



**RESEARCH ON STRATEGIES FOR IMPROVEMENT OF COMPANY D'
EMPLOYEE LOYALTY**

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IMPROVEMENT OF COMPANY D' EMPLOYEE LOYALTY**

Thematic Certificate

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This Independent Study has been approved as a Partial Fulfillment of the Requirement of International Master of Business Administration in International Business Management

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Abstract

Title: Research on Strategies For Improvement of Company D'
Employee Loyalty

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In the era of knowledge economy, knowledge has become the scarcest resource. More companies are recognizing the importance of employees with high loyalty and enhancing of employee loyalty management. The loyalty of employees is not only closely related to the economic benefits of enterprises, but also the key to enhance cultural construction of enterprises.

At present, due to internal and external environment of companies and employees' quality, low loyalty of employees that caused the increase of company employee loss is found in many companies, and it lead to the increase of company cost and significant influence on company's economic profit. It is shown in domestic and foreign counties that current researches on employee loyalty are only on theoretical basis without actual case analysis. Therefore, this paper takes company D as the research object to explore the employee loyalty strategy based on former researches and HR management theories and to enhance its employee loyalty, reduce staff turnover rate, bring greater economic benefits for company D. The key to improve employee loyalty is to put employees' interest at the most importance place to create a harmonious atmosphere and enhance the enterprise culture improvement, therefore, the loyalty of employees is crucial.

Key words: Employee Loyalty; Influencing Factors; Improvement Strateg

摘 要

题目: D 企业员工忠诚度的提升策略研究

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05, 18, 2017

进入知识经济时代,知识成为最稀缺的资源,知识型人才成为了企业间竞争的关键。更多的企业认识到了员工拥有高忠诚度的重要性,也加大了对员工忠诚度管理的力度。企业员工的忠诚度不仅与企业经济效益息息相关,也有利于增强企业的文化建设。

当下,国内外企业由于内外部环境以及员工自身因素导致企业员工忠诚度不高,企业员工流失率也随之增加,这就增大了企业的成本,对企业经济效益也产生了很大的影响。国内外相关研究文献表明,目前大家对员工忠诚度都是基于员工忠诚度的理论去认识的,并没有结合企业人力资源实际情况,因此,本文基于前人的基础,同时与人力资源管理理论相融合,对提升 D 企业员工忠诚度的对策展开研究。以期增强其员工忠诚度,减少员工流失率,为 D 企业带来更大的经济效益。针对如何提高员工忠诚度,主要贯彻的是把员工放在第一位的原则,为企业营造出团结向上的氛围,提高企业的文化建设,因此,企业员工忠诚度是至关重要的。关键词:员工忠诚度;影响因素;提升策略

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CHAPTER 1 INTRODUCTION

1.1 Research Background

Every organization must have a loyal team. Many successful companies gain sustainable development mainly thanks to their teams with high loyalty. The development of a company is highly independent to a group of loyal employees.

It is easy to see an employee's loyalty. Loyal employees always pay close attention to the image and interest of the company, always follow the instructions and rules made by the management, and devote themselves in the development of the company, or even are willing to sacrifice their own benefits for the interest of the company. They are always good team players and treat all the employees of the company as their family members treat them equally without discrimination or prejudice and always the ones that promote enterprise cohesion. The loyal employees try their best in works and create economic benefits for the company rather than having artful speech or acting in flashy manners.

The disloyal ones are loyal to the company superficially while have different development views with the company. Rather, they always focus on their own interests, i.e. their salaries, positions and remunerations, and look forward to gain the maximum gains with the minimum efforts. They have negative attitudes and malicious remarks to other employees to keep their own jobs. They have legacy thinking and refuse to reform for they are afraid of hurting their own benefits, they are not capable and shortsighted and are not willing to make contributions to the long-term development of the company and always opportunistic.

A company's sustainable development cannot be realized without loyal employees. As everyone knows, in the era of knowledge-based economy, talents are the trump card in the competition among enterprises, for the knowledge-based talents can create more economic benefits than the traditional ones. Some modern management masters find that: knowledge resource is of great importance to a company, the knowledge-based talents are creative and can help the company to win a place in the market. However, the employee's loyalty is an important factor that enables the full play of the talent's capacity. The formula $\text{intellectual capital} = \text{capacity} \times \text{loyalty}$ explains everything. The employees must be capable and loyal so as to bring more economic benefits to the company and promote the sustainable development of the company. A disloyal employee may cause great loss to the employer even when the employee is very capable, for example, he/she may reveal company's confidential decision, which will cause harm to the company interest. Moreover, their disloyalty will also lead to outflow of talent.

1.2 Research Significance

Firstly, theoretical significance. Domestic and overseas experts have done deep and through study in the employee loyalty, and made many research achievements. However, companies' development strategies and targets are changing with the change of the world and times development, the research on employee loyalty shall give consideration to such changes, and companies shall change their strategies on improving and cultivating employee's loyalty to provide a solid theoretical support to the sustainable development of the company in the ever-changing environment. In this paper, company D is taken as the object of study based on the current historical background and existing research results, and company D employees' loyalty problems and causes are mainly analyzed; methods and supporting measures for cultivating employees' loyalty are discussed to help company D in employee loyalty cultivation and team works, also to give a solid theoretical support for study of employee loyalty of the company. It is of importance to the team construction of the company macroscopically.

Secondly, practical significance. Further research on the employees of company D has important practical significance. Firstly, the analysis on domestic and abroad research status and explanation of the influence on the employee loyalty as well as enhancement of awareness of employees on the loyalty and cultivation of employees' consciousness and intuitiveness on loyalty can provide a solid ideological and organization guarantee. Secondly, the research on the status, problems and cause of such problem of employee loyalty can enhance the sense of urgency and responsibility of the loyalty cultivation of the employees so as to research the way, method and strategy to cultivate employee loyalty. Thirdly, the study on the principle and methods for cultivating employee loyalty and in-depth study of countermeasures according to the status and problems of company D employee can provide theoretical support and practical reference for employee loyalty enhancement of company D.

1.3 Research Objectives

It is of great importance for a company to have both knowledgeable and loyal employee team, or the company will be lack of vigor and will not be able to develop or have a share of the market. At present, the researches on the employee loyalty both at home and abroad are limited, especially on employee loyalty of a specific company. Therefore, in the paper, company D is taken as the study object to explore the strategy of and supporting measures for enhancing employees' loyalty based on former researches and human resource management

theories. This research can be used as reference for company D in employee loyalty cultivation and team construction and also the solid theoretical support for company D's employee loyalty research, so as to promote the healthy development of hotel industry and the sustainable development of the company.

