Examining the Impact of Motivating and Compensating Employees on Customer Satisfaction: A Case Study of Premier Hotel, Ibadan Nigeria

[1]Elizabeth Abiola-Oke, [2]Ajayi, M.O., [3]Epebinu, Olufẹmi

[1]Redeemer's University, Nigeria

[2]Department of Project Management, Federal University of Technology, Akure Ondo State.

[3]Department of Business Administration, Adekunle Ajasin University, Akungba-Akoko

ABSTRACT

This study examines the impact of motivating and compensating employees on customer satisfaction in Premier Hotel, Ibadan, Nigeria. The research focuses on the hospitality industry, particularly hotels, where customer satisfaction plays a crucial role in success. The study utilizes a case study approach, with data collected through structured questionnaires distributed to both staff and customers of Premier Hotel. Primary and secondary data sources are used, and data analysis involves descriptive and statistical methods, including Spearman's Rank Correlation Coefficient. The findings aim to enhance understanding of the relationship between employee motivation, compensation, and customer satisfaction in the hospitality industry, providing insights for hotel management to improve practices and drive business success.

Keywords: Motivation, Compensation, Customer Satisfaction, Hospitality industry

INTRODUCTION

The hospitality industry, including hotels, plays a crucial role in the tourism sector of any country. One key aspect that significantly influences the success of hotels is the level of customer satisfaction. To ensure high customer satisfaction, it is essential to understand the impact of motivating and compensating employees within the context of the Premier Hotel in Ibadan, Nigeria. The hospitality industry thrives on providing exceptional customer service, making customer satisfaction a vital factor in its success. Motivating and compensating employees effectively can significantly impact their performance and customer satisfaction. This study aims to investigate the impact of motivating and compensating employees on customer satisfaction, focusing on a case study of Premier Hotel in Ibadan, Nigeria.

According to Hu et al. (2008), employees in the hospitality industry need to be able to attract new customers by satisfying their sophisticated needs. Motivation is crucial in ensuring employees perform as expected (Baldoni, 2005). It is expedient for hospitality employees to be adequately motivated to enhance customer satisfaction. In this process, team spirit and team culture are also important factors. Knowledge sharing and team culture have been found to have a significant influence on service innovation performance (Hu et al., 2008). Customer satisfaction is an indispensable element in the hospitality industry due to the significant role it plays in the industry's growth. The researcher hence seeks to identify the means of motivating and compensating employees to enhance customer satisfaction.

Employees need to be motivated and compensated to have a positive attitude towards providing better customer service and achieving customer satisfaction, leading to the growth of the hotel (Gold, 2014). This study, therefore, aims to identify the relevance of motivating employees as well as compensating them through rewards, recognition, etc., which will enhance customer satisfaction and contribute to the growth and success of the hospitality industry.

LITERATURE REVIEW

The Hospitality Industry

The hospitality industry plays a vital role in the tourism sector by providing a wide range of services that complement various attractions (Tesone, 2010). The term "hospitality" originated from the old French word "hospice," which refers to providing care and shelter for travellers (Walker, 1996). Within the hospitality industry, hotels hold significant importance (Gold, 2014), offering accommodations and services such as suites, dining, banquet facilities, lounges, and entertainment (Sheela, 2007).Hotels primarily aim to generate profit by providing lodging, food, and beverage services to travelers (Dorrin & Sasan, 2011). While traditional hotels typically offer rooms, banquets, and restaurants, additional services like telephone calls, laundry, travel assistance, internet access, and recreational activities contribute to their revenue. Hotels are categorized based on specific criteria, such as the number of letting bedrooms and attached private bathroom and toilet facilities. Star ratings are commonly used to classify hotels, with five-star, four-star, three-star, two-star, and one-star categories denoting varying levels of luxury, amenities, and services (Businessdictionary.com, 2015; Okilo, 1995).Hotels can also be classified based on factors or characteristics such as function (e.g., meetings and conventions), location (e.g., city centers), price (budget or luxury), market segment (e.g., leisure travelers), hotel size (number of rooms), staff-to-room ratio, design (exterior/interior features), rating (e.g., 5-star hotels), and distinctiveness of the property (e.g., all-suite hotels) (Adese, 2011). Understanding these classifications and factors is crucial for both hoteliers and guests to assess the offerings and quality of hotels within the industry.

