

UNDERSTANDING EMPLOYEE NEEDS – THE PATH TO LOYALTY

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Abstract: Understanding and addressing employee needs is fundamental to fostering loyalty within organizations, particularly in the hospitality industry, where human capital is the cornerstone of service excellence. The research analyzes the needs of hospitality workers that are crucial for them to remain loyal to their employers. Through additional comments from respondents, their perspective on the current state of the profession will also be presented. The research was conducted online and included 612 hospitality workers from various positions. The findings of the study can provide clear guidelines for hospitality businesses on how to shape human resource strategies to attract new employees and retain existing ones. Focusing on the hospitality sector, the study investigates the unique challenges and expectations employees face, such as irregular working hours, high customer interaction. It highlights the importance of tailored strategies to meet these needs, ranging from effective communication and leadership to opportunities for personal and professional growth. This paper outlines best practices in employee engagement and retention through theoretical and data analysis, emphasizing that a satisfied and motivated workforce is essential for organizational success. The findings offer valuable insights for managers and industry stakeholders, presenting actionable recommendations for fostering a supportive work environment that prioritizes employee well-being while aligning with organizational goals.

Keywords: Employee Needs, Employee Loyalty, Hospitality Industry, Job Satisfaction, Organizational Commitment, Workforce Motivation, Leadership in Hospitality

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INTRODUCTION

Understanding and addressing employee needs is a cornerstone of effective organizational management. Employees are the backbone of any business, and their satisfaction, motivation, and engagement significantly impact organizational performance and success. Herzberg's Two-Factor Theory (2003) underscores the importance of both hygiene factors, such as fair compensation and safe working conditions, and motivators, such as recognition and opportunities for growth, in fostering employee satisfaction.

Similarly, Maslow's Hierarchy of Needs (1943) provides a foundational framework for understanding human motivation, emphasizing that unmet basic needs can hinder higher-level engagement and loyalty. In the hospitality industry, the dynamic and customer-focused nature of the work amplifies the importance of meeting employee needs. High levels of emotional labor, irregular hours, and cross-cultural team interactions are common challenges faced by hospitality workers (Koc, 2019). Addressing these unique demands is essential for cultivating a motivated workforce that delivers consistent service excellence. Deci and Ryan's Self-Determination Theory (2000) highlights the importance of autonomy, competence, and relatedness in enhancing employee engagement and job satisfaction, which are critical in the hospitality context.

Research suggests a direct correlation between meeting employee needs and fostering organizational loyalty. Harter, Schmidt, and Hayes (2002) found that employee engagement is a significant predictor of business outcomes, including productivity, customer satisfaction, and turnover rates. Furthermore, Chiang and Birtch (2010) emphasize the role of culturally sensitive management practices in addressing diverse employee expectations in global hospitality organizations.

This paper focuses on a qualitative analysis of employee perspectives in the hospitality industry. Based on the responses of 612 employees to the open-ended questions. The study identifies relevant indicators that can serve as guidelines for hospitality managers engaged in employer branding and for those who strategically approach human resource policies. The findings provide practical implications for creating supportive organizational environments that foster loyalty and long-term commitment, and on how to provide actionable insights for hospitality managers to create supportive and engaging work environments that align employee well-being with organizational success.

LITERATURE ANALYSIS

Defining Employee Needs

Defining the needs of hospitality employees is a critical step in understanding how to enhance job satisfaction, performance, and long-term loyalty in the industry. Research has shown that employee needs in hospitality are influenced by a combination of organizational practices, cultural values, and individual expectations. Several studies explore these dimensions to provide a comprehensive understanding of hospitality employees' needs (Dogonyaro, 2021).

The impact of cultural differences on the needs of hospitality employees, focusing on how these needs vary across different regions and cultural contexts. The study emphasizes that employee needs in the hospitality industry are not universal, but rather shaped by cultural values, traditions, and local expectations.