1.4 Paper Structure

The paper structure is as follows:

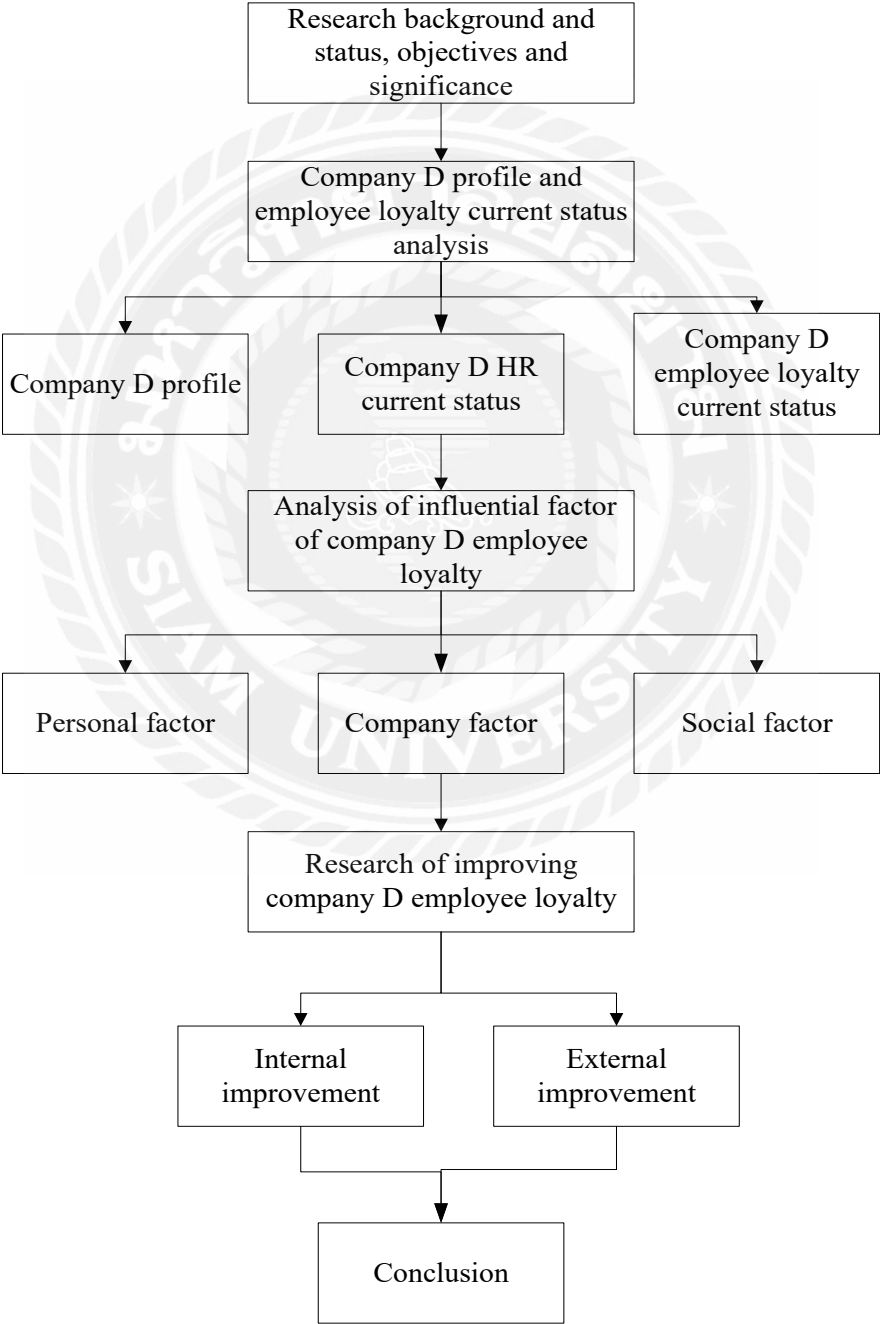


Figure 1 Paper Structure

CHAPTER 2 LITERATURE REVIEW

2.1 Structure

This chapter is the review of literatures on domestic and abroad researches on employee loyalty.

2.2 Foreign Literature

In foreign countries, the researches on employee loyalty began quite early. In the book *Philosophy of Loyalty*, Josiah Royce (American philosopher and Harvard University professor) explained “loyalty” further and classified loyalty in three classes, low, middle and high. The highest level of loyalty is manifested in the devotion to social rules, world outlook and outlook of value; the loyalty of a group is middle level while the loyalty of individuals is low. It was shown from Royce' research that the recognition of loyalty is the determining factor. Becker was the first person defined “organizational commitment”, which is a disposition to engage in “consistent lines of activity” (p.33) as a result of the accumulation of “side bets” that would be lost if the activity were discontinued. American scholar Frederick Reichheld pointed out the relationship between employee and customer loyalty in his book *The Loyalty Effect*, and wrote that “there will not be loyal customer without loyal employees”, and a “Loyalty Acid Test Survey” was designed to measure test the loyalty.

Many achievements were made by foreign scholars in employee loyalty research. Becker thought that the employee loyalty is positively correlated to employment duration, for the company, the longer an employee stay, the greater leaving cost (physical and psychological cost). The side bets including valued things like money, effort and technology, the increased input of such valued things will lead to dependency of the employee to the company, and thereby form loyalty.

American scholar Frederick Reichheld had new understanding, pointed out the relationship between employee and customer loyalty in his book *The Loyalty Effect*, and wrote “there will not be loyal customer without loyal employees”. He pointed out that employee loyalty can bring about significant economic benefits to the company, and if the loyalty of customer and employee increase for 5%, the profits will increase for 25% or even 100%. In addition, Frederick Reichheld had deep study of relation

between loyalty and profits in his work *Loyalty Rules*, and pointed out that “loyalty is the most reliable standard to measure the relationship” and designed “Loyalty Acid Test Survey” for further measurement.

Researches on loyalty influencing factors by foreign scholars also made achievements. Becker thought that the employee loyalty is positively correlated to employment duration, for the company, the longer an employee stay, the greater leaving cost (physical and psychological cost). Brawley, Carron and Widmeyer pointed out that, attraction of a company to employee is classified into different levels, the first level is group cohesion or attraction of group to individual. The second level is social cohesion and task cohesion. Schaubroeck's study shown that the employee loyalty is closely related to internal equity factor. JBrian Schrag study shown that employee's loyalty to the company represents the recognition of the company. Mayfield and Milton Mayfield showed that the communication ability of management personnel also influence the employee loyalty. Valentine et.al, Yuan et.al and ShaoyingC et.al's studies showed that employee loyalty is influenced by company' reputation, company internal value and moral standard. Most companies are managing their companies with the help of information technologies, Pereira demonstrated the theoretic influences of remote office work and on-line office on the employee loyalty. Hui had a deep research on the brand effect influence on employee loyalty, and showed that the two have positive relationship. Eisenberger et.al proposed POS theory, and found that employees choose to stay in the company mainly thanks to the support and recognition given by the company.

Employee loyalty improvement measures. Based on influential factors of employee loyalty, foreign scholars researched the cultivation of employee loyalty in different ways and on different perspective, and the achievements mainly are:

Firstly, employee needs based employee loyalty cultivation. Maslow classified needs into the following hierarchies: physiological, self-actualization, safety, esteem and love/ belonging needs. The physiological, safety and love/belonging needs belong to lower hierarchy; esteem and self-actualization needs are realized through internal factors and belong to higher hierarchy. Based on this theory, foreign scholars think it is reasonable to cultivate employee loyalty through centering on employee needs. Joyce, Crosby and Georgann thought that the understanding of employees' different

needs is the foremost task.

Secondly, salary system based employee loyalty cultivation. According to Adams' Equity Theory, employees seek to maintain equity between inputs and outcomes against the perceived inputs and outcomes of others, and unfairness as well as too-high or too-low reward will cause psychological imbalance and feeling of tension. Based on this theory, Elaine found through survey that 40% employees choose to leave the company just because the salary is a little higher, which fully demonstrated the importance of a fair salary system to cultivation of employee loyalty.

Thirdly, rational management based loyalty cultivation. Dorfman and Howell said that the cultivation of employee loyalty needs supportive and guiding leading mode; Mowday held that allow employees in management can promote the sense of responsibility and loyalty of the employees. Leslie and Peter found that incentive compensation for personal achievements, e.g. additional payment and promotion can improve the loyalty of employees. Meanwhile, some scholars recommend improving loyalty of employees through recruitment and employee care.