Employee Motivation and Customer Satisfaction

Numerous studies have established a positive relationship between employee motivation and customer satisfaction. For instance, Wang and Niu (2019) found that motivated employees exhibit higher engagement and proactive behaviour, resulting in improved customer service and higher customer satisfaction. Adeniran and Oloyede (2018) researched the Nigerian hospitality industry and observed that motivated employees provide personalized and attentive service, increasing customer satisfaction. One way management can improve performance, motivate employees, and increase job satisfaction is through compensation (Mathis & Jackson, 2000). Compensation refers to the financial returns and tangible benefits employees receive in their employment relationship (Bernadin, 2007). It can be divided into two parts: cash compensation and fringe compensation. Cash compensation includes base pay and pay contingents on performance, such as merit increases and bonuses (Bernadin, 2007). Fringe compensation refers to employee benefit programs, including legally required benefits like social security and discretionary benefits like health benefits and tuition reimbursement (Cascio et al., 2007).

The importance of compensation is evident in fulfilling employees' financial and non-financial needs. Financial compensation helps employees fulfil their physiological needs, while non-financial compensation is crucial for career development (Simamora, 2004). Research by Yukl and Latham (1975), Latham and Pursell (1976), and Yukl et al. (1972) cited in Wexley and Yukl (1988) suggests that incentive wages/salaries do not consistently affect employee performance. However, according to Prawiro Sentono (1999), performance tends to improve when employees are paid according to agreements. It is worth noting that employee compensation and benefits are not standalone concepts. Studies have shown that salaries and benefits are closely related to job satisfaction, which, in turn, affects employee motivation, job performance, organizational commitment, and customer satisfaction (St. Lifer, 1994; Odunlade, 2012).

In summary, compensation plays a vital role in improving performance, motivating employees, and enhancing job satisfaction. It encompasses both financial and non-financial rewards and benefits. Understanding the relationship between compensation, job satisfaction, and motivation is crucial for organizations aiming to foster employee engagement and overall success.

Compensation Strategies and Customer Satisfaction

Compensation strategies play a critical role in motivating employees, which in turn influences customer satisfaction. Several studies have highlighted the significance of fair and competitive compensation in enhancing employee job satisfaction, organizational commitment, and ultimately, customer satisfaction. Ongori and Agolla (2008) conducted a study emphasizing the importance of compensation in enhancing employee job satisfaction, organizational commitment, and customer satisfaction. They found that when employees perceive their compensation to be fair and competitive, they are more likely to be satisfied with their jobs, demonstrate more significant commitment to their organization, and consequently provide better service to customers.

In the Nigerian context, Adeyeye and Aremu (2020) stressed the need for appropriate compensation structures to motivate employees, improve service quality, and enhance customer satisfaction. Their research highlighted that employee who are fairly compensated tend to be more motivated, leading to better service delivery and increased customer satisfaction. Furthermore, research consistently demonstrates a positive relationship between employee motivation and customer satisfaction. Wang and Niu (2019) found that motivated employees are more likely to exhibit higher levels of engagement, commitment, and proactive behaviour, all of which contribute to improved customer service and ultimately result in higher customer satisfaction. Another study conducted by Adeniran and Oloyede (2018) specifically examined the Nigerian hospitality industry and its relation to employee motivation and customer satisfaction. The researchers discovered that motivated employees in this industry were more inclined to provide personalised and attentive service to customers, significantly increasing customer satisfaction.

These studies collectively highlight the importance of implementing effective compensation strategies to motivate employees, enhance their job satisfaction and commitment, and improve customer satisfaction. By providing fair and competitive compensation, organisations can create a work environment that fosters employee motivation, