and restaurants and so on. Another attractive point of this province is many culture and nature places that provide varieties of tourism and also be an important hub of transportation in southern part of Thailand.

In addition, Songkhla is the city of tourism for conferences and exhibitions. The 60th Anniversary of His Majesty the King's Accession to the Throne International Convention Center which is the biggest convention hall in southern part that can cover large number of people. All of these attractive points reinforce Songkhla to be one of the most attractive provinces in southern part of Thailand (Department of Tourism, 2010). Although Songkhla province was affected by civil unrest situation continuously, the number of tourists' arrivals was increased approximately by 10 percent, see Table 1.1 (Department of Tourism, 2015). Hence, Songkhla province is the focus in this study. The aim of this study is to examine factors that influence employee engagement and employee loyalty from generation Y perspective in Songkhla, Thailand.

Table 1.1

Accommodation Establishments of Thai and Foreign Tourists in Songkhla from January-December 2015

	2015	2014	%Change
Number of accommodation	279	273	+2.20
Rooms	18,616	17,941	+3.76
Occupancy Rate (%)	65.26	60.06	+5.20
Guest Arrivals of Accommodation (Person)	4,375,200	4,019,400	+8.85
Length of stay (Day)	1.75	1.64	+0.11
Person / Room (P/R)	1.72	1.71	+0.01

Source: Department of Tourism (2015)

1.2 Problem Statement

There are many hotels in Thailand that provide variety of hotel choices in order to attract new foreigners (Thansettakij, 2016). The growth rate of hospitality industry in 2015 has increased 18.7 percent from 2014 (Thansettakij, 2016). Particularly in Songkhla, this province has large number of hotels as the fourth in rank within the southern part of Thailand (Terrabkk, 2013). In competition, hotels are trying to make their hotel identifications to be outstanding in order to give the best and new experience to customers.

Generation Y is considered to be a future major labor force (Horovitz, 2012) and their main characteristics are good collaborators and prefers to work as team (Gursoy, Maier, & Chi, 2008). Hou (2012) also identified the three characteristics of generation Y which are particularly related to hospitality industry, such as quick learners, entrepreneurship, and adaptability. However, Thai Hotels Association (1991) asserted that working condition within hospitality industry is not suitable with generation Y's characteristics. Furthermore, there are several factors influencing employee engagement and loyalty. For example, Karanges, Beatson, Johnston, and Lings (2014) indicated an important role of supervisor support that influences employee engagement. To support the reward system, Scott and McMullen (2010) has indicated that organizations increase employee engagement by creating effective reward and

incentive programs. In addition, organization could increase level of loyalty and reduce turnover through developing and increasing effectiveness of training programs (Costen & Salazar, 2011). However, these studies have not investigated generation Y employees on the factors influencing their engagement and loyalty in Thailand. This study is anticipated to suggest human resource managers on how to enhance generation Y employees in terms of their engagement and loyalty toward the hotels.

1.3 Purpose of the Study

1.3.1 To investigate factors influencing employee engagement and employee loyalty in Hatyai's hotels.

1.4 Research Questions

1.4.1 What are important factors influencing employee engagement of generation Y employees in Hatyai's hotels?

1.4.2 What are important factors influencing employee loyalty of generation Y employees in Hatyai's hotels?

1.5 Research Hypotheses

H₁: Relationship with supervisor is positively related with employee engagement in Hatyai's hotels.

H₂: Relationship with supervisor is positively related with employee loyalty in Hatyai's hotels.

H₃: Reward and recognition is positively related with employee engagement in Hatyai's hotels.

H₄: Reward and recognition is positively related with employee loyalty in Hatyai's hotels.

H₅: Training and development is positively related with employee engagement in Hatyai's hotels.

H₆: Training and development is positively related with employee loyalty in Hatyai's hotels.

H₇: Employee communication is positively related with employee engagement in Hatyai's hotels.

H₈: Employee communication is positively related with employee loyalty in Hatyai's hotels.

1.6 Key Terms and Definitions

1.6.1 Employee engagement is defined as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption” (Schaufeli, Bakker & Salanova, 2006).

1.6.2 Employee loyalty can be defined as the relationship between employee and organization in order to either continue work or leave from organization (Allen & Grisaffe, 2001).

1.6.3 Generation Y employee can be defined as any employee who was born between 1980 to 2000 (Beekman, 2011).

1.6.4 Relationship with supervisor can be defined as the scope which supervisor values and contributes to employees (Becker, Billings, Eveleth & Gilbert, 1996).

1.6.5 Reward and recognition refers to instrument to respond both organization and employee needs and also understand the actual needs of employees and productivity in organization (Mehmood, Ramzan, & Akbar, 2013).

1.6.6 Training and development means procedures used to improve employee knowledge and skill in order to be more productive toward organizational objectives (Noe, 2005).

1.6.7 Employee communication can be defined as quality of relationship in organization reflects the effectiveness of communication (Goldhaber, 1993).

1.6.8 Social exchange theory means the behaviors of one party leads to the certain response or action by another party such as organizational members were accepted,

praised, and physical resources from their organization. They feel binding to react in terms of repaying to their organization (Cropanzano & Mitchell, 2005).

1.6.9 Human resource management practice refers to a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural and personnel technique (Storey, 1992).

1.7 Chapter Summary

This chapter presents the introduction, problem statement, purpose of study, research questions, research hypotheses, and definition of variables which involved with factors influencing employee engagement and employee loyalty in perspective of generation Y employees within large size hotels in Hatyai. Moreover, the results were expected to provide further understanding in to Generation Y employees regarding employee engagement and employee loyalty. Literature review will be presented in the next chapter.

CHAPTER 2

LITERATURE REVIEW

As previously mentioned in Chapter 1, this study aims to examine factors influencing employee engagement and employee loyalty. This chapter focuses on the review of conceptual definitions and theoretical foundation. In addition, the studies on factors influencing employee engagement and employee loyalty are discussed in Section 2.3. The structure of this chapter details as follows.

2.1 Conceptual definitions

2.2 Theoretical foundation

2.3 Factors influencing employee engagement and employee loyalty

2.3.1 The effects on employee engagement

2.3.2 The effects on employee loyalty

2.4 Research model

2.5 Chapter summary

2.1 Conceptual Definitions

This section reviews conceptual definitions that mainly used in this study.

2.1.1 Employee Engagement

For organization, employee engagement has become a popular issue in organizations (Cayo, Genst, Goodman, & Ng, 2009). It explores employee engagement as one of the top three trends experiencing by organizations. According to Advisory Conciliation and Arbitration Service (ACAS) (2011), employee engagement is depended upon an interaction between employers and employees within the organization. Specifically, employers are required to express what they are adhere to provide equal opportunities, purposes, and directions. In return, employees adhere to be motivated and loyal. ACAS contends that employees have less chance to

depart from organization because respondents feel they were treated equally in organization.

Kahn (1990, p. 694) defined employee engagement as “the harnessing of organization members engage themselves to their roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance”. Kahn emphasizes that engagement is not merely physical consideration whereas involved emotionally and cognitively. This definition is similar to Sak’s (2006) definition. That is, employee engagement is a comprise of cognitive, emotional, and behavioral constitutes.

According to Khan’s (1990) definition, employee engagement refers to three significant psychological status in terms of safety, availability, and meaningfulness. First, safety refers to the psychological condition that employee perceives the authentic freedom in their work. Thus, safety is primary factor which is the way to perceive quality of interaction among individuals at workplace (May, Gilson, & Harter, 2004). Availability refers to situation where employees believe that they have the cognitive, physical, and, emotional resources to consign themselves extremely in their works (May et al., 2004; Schaufeli & Bakker, 2004). Lastly, meaningfulness can be defined as the authentic value which employees adjoin to their work performances at work. It affects through the roles and tasks that employees perform (May et al., 2004).

Employee engagement as a psychological state was influenced through the work environment reflects the feelings of empowerment, commitment, enthusiasm (Macey & Schneider, 2008), emotional, and determination (Shuck, Reio, & Rocco, 2011). Moreover, it is considered with internal motivation driven by the connection with an intended purpose, enjoyment (Fry, 2003), social identity (Saks, 2006), and high levels of individual energy expressed at the work role (Schaufeli et al., 2006).

According to Schaufeli et al. (2006, p. 702), employee engagement is defined as “a positive, fulfilling, work-related state of mind characterized by vigor, dedication, and absorption”. Taking these elements into consideration, vigor considered as an employee’s behavior that reveals “high levels of energy and mental

resilience while working, the willingness to invest effort in one's work, and persistence even in the face of difficulties". In addition to vigor, dedication is also explained as an employee's emotion as "being strongly involved in one's work and experiencing a sense of significance, enthusiasm, inspiration, pride, and challenge". Finally, absorption or cognition can be defined as "being fully concentrated and happily engrossed in one's work, whereby time passes quickly and one has difficulties with detaching oneself from work".

It has been found that employee engagement has relation with organizational commitment, loyalty, turnover (Salanova et al., 2005), emotional investment (Saks, 2011), and job satisfaction (Macey & Schneider, 2008). Employees who were engaged put a lot of effort on their work yet the effort expresses enjoyment, not obligation (Bakker et al., 2008). The strong effort reflects through situation which employees are performing their best on work, with colleague they enjoy, and positive psychology would reflect employee engagement (Luthans, 2001).

In addition, Macey and Schneider (2008) recommended that actual job satisfaction is the same concept as employee engagement. Employee engagement encourages satisfaction from common feeling to a feeling with energy and motivation. The effective organizational performance did not only support employee engagement but it also reinforce on spirituality of employee (Sheep & Foreman, 2012). In summary, several studies have conceptualized the term, employee engagement following Kahn's definition (1990). He defined employee engagement as "the harnessing of organization members engage themselves to their roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performance"(p. 694). Therefore, this study follows Kahn's definition.