2.3 Domestic Literature

With the development of modern social economy, the meaning of loyalty is becoming broader. Based on traditional loyalty values, the researches on employee loyalty in the background of market economy are increasing. The domestic researches on employee loyalty started in 1990s, and most of them are translation and introduction of foreign literature.

Employee loyalty is a new concept coming into being with the emergence of market economy, and there is no uniform definition on this term in academic circles currently. It is found from relevant research literature that, domestic scholars focus on different aspects of employee loyalty, and therefore, different classification standards are formed, at present there are three different points of view on classification of loyalty: firstly, behavior loyalty, altitude loyalty and behavior and altitude combination; secondly, active and passive loyalty, thirdly, individual loyalty, company loyalty and business loyalty. Scholars believing behavior loyalty proposed that loyalty is a series of behavior act on the company of the employee, of which, value contribution standard is the key element; altitude loyalty believers proposed that loyalty is actually

the altitude toward the company, and idea and behavior disposition analysis shall be paid attention to. The behavior and altitude combination is the combination of the above-mentioned ideas, Zhao Ruimei, Li Guiyun proposed that employee loyalty actually the recognition of the company, the unity of self-interest and company development goal, and creation of interest for the company through one's capability. As for the relation between altitude loyalty and behavior loyalty, scholars pointed out that it is the altitude loyalty lead to behavior loyalty. Liu Min et al, proposed that employee loyalty makes the employees be willing to follow the commitment in the works and put company' interest above their own interest. Zhou Yayue proposed that employee loyalty is not the loyalty to company managers or the position but to the company. The loyal employees still will not leave the company even if the manager or position changes. Zhou Yayue also proposed that company, position and manger loyalties can be converted to each other under certain circumstance.

Chinese scholars also had a series of researches on employee loyalty influencing factors. Xu Shuying et al. proposed the key point in employee loyalty improvement, e.g. salary comparison with peers, working environment and co-worker relationship. Zhang Xiaoguang's study shows that the loyalty influencing factors include company salary, company training opportunity, company culture, self-achievement and person-post matching etc. Chen Ping proposed that, the company should grant the employee corresponding rights when the employee is performing the obligation, the rights and obligations of the employee shall be equal. She also pointed out that the psychological imbalance is another reason for loyalty reduction.

Peng Jianfeng listed four key factors influencing knowledge-based employee's loyalty, including improvement opportunity (1/3), work autonomy (30%), employee achievement (1/4) and salary (7%), and these four factors take up more than 90% of the total factors. The study distinguished knowledge-based employee with ordinary employees, and the author pointed out that the knowledge-based employees have independent thoughts and are passionate to the job and are creative, while salary is only minor factor for them.

Zhou Yayue, Yu Haishan and Qiao Jian proposed that there are three main factors influencing the employee loyalty, i.e. individual factors (including personality characteristics, occupational skills, age and marital status), company factors

(including company scale, development prospect, HR management system, company culture and working environment) and social factors (including social moral values, value orientation, national recruitment system and laws). Tan Yuanfa, Wang Ting and Zhang Haiyan proposed that employee loyalty to the company mainly include wage level, company culture, value, person-job matching, company's respect to employees, and self-achievements of employees and company's training opportunity etc. Zhang Lanxia proposed that the psychological contract between employees and company has significant influence on the employee's loyalty. Liu Jingjing had a further research on the influencing factor of knowledge-based employees' loyalty and founded that the influencing factors of employee loyalty mainly include: employee selection procedure, salary and work contents etc.

Researches on employee loyalty improvement. Relevant scholars proposed some targeted countermeasures for the existing problems and influencing factors of employee loyalty management. Zhao Ruimei, Li Guiyun said that changing of company environment could improve the loyalty of the employee; company environment includes infrastructure environment and cultural environment; Building of good working environment and cultural atmosphere can enhance group cohesion and thus improve employees' loyalty. Chen Ping, Wang Youqing and Yao Mingliang pointed out that perfection of HR management system can improve the employees' loyalty, and only when the HR management system is rational, effective and fair can the employees' loyalty be improved. Liu Guohong indicated that cultural construction can not only promote the development of individuals and employee loyalty. Ma Yanhua et al. proposed that the working capacity and quality of management as well as incentive salary system can improve the employee loyalty. Guo Yajun had a research on characteristics of knowledge-based employees after 1980s to explore the influencing factors of their loyalty, and pointed out that person-job matching, learning organization, provision of individual development opportunity, authorized management and incentive policies can effectively improve their loyalty. He Xinmei focused on company culture and improved employees' loyalty from the source through construction of enterprise spirit.

Although many research achievements have been made by domestic and foreign scholars, none of them are studied based on actual cases or enrich the employee

loyalty theories, therefore, cannot meet current changing development needs. The paper discusses the main factors influencing company D employee loyalty in depth, and proposes targeted development mode to provide a theoretic support and base for HR management of company D as well as relevant theoretic studies.



CHAPTER 3 RESEARCH METHOD

3.1 Research Design

The paper discusses relevant ideas about loyalty taking company D (hotel industry) as example based on the background of domestic employee loyalty and domestic and foreign researches on this topic. Firstly, a brief introduction is given to company D, and the employee structure, organizational structure to incentive system are analyzed, then, the employee loyalty of the company and main problems were analyzed. Based on the existing problems of employee loyalty of company D, the paper analyzed the employee loyalty influencing factors from individual, company and social perspectives respectively.

3.2 Interview Survey

To obtain primary data, the author carried out a survey on employees of company D.

3.3 Research Hypothesis

It is assumed that there are some problems of company D employees in their political stand and ideal and faith as well as altitude toward the company' development, working and life state, learning & education needs and recognition of the company culture.

3.4 Questionnaire Design

More entrepreneurs are having a more clear understanding of the loyal employees in this intensely competitive market; company D is a service-sector company, it should understand the importance of loyal employees even more. However, due to the industrial characteristics of this kind of company, most of the employees are in lack of loyalty, they only care about getting paid for a living without having a uniform development outlook with the company or giving suggestions.

To obtain primary data, the author carried out a questionnaire survey on employees of company D based on information research. Questioner content and questions are designed based on existing employee loyalty questioner and the actual conditions of company D. Questionnaire contents: mainly include basic information of employees

(gender, age, position, title and education background etc.) and surveying content of loyalty.

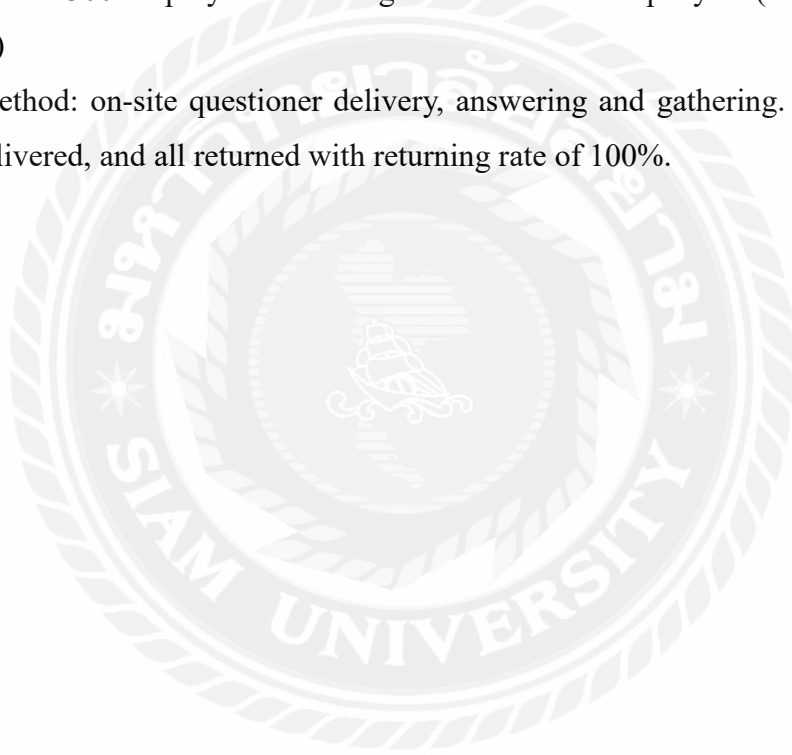
3.5 Data Analysis Method

The obtained was record in the EXCEL for statistics and analysis and results and proportion were obtained.