For instance, employees in cultures with a collectivist orientation may prioritize job security, group harmony, and organizational stability, while those in individualistic cultures may value career development, autonomy, and recognition. Understanding these cultural nuances is crucial for international hospitality businesses seeking to meet the diverse needs of their global workforce (Chen & Law, 2016).

Hospitality organizations must address the basic needs of their employees, such as fair compensation, job security, and career development opportunities, to foster engagement. Additionally, providing recognition, opportunities for personal growth, and fostering a positive work environment are key to ensuring that employees feel valued and supported. By identifying and addressing these needs, hospitality organizations can improve employee engagement, which in turn enhances job satisfaction and long-term loyalty (Sharma & Patil, 2018).

The importance of organizational support in fulfilling employee needs in the hospitality industry. This support encompasses a wide range of factors, including leadership, training and development opportunities, work-life balance, and workplace culture. When employees perceive that their needs are being met by their employers, such as through providing clear career advancement opportunities or a supportive work environment, they are more likely to develop a sense of loyalty to the organization. Lee suggests that hotels and other hospitality businesses should focus on creating an environment where employees feel supported, respected, and motivated to stay with the organization long-term (Lee, 2011).

The Role of Job Satisfaction in Employee Loyalty

Employees in the hospitality sector often face high turnover rates due to the demanding nature of the job, long working hours, and seasonal fluctuations. Dogonyaro argues that organizations must go beyond basic needs such as salary and job security and focus on fostering a sense of purpose, career progression, and emotional well-being (Dogonyaro, 2021).

Similar to the findings of Sharma and Patil (2018), Dogonyaro emphasizes that employees need clear paths for career advancement. Hospitality organizations that invest in training and development, and offer opportunities for promotion, tend to see higher levels of employee satisfaction and retention. By providing employees with a sense of growth and purpose, businesses can align their goals with employees' career aspirations, enhancing loyalty and reducing turnover.

Barreto and Mayya (2024) emphasize that job satisfaction is a critical factor influencing employee performance in the hospitality industry. When employees feel satisfied with their jobs, they tend to be more engaged and motivated to perform at their best. The study highlights that job satisfaction arises from various intrinsic and extrinsic needs, including fair compensation, career development opportunities, work-life balance, and recognition. Satisfied employees are more likely to put in discretionary effort, which not only boosts their performance but also strengthens their loyalty to the organization.

Ulndag et al. (2011) highlight the pivotal role of job satisfaction in influencing employees' turnover intentions. Satisfied employees are more likely to remain loyal to their organization. Job satisfaction in the hospitality industry often stems from factors such as workplace environment, job security, recognition, and fair compensation. Addressing these needs can reduce turnover intentions, fostering long-term loyalty.

Jung and Yoon (2013) investigate the relationship between job satisfaction, organizational commitment, and job performance in the hotel industry. The study reveals that job satisfaction is a significant predictor of organizational commitment, which in turn influences job performance. Employees who are satisfied with their roles and work environment are more likely to develop a strong sense of commitment to the organization, which increases their loyalty. In hospitality settings, where customer service is key, committed employees are often more motivated to go above and beyond, leading to improved guest satisfaction and better business outcomes.

Naveen and Parashar (2021) provide a comprehensive literature review on employee satisfaction and loyalty in the hospitality industry. The review highlights various factors contributing to job satisfaction, including work environment, management practices, compensation, and recognition. The authors assert that job satisfaction directly influences employee loyalty, and when employees are satisfied with their jobs, they exhibit greater organizational commitment, job performance, and customer satisfaction.

The literature suggests that satisfied employees are more likely to remain with their organization for longer periods, reducing the costs associated with recruitment and training. Moreover, satisfied employees often share their positive experiences with others, becoming brand advocates and contributing to the organization's reputation, which is especially important in the hospitality industry where word-of-mouth and customer service are paramount.

A common thread across these studies is the notion that job satisfaction acts as a mediator between various organizational practices and employee loyalty. The more satisfied employees are with their work environment, relationships with managers, compensation packages, and career growth opportunities, the more likely they are to exhibit organizational loyalty. Naveen and Parashar (2021) highlight that the positive effects of job satisfaction on loyalty are particularly strong in service industries like hospitality, where employees' interactions with customers directly impact the organization's reputation and success.