2.1.2 Employee Loyalty

Employee loyalty can be defined as devoted action to job and organization which employees concerned on their image as their organizational image (Bettencourt, Gwinner, & Meuter, 2001). Loyalty is the implicit relationship between employee and organization which determine whether to continue work or leave from organization (Allen & Grisaffe, 2001). In a similar vein, employee loyalty is the

announcement on individual strength and organization performance simultaneously (Mowday, Porter, & Steers, 1982), depending on organizational culture (O'Reilly & Chatman, 1986). The action related to loyalty can be characterized into three factors which are adherence, acceptance on objective, and value of organization, expresses all performances effectively involved with benefit of organization, and steep passion to be one of the organizational member (Mowday et al., 1979).

Employee loyalty refers to employees' feeling and behavior toward organization (Allen & Meyer, 1991). The behavior of organizational member was expressed in positive performance including reinforcing an organization and other organizational members (Butler & Cantrell, 1984) and performing effectively within the rule of organization (Rusbult, 1988). Moreover, employee loyalty is an additional performance toward organization through willing to provide something or more stamina of themselves in order to reinforce well-being of organization (Moorman & Blakely, 1995). In summary, employee loyalty refers to the relationship between employee and organization which determine the direction of employees to continue work or leave from organization (Allen & Grisaffe, 2001).

Relatively, one of the main focuses in human resource management activities is the improvement, development, and encouragement of employee loyalty (Katz & Kahn, 1978). This perspective holds on the notion that high level of employee loyalty leads to the benefits for organizations, consisting of higher degree of efficiency, deducted recruitment costs, increased level of services, and enhanced level of customers' loyalty (Arnold, Ganesh, & Reynolds, 2000; Heskett, & Sasser, 2010; Reichheld & Teal, 1996).

Employee loyalty plays one of the most significant roles in term of achieving organizational objectives. The average of employee retention in organizations was less than five years and decreasing continually (Allen & Meyer, 1991). The studies relating to employee loyalty have indicated that many organizations revealed vital problems and loss of profit as an outcome of employee resignation (KPMG, 1998). The number of resignation of employees influences the efficiency and thoughts of those who still remain in the organization. Hence, the requirement of organization is to specify the reasons for frequently changing the job in order to make organizational

members satisfied and working with organization continually. That is, Alavi and Leidner (2001) have emphasized that the resignation of educated people from organization is high and the merely solution in order to retain them within company is to make them satisfied.

2.1.3 Generation Y

Many sources have used different references to identify Generation Y's range. However, many previous studies indicate that Generation Y has been born between 1980 to 2000 (e.g. Beekman, 2011). Generation Y has been found to reveal a wide range of interests with their new set of thoughts and unique traits. Raines (2002) argues that generation Y are the generation born between 1978 and 1990. Generation Y population has been found twice of generation X in Armour (2005) study.

There are various labels used to explain Generation Y including the entitled generation, net generation (NetGen), Google generation, and digital natives. However, the most common name is millennials (Balda & Mora, 2011). There are many main formed characterizations of Generation Y including ambitious, autonomous, team players, multi-taskers, self-centered, tech savvy, informal, and they enjoy works that are meaningful (Balda & Mora, 2011; Bannon, Ford, & Meltzer, 2011; Beekman, 2011).

Currently, Generation Y have steadily increasing and becoming more connected with the world. They have grown up with latest gadgets, high-tech smartphones and laptop (Holley, 2008) and enjoying, staying and spending times in the world through the internet (Chickowski, 2012) with the innovative technology, the scope among smartphones, tablets, and laptops (Wells, Kleshinski, & Lau, 2012). Generation Y have concerned on technological devices as one of the significant tools in their modern daily life in terms of joining and living in today's societies. Moreover, many businesses are currently using technologies to drive their organizations. Therefore, generation Y and their technology knowledge are considered to be beneficial for organizations (Wells et al., 2012).

Regardless of innovational and technological solutions of communication used and derived by Generation Y (Weston, 2006), they conversely tend to be disloyal,

anxious, and disrespectful (Kovarik, 2008). From the effect of traits and characteristics in generation Y, it is important that managers learn and create an entirely new set of obligation in order to manage and keep generation Y employee within their organizations (Sujansky, 2004).

Generation Y are becoming to be a main workforce in the labor market especially in hotel sector which required employees as the main factor to operate its businesses (Horovitz, 2012). Particularly, their characteristics are related with the nature of hospitality businesses and the industry. Furthermore, Cairncross and Bultjens (2007) also revealed that Generation Y have grown up with the Internet and high technology which are the characteristic that suitable for hospitality industry. Gursoy, Maier, and Chi (2008) supported by implying that Generation Y has main characteristics as good collaborator and prefer to work in team. Additionally, Hou (2013) also defined the characteristics of Generation Y which are relatively matched with hospitality industry. That is, they are quick leaning in technology, being entrepreneurial, and flexible.

2.2 Theoretical Foundation

2.2.1 Social Exchange Theory (SET)

The theory of social exchange process postulates that relationship involve loyal, trust, and mutual commitments the parties are still holding by exact “rule of exchange” (Cropanzano & Mitchell, 2005). Rule of exchange normally evolves interchange or repayment rules. So, the behaviors of one party, lead to the certain response or action by another party such as organizational members were accepted, praised, and physical resources from their organization. They feel binding to react in terms of repaying to their organization (Cropanzano & Mitchell, 2005). It is consistent with Robinson, Perryman, and Hayday (2004) description of engagement as the exchanged relationship between employer and employee.

A theoretical foundation of SET describes the reason that employees choose to engage in their work and organization in high or low level of productivity. The status of engagement in the models of Kahn (1990) and Maslach, Schaufeli and Leiter (2001) can be interpreted as accepted emotional, praised, and physical resources

exchange resources, such as employees gain resources from organization. Hence, they feel to repay their organization in even greater level. Kahn's (1990) definition of engagement can be described as employees feel to participate deeply in their role as a repayment to organization.

Schein (1970) discussed that employees feel committed, loyal, and enthusiastic towards organization's objectives after they gain specific satisfaction in their roles. Satisfactions can be money, social-need satisfaction, and security. These factors are used in order to exchange with the willingness to work and loyalty by employees. In the other case, organizations can give opportunity and challenging work to employee and, in exchange, employees will pay them back with quality work and high productivity for organization.

In addition, one indicator for employees to payback the organization is by their level of engagement. Employees select varying level of employee engagement based on the resources they gained from organization. Employees devote themselves as cognitive, emotional, and physical resources for organization and dedicate in their work roles. Hence, employees who have earned benefits and resources from organization will be willing to exchange their engagement for organization in return (Kahn, 1990).

In conclusion, when organization cannot respond to provide specific resources to satisfy organizational members, they tend to disengage from their roles. Therefore, the amount of accepted emotional, praised, and physical resources that organizational member gained is admitting to dedicate in their role as repayment to organization.

2.2.2 Human Resource Management Practice

There are various definitions of HRM practices. One of it is "a distinctive approach to employment management which seeks to achieve competitive advantage through the strategic deployment of highly committed and capable workforce, using an integrated array of cultural, structural, and personnel technique" (Storey, 1992). Som (2008) presented that HRM is practices of organization for increasing organization success and improving performance. Moreover, Kramar and De Cieri (2008) described that HRM practices consist of six categories; 1) job analysis; 2)

recruitment and selection; 3) training and development; 4) performance management; 5) pay structure, incentive, and benefits; and 6) employee relations.

First, Kramar and De Cieri (2008) stated that job analysis and design refer to the process of providing information of job to employees. The information includes training need, development standard, and pay structures (Price, 2003). Then, recruitment involves the procedure which organization searching for proper applicants and charm skilled-employee (Kramar & De Cieri, 2008).

Second, employee selection refers as the process to select the applicants who have skill, ability, and experience that match with criteria of organization in order to achieve the organization objectives (Kramar & De Cieri, 2008). The general purpose of recruitment and selection process is to get the potential employee required to fulfill the human resource needs of the organization (Armstrong, 1999).

Third, training refers as the representative of worker commitment to their workforce (Storey & Sisson, 1993). Most of successful organizations know that training and development activities are the key to attract and retain potential employees in organization (Bassi & Buren, 1999). Training and development do not only remedy the ability of employees but it is also a proactive advancement plans for inducing employee to feel more loyalty (Kyndt, Dochy, Michielsen, & Moeyaert, 2009).

Forth, Kramar and De Cieri (2008) presented performance management basically concerns about the personal performance and improvement. It is being utilized to guarantee that the workers' activities and results are harmonious with organizational objectives. Nevertheless, appraisals can be utilized as a feedback to person for persuading and improving performance. It has been contended that the performance appraisal of employees serves successful human resource system, the training and development requirements for organization, and setting organization objectives (Chelladurai & Madella, 2006).

Fifth, pay is an imperative element of human resource management. Cieri and Kramar (2008) pointed out that compensation is a vital part because it influences the standard of employees' work, their points of view to customers, and their readiness to

learn new skills (Milkovich, Gerhart, & Hannon, 1991). Kramar and De Cieri (2008) revealed that organizations with high degree of compensation are able retain high potential employees. Compensation might be one way for employee to measure whether the time that they spend and effort that they put into their work are worthy or not (Ryan & Sagas, 2009).

Last, employee relation has high influences on organization capability to possess the competitive advantage (Cieri & Kramar, 2008). Many previous studies, they have found out that employees who have good relationship with their co-workers are likely to have higher intention to stay (Clarke, 2001). In addition to that, employees tend to stay in the organization where they have a good teamwork relationship (Clarke, 2001; Marchington, 2000). According to Aziz, Saghier, and Wahba (2015), it has been stated that human resource practices management has an effect on employee loyalty and the consequences showed that HRM practices lead to employee loyalty, in case of Egyptian service organization. The stated HRM practices are composed of compensation, job analysis, performance appraisal, training and development, and job planning and selection. Moreover, Abbas, Hassan, Nawaz, and Sajid (2013) have summarized that training, performance appraisal, and reward system and empowerment have direct effect on improving employee loyalty and financial outcomes by only increasing employee satisfaction. Based on these two HRM practices, it seems to improve employee engagement as well as loyalty.

2.3 Factors influencing Employee Loyalty and Engagement

2.3.1 Relationship with Supervisor

The research has shown that the supervisor factor significantly influences on both organizational and individual level (DeConinck & Johnson, 2009). Relationship with supervisor can be defined as “the extent to which the supervisor values the employee’s contributions” (DeConinck & Johnson 2009, p. 334). According to Shanock and Eisenberger (2006), employees concern what they receive from their supervisor as an indicator of how organization treats them.