3.6 Data Collection and Sample

Respondent: 300 employees in Changsha Branch of company D (210 males and 90 females)

Main method: on-site questioner delivery, answering and gathering. 300 questioners were delivered, and all returned with returning rate of 100%.



CHAPTER 4 RESULT ANALYSIS

4.1 Questioner Descriptive Statistics

This questioner survey had enough male and female respondents from company D at different ages and with different marital status, education background and monthly salary, and those respondents are representative; the survey reflected basic characteristics of employees of company D.

Table 1 Research Results of Basic Information of Company In-service Staff

| Variable | No. of Respondents | Percentage | |
|-------------------------|---------------------------|------------|-------|
| Gender | Male | 210 | 70% |
| | Female | 90 | 30% |
| Age | 18-24 | 90 | 30% |
| | 25-34 | 120 | 40% |
| | 35-44 | 50 | 16.7% |
| | 45-55 | 40 | 13.3% |
| Marital status | Single | 60 | 20% |
| | Married, without child | 90 | 30% |
| | Married, with child | 150 | 50% |
| Education background | Below high school | 37 | 12.3% |
| | Junior college | 80 | 26.7% |
| | Bachelor | 150 | 50% |
| | Master | 30 | 10% |
| Monthly salary (RMB) | Doctor and above | 3 | 1% |
| | <3000 | 90 | 30% |
| | >=3000 | 210 | 70% |
| Years of | Within 1 year | 80 | 26.7% |

| | | | |
|---------|-------------------|-----|-------|
| working | 1-5 years | 120 | 40% |
| | More than 5 years | 100 | 33.3% |

From the basic information listed in table 1, it can be seen that company D employees have the following characteristics:

Firstly, 210 male employees (70%) and 90 female employees (30%) participated in the survey; secondly, most of the employees are young and middle-aged, including 120 employees are 25-34 years old, taking up (40%), 90 employees are married with 30%; thirdly, most of the employees are married, and 90 of them have no child (30%), while 150 of them have child (50%); Fourthly, the employees have high educational degree, and 80 of them have college degree (26.7%) and 150 of them have bachelor degree (50%); fifthly, their salaries are generally high: 70% of the respondents are paid above RMB 3000 monthly; Sixthly, most of the respondents have certain working experiences, 120 employees have 1-5 years of working experiences (40%) while 100 of them have over 5 years' working experiences (33.3%).

4.2 Result Analysis

Company D was found in 2005, through 4 years rapid development, it became the first hotel group listed on New York Stock Exchange on November 20, 2009. On June 27, 2013, company D withdrew from the America market; on July 17 of the same year, it was acquired by Plateno Hotels Group as the sub-brand. The hotel adopts low-price direct selling mode, and hold on to the principle of bring happiness and warmness to the customers to meet their different needs. As of June 30, 2014, company D has 1928 branches in over 300 major cities and has formed a budget chain hotel system.

Company D has assisted on the membership system, currently, it has over 70 million members, and has the largest membership system among the domestic budget hotels. As the leading company of the industry, company D introduced as least 5 reservation functions (online reservation, mobile phone client reservation, telephone reserving, short message reservation and WAP reservation) and guarantees “7×24hr”online reservation. Company D has not only established the largest membership system, but

also the hotel technology and innovation mode firstly. CEO of company D said: “According to the company's development plan, to the second half of 2014, the chain hotels scale of the company will be the number one of the industry and the company will be the leading company of domestic budget hotels. In future, company D will accelerate the development space on different aspects, it is estimated that, in 2020, the company will have 5000 chain hotels and become a key brand in China's hotel industry.”

As a model company in the hotel industry that provides “more economical” hotel with “higher quality”, company D focuses on the core needs of the customers and deliver happiness to the customers to provide them with “good sleep” and happy business travel, so as to achieve the “customer foremost” goal while giving full play to the advantages of big membership system, advanced technology innovation mode.

Table 2 Research Results of Loyalty of Company D Changsha Branch In-service Staff

| Item | Answer | Result |
|---|--------------------------------|--------|
| Value of life lies in serving people and devoting to the society | Agree | 80% |
| | Disagree | 20% |
| Company D culture | Agree | 75% |
| | Disagree | 25% |
| Company D management system, management mode, performance assessment and income distribution system | Reasonable | 60% |
| | Unreasonable | 40% |
| Company D's talent selection and employment system of selection the best as per performance | Agree | 80% |
| | Disagree | 20% |
| Stability of employees of the company | Stable | 50% |
| | Basically stable | 25% |
| | Have many unsteadiness factors | 20% |

It can be seen from table 2 that the employees of company D Changsha Branch have generally high loyalty, i.e. 72% employees think the value of life lies in serving people and devoting to the society; 75% employees agree with company D's culture concept; 76% employees think the management system, management mode, performance assessment and income distribution are quite reasonable; 73% employees agree with the talent selection and employment system of selection the best as per performance and 74% employees think the employee team of the company is relatively stable.

From respondents' description of the company, it can be seen that most of the respondents recognize company D's culture and showed a certain degree of loyalty. 47. 5% employees said they are attached to the company; 46. 9% employees can feel the company's respect and acceptance; 52. 5% employees are proud of the company when talking about it with friends; 75. 9% employees think the company has harmonious interpersonal relationship; 58% employees think the company has a bright future; 40. 1% employees think the fair and incentive performance assessment of company can stimulate their working passion; 59. 9% employees think the company has comfortable working atmosphere without much pressure, and work doesn't fill up their life; 58% employees think the company provides development space for them; 69% employees are willing to try their best to promote the development of the company; 36.2% employees said that they will not leave the company even there is a better chance; 47. 5% employees said that if the company is facing difficulties, they will try harder and fight with the company.

The suggestions on the company development based on the survey of basic information of company D Changsha Branch and its employees provide solid basis for decision-making.

Table 3 Survey Results of Employees' Opinion and Suggestions on Company D's Development

| Item | Content | Result |
|----------|--|--------|
| Opinions | The company is lack of market research | 15% |

| | | |
|-------------|---|-----|
| | The company management system is not reasonable enough | 34% |
| | The salary structure is not so reasonable | 46% |
| | Cultural construction is seriously lagged behind | 36% |
| | The overall quality of team construction needs to be improved | 40% |
| | Establish scientific management system | 36% |
| | Improve employee salary and benefits | 75% |
| | Enhance company cultural construction | 28% |
| Suggestions | Establish and perfect rewards and penalties system | 43% |
| | Enhance employee cultural and skill training | 40% |
| | Improve employee benefits | 65% |

It can be seen from Table 3 that, the employees of company D had a further discussion and proposed targeted suggestions, obviously, they linked their interests with company's development; this is the basic driven force and importance basis for company D's development.

4.3 Analysis on Employee Satisfaction Problems

(1) Unreasonable salary structure

Companies always want to employ the best employees with the lowest cost. However, imbalance between quality and quantity will cause low quality, and finally lead to customer complaint that will impair company's reputation; same salary standard in both dull and boom seasons will cause dissatisfaction of the employees, which will affect their working quality. Company D need to provide challenging and comfortable working environment and establish reasonable salary system and fair promotion system and perform humanized management so as to improve employee's loyalty.

(2) Lacking of perfect employment mechanism

The company still has seniority-based system and fails to provide enough

development space, and this will cause sense of mistrust of employees and thus cause reduction of loyalty. Company D has a large proportion of interns, the pool of talents; therefore, the company is unwilling to spend money on new employee recruitment, necessary employee training or continuing education, not mention further study of employees. This will cause employee dissatisfaction and reduction of worker quality, and thus hinder the development of the hotel.

(3) Unsmooth communication channel

Impeded communication channel

Company D has no platform for communication with employees, and the employees have unclear development plan, and cannot carry out targeted self-improvement, and thus cause feeling of insecurity and distrust and reduction of loyalty. Company D must enhance communication with employees to let them understand each other's needs, so as to establish a reasonable salary system and improve employees' loyalty.

(4) Imperfect incentive mechanism

Lacking of incentive mechanism hindered the development of the company significantly. Currently, the competitions among companies are embodied in talents competition. Although Labor Contract Law was approved by Standing Committee of the National People's Congress for implementation, the relationship between companies and employees cannot be stated clearly completely, companies must follow the principle of loyalty and equity, and knowledge-based employees need to consider companies that are suitable for their development. However, companies are tends to lower employee costs to improve profit, and low salaries cannot attract high quality employees.

4.4 Personal Factors Influencing Employee Loyalty

According to Frederick Herzberg's two-factor theory, salary is no the decisive factor influencing employee loyalty, and only unfair salary system can cause the reduction of employee loyalty. Therefore, only personal and cognitive factors can affect employee's loyalty, including individual values, growth environment, judgment of individual capacity, opportunity, recognition of development prospect and development strategy of organization, recognition of organization culture as well as the degree of satisfaction with working environment, can affect employee loyalty.

4.4.1 Family factors

The families of the workers hope a lot for their future. For some families, especially those with poor economic conditions, the cultivation of a talent may cost elder generation a lifetime of effort and money with the expectation from several generations. However, for employee, high salary and high welfare only come from the accumulation of time and capacity. Too much weight of expectation they bear makes them fail to work steadfastly, but wish for higher returns, so there are job-hoppings all around. Family expectation shall be reasonable, and provide their works with strong guarantee to help them get real development. The development of employees is a process, which needs many supports from families and needs a relaxing environment. The expectation of a high physical capital returns to them is not a good choice. The quantity increasing of loyal employees is a kind of treasure that cannot be measured with money for both company and society. From the whole society to private family, the employees with high loyalty make a remarkable contribution with high-contributed value. As for employees with low loyalty, they only focus on immediate interests with shortsighted ideas to change job frequently without long-term goal or specific goal of their own professional development. As time goes by, they may cease to advance or march on the spot with the result of even falling behind former lives.

Salary and welfare is a kind of expression mode of employee value, but not only this one mode. Nowadays society from country to family, the high expectation to employee makes them think highly of their salary and welfare. Since leaving school, they step into society and have a great hope to themselves. Some of them are strong performer, admitting to the university, including well-known ones. After they enter the real society, all expect their usual knowledge learning in classroom can be put into practical needs to realize the dreams by their advantages, intelligence and brilliance. In the sub consciousness of some employee, high salary represents the noble identity and outstanding work that leads to their excessive quest for high salary. Once a company cannot meet their expectations, they will leave the company and seek for higher salary. The loyalty of employee is directly reduced. As it is shown in the questionnaire result, the proportion of employees in company D hoping to improve

their salary and welfare is 65%, which shows dissatisfaction of employees. Dissatisfaction of salary and welfare will increase the turnover of employees and directly affect the hotel operation. Therefore, we can see in the questionnaire result that salary and welfare system of company D is not perfect enough without the joint connection with employee performance that lead to the result that it is not satisfied for employees in the current situation although with higher salary and welfare among the same industry. It is better for company to be thoughtful when set out salary and welfare policy. Balance of Internal employee in the company shall be considered, the salary and welfare policy of the same industry in the society, especially competitors. Accordingly, it will avoid the loss of employees and improve their loyalty to develop a suitable system for the company.

4.4.3 Personal career and development plan

It is shown in the questionnaire result that employees in the company D have not clear career plan generally. They do not look good on their career prospects. A confused career and development plan will directly lead to a lack of motivation and creativity with the result of work efficiency and loyalty decrement. Personal development is very important for employees. There is much cognition of employees for the realization patterns of their own value. Maybe, some employees hold a viewpoint that high salary and welfare is a symbol of noble identity. However, there are also some employees think that personal career and development prospect is more important than salary and welfare. Employee development is usually needs a proper time course, even the knowledge-based employee. As for a new comer who is newly steps into society from campus, although they have a basic knowledge of the industry, they do not have certain social practice experience after all. They cannot map out an excellent strategy when facing various rules of high positions. Those knowledge-based employees who have eyes on personal development prospects, system, environment, reasonable employee development scheme and the further development in the future are more contractive to them. Their relatively long-term ideas make them choose the development in the future rather than the current interest. Knowledge-based employees consider more widely, they plan very clearly for career and have confirmed decision on employment target. They connect career development direction with

future closely. When they choose an occupation, they will firstly think that whether the development plan of the company is more applicable to them or not. In addition, knowledge-based employee will hold the principle of going the distance under their affirmed goals. When they think the company is suitable for them, they will be loyal to it and jointly develop with it to realize their values. Otherwise, they will leave the company to choose ones more suitable for them.

4.4.4 Other factors

Loyalty is the inner part of a personal quality. In the view of humanity, most people have positive personal qualities, such as loyalty, integrity, altruism and dedication, but also someone upholds the ideas of exclusive self-interest or harming others without benefiting oneself. As humanity is complex, under specific conditions, loyal people will also act the opposite. Different people hold different ideas on the relation of risk and return. The ones who are fond of adventure and try will not dissatisfy current situation. They enjoy the unfamiliar stimulation from different fields and environment. Such people are more likely to jump ship. Companies shall be good at identifying loyal employees and guide them to set up right professional ethics, views and behaviors. Employees will show their loyalty to company when their legitimate self-interest behavior and result are encouraged and personalization is satisfied.

In terms of technology skills, employees with low technology skill are more than that of employees with high skill, and are easily replaced. The employees with low technology skill tend to have higher loyalty, especially when the unemployment rate is high; and the employees with high skills high demission rate. The longer employees work in a company, the more dependence and affection they have on the company culture, and they are more stable and conservative when being faced with job changing, even with material temptation. On the contrary, new employees or employees with shorter employment period act differently, they tends to be more challenging and adventurous, they regard the changing of jobs of same or different natures as the must to gather experience, improve professional skill or enrich experiences.

Individual career maturity determines whether the employee will analyze subjective and objective cons and pros as well as matching degree between individuals and

companies. The employees with higher maturity are more stable than less mature ones. Without a rational analysis and positioning, an employee will be unable to fit in the company, and thus cause low loyalty.