Opportunities for professional development and career advancement are vital. Organizations that invest in training and growth prospects tend to retain skilled employees, which positively impacts performance (Ghanni et al., 2022).

Workplace Well-being: A Key to Long-Term Loyalty

The direct relationship between workplace hospitality well-being and employee retention in the hotel industry. Their study highlights that well-being programs that focus on both the physical and psychological aspects of employees' health can significantly impact retention rates. When employees feel valued, supported, and cared for, their job satisfaction increases, which leads to higher levels of loyalty and commitment to the organization. The study shows that providing resources for mental health, promoting work-life balance, and offering employee wellness programs can reduce burnout and stress, leading to lower turnover and higher employee morale. This is particularly critical in the hospitality industry, where job

demands are high, and employee satisfaction is closely linked to customer experience (Koh & Lee 2022).

Nijhuis and van der Heijden (2012) explore the broader role of well-being in the hospitality industry and its connection to long-term employee loyalty. Their research suggests that organizations that invest in the well-being of their employees create a foundation for sustained loyalty. They emphasize that well-being encompasses more than just physical health—it also involves emotional support, job satisfaction, social relationships, and career development opportunities. When employees' overall well-being is supported, they are more likely to remain with the organization, demonstrating stronger loyalty and a commitment to the company's success. By fostering a supportive and positive work environment, hospitality businesses can cultivate a loyal workforce that is motivated to stay with the company and contribute to its long-term goals.

The role of subjective well-being (SWB) in understanding employee needs and fostering loyalty. Subjective well-being, which refers to employees' self-perceived happiness and satisfaction with life, is strongly connected to how employees feel about their work environment and organizational support. When employees experience high levels of well-being, it indicates that their personal and professional needs are being met, which enhances their job satisfaction. This sense of well-being is crucial for organizational commitment and loyalty. Employees who feel fulfilled and supported in their roles are more likely to remain loyal to the organization and contribute positively to its success (Xu et al., 2014).

Chen and Law (2016) highlight the significant role of employee well-being in enhancing both job satisfaction and customer satisfaction in the hospitality industry. The study demonstrates that when employees experience high levels of well-being, they are more likely to be engaged, perform well in their roles, and deliver superior customer service. This, in turn, creates a positive feedback loop: satisfied employees contribute to positive customer experiences, which further enhances job satisfaction and loyalty. By investing in employee well-being, hospitality organizations not only improve employee retention but also improve the quality of service offered to guests, ultimately benefiting the organization as a whole.

Teixeira and Silva (2021) examine the role of organizational support in enhancing employee well-being in the hospitality sector. The study highlights that organizations that provide comprehensive support systems—such as mental health resources, career development programs, and effective management practices—

create an environment where employees feel supported and appreciated. This sense of support is directly linked to higher levels of employee loyalty.

The authors argue that employees who perceive their organization as caring for their well-being are more likely to remain committed, leading to improved retention rates and reduced turnover. The study stresses the importance of leadership and management styles that prioritize the well-being of employees, recognizing that these factors significantly influence employee attitudes and loyalty.

Taken together, these studies highlight the importance of a holistic approach to employee well-being, which includes physical, mental, and emotional aspects. Hospitality organizations that invest in a comprehensive well-being strategy—ranging from offering wellness programs, promoting healthy work-life balance, fostering positive relationships between employees and management, and providing career development opportunities—are more likely to see improvements in both employee satisfaction and organizational loyalty.

METHODOLOGY

A survey conducted via Google Forms included 612 respondents to analyze employee loyalty in the hospitality industry. The collected data was qualitatively analyzed and presented in tables. The dataset includes demographic information (gender, age, marital status, income), employment details (position, years of experience), and responses to various questions regarding job satisfaction, workplace conditions, and loyalty factors, grouped under several themes like respect, material benefits, management.