Researchers have proposed that relationship with supervisor significantly influences employee engagement in hotels, insurance, and hospital industries. For instance, Shaishowarat (2013) has studied factors affecting employee engagement. This research is designed to use a quantitative research method and measure perception and behavior in hotel sector in Thailand. Researcher followed Xu and Thomas's (2011) definition of relationship with supervisor as the positively evolved with subordinates, focusing, and developing the team in order to reach organizational objectives. The finding showed that relationship with supervisor significantly influenced employee engagement. This is because managers could coordinate and work with their subordinates even though they came from different backgrounds and often provided chances to learn and promoted them throughout their career paths.

Karanges, Beatson, Johnston, and Lings (2014) have studied whether supervisor support influences employee engagement as an important role. The quantitative research was used and measured through online surveys distributed in Australia. Supervisor support can be defined as the scope which supervisor values and contributes to their employees (Becker, Billings, Eveleth, & Gilbert 1996). Supervisors reinforce their employees on developing knowledge in order to perceive their values and belongings to organization. Hence, the finding examined that the supervisor support can encourage level of employee engagement.

Vizzuso (1999) has studied that the supervisor relationship can enhance employee engagement and their organizational performances. In this study, qualitative research method was utilized in specific hospital located in Midwestern United States and qualitative research method allowed researcher to meet in-depth information of participants' attitude. This researcher has followed Ghafoor, Qureshi, Khan and Hijazi's (2011) definition referring to the connection between supervisor and subordinates in order to respond the needs of employees through proposed incentives in order to achieve objectives of organization. Therefore, supervisor should improve interpersonal relationship with their subordinates to meet employee expectation and trust. The result of this study showed that employee engagement and organization expectation were influenced by supervisor relationship.

In summary, the studies conducted by Greenberg and Arakawa (2006), Karanges et al., (2014), Shaishowarat (2013) and Vizzuso (1999) have proposed the different meaning of relationship with supervisor. These studies have found that relationship with supervisor has a positive influence on employee engagement. Therefore, we proposed that:

H₁: Relationship with supervisor is positively related with employee engagement in Hatyai's hotels.

In addition, a group of researchers have found that relationship with supervisor influences employee loyalty in hotel, manufacturing and educational sectors. For example, Kee, Low, Ooi, Sam, and Teng, (2012) have conducted a study in Malaysian hotel sector and found out that organizational member willingness to work at the Malaysia's organization and turnover intentions were expected to be reduced. Their study refers to relationship with supervisor as the condition which supervisor performs a significant role in organization in order to examining subordinates' performance by providing clear explanation to subordinates tasks and duties, understanding subordinates thoughts, and leading them to achieve organizational goals. Their finding showed that employees had positive relationship to their supervisor due to when supervisor finished their job effectively and efficiently, the subordinates tend to believe that supervisors are devoted to the organization. Hence, it increases the level of relationship with supervisor as well as their level of loyalty.

In addition to above literature, the study conducted by Dang (2014) has shown that the effective leadership increases employee loyalty in manufacturing sector in Vietnam. This research used specific scope and definition of relationship with supervisor by concerning subordinates' attitudes towards their tasks and their co-workers, concentrating on good combination among subordinates, and empowering high level of task performance (Mendonca, 2006). Significantly, leaders have to develop their subordinates' skills to achieve their common goals as well as organization goals simultaneously. Hence, the result showed that the higher level of relationship with supervisor, the level of employee loyalty is likely to increase.

Furthermore, Singh and Sinha (2010) have studied the influence of the relationship with supervisor with an employee loyalty in education institution in India. In this research, supervisors concentrate on the cooperation of their subordinates, individual's problems, team and subordinate performances, and feedbacks given to their subordinates. The finding of their study showed that there was significant relationship between relationship with supervisor and employee loyalty through the communication of supervisor on the areas of what employees expected, and whether supervisors clearly assigned, provided great reward for high achievement, and supported subordinates to manage their time efficiency.

In summary, Dang (2014), Poo et al. (2012), and Singh and Sinha (2010) have different meanings of relationship with supervisor towards employee loyalty. Additionally, the measurements among three studies were different. While Kee et al. (2012) was measuring perceptions, Dang (2014) measured behaviors, and Singh and Sinha (2010) were measuring both. However, the results provide supportive outcomes that relationship with supervisor influences employee loyalty in different industries, such as bank, hotel, and education sectors. Therefore, we propose that relationship with supervisor leads to higher level of employee loyalty.

H₂: Relationship with supervisor is positively related with employee loyalty in Hatyai's hotels.

2.3.2 Reward and Recognition

All organizational members concern and are sensitive towards the aspect of receiving fair reward exchange accordingly to their efforts and that they may quit from organization if there are better reward systems in other organizations (Ramlall, 2003). Most cited studies of reward and recognition revealed that organizational members gained verbal compliment from their supervisor, reward, increase of salary, and gift certifications (Ramlall, 2003). Additionally, employees who are satisfied with their rewards and recognitions, they have no thought of quitting organization and finding another job respectively (Ramlall, 2003).

A group of researchers have studied that reward and recognition influences employee engagement in financial service, non-profit organization, and banking

sector. Doran (2013) has studied the association between reward and recognition and employee engagement in financial service industry in Ireland. Researcher used interview in order to explore employees' attitude, perception, and behavior. Reward and recognition refers to key management function in establishing level of employee commitment and engagement (Bratton & Gold, 2007). This study showed that reward and recognition is the most important factor for increasing employee engagement which results in retaining them in the organization. That is, employees with high level of engagement can be beneficial for organization.

In addition, Scott and McMullen (2010) has proposed that organizations enhance their employee engagement through the establishment of reward and incentive program in nonprofit organization sector. There are organizations that used rewards and incentive programs to reinforce employee engagement. The scope and meaning of reward and recognition in this study described as the base pay and other benefits used to foster high levels of employee performance and motivation. This study has confirmed that reward and recognition influences employee engagement in organizations therefore are able to make their reward program effectively in practical ways.

Iqbal, Karim, and Haider (2015) have also found that the impact of rewards on employee engagement in banking sector in India. Quantitative research was used in this study and following Mehmood, Ramzan, and Akbar (2013) meaning as instrument to respond both organization and employee needs as well as understand the actual needs of employees and productivity of organization. Additionally, organization reinforcing employee through effective reward system can stimulate higher level of productivity and performance. Moreover, employees who gain effective rewards became more engaged and illustrated with more commitment and satisfaction on their roles and organization. Therefore, reward significantly influences on employee engagement.

In summary, Doran (2013), Iqbal et al. (2015) and Scott and McMullen (2010) have proposed similar definitions of reward and recognition. Doran (2013) measured attitude, perception, and behavior in financial service industry in Ireland, Scott and McMullen (2010) measured perception in nonprofit organization sector, and Iqbal et

al. (2015) measured behavior in banking sector in India. Both studies using qualitative and quantitative methods provide supportive data that showed reward significantly impacts on engagement.

H₃: Reward and Recognition is positively related with employee engagement in Hatyai's hotels.

Additionally, both researchers have studied that reward and recognition influences employee loyalty in manufacturing industry, private sector, and hotel sectors. For example, Dang (2014) have proposed that increasing of reward enhances level employee loyalty in manufacturing sector in Vietnam. This study used quantitative research method and measured solely in term of behavioral contribution. Researcher adheres to following the meaning of reward and recognition which is often considered as a measurement of individuals' success.

More specifically, high level of income reinforces the satisfaction of employees and highly motivates employees to perform better. Income is considered as individual's achievement. Moreover, high income supports the satisfaction of employees and responds to their needs and wants. Therefore, employees can fully concentrate and dedicate to their job and also, at the same time, motivate themselves to perform in higher level (Sarma, 2009). As a consequence, they are likely to retain in their organization and show less tendency to seek for other jobs.

Moreover, Nyawera (2009) have identified that money can influence an employee loyalty. Other benefits included car allowances, phone allowances, and pensions that companies offer are also considered too. Hence, higher reward can reflect higher level of employee loyalty which encourages them to still work in the current organization. About its scope, this study has examined in private sector organizations in Durban. The researcher used quantitative research method and measure in terms of attitude and behavior. By following Ogba (2008) meaning, income refers to an instrument for creating and motivating employee to express their commitment to organizations. Therefore, regarding its output, reward and recognition positively affect the level of employee loyalty.

Sekyi, Boakye, and Ankumah (2016) have studied factors influencing employee loyalty in the hotel industry in Takoradi, Ghana. Researchers followed the reward definition of Dailey and Kirk (1992) as been termed as showing of how organization care and treat to their employees and respond to their well-beings. Taking its method into consideration, this study applied the quantitative research method. The results showed that reward has had impact on loyalty because employees were motivated by increased wages. The study also showed that compensation was very sensitive and that it was the most related to employee satisfaction and level of loyalty.

In conclusion, Dang (2014), Nyawera (2009), and Sekyi et al. (2016) have revealed different meanings of reward and recognition by following different literatures. Dang (2014) measured behavior in manufacture sector in Vietnam whereas Nyawera (2009) measured in term of attitude and behavior in private sector in Durban, and Sekyi et al. (2016) conducted in hotels in Ghana and measured behavior. Although those three researchers used the same method, quantitative research, but measurement, industries, and countries are still different. Nonetheless, reward and recognition summarily had a relationship with employee loyalty.

H₄: Reward and Recognition is positively related with employee loyalty in Hatyai's hotels.

2.3.3 Training and Development

Training and development is one of the most important human resource factors that is used to develop skills and assess related with individual's work. In addition, training and development refers to providing basic knowledge and skills that organizational members required to conduct within their work roles following organization's standards (Hartline & Ferrell, 1996). Furthermore, quality level of training and development programs encourage employee to participate to organization's activities which ultimately means that they are reliable to remain with organization (Taormina, 1999).