Generally, psychological imbalance will cause reduction of loyalty. "Inequality rather than want is the cause of trouble" does not mean division of incoming and expenses, but the psychosocial effect of individual. Some employees always doubt about their truth, and always feel insecure and cannot be committed to the work, cannot put the company's interest in the first place, thus impact the overall performance of the team. Balance is a nature law, in daily life of people, it will be better for individuals to be contented, and devoted them to work. So as to improve the team satisfaction and move forward together with the company. In addition, such factors as individual endurance, demand and objective and individual values also influence individual loyalty. Money and self-interest centered persons always have low loyalty, they even may disclose confidential information of the company. While the sociable and hospitable ones tend to be more loyal. Also, individual psychology, individual values, environment and company conditions are factors should not be ignored.

4.5 Company Factors Influencing Employee Loyalty

The most important factor among those factors is the company itself. Company factors influencing employee loyalty are relevant management system and modes, company salary system, employee training plan, company environment and company culture etc. Almost all of the developed and competitive companies have reasonable internal management system and rules and good prospect as well as people-oriented management system, and professional employee training system that can improve employees' working quality as well as reasonable salary system. In a company with good working environment, rich culture and broad development space, employees always work hard with high loyalty; details are given below.

4.5.1 Company environment

It is not hard to understand that the operation status of a company influences the loyalty of its employees. Generally, employees always like to contribute to the company that respects people and brings sense of achievement and fulfillment. Taken

in this sense, the position in industry of a company is also a key factor deciding employee loyalty. Leading companies can provide greater vision in the professional field and more professional skills and knowledge for the employees thanks to employees' philosophy of attaching importance to core competence building and providing prominent services. In such a company, employees' skills can be significantly improved. When the skills of the employees are improved to a certain degree, the employees are likely to change the jobs and go to a better company. Still, small companies can provide opportunities for comprehensive development of employees that big companies cannot, therefore, part of employees are willing to work in small companies.

4.5.2 Human resource management

Many human resource experts think that companies should employ talented employees with high loyalty to prevent brain drain. However, company D does not have advantages the state-owned and foreign companies have or the advantages other industries have in talent employment. Employees' expectations are not always met, and high quality management personnel are not willing to stay in company D for a long time, this is also the reason that caused great staff loss in recent years; meanwhile, company D has no superior advantages in introduction of university graduates majoring in management, and those graduates need at least two to three years' cultivation before being compete for the post.

4.5.3 Organizational commitment

The commitment of organization members to the organization is called Organizational Commitment. American sociologist Becker(1960) is the pioneer researcher in organization commitment, from then on, organization commitment became an important research subject in organizational behavior. At present, there are two main theories in organization commitment, i.e. behavior and altitude. The behavior theory focuses on the recognition of certain behavior of individuals and the study of reasons for a long and steady individual behavior and how the altitude are formed. The altitude theory focuses on the perseverance of individual to the company as well as the idea on contribution the organization's interest. Currently, most researches analyze

from perspective of altitude. Organizational commitment can impact the employee loyalty in three aspects and at different degrees. High sense of identity, moral sense and demission cost may impact the preference, rejection against suggestions and price acceptance, but its impact on thoughts of services is limited. Normative commitment has great impact on continuous commitment, and this indicates the moral factor of employee helps to decrease the possibility of demission.

4.5.4 Psychological contract

“Psychological contract” is from social psychology, and was applied by Argyris in management to indicate the relationship between employees and employer. But Argyris did not give a clear definition. The subsequent researches define the psychological contract as contract without physical form, inner contract or expectation. The inner hidden agreement between individuals and organizations is each other’s expectation on the performance and remuneration. But there are different point of views on the proportion of individual and organization in psychological contract. Guest, Conway, Herriot and Pemberton et al. focused on the original meaning of psychological contract, and held that the psychological contract in a boarder sense is the understanding of obligation and responsibilities of both parties. Rousseau, Robinson and Morrison et al. deemed that the psychological contract is employee's understanding of the responsibilities and obligations of both parties in a narrower sense. Psychological contract is the understanding of and faith in obligations and responsibilities of both parties in an employment relationship. The faith refers to the compliance, recognition and thoughts on the interaction between working (endeavor, ability and loyalty) and reward (reward, promotion and work guarantee etc.), which is not necessarily understood by the organization or its agent.

In conclusion, psychological contract is expectation of the employees and employers on each other in an employment relationship, they hope that the other party can meet their certain expectation and do what they want the other party to do. This kind of contract is based on the written contract made between the organization and individual as well as their relationship, it is invisible and not made public, but plays a significant role in the relationship.

4.5.5 Employee satisfaction

Employee satisfaction refers to the positive evaluation and feelings of the employees on themselves and the working environment during their performance of works. Relevant researches show that the employees having high level of satisfaction are more passionate on the works and always work harder. In fact, the harmony among employees and their satisfaction on other employees will promote their positive attitude on the company and therefore, the employees are more willing to stay in the company; on the contrary, the dissatisfaction among employees and negative attitude on the company will cause resignation. Therefore, the employee satisfaction among employees is an important factor influencing the employee loyalty.

4.6 Social Factors Influencing Employee Loyalty

The economic factor, social guiding idea, better job attraction etc. are social factors. From the perspective of economic environment, despite the change of social economy, including change of company system that causes economic difficulties, the loyal employee never leave. From the perspective of social guiding idea, with the development of the society, the modern employees attach more importance to the career loyalty, which influence employee loyalty to a certain extent. From the perspective of better job attraction, the loyal employees always work actively and carefully despite the attraction of higher salary and better development platform and better prospect from other companies. The details are given below:

4.6.1 Social environment

The social environment influences employee loyalty mainly in the following aspects: society's evaluation criteria of employee is mainly based on their income; the attraction from local rival companies; high expectation on the employee. Currently, the prevalent evaluation criterion on employees in society is unscientific, the employee value is assessed based on their income and social status, which caused the employee's personal development view of pursuing high salary rather than further prospect. In fact, salary is not the most important factor that indicate the ability of a knowledge-based talent, a competent employee always give full play to their own capabilities and professional abilities and work hard to realize the company's profit

firstly, then the society's and finally their own's profits. Therefore, the values not shown through money are the most valuable values. However, the current prominent practice may encourage employees with weak sense of loyalty change their jobs frequently and hence lower their values.

4.6.2 Company competitors

In 1990s, with the introduction of concept of budget hotels and rapid development of domestic economy and tourist, budget hotels developed rapidly and steadily for over a decade continuously, including Jinjiang Inn and Hanting Hotel, they spring up in a short time, and outlets increase markedly. Domestic chain hotels are taking shape, with the development of domestic economy, competition will be increasingly fierce. Chain hotels like Home Inns developed over a thousand outlets.

With the rapid development of budget hotels, employee demand is increasing. On the one hand, the existing hotel talents cannot meet the ever-increasing demand of market. The market lacks hotel talents, especially, experienced senior management personnel with high skill. Hotel talents graduated from domestic professional colleges can only provide basic services and cannot meet needs of the demanding market with high lodger-room ratio, therefore, the gap between rapid developments of chain budget hotels and lacking of hotel talents is formed. This in turn provides favorable condition for employees with rich experience and stable psychological quality and professional quality to change their jobs to seek for a better platform. On the other hand, the competitions among brands and outlets trigger the fierce competition in industry talents and services. There are numerous poaching events among outlets, in the middle of May of 2013, the well-known "Group joining in Green Tree Inn of Home Inn employees" indicated the urgent need of talents of chain hotels, and this actually increased the possibility of employee loss and lowered employee loyalty.

CHAPTER 5 CONCLUSION AND SUGGESTIONS

5.1 Research Conclusion

The list of Fortune Global 500 released by Fortune changes every year, there always are new companies listed while many companies those listed are out-competed. According to IBM's survey, those new list companies always have higher level of company culture. Through the research of loyalty promotion strategies in this paper, brief conclusions can be made as follows:

- (1) Company D has problem in employee loyalty mainly because of: unreasonable salary system, unsound employment mechanism and blocked communication channel;
- (2) Factors influencing employee loyalty of company D include individual factors of employee, company factor and social factor; individual factors include family factor, salary satisfaction and individual development plan etc.; company factors include company environment, HR management, organizational commitment and psychological contract etc. and social factors include social environment and company competitors.
- (3) The employee loyalty improvement strategy of company D shall mainly start from internal and external aspects. From internal aspect, HR management system and inner service quality shall be improved and organizational culture construction shall be enhanced; as for external aspect, company D shall improve market competitiveness and company image.

5.2 Development Strategy and Suggestions

5.2.1 Improve company HR management mechanism

For company D, the primary task is to change the HR management concept and upgrade traditional simple management mode to modern HR management concept to form a HR concept adapt to the modern development, and establish people oriented management philosophy to create knowledge, talent and individuality respecting atmosphere.

As for frequent job-hopping phenomenon in hotel industry, hotels shall implement people oriented management philosophy effectively to make employees feel that the company worth their hardworking. The hotel can increase employees salary and welfare as far as practically possible, this is the basic needs of the employees; provide future development space for employees; establish a fair communication platform between the company and employees; carry out regular salary survey of surrounding hotels to compare, and make corresponding adjustments. In conclusion, the strategies shall make the employees more rely on and loyal to the hotel.

As salary and welfare are important factors influencing the employee loyalty, company D shall reform and perfect the distribution system of the hotel to abandon the traditional equal distribution system and form reasonable salary distribution system. The hotel can properly increase the base pay and year-end bonus to lessen complaints on salary, and give high reward to employees with good performances and creating more social and economic profits. Or, low loyalty still exists despite of general increase of base pay. In addition, company D shall provide more insurance and guarantees to employees including medical insurance, unemployment insurance and housing fund, especially to those front-line employees.

5.2.2 Improve internal service quality

Largely, employee loyalty is greatly influenced by company service quality, only high quality services can attract employees. When an employee chooses to leave a company, he/she always consider the company's service quality most.

Career development is the change process of a person in posts, jobs and occupations, including the change of value, working altitude and motivation. The company's development planning and employees' individual career development planning constitute the employee career development plan. The company can balance between its HR demand and employee career development demand according to employees' career development plan. Therefore, company D can make employee career development plan to improve employee loyalty.

(1) Employee career development plan is the basis for HR development and the bond

between individual career achievement and company development. Therefore, career development planning for employees can stimulate employees' potential and improve their loyalty:① career plan can help them tap their potential. Release of potential need a proper platform to promote the matching of work to individual expectation and the promotion of professional skill, and it is suitable for employees' development and the recognition of employees' hardworking; ② it can help the company to improve the overall quality of employees gradually and make the employees feel sense of belonging;③ it can help to make best use of talents through proper arrangement of posts, so as to show and realize their individual value;④ it can help company selecting talents, making best use of talents and talents cultivation.

(2) Implement employee career development management

Employee occupational development mainly depends on the uniformity of target needs of company and individuals. Therefore, company D manages the working condition of employee and assists employee to plan career. Firstly, it lets employee make self-evaluation on individual characteristic based on test tools and means, then according to the evaluation results, employees recognize and adjust themselves according to their own work environment and reasonably set suitable development plans for their own career. Afterwards, according to the employee's personal plan, company combine development of company planning with it. When the plans of company and employee are almost the same, company can help the employee to map path plan within the company development and give clear indication of experience and ability employees should have before every development. In the actual execution, company shall supervise the work situation of employees, and give the necessary assistance and encouragement to help employee to achieve career development plans. The major steps including: ① Establish human resource document of all employees, and according to the usual performance and talent assessment activities to hold the current all aspects of the situation. Assess the According to the usual performance and talent assessment activities to hold the current all aspects of the situation of employee on each aspect, such as professional technology, management and business

development as the basis of specific training and development plans; ② Stimulate, assist employee to make reasonable planning and set personal development goals and understand employees accordingly; ③ Establish communication between the superior and junior security channel, and carry out longitudinal dialogue to clear the work situation of junior and adjust appropriately and to modify the original plan.

(3) Construct a flexible and multi-channel promotion mechanism

In the average company, there is a small amount of managers. Most people provide service for the customers. If the promotion channel is only limited to “manager”, those who are not likely to be promoted or failed in competition will very likely leave or find another position they think it is suitable for them. Therefore, company must construct multi-channel and reasonable promotion mechanism. Perfect and improve technical grade and administrative level. Dredge the channel between them. As for service staff, the promotion channel about service level can be established to realize a flexible and multi-channel promotion mechanism under the same system.

5.2.3 Perfect the organization culture construction

Company culture is the soul of the hotel that has a profound impact to employees. Actively cultivate the organizational climate of “people-oriented principle”, and pay attention to the development of individual and every aspect of the demand of employees. Put company values and beliefs on the individual values of employees to realize the unity of company and individual value. Give employees the sense of belonging and sense of honor of the hotel and make them not give up easily. The following aspects are about the construction of hotel cultural system: firstly, adhere to the people-oriented principle all along. Company D needs to pay attention to employee and respect, concern, trust key employees to establish interacting security mechanism. Establish relationships for new employees, understand employee by communication in time, and help them. Only hotel do inner pay attention to employees, Adhere to the people-oriented principle, the authorization measures can be effectively carried out. Improve work satisfaction of employee and they will contribute the corresponding responsibility and faith to the hotel and get the sense of

belonging. Secondly, the hotel should adhere to integrity to carry out corresponding responsibility. No matter facing the customer, or cooperation partners, or employees, the integrity should be given to them equally. If employees make some mistakes, company should point out mistakes so that they can be corrected. The performance evaluation should be fair and balanced and give praise and encouragement. Besides, the commitment to employees should be fulfilled in time to make them feel the respect and concern of the hotel so they will work hard and generate the sense of responsibility. In the meantime, when company pursues interests it also should bear corresponding responsibility to realize the social value and create a good image and high reputation. When employees have the sense of honor, they will promote the responsibility for the hotel and combine their own development plan with the hotel goal to realize sharing weal and woe and fully implementing the development.

5.2.4 Training corresponding loyalty

Peter Senge said: “In the future, the outstanding companies can make all classes of employees be committed to their jobs and learn continuously.” Learning is the source of power, one can only adapt to the times through learning and improvement of professional skills. With the competition becoming fierce, no company or organization shall stop learning. In addition, companies shall perform regular training for employees and build a platform for mutual learning. Some companies think employee training as part of welfare while part of them think it is waste of company resources. However, in fact, employ training is a must to improve employee ability and skills and lay a solid foundation for the company’s development, and form harmonious relationship between companies and employees. Only when companies provide platform and environment for employees for learning can employees’ development needs met and loyalty enhance.

Training of employees is critical to the enhancement of loyalty. For example: academic report, seminar, company mobilization meeting, symposium and full member training.

The agreement of thoughts of company and employees includes the company

departments and individuals' suggestion given to the organization. The thoughts of employees in the management department of outlet of a hotel have significant influence on the overall plan of the company. Generally speaking, the higher consistency of suggestions, the better the implementation effect of the company. The final target and object of proposed plan and implementation space play a critical role in effective implementation of plan. As shown from relevant researches, during the discussion of the plan, higher management is likely having different ideas on the recognition of plan. Therefore, company D shall put the loyalty enhancement into the plan, and reach a consensus on planning among different levels.

Even a perfect plan can be affected by the opinions of hotel, customer, supplier and partners. For example, main customers of company D have different ideas on the planning target, or the supplier and partner think there is defect of the plan, and this will cause significant impact to profit of hotel and the cooperation with external stakeholders, therefore, company D need to establish communication bridge to communicate with customers and all the external stakeholders to get real time feedbacks and give positive response.

Management scheme can be a way to help the hotel out from the current status to a planned status, but it is just an assumption. The external conditions of the hotels may change from time to time, and the actual development status may be different from the expected status, therefore, the hotel need to establish an effective information control system to assess whether the management scheme is effective or not. Otherwise, the planned schedule cannot be monitored effectively, thus any problem in the solution cannot be solved timely, and cause the failing of the management scheme finally. In the actual management, every manager will encounter a problem, that is the monitoring and assessment of implementation progress and status of management scheme. Company D can use its powerful information control system to enhance the implementation of control scheme.

Control enhancing also covers the control of employee behavior, i.e. to assess the performance of all the employees through incentive system and management scheme to avoid opportunistic behavior. Establish proper control mechanism combining

employees' demands and plan, and combine the employees' performance assessment and relevant punishment and reward system with the management scheme to give full play to the employees' subjective initiative and performance, and to guarantee the effective implementation of management scheme. Therefore, companies must attach importance to encouraging employees' improvement so as to enhance employees' loyalty.

5.2.5 Improve company's market competitiveness

(1) Company vision

General speaking, the company with good prospect refers to the future development direction and achievements that can be achieved through certain methods and endeavors. Company vision is the impetus and target for company's development, and the absence of vision will impede the development of the company. The vision of company D is to let its consultant has "good sleep everyday", and this goal encourages employees to provide more comprehensive services for the customers. A good vision of the company can not only promote the development of company, but also enhance employees' sense of belonging. More communications with employees are required to let them know the current status and future prospect of the company. The director of Integrity Research Institute under Leon Global Consultant said that: "when employees have faith in company's development vision, they will work harder for the company." The faith in company vision has decisive influence on cohesion improvement and company loyalty. However, the vision must be practical, or it will frustrate the employees, and thus cause talent loss.

(2) Scientific selection and employment mechanism

Employee is the main factor deciding the healthy development of the company, management personnel with high loyalty has deep understanding on this issue. A successful company always wins in talent completion and retaining. A successful recruitment refers to a recruitment of an individual having the same development plan and vision that is willing to make progress with the company. Therefore, strict screening of new employees can ease the problem of low employee loyalty. Company

D has to follow the following rules during new employee recruitment: firstly, ensure true information of applicant. During recruitment, companies shall make clear the company value, post requirement, company status, company vision and characteristics of the post as well as post development space to the applicant. Or, the employee will have less trust on the company if they find any discrepancy, and thus lower employee loyalty. Secondly, to know the life value of the applicant, the employees having positive life value are easier to accept and adapt to the company's life value and company culture. Although the professional skills of employees are of very importance, the life value of employees is more important for the professional skills are acquired and the deposition is congenital. At last, the matching between post and talent shall be ensured to avoid impeding employees' development space and frequent demission. Therefore, the company shall establish standard recruitment structure to find employees with high loyalty.

5.2.6 Improve company image

A good company image can not only enhance company's centripetal force, improve employee loyalty, but also attract excellent talents. Therefore, company D can improve employee loyalty through following ways.

(1) Create just and honest social image

How to establish just and honest overall image of a company? Firstly, to advertise the company through TV, radio, magazine and newspaper etc. to publicize the services it provides, employees' achievement and company prospect etc. to establish a professional, authority and honest company image; secondly, face crises properly. When being faced with crises or event impact the company image, it shall timely handle and disclose the facts rather than hiding; thirdly, actively participate in public serves activities to form a good public image.

(2) Show company leader image

Company D is a hotel in service industry, the positive images of leaders are of great importance, and it can also affect employees' sense of belonging and loyalty. Employees are the executor of leaders' instructions, therefore, the image of leaders decided employees' loyalty. Leaders shall pay attention to its image; in addition,

company leaders shall take the initiative to assume responsibility of the company and increase the length of time employees providing services; thirdly, the company shall improve the working efficiency of employee and management level; fourthly, pay attention to the daily life of employees; fifthly, improve leaders' personality charm, professional quality and character cultivation. The employee loyalty will be improved if such five points are achieved.

(3) Build and maintain company image

For company D, the reputation of company affects the existing employees' attitude to and potential employees' opinion on the company. Brand is the carrier for the company service and product quality, the reputation of brand can affect the development prospect of the company as well as employee loyalty to and faith in the company, and vice versa. The quality of service of employee provide to the customers reflect employees' opinion on the company. Therefore, company D must maintain or re-create company image.

(4) Pay attention to environment image and reputation

As a company in the service industry, the hotel shall also have good environment in addition to service level. Firstly, company D can enhance company image building in architecture design, modeling, decoration, greening and sanitary; secondly, pay attention to company's reputation building, which decides the development of the company for it not only affect the opinion of the public on the company but also the faith of employees in the company. A good reputation of company can help to improve employee loyalty; thirdly, CI strategy can be introduced to enhance cohesion of the company and build a uniform company image.

5.3 Limitations in Research and Future Research Direction

The employee loyalty refers to the relationship between employees and company, currently, many domestic and foreign scholars are researching the factors influencing employee loyalty. Many scholars the management level of HR plays an important role in improvement of employee loyalty. How to exploit employees' potential and creativity, increase employee's working time in the company, and promote employee

loyalty are the main issues considered by company leaders. How to build a perfect HR structure and mode will be a research subject covering more contents and larger scope and having greater influence, and it will be the direction for future research of the author.



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APPENDIX

Please choose one answer for each item according to facts.

1. Your gender ()
A. Male B. Female
2. Your marital status ()
A. Unmarried B. Married
3. Your age ()
A. 20.25 B. 26.30 C. 31.40 D. 41.50 E. Over 51
4. Education received ()
A. Junior college and above B. Bachelor C. Master D. Above doctor
5. Your post in the unit ()
A. General employee B. Grass-root knowledge-based employee C. Moderate knowledge-based employee D. Senior knowledge-based employee
6. Business nature of your current unit()
A. SOE B. D. Enterprise C. Joint venture or overseas-funded enterprise D. Others
7. Working Period in your current unit ()
A. Less than 1 year (inclusive) B. 1~3 years (inclusive) C. 3~5 (inclusive) D. Over 5 years
8. How many companies you have stayed ()
A. 1 B. 2 C. 2.5 D. over 6
9. I will never leave the company no matter what happens (for example, operating problems and no money) ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
10. I will solve the problems the enterprise is facing just as it was mine. ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
11. If I leave this post, I will miss much welfare ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree

12. I'm willing to work overtime for enterprises' development ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
13. I'll have a try to work in another company in similar post. ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
14. I'm here to earn money, and have no obligation in company A. ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
15. I think we should love company A as if it was our family. ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
16. I'm very glad that I chose company A ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
17. I don't think it is a right choice to leave the current post ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
18. Company D provided us with reasonable salary and welfare
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
19. I think is reasonable to compare my salary with my colleges when every condition is seminar ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
20. I have given full play to may value in the current post ()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
21. The salary distribution system of company D is fair()
A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree
22. My engagement in company A is ()

A. 100% B. 80% ~99% C. 70%~79% D. 60%~69% E. Less than 60%

23. Company A provided me with reasonable training opportunities()

A. Very much disagree B. Quite disagree C. Not sure D. Quite agree E. Very much agree