DISCUSSION

This report analyzes survey responses related to employee loyalty factors, categorizing them into material and non-material aspects. Findings are connected to existing literature to provide a comprehensive understanding of workplace loyalty drivers.

The demographics part of the survey includes the following key information from 612 respondents:

Tab. 1. Demographic data

Gender	Predominantly male (69,9%), and female respondents (30,1%).
Positions	Mainly waiters (40%), cooks (41%), and their assistants (19%).
Age	Ranges from 21–25 to over 35 years old, with most respondents being from the group of „Over 35 years old“ making over 45%, following with „From 31-35 years old“ making 25%, and category from „From 26-30 years old“ making 20%.
Work experience	Ranges from 4–7 years to over 12 years, with most respondents being from the group of „Over 12 years of experience“ making over 52%, following with „From 8-12 years of experience“ making 21%, and category from „From 4-7 years of experience“ making 15%.
Income	Most respondents, making 79% of them, reported salaries are above €500, with some over €1000 aprox., (21%).
Marriage status	Most of the respondents make the group of „Married“, 41%, following with the group of „Not married“, 36%.

The factors that help to understand employee needs have been split into two aspects „Material“ an „Non-material“ aspects. This part of the survey includes the following key information from 612 respondents.

Tab. 2. Key factors submitted by the respondents

FACTORS	
Material aspects	Non-material aspects
Monthly income: Most respondents earn over 1000€ (19,6%), then the respondents that earn between 501€–600€ (19,4%), followed by those earning between 601€–800€ (18,8%).	Respect among employees: This emerged as a highly valued aspect in open-ended responses, making 80% of the answers.
Paid overtime: Responses indicate a split, with a significant number stating their overtime is unpaid which makes (57,5%) of the respondents.	Motivating managers: Many respondents, making over 50% of the respondents, value managers who motivate and provide support to hardworking employees.
Competitive salary: A significant percentage of respondents identified salary as a key loyalty determinant. Predominantly the respondents stated that (51,5%) do not have a market-aligned compensation.	Managerial support for hard-working employees: Based on the results factors such as recognition and encouragement play a vital role in employee engagement as stated by over 48% of the respondents.

Compliance with legal work hours (work-life balance): A majority of respondents, which makes up (57,7%) confirmed compliance with legal vacation lengths and work hours.	Honesty of the employer: Strong preference for fair and transparent management practices have been stated as a key factor by over 65% of the respondents.
Availability of meals at work: Availability of meals at work is widely provided (almost 500 responses, (81,7%), in favor).	Organizational culture: Recurring themes include respect, transparency, and opportunities for professional growth for over 78% of the respondents.

Correlation Between Survey Findings and Existing Literature

In terms of material aspects, a significant number of respondents (51.5%) indicated that they do not receive a market-aligned salary, and most respondents earn between 501€–1000€. This supports Herzberg’s Two-Factor Theory (2003), which categorizes salary and financial benefits as hygiene factors, essential for preventing dissatisfaction but insufficient on their own to drive motivation. Similarly, the survey revealed that 57.5% of respondents do not receive paid overtime, which further highlights dissatisfaction related to compensation practices. Compliance with legal work hours and vacation, confirmed by 57.7% of respondents, reflects positively on work-life balance. This corresponds with findings by Koh and Lee (2022), who established a link between employee well-being initiatives and increased loyalty. Additionally, the availability of meals at work, reported by 81.7% of respondents, contributes to workplace support and overall satisfaction, further supporting Koh and Lee’s conclusions regarding the positive effects of employee-centered benefits.

Non-material aspects also emerged as highly significant. Respect among colleagues was identified as a key theme in 80% of open-ended responses, reflecting the importance of interpersonal relations and mutual regard in the workplace. This finding aligns with the research of Barreto and Mayya (2024), who emphasized the role of respectful and fair treatment in enhancing job satisfaction and employee retention. Managerial behavior also featured prominently, with over half of respondents valuing managers who provide motivation and support to hardworking employees.