Many researchers have studied about the influence of training and development towards employee engagement in financial service and

telecommunication industries. Doran (2013) has indicated that training and development advocates employees to work within organization and also affects the engagement level. This study used qualitative research method and measured through attitude and perception perspectives. The area of study was employee engagement in the banking sector in Ireland. In addition, Abu Khalifeh et al. (2013) defined training and development as an investment and development of employee abilities and skills which reinforces competitive advantage and establishes sense of belonging within organization. When organization provides training program to employees, it makes employees put special effort and sense of belonging to organization therefore it was clear in that there were a number of benefits for engaged participants (Doran, 2013).

Bakar (2013) has proposed that training and development is an important factor toward employee engagement. This study used quantitative research method in financial sector at Malaysia. Researcher followed definition of Kumpikaite and Ciarniene (2008) defining as a procedure improving employee knowledge and skills in order to be more productive towards organizational objectives. As a result, training and development played vital role on employee engagement because of the fact that training provides required skills to employees to conduct tasks effectively and increase opportunity to advance in their career paths.

Azeem, Rubina, and Paracha (2013) have studied the relationship between training and development and employee engagement. Researchers conducted in three telecommunication companies in Pakistan using quantitative research method. Decenzo, Robbins, and Verhulst (2009) defined training and development as a learning from experiences and developing performance in order to make employees improve and present more outstanding performance. As a result of this study, training and development had significant impact on employee engagement in organization because training and development programs improved ability on their individual roles in order to be promoted in their jobs.

In summary, Azeem et al. (2013), Bakar (2013), and Doran (2013), adopted distinguished meanings of training and development. Doran (2013) used qualitative research method and measured attitude, perception, and behavior in financial service industry in Ireland. Bakar (2013) used quantitative research and measured behavior in

financial sector in Malaysia. On the other hand, Azeem et al. (2013) measured behavioral aspect in three telecommunication organizations in Pakistan and they used quantitative research method. Those researchers used different research methods and measurement within various industries. Although each research was different aspects, the overall result still indicated similar results which were reward and recognition had significant relationship with employee engagement.

H₅: Training and Development is positively related with employee engagement in Hatyai's hotels.

Moreover, previous research has found that training and development significantly influences employee loyalty in private sector, lodging, and commercial bank sector industry. For example, Nyawera (2009) has proposed that training and development has significant impact on the organization in improving employees' skill in private sector in Durban. According to Blanchard and Thacker (2007), training and development enhances knowledge and skills to employee and subsequently let them perform tasks more effectively and prepares the readiness of employee job requirement and change in their jobs.

Costen and Salazar (2011) have identified that organizations could enhance employee loyalty and reduce turnover through developing and training program in the lodging industry in the United States of America. As suggested, executives should reinforce and promote variety of training and development programs in order to ensure that organizational member develop skills and capability to perform their job efficiently. This study used quantitative research method and measured in the aspect of behavior. Hartline and Ferrell (1996) refer to training and development as fundamental skills and knowledge to perform their jobs as company's expectation. Additionally, organization provides training and development courses in order to develop new skill and improve needed skills in their current jobs. So, those employees who retain opportunity are more loyal to stay in the organization. The result showed that employees who were developing skills tend to act loyally to the organization and have determination to work in the current organization (Costen & Salazar, 2011)

Preko and Adjetey (2013) have studied the relationship of employee loyalty on performance in sales executives of commercial banks in Ghana. Researchers used quantitative research method and followed the definition of training and development constructed earlier by McCusker and Wolfman (1998) as the development on employee capability and self-realization in order to enhance performance on their jobs. This study showed that training and development has significant influence on loyalty because training and development is able to give non-financial reward to employees particularly in perspectives of recognition, praise, achievement, and career growth.

In summary, Costen and Salazar (2011), Nyawera (2009), and Preko and Adjetey (2013) have proposed similar definition of training and development. Nyawera (2009) measured behavior and attitude in private sector in Durban. Costen and Salazar (2011) measure within the lodging industry in United State of America. Preko and Adjetey (2013) measured behavior in the commercial banking sector in Ghana. In addition, those researchers used quantitative research method and reported the significant relationship results. Therefore, this study proposed that training and development leads to higher level of employee loyalty.

H₆: Training and Development is positively related with employee loyalty in Hatyai's hotels.

2.3.4 Employee Communication

Employee communication can affect employee productivity and retention (Salin, 2003). Dennis (1975) defined employee communication as the quality of experience and environment related with employee perception of how to message in organization. That is, communication within organization encourages employees to work strategically, collaboratively, cost-effectively, innovatively, and accountably. Therefore, it reinforces an organization to increase employee engagement (McPhail, Patiar, Herington, Creed, & Davidson, 2015).

Various researchers have studied that employee communication has influence towards employee engagement in hotel, petroleum, and educational industries. For example, Shaishowarat (2013) have studied that organization should provide

opportunities for employees to share and express their idea in meetings and updating information to employees. The board members and managers can communicate with employees normally, provide brief information for employees, and establish monthly and annual meetings. This study was designed by using questionnaire and measured within hotel sector in Thailand. Following the definition of Hewitt (2013), communication refers to sharing and communicating the direction and strategy of the organization to employees. Manager and organization provide a great communication to their employees which later on also increase level of engagement.

Roberts (2013) have studied about the relationship among employee engagement, communication climate, and employees' communication channel preferences in petroleum business located in the United States of America. In this study, researcher used qualitative method and measured attitude and behavior aspects. The employee communication survey was designed to study the internal atmosphere of the selected organization. According to Goldhaber (1993), literature used in this research, employee communication refers to the quality of relationship in organization reflect the effectiveness of communication. This study showed moderately positive relationship between employee engagement and employee communication. This finding suggests the effectiveness of communication involved coaching and assigned meaningful work which consequently affected career growth and development in organization.

Hayase (2009) has also studied those factors of the relationship between employee communication and engagement existed in educational industry. The quantitative research method and survey research instrument were used to measure perception of employee related communication within organization. Following the statement of Heron (1942), Hayase (2009) termed employee communication as two-way sharing, idea, and solution within organization and organizational members given opportunity to ask questions, and know answer related their work. The main reason making employee become more engaged is to communicate through the provided channels that employees are most interested in. The results indicated that organizations could utilize communication to improve employee engagement.

In addition, Krishnan (2013) has revealed that employee communication has a significant relationship with the degree of engagement in hotel sector in India. This study used quantitative method and measured two aspects of behavior and attitude. This study follows the definition of Frank and Brownell (1989) which refer employee communication as a transaction among individuals or groups in variety levels that influenced to design organizational communication in order to initiate day-to-day activities. When organization improved upward, and downward communication, more encouraged participation and higher engagement level are shown. This result indicates that employee communication positively influences the level of employee engagement.

In summary, Hayase (2009), Krishnan (2013), Roberts (2013), and Shaishowarat (2013) have examined different meanings of employee communication. Roberts (2013) used qualitative research method and measure in terms of attitude and behavior used in petroleum business located in United State. Similarly, Hayase (2009) used quantitative research method and measured perception in educational industry in United States. Krishnan (2013) used quantitative research method and measured in hospitality in India. Hence, both qualitative and quantitative studies reinforced the fact that employee communication has significant impact on employee engagement.

H₇: Employee Communication is positively related with employee engagement in Hatyai's hotels.

In addition, many researchers have studied that employee communication influences employee loyalty in private sector and hotel sector. Nyawera (2009) has indicated that communication level between employer and employee reflects loyalty and also establishes positive relationship in private sector in Durban. Spiegelman (2006) refers to communication as organizational members have their thoughts and suggestions, and management must listen and provide feedback to them effectively. The result indicated that employee communication showed the significant impact on employee loyalty because the communication level in organization encouraged quality of work and relationship in workplace in order to develop their ability in their career path.

Eketu and Ogbu (2015) have studied how to promote employee loyalty through organizational learning in hotel sector. Similarly, this study used quantitative research method yet measured only behavior aspect in Nigeria. According to Nasir and Sisnuhadi, (2013), communication refers to scope to share information, idea, and thoughts among employers and employees. As a result, this study indicated communication has significant influence on loyalty. That is, employees who were encouraged to show their ability, it increased the chance to be promoted.

In summary, Nyawera (2009) and Eketu and Ogbu (2015) have proposed the similar meanings of employee communication. There were slightly different among these studies as Nyawera (2009) measured in private sector in Durban, whereas Eketu and Ogbu (2015) solely scaled on behavior of hotel employee in Nigeria. Although researchers conduct their study in different of industries and countries, the results indicated that employee communication has significant relationship with employee loyalty.

H₈: Employee Communication is positively related with employee loyalty in Hatyai's hotels.

In conclusion, the highlights of several research issues have already been discussed in this chapter. The first common inspection on literatures involves employee engagement and loyalty.

Many studies, on several industries, have investigated factor influencing employee engagement and loyalty (Azeem, 2013; Costen & Salazar, 2011; Dang, 2014; Doran, 2013; Iqbal et al., 2015; Karanges et al., 2014; Kee et al., 2012; Nyawera, 2009; Singh & Sinha, 2010; Scott & McMullen, 2010; Vizzuso, 1999). In hospitality sector, Seyki et al. (2016), and Krishnan (2013) have investigated several factors influencing employee engagement and loyalty such as relationship reward and recognition, relationship with supervisor, communication. In addition, Shaishowarat (2013) has examined these following factors such as relationship with supervisor, employee communication, setting goal, and participation. However, these authors have only used a single dependent variable, with either employee engagement or

loyalty. Therefore, this study aims to investigate factors influencing both employee engagement and loyalty in generation Y's employees in Hat Yai's hotels.

Meanwhile results of employee engagement and loyalty have gained much attention, researchers have investigated the factors that influence employee engagement and loyalty. Although there were many studies examining on factors influencing toward employee engagement and loyalty, limited studies have focused on employee in hotel sector who are in generation Y. As mentioned previously, majority of generation Y are continue entering as a main labor force in Thailand and hotel sector will be facing a big impacts and issues if they cannot retain them. Hence, this study focuses on factors influencing employee engagement and loyalty in generation Y in hotel sector.

Table 2.1

Literature Review of Employee Engagement

Author	Relationship with supervisor	Reward and recognition	Training and development	Employee communication
Shaishowarat (2013)	✓			✓
Karanges et al. (2014)				✓
Vizzuso (1999)	✓			
Doran (2013)		✓	✓	✓
Scott and McMullen (2010)		✓		
Iqbal et al. (2015)	✓	✓		
Bakar (2013)	✓		✓	
Azeem et al. (2013)			✓	
Robert (2013)				✓
Hayase (2009)				✓
Krishnan (2013)				✓

Table 2.2

Literature Review of Employee Loyalty

Author	Relationship with supervisor	Reward and recognition	Training and development	Employee communication
Hou et al. (2012)	✓	✓		
Dang (2014)	✓	✓		
Singh and Sinha (2010)	✓		✓	
Nyawera (2009)		✓	✓	✓
Sekyi et al. (2016)		✓	✓	✓
Costen and Salazar (2011)			✓	
Preko and Adjetey (2013)	✓		✓	
Eketu and ogbu (2015)				✓

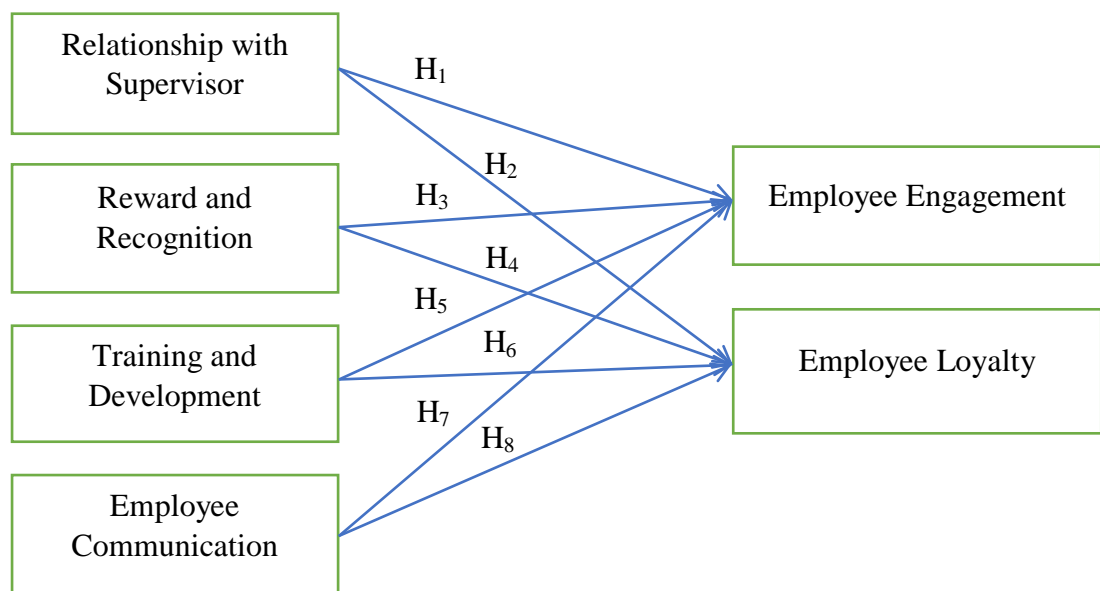
2.4 Research Model

Figure 2.1: Conceptual model

2.5 Chapter Summary

The objective of this study was to investigate the factors including relationship with supervisor, reward and recognition, training and development, and employee communication influencing on employee engagement and loyalty in generation Y employees who are working in large size hotels located in Hatyai. Moreover, this chapter presented the review of conceptual definition, theoretical foundation and empirical studies factors influencing employee engagement and loyalty. Research method will be presented in the next chapter.

Chapter Three

Research Method

3.1 Introductions

The chapter details research method that used in this study. This chapter describes how the research was conducted in terms of research approach, population and sample, research procedure, research instruments, and data analysis.

3.2 Research Approach

Quantitative research method was used in this study in order to obtain the reasonable resolution for answering research problem involved with employee engagement and loyalty in hospitality industry in Hatyai, Songkhla. In this section, questionnaire was one of the most important tools in survey research (Babbie, 2013). This approach can generalize data from wide range of participants (Kelley, Clarke, Brown, & Sitzia, 2003) and self-administered questionnaire is convenient for respondents to answer questions by themselves (Malhotra, 2010). Questionnaires were distributed human resource managers in each hotel and they supported to distribute on generation Y employees who are currently working within large size hotels in Hatyai, Songkhla. Additionally, there are many advantages of questionnaire including practical tool, less time-consuming, and efficient approach in interpreting data (Popper, 1959).

3.3 Population and Sample

The target population of this research focuses on generation Y of hotel employees in Hatyai, Songkhla, Thailand. As there are 256 hotels in Songkhla (National Statistical Office, 2014), it is not possible to collect data from all hotels. Purposive sampling is used in this study as Parahoo (1997) which refers to a method of sampling that researcher selects respondents to answer research questions. Moreover, hotel size can be categorized as small, medium, and large hotels using a range of rooms from less than 60 rooms, 61-150 rooms, and more than 151 rooms,

respectively (National Statistical Office, 2014). In Table 3.1, the large-sized hotels which located in Hatyai area are accounted for fifteen hotels and most of hotels in Songkhla province were located in Hatyai (Ministry of Public Health, 2016). All large size hotels in Hatyai were selected as the targeted hotel because large-sized hotels have formal organizational management and human resource management department. Therefore, targeted population for data collection was all generation Y employees in large-sized hotels in Hatyai

Table 3.1

Large Size Hotel Lists

No.	Hotel Lists	Number of rooms
1	A Hotel	189
2	B Hotel	185
3	C Hotel	210
4	D Hotel	224
5	E Hotel	175
6	F Hotel	251
7	G Hotel	210
8	H Hotel	430
9	I Hotel	250
10	J Hotel	215
11	K Hotel	192
12	L Hotel	152
13	M Hotel	436
14	N Hotel	230
15	O Hotel	180

Source: Ministry of Public Health (2016)

3.4 Research Procedure

The structured questionnaires were distributed to generation Y's employees who are currently working in the large-sized hotels in Hatyai. Before conducting the pilot test and actual research, a preliminary set of questionnaires was examined before

the actual data collection. So, pilot test applied to develop and comprehend the questionnaires before actual data collection implemented.

First, the obtained questionnaire was in English version. So, this part was translated from English to Thai version in order to match with the language of population. The Brislin model for translation theory is popular technique for cross-cultural study (Brislin, 1970). This model used bilingual individual to translate the questions from English to Thai version. Then, this research used bilingual person again to translate the data back from Thai to English version in order to ensure the equivalency of the data.

Second, pilot test is performed to evaluate questions' meaning, appropriateness of response categories, and clarity of questions (Ghauri, Granhaug, & Kristianslund, 1995). Pilot test is used for increasing the reliability and scrutinizing questionnaire to be more comprehensive and easy to answer. Thirty respondents are the minimum number of sample size for conduct pilot test (Saunders, Lewis, & Thornhill, 2003).

The pilot test was used to improve the questionnaires before starting the initial data collection process. In addition, testing participants in this pilot study were similar to targeted participants (Van Teijlingen & Hundley, 2001). A group of 30 employees who are in generation Y working in hotel sector was participated in pilot test. After revising questionnaires from pilot test's result by adjusting some wording to be more clearly but the meaning remained the same. There is a minor adjusting because the Cronbrach's Alpha values of pilot test were all above minimum acceptable rate. The actual data collection was conducted. Then researcher sent a permission letter from Faculty of Management Sciences and attached questionnaires to human resource departments in targeted hotels with a pile of questionnaires to distribute to their employees. Two weeks later, all questionnaires were collected. Five hundred and eighty-one responses received from 750 questionnaires distributed to fifteen hotels, which accounted for 77.46% of response rate.

3.5 Research Instruments

Questionnaire can collect information from variety of respondents within less time and resources. It is practical, and it can be analyzed to meet research objectives (Grosh & Glewwe, 2000). The questionnaire consists of a series of questions for obtaining information from respondents. The measures used in the survey instrument are adopted from existing empirical studies. This study applied questionnaire to be an instrument to measure the attitudes and perceptions of the respondents regarding the factors influencing employee engagement and employee loyalty.

The survey instrument consists of three parts. First section included dependent variable of employee engagement and employee loyalty. The questions were adapted from previous studies. For example, the measurement items of employee engagement were adopted from the study of Schaufeli et al. (2002) using nine items with Cronbrach's Alpha of 0.89. For instance, "I put a lot of energy into my work at the hotel". Further, the measurement items of employee loyalty were adopted from previous research of Zeithaml, Berry, and Parasuraman (1996) using five items with Cronbrach's Alpha of 0.88. For example, "I say positive things about my hotel to other people".

Questions about relationship with supervisor, reward and recognition, training and development, and employee communication were included in the second part. The measurement items of relationship with supervisor were adopted from Karanges et al. (2014) using eight items with Cronbrach's Alpha of 0.97. For example, "My direct supervisor really cares about my well-being". The measurement items of reward and recognition were adopted from original work of Collins and Smith (2006) using four items with Cronbrach's Alpha of 0.88. For intance, "Compensation/rewards for these employees included an extensive benefits package". The measurement items of training and development were adopted from McPhail, Patiar, Herington, Creed and Davidson, (2015) using seven items with Cronbrach's Alpha of 0.90. For example, "I am satisfied with the career development training my workplace provides me". Lastly, the measurement items of employee communication were also adopted from Karanges et al. (2014) using eight items with Cronbrach's Alpha of 0.94. For example, "There is a two-way communication from the executive

team to me at work”. Third part of questionnaire asked about respondent’s personal information, such as gender, age, education, and marital status.

A five-point Likert scale was used in questionnaire. Likert scale is the most broadly used scale for questionnaire (Devellis, 2012). The Likert scale ranges from strongly disagree, disagree, neutral, agree, and strongly agree, respectively. Additionally, respondents can select level of intensity based on their attitude for each question (Dundas, 2004). The advantages of Likert scale is easy to analyze and proposes highly reliability of data (Neuman & Wiegand, 2000).

3.6 Data Analysis

After researcher obtains information, researcher conducted preliminary data screening in order to check incomplete data and removed it hence begin to analyze those completed data. First, Statistical Program for Social Sciences (SPSS) was used to analyze the data. Second, descriptive statistics with mean, standard deviation, and correlation were used to describe the correlation among variables. Third, Cronbach’s Alpha test is a notion that applies in statistics in order to assess the reliability of data. Cronbrach’s Alpha value more than 0.70 is acceptable (Cronbach, 2007). Forth, multiple regression analysis was applied as a statistical solution for analyzing the relationship between independent variables and one dependent variable. However, more than one independent variables are assumed to impact dependent variable (Srivastava & Sen, 2011).

3.7 Chapter Summary

This chapter presented the proposed research methodology to examine the research problem. A quantitative research method was employed to solve research problem. The information in this chapter discussed the overall of research design procedure, measurement instrument, questions, reliability, and data analysis. Results of the study are presented in the next chapter.

Chapter 4

Results

4.1 Introduction

The research is designed to examine the relationship between factors (i.e., relationship with supervisor, reward and recognition, training and development, and employee communication) toward employee engagement and employee loyalty in Hatyai's hotels. In addition, this chapter presents the results as follows. First, descriptive statistics results for dependent and independent variables were showed. Second, results of exploratory factor analysis (EFA) were presented and described. Third, pearson correlation matrix was tested and reported the correlation, following by multiple regression analysis.

4.2 Demographic and Background Information

The demographic and background information were stated in this section included gender, age, education, income, and department. This section reported descriptive statistics such as percentage, mean, and standard deviation. The data collection procedure was conducted in March 2017. Furthermore, data were gathered from 750 generation Y employees who working in fifteen large-size hotels in Songkhla province and 607 were returned. There are 26 responses were incomplete due to missing data. So, the total completed data were 581 which used to analyze and were accounted for 77.46% of response rate.

According to Table 4.1, the data displays men respondents were 35.63% and female were 64.37%. The majority of respondents are 31-35 years (37%). Most of respondents earn 10,000-15,000 baht per month (48.71%), and graduate with bachelor degree (46.48%). Lastly, respondents participated from front office department (38.90%) which are the greater than another department.

Table 4.1

Demographic Data of Respondents

Variables	Description	Frequency (n=581)	Percentage
Gender	Male	207	35.63
	Female	374	64.37
	Total	581	100.00
Age	17-20 years	4	0.70
	21-25 years	205	35.28
	26-30 years	157	27.02
	31-35 years	215	37.00
	Total	581	100
Education	High school	141	24.26
	Colleague certification/ Diploma	164	28.22
	Bachelor degree	270	46.48
	Master degree	2	0.35
	Other	4	0.69
	Total	581	100
	Income	10,000 baht or less	241
10,000-15,000 baht		283	48.71
15,001-20,000 baht		36	6.20
20,001-25,000 baht		17	2.93
25,001-30,000 baht		4	0.68
Total		581	100
Department	Front office	226	38.90
	Food and beverage	95	16.35
	Housekeeping	32	5.51
	Human resource	62	10.67
	Marketing	55	9.47
	Accounting	75	12.90
	Other	36	6.20
	Total	581	100

4.3 Exploratory Factor Analysis (EFA)

Factor analysis can be defined as analytical process that can support with scale development (Churchill, 1979). Also, EFA is able to offer information of how many needed factors required to represent the data (Hair, Black, Barbin, & Anderson, 2010). There are purposes of using EFA to measure the variables of dimensional constructs and to summarize the data set in to suitable size (Field, 2013).

Principal axis factor analysis was implemented with varimax for each variable. EFA was implemented using a sample of 581 respondents. In term of KMO, Field (2013) indicates KMO above 0.70 are good and all KMO in this study are above 0.78. In addition, all factor loadings were more than 0.50 and Bartlett's test of sphericity of all scales indicated significance level at 0.05. Six variables were examined using principle axis factoring with varimax in the following sections.

Moreover, the purpose of conducting EFA is to ensure the interpretation in each question that communicate clearly and not convey more than one meaning. Moreover, EFA supports to cut off the questions that can be interpreted more than one meaning by SPSS program which made questions in this study to be more validity and reliability.

4.3.1 Relationship with Supervisor

Relationship with supervisor was conducted using the principal axis factoring with varimax using five items. The KMO measure of sampling adequacy was 0.81 and the results of Bartlett's test of sphericity result was significance ($\chi^2(21) = 521.15$, $p < 0.05$). Three items (S2, S3, and S4) were deleted due to cross loading. Furthermore, the explained variance showed 28.91 percent after the extraction. The factor loadings were ranging from 0.47-0.66 and factor reliability at 0.70.

Table 4.2

EFA Results – Relationship with Supervisor

Label	Items	Load.^a	Com.^b	Eigen^c	α
	Relationship with supervisor			2.40	0.70
S1	My direct supervisor really cares about my well-being.	0.47	0.22		
S5	My direct supervisor strongly considers my goals and values.	0.63	0.40		
S6	My direct supervisor is willing to help me when I need a special favor.	0.60	0.36		
S7	My direct supervisor would forgive an honest mistake on my part.	0.66	0.43		
S8	My direct supervisor would not take advantage of me.	0.48	0.24		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 6 iterations.)

4.3.2 Reward and recognition

Reward and recognition was measured using four items and factor loading were ranged from 0.60-0.74. The KMO measure of sampling adequacy was 0.78 and the results of Bartlett's test of sphericity result was significance ($\chi^2 (6) = 640.34, p < 0.05$). Additionally, the explained variance showed 48.40 percent and Cronbrach's alpha revealed a satisfactory level of 0.79.

Table 4.3

EFA Results – Reward and Recognition

Label	Items	Load. ^a	Com. ^b	Eigen ^c	α
	Reward and recognition			2.44	0.79
R1	Compensation/rewards for these employees include an extensive benefits package.	0.72	0.52		
R2	Compensation/rewards for these employees provide incentives for new ideas.	0.74	0.55		
R3	Employee bonuses or incentive plans are based primarily on the performance of the organization.	0.72	0.51		
R4	Salaries for employees in these positions are higher than those of our competitors.	0.60	0.36		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 6 iterations.)

4.3.3 Training and development

A principal axis factoring was conducted with varimax measured using six items. The KMO measure of sampling adequacy was 0.81 indicating an acceptable level and the results of Bartlett's test of sphericity was significance ($\chi^2(21) = 716.66$, $p < 0.05$). After conducted EFA, an item (T6) was removed due to cross loading and communality was less than 0.30. The remaining factor loading ranged from 0.49-0.67. Furthermore, the explained value was 30 percent and the factor reliability was at 0.75.

Table 4.4

EFA Results – Training and Development

Label	Items	Load.^a	Com.^b	Eigen^c	α
	Training and development			2.76	0.75
T1	I am satisfied with the career development training my workplace provides me.	0.52	0.27		
T2	I am satisfied with the training opportunities my workplace provides me to upgrade my skills.	0.65	0.42		
T3	Where I work, I am satisfied with the opportunities for promotion and career advancement.	0.67	0.45		
T4	I am satisfied to put my effort for improving skills related with my current job.	0.64	0.41		
T5	I am satisfied with the feedback my supervisor gives me on my performance after training and development programs.	0.49	0.24		
T7	I am satisfied with the way my workplace identifies employee's potentials and provides training program to develop them.	0.50	0.25		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 5 iterations.)

4.3.4 Employee communication

Employee communication was measured using eight items and principal axis factoring was undertaken with varimax. The KMO measure of sampling adequacy was 0.87 and the results of Bartlett's test of sphericity result was significance ($\chi^2(28) = 1364.98, p < 0.05$). Factor loading were ranged from 0.55-0.70. Moreover, Cronbrach's alpha was relatively high reliability at 0.84 indicating the satisfactory level and the explained value was 38.95 percent.

Table 4.5

EFA Results – Employee Communication

Label	Items	Load.^a	Com.^b	Eigen^c	α
	Employee communication			3.72	0.84
C1	There is a two-way communication from the executive team to me at work.	0.55	0.31		
C2	At work, communication flows effectively two-way from me to the executive team.	0.60	0.36		
C3	At work, I exchange ideas and information with the executive team freely and easily.	0.68	0.46		
C4	At work, open lines of communication between me and the executive team are encouraged.	0.70	0.50		
C5	Discussions with the executive team go beyond mere direction about how to do my job.	0.59	0.34		
C6	I often discuss work-related matters with the executive team.	0.62	0.39		
C7	The executive team regularly discusses organizational issues with me.	0.62	0.38		
C8	The executive team communicates with me frequently.	0.63	0.39		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 5 iterations.)

4.3.5 Employee Engagement

Employee engagement was measured using nine items. Principle axis factoring was implemented with varimax for all items. The KMO measure of sampling adequacy for employee engagement is 0.84 that is greater than the acceptable rate. Bartlett's test of sphericity result was significance ($\chi^2(21) = 1159.31$, $p < 0.05$). In employee engagement scale, two items (EE1 and EE2) were removed

because of cross loading. After two rounds of deleting these two items, the variance explained of remaining 7 items (EE3, EE4, EE5, EE6, EE7, EE8, and EE9) are 38.88 percent. Lastly, the factor loadings ranged from 0.50-0.72 and the cronbrach's alpha indicated an acceptable level of 0.81.

Table 4.6

EFA Results – Employee Engagement

Label	Items	Load. ^a	Com. ^b	Eigen ^c	α
	Employee engagement			3.32	0.81
EE3	I look forward to going to work. (When I get up in the morning).	0.58	0.34		
EE4	Time goes very quickly when I am working at the hotel.	0.50	0.25		
EE5	My work is very absorbing. (I get carried away when I am working).	0.67	0.45		
EE6	I get fully immersed in my work activities.	0.63	0.40		
EE7	I am proud of the work that I do.	0.72	0.52		
EE8	I am enthusiastic about my work at the hotel.	0.61	0.38		
EE9	I feel inspired when I am at work.	0.63	0.39		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 5 iterations.)

4.3.6 Employee Loyalty

Accordingly, Table 4.7 reveals the factor loadings, variance explained, and cronbach's alpha. More specifically, employee loyalty was measured using five items. The KMO measure of sampling adequacy for employee loyalty was 0.74 which indicating a satisfactory level and the results of Bartlett's test of sphericity result was significance ($\chi^2(10) = 520.00, p < 0.05$). There are no communalities less than 0.30

and the variance explained 33.75 percent. Moreover, it showed factor loadings between 0.53-0.67 and this factor obtained scale reliability at 0.71.