This resonates with the research from Deci and Ryan’s (2000) Self-Determination Theory, which emphasizes the importance of intrinsic motivation, recognition, and supportive leadership in fostering engagement. Managerial support, specifically in

the form of recognition and encouragement, was cited by 48% of participants as a crucial factor in engagement, reinforcing Deci and Ryan's arguments.

Additionally, honesty and transparency from employers were highlighted by more than 65% of respondents, indicating a strong preference for ethical and trustworthy management—a perspective supported by Barreto and Mayya, who identified fair leadership practices as central to employee loyalty. Finally, the importance of a healthy organizational culture marked by respect, transparency, and professional growth—was noted by over 78% of respondents. This finding closely aligns with Koh and Lee's (2022) research, which underscores the impact of organizational culture on employee satisfaction and retention.

Overall, the survey data provide compelling evidence that both material benefits and non-material conditions significantly influence employee satisfaction and retention. These results are consistent with established theoretical frameworks and recent empirical studies, demonstrating that an integrated approach to employee management—one that balances compensation with respect, support, and ethical leadership—can effectively foster loyalty and engagement in the workplace.

Analysis of Additional Comments

Out of a total of 612 respondents, **82 participants (13.4%)** provided additional comments in the optional field. The qualitative analysis of these responses reveals several recurring themes:

- **Fair Treatment and Respect** – the most frequently mentioned factor, where employees emphasized the need to feel valued and appreciated.
- **Work/Life Balance** – respondents highlighted the importance of legally regulated working hours and better shift organization.
- **Fair Compensation and Benefits** – regular pay, overtime compensation, and entitlement to vacation and social security were often mentioned as crucial.
- **Trustworthy and Ethical Management** – several comments pointed to the importance of honest, fair, and responsible leadership.
- **Job Security and Stability** – many employees noted that long-term job stability plays a significant role in building loyalty.
- **Organizational Culture and Working Conditions** – some comments reflected dissatisfaction with poor management practices and stressed the need for solidarity, teamwork, and supportive work environments.

Based on the additional comments, approximately 13% of respondents expressed their views on factors that influence loyalty. The findings suggest that employees in the hospitality sector associate loyalty primarily with respect, lawful working conditions, fair pay, and ethical management practices. These insights provide valuable guidelines for hospitality managers engaged in employer branding and for those strategically developing human resource policies.

CONCLUSION

Employee loyalty is a fundamental factor in the success of the hospitality industry, as it directly impacts both job performance and customer satisfaction. This analysis highlights the need for a balanced approach that addresses both material and non-material aspects to foster long-term loyalty among employees. The survey findings reveal that loyalty is driven by a combination of fair treatment, competitive compensation, and supportive workplace practices. Material factors such as competitive salaries, paid overtime, and adherence to legal benefits like vacation entitlements play a crucial role in maintaining employee satisfaction. Many respondents emphasized the significance of receiving fair pay and having access to workplace benefits, such as meals and compliance with legal working hours. Addressing gaps, such as unpaid overtime, can further enhance employee retention and satisfaction.

Equally important are the non-material aspects, including respect, fairness, and supportive management. Employees value being treated with respect and appreciated for their contributions. Transparent and ethical management practices, as well as motivating and encouraging leadership, were identified as critical drivers of loyalty. Respondents also highlighted the importance of achieving a balance between work and personal life, along with the need for opportunities for career growth and professional development.

To enhance employee loyalty in the hospitality industry, organizations must prioritize both material and non-material factors. Providing competitive compensation and ensuring compliance with labor laws are essential, while fostering a culture of respect, teamwork, and fairness can further strengthen employee commitment. Investing in training, career progression, and open communication will also create a supportive and engaging work environment. In conclusion, balancing material benefits with a culture of respect and ethical management is key to building a loyal and engaged workforce. By addressing these factors holistically, hospitality businesses can ensure higher employee retention, improved job performance, and ultimately, greater customer satisfaction.

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