Table 4.7

EFA Results – Employee Loyalty

Label	Items	Load. ^a	Com. ^b	Eigen ^c	α
	Employee loyalty			2.34	0.71
EL1	I say positive things about my hotel to other people.	0.53	0.28		
EL2	I recommend the hotel to anyone who seeks my opinion.	0.61	0.37		
EL3	I consider this hotel as my first choice of working place.	0.67	0.45		
EL4	I intend to stay with this hotel for a longer period.	0.53	0.28		
EL5	I would not switch my job even if another hotel offers a better remuneration.	0.55	0.31		

Note: ^a Factor loadings. ^b Communalities. ^c Eigenvalues. ^d Percentage of Variance Explained. (Method: Principal Axis Factoring. Rotation method: Varimax. Rotation converged in 7 iterations.)

4.4 Pearson correlation matrix

Table 4.8 shows, the correlation matrix were applied to determine relationship between each independent variables and dependent variables. These six variables were used to analyze in correlation and the coefficients were positive ranging from 0.22 to 0.73. For employee engagement, the strongest correlation was between reward and recognition and employee engagement ($r = 0.34$). The lowest correlation was between relationship with supervisor and employee engagement ($r = 0.22$). For employee loyalty, the strongest correlation was between reward and recognition and employee loyalty ($r = 0.49$). The lowest correlation was between relationship with

supervisor and employee loyalty ($r = 0.32$). Lastly, all factors showed positively related with employee engagement and loyalty. The results indicated that higher level of relationship with supervisor, reward and recognition, training and development, and employee communication reflect higher level of employee engagement and loyalty.

Table 4.8

Pearson Correlations for Measurement Scales

Variables	Mean	SD	1	2	3	4	5	6
Relationship with supervisor	3.67	0.53	1					
Reward and recognition	3.41	0.70	0.47***	1				
Training and development	3.58	0.55	0.59***	0.67***	1			
Employee communication	3.51	0.56	0.58***	0.57***	0.67***	1		
Employee engagement	4.10	0.50	0.22***	0.34***	0.30***	0.32***	1	
Employee loyalty	3.99	0.52	0.32***	0.49***	0.44***	0.41***	0.73***	1

*** $p < 0.01$.

Table 4.8 shows the result of all the average mean score of both independent variables and dependent variable. The highest score is employee engagement with 4.10 and standard deviation at 0.50, followed by employee loyalty with an average score of 3.99 and standard deviation at 0.52. Moreover, relationship with supervisor has average score of 3.67 and standard deviation at 0.53. The average score of reward and recognition is at 3.41 whereas the standard deviation is at 0.70. Training and development has average score of 3.58 and standard deviation is at 0.55. Lastly, employee communication has average score of 3.51 and standard deviation is at 0.56.

4.5 Regression Analysis

A series of multiple regression analyses were implemented using four independent variables (i.e., relationship with supervisor, reward and recognition, training and development, and employee communication) and two dependent variables (i.e., employee engagement, and employee loyalty). The sample size of 581 was appropriate for regression analysis due to the sample size beyond the minimum recommended as 100 respondents (Green, 1991).

4.5.1 The effects on employee engagement

The regression analysis model was implemented using four factors forecasting employee engagement. Results on regression analysis revealed that the variance explained for the model of employee engagement was 13%. Table 4.10 shows the results of the regression model. Of all four factors, reward and recognition and employee communication reach statistical significance. Reward and recognition was found to have effect on employee engagement ($\beta = 0.22, p < 0.001$) stronger than employee communication ($\beta = 0.17, p < 0.01$). However, relationship with supervisor and training and development had insignificant effects on employee engagement. Additionally, VIF can discover multicollinearity when VIF value was between 5 and 10, it showed that there is high correlation and the problem occurred (Ringim et al., 2012). Multicollinearity was examined through tolerance test and variance inflation factor (VIF) values were less than 10 and tolerance values were greater than 0.10 in this study. Therefore, the results indicated that there was no multicollinearity and the assumption of multicollinearity for employee engagement was satisfied.

Table 4.9

Results of Regression Analysis of Employee Engagement

Independent variables	Standardized regression coefficients	<i>t</i>	VIF	Tolerance
Relationship with supervisor	-0.01	-0.17	1.70	0.59
Reward and recognition	0.22***	4.16	1.92	0.52
Training and development	0.04	0.60	2.47	0.41
Employee communication	0.17**	3.10	2.08	0.48
Adjusted R ²	0.13**			
F	23.51			

** $p < 0.01$, *** $p < 0.001$.

4.5.2 The effects on employee loyalty

Accordingly, employee loyalty was put into regression model see Table 4.10. The results indicated that relationship with supervisor, reward and recognition, training and development, and employee communication accounted for 27 percent of employee loyalty. The regression results model showed relationship with reward and recognition, training and development, and employee communication reach statistically significance. Furthermore, reward and recognition was the strongest predictor of on employee loyalty ($\beta = 0.31$, $p < 0.001$) greater than training and development ($\beta = 0.14$, $p < 0.05$) as well as employee communication ($\beta = 0.14$, $p < 0.05$). However, relationship with supervisor merely was an insignificant predictor of employee loyalty. Furthermore, VIF value between 5 and 10 indicated high correlation and the problematic (Ringim, Razalli, & Hasnan, 2012). Hence, the results of VIF values of employee loyalty were no multicollinearity and the assumption of multicollinearity for employee loyalty was also satisfied.

Table 4.10

Results of Regression Analysis of Employee Loyalty

Independent variables	Standardized regression coefficients	<i>t</i>	VIF	Tolerance
Relationship with supervisor	0.01	-0.20	1.70	0.59
Reward and recognition	0.31***	6.38	1.92	0.52
Training and development	0.14**	2.47	2.47	0.41
Employee communication	0.14**	2.63	2.08	0.48
Adjusted R ²	0.27**			
F	54.02			

** $p < 0.01$, *** $p < 0.001$.

Table 4.11

Summary of the Hypothesis Testing

Hypothesis	Results
H ₁ : Relationship with supervisor is positively related with employee engagement in Hatyai's hotels.	Rejected
H ₂ : Relationship with supervisor is positively related with employee loyalty in Hatyai's hotels.	Rejected
H ₃ : Reward and recognition is positively related with employee engagement in Hatyai's hotels.	Accepted
H ₄ : Reward and recognition is positively related with employee loyalty in Hatyai's hotels.	Accepted
H ₅ : Training and development is positively related with employee engagement in Hatyai's hotels.	Rejected
H ₆ : Training and development is positively related with employee loyalty in Hatyai's hotels.	Accepted
H ₇ : Employee communication is positively related with employee engagement in Hatyai's hotels.	Accepted
H ₈ : Employee communication is positively related with employee loyalty in Hatyai's hotels.	Accepted

Chapter Five

Discussion

5.1 Conclusion

This thesis has sought information from generation Y employees within hotels to answer research questions of factors influencing employee engagement and employee loyalty. In essence, it has been concluded that reward and recognition and employee communication were key determinants influence employee engagement among generation Y employees in Hatyai's hotels. However, relationship with supervisor and training and development were not related with employee engagement. The second model examines the effects of reward and recognition, training and development and employee communication on employee loyalty. However, relationship with supervisor was not influencing factor toward employee loyalty. A comprehensive and methodological approach has showed new insights of employee engagement and employee loyalty which supported by theoretical foundation.

5.2 Discussion

5.2.1 Research Question: What are important factors influencing employee engagement?

The main purpose of the research was to examine the effects of relationship with supervisor, reward and recognition, training and development, and employee communication on employee engagement among generation Y employees who were working in large-size hotels located in Hatyai. Findings suggested that reward and recognition showed statistical significant effect on employee engagement. This result is consistent with Doran (2013) which found that reward and recognition is the most important factor for increasing employee engagement. Moreover, Scott (2010) confirmed that organizations enhance their employee engagement through the

establishment of reward and incentive program. This is because organizations that encourage managers to engage employees by rewarding employee performance using incentive programs, which result in fostering higher level of employee engagement and their motivation. Accordingly, employees who received sufficient reward tends to satisfy and engage in their work roles and exerted better performance (Iqbal et al., 2015). In support, generation Y employees also counted as the generation most motivated to engage by reward and recognition (Leeming, 2016).

Moreover, the result showed that employee communication has a statistical significant relationship with employee engagement. This finding is consistent with Hayase (2009), which indicated that organizations could utilize communication to improve employee engagement. Shaishowarat (2013) provides support that employees engagement was increased when organization provided opportunities for employees to share and express their idea in meetings and updating information to employees consistently. Accordingly, the effectiveness of communication involved coaching and assigned meaningful work which consequently affected career growth and development in organization (Roberts, 2013). Specifically, communication is the key to engage generation Y employees, they desire communication from management or supervisor more frequently than another generation (Baldonado, 2013).

In addition, employees who perceived positive relationship with supervisor will feel obliged to reinforce their supervisor to accomplish his goal (Eisenberger, Stinglhamber, Vandenberghe, Sucharski, & Rhoades, 2002). However, relationship with supervisor and training and development did not show significant effects on employee engagement. This result is consistent with Fatimah, Dharmawan, Sunarti, and Affandi (2015) which suggest that organizational culture, working procedures, and management styles did not suitable with generation Y employees. Moreover, it has been indicated that generation Y employees prefer friendly supervisors rather than autocratic supervisors. They seek support rather than control from supervisors, which may lead to more engagement at work (Raman, Ramendran, Beleya, Nodeson, & Arokiasamy, 2011). Moreover, training and development showed insignificant relationship with employee engagement. This could be explained as the objective of

training and development courses mainly focused on how to make their employees to work more effectively rather than making employees to be more engaged (Gummadi & Devi, 2013).

5.2.2 Research Question: What are important factors influencing employee loyalty?

This study examined the effects of relationship and supervisor, reward and recognition, training and development, and employee communication and employee loyalty from generation Y employees in large-size hotels located in Hatyai. It was found that reward and recognition, training and development, and employee communication have a statistically significance relationship with employee loyalty. It is consistent with Nyawera (2009) have showed that appropriate reward payment can enhance higher level of employee loyalty which encourage them to continue working in the same organization. In support, Dang (2014) found high level of reward enhances employees to be more loyal to their job in Vietnam. This is when employees dedicated to their job and they had fewer tendencies to find another job. Sekyi et al., (2016) revealed that increasing the wage can promote better performance and employee loyalty, especially for those employees who are sensitive toward reward. In support, reward and recognition can encourage generation Y employees to be loyal because what they gained equal to minimum or more than their expectations (Muriuki, 2016).

Moreover, training and development showed a positive relationship with employee loyalty. It is consistent with Costen and Salazar (2011) that organizations can enhance employee loyalty and reduce turnover rate using training and developing programs in the lodging industry in the United States of America. A variety of training and development programs has been found to ensure that employees learned important and related things towards their jobs within organization. The present study indicated training and development has significant impact on employee loyalty due to training and development can increase level of employees' work related skills that particularly support on their achievement and career growth in organization (Preko & Adjetey, 2013). Especially organizations that invested on training and development programs consistently tend to sustain generation Y employee's impression and loyalty

(Smith, 2017). Lastly, employee communication also indicated a statistical significance on employee loyalty. It could be explained that employees were encouraged to show their ability which can increase opportunity to be promoted by their performances (Eketu & Ogbu, 2015). Specifically, organizations that often talk with their generation Y employees and also give chances them to share their thoughts and abilities tend to improve their employees loyalty (Alexander & Sysko, 2013).

The results revealed that relationship with supervisor had insignificance relationship with employee loyalty. Khuong, Tung, and Trang (2014) indicated when supervisor acted autocratically and has less concerned to their employees, employees tended to be less loyal in their jobs. It is consistent with Anjam and Ali (2016) which revealed that relationship with supervisor had no significant relationship on employee loyalty, especially for those of supervisor who normally observes on working performance in order to promote their subordinates by how much their subordinates spending time on work and results. However, this could be explained as generation Y employees were spending only needed time to work but still provide great results for organization which consistent with one of generation Y characteristics that is time flexibility (Okoye, 2014).

5.3 Limitations

There are two limitations in this study that highlighted in this section. First, social desirability, the bias can be occurred due to study used self-administered questionnaire that respondents might answer the questions inaccurately with their thoughts (Malhotra, 2010). Second, this study conducted in hospitality industry which focused on only generation Y employee in large size hotels and it cannot reinforce study that investigate on general employees in hotel industry. Hence, the results also may not be generalizable to other industries.

5.4 Recommendation for future study

Specifically, the factors which showed significant relationship on employee engagement and employee loyalty in generation Y employees who are working in

large size hotels within Hatyai based on regression results. The study provided for future research which should concentrate on three aspects including variables, respondents, and methodology. First, it may find the greater results from new factors to examine employee engagement and employee loyalty. Therefore, human resource practices are potential factor, which have been known around the world for hospitality industry (Bagri, Babu, & Kukreti, 2010). Second, the future research may apply the same variables from this present study examining different industries in order to investigate such relationships. Lastly, this study used quantitative research method in order to investigate the research questions and objectives. However, future researches may use qualitative research method or mix method in order to explore further insight into employee engagement and employee loyalty.

5.5 Practical Implication

According to the results, reward and recognition and employee communication were important contributor to employee engagement. So, management team and hotel managers should provide high level or sufficient reward and recognition in order to motivate their generation Y to be more engaged. In addition, management teams should communicate information more frequently to their generation Y employees and also let their employees sharing their thoughts and ideas as well as giving feedback to employees seems to increase level of engagement which can reduce turnover rate problem of hotel sector as much as possible.

Based on the results, it revealed that reward and recognition, training and development, and employee communication can enhance level of employee loyalty in generation Y. Therefore, findings suggest that hotel managers should invest more on training and development programs that improve skills and abilities related with their current jobs which can support them to be promoted in career path within the hotels. Moreover, social exchange theory was reinforced in explaining factors influencing on employee engagement and employee loyalty as a theoretical foundation in the study. Accordingly, the findings are consistent with social exchange perspective in which it provides further understandings of how employees may reciprocate reward and

recognition provided by hotels in term of their engagement at work loyalty toward the hotels.

5.6 Summary

Earlier in this chapter, Section 5.2 showed answers involving to two main research questions. Moreover, the related studies were used to support the results in the present study. In particular, the results demonstrated reward and recognition and employee communication as key factors on employee engagement. In contrast, relationship with supervisor that consistently showed insignificant on employee engagement and employee loyalty. Furthermore, the model showed that reward and recognition, training and development, and employee communication were contributing factors toward employee loyalty.

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Hotel Employee Survey

Welcome to our survey!

The survey is hosted by MBA Program (International Program), Faculty of Management Sciences, Prince of Songkla University. This survey asks for your perception which should take approximately 10-15 minutes to complete.

Instruction: Your responses are completely anonymous. All information gathered is aggregated with other hotels in Thailand. If you have any questions about this questionnaire, please contact Mr. Sorawit Wutijaroenwong, Faculty of Management Sciences (email: topza113@yahoo.com)

Part 1: How much would you agree with the following statements?

Using the following scale to indicate how much you agree or disagree with the following statements.

Strongly disagree (SD) 1	Disagree (D) 2	Neutral (N) 3	Agree (A) 4	Strongly agree (SA) 5
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Statements	SD	D	N	A	SA
1.1 I put a lot of energy into my work at the hotel.	1	2	3	4	5
1.2 I say positive things about my hotel to other people.	1	2	3	4	5
1.3 I feel strong and vigorous in my work at the hotel.	1	2	3	4	5
1.4 I recommend the hotel to anyone who seeks my opinion.	1	2	3	4	5
1.5 I look forward to going to work. (when I get up in the morning).	1	2	3	4	5
1.6 I consider this hotel as my first choice of working place.	1	2	3	4	5
1.7 Time goes very quickly when I am working at the hotel.	1	2	3	4	5
1.8 I intend to stay with this hotel for a longer period.	1	2	3	4	5
1.9 My work is very absorbing. (I get carried away when I am working).	1	2	3	4	5
1.10 I would not switch my job even if another hotel offers a better remuneration.	1	2	3	4	5
1.11 I get fully immersed in my work activities.	1	2	3	4	5
1.12 I am proud of the work that I do.	1	2	3	4	5
1.13 I am enthusiastic about my work at the hotel.	1	2	3	4	5
1.14 I feel inspired when I am at work.	1	2	3	4	5

Part 2: How much would you agree with the following statements?

Using the following scale to indicate how much you agree or disagree with the following statements.				
Strongly disagree (SD) 1	Disagree (D) 2	Neutral (N) 3	Agree (A) 4	Strongly agree (SA) 5

Statements	SD	D	N	A	SA
2.1 My direct supervisor really cares about my well-being.	1	2	3	4	5
2.2 Compensation/rewards for these employees include an extensive benefits package.	1	2	3	4	5
2.3 I am satisfied with the career development training my workplace provides me.	1	2	3	4	5
2.4 There is a two-way communication from the executive team to me at work	1	2	3	4	5
2.5 My direct supervisor cares about my opinions.	1	2	3	4	5
2.6 Compensation/rewards for these employees provide incentives for new ideas.	1	2	3	4	5
2.7 I am satisfied with the training opportunities my workplace provides me to upgrade my skills.	1	2	3	4	5
2.8 At work, communication flows effectively two-way from me to the executive team.	1	2	3	4	5
2.9 Help is available from my direct supervisor when I have a problem.	1	2	3	4	5
2.10 Employee bonuses or incentive plans are based primarily on the performance of the organization.	1	2	3	4	5
2.11 Where I work, I am satisfied with the opportunities for promotion and career advancement.	1	2	3	4	5
2.12 At work, I exchange ideas and information with the executive team freely and easily.	1	2	3	4	5
2.13 My direct supervisor shows a great deal of concern for me.	1	2	3	4	5
2.14 Salaries for employees in these positions are higher than those of our rivals.	1	2	3	4	5
2.15 I am satisfied to put my effort for improving skills related with my current job.	1	2	3	4	5
2.16 At work, open lines of communication between me and the executive team are encouraged.	1	2	3	4	5
2.17 My direct supervisor strongly considers my goals and values.	1	2	3	4	5
2.18 I am satisfied with the feedback my supervisor gives me on my performance after training and development programs.	1	2	3	4	5
2.19 Discussions with the executive team go beyond mere direction about how to do my job.	1	2	3	4	5
2.20 My direct supervisor is willing to help me when I need a special favor.	1	2	3	4	5
2.21 I am satisfied with a variety of training and development programs.	1	2	3	4	5
2.22 I often discuss work-related matters with the executive team.	1	2	3	4	5
2.23 My direct supervisor would forgive an honest mistake on my part.	1	2	3	4	5
2.24 I am satisfied with the way my workplace identifies employee's potentials and provides training program to develop them.	1	2	3	4	5
2.25 The executive team regularly discusses organizational issues with me.	1	2	3	4	5
2.26 My direct supervisor would not take advantage of me.	1	2	3	4	5
2.27 The executive team communicates with me frequently.	1	2	3	4	5

The survey is almost complete. To complete our statistical analysis, we need the following information. All information provided is confidential and responses will be aggregated with other hotels in Songkhla.

3. Gender: Male Female

4. Age: Years old

5. Highest level of education: High School Colleague certification/ Diploma
 Bachelor Degree Master Degree
 Other, please specify

6. Your approximate income (monthly):

10,000 baht or less 10,001-15,000 baht 15,001-20,000 baht
 20,001-25,000 baht 25,001-30,000 baht more than 30,000 baht

7. Which department do you work at:

Front Office Food & Beverage Housekeeping
 Human Resource Marketing Accounting
 Other, please specify

***Thank you for completing the survey. ***

Once you have completed our survey, please return to HR department.

VITAE

Name Mr. Sorawit Wutijaroenwong

Student ID 5710521071

Educational Attainment

Degree	Name of Institution	Year of Graduation
Bachelor of Business Administration (International Program).	Prince of Songkla University.	2014

List of Publication and Proceeding (If Possible)

The 9th National Conference on Administration and Management 2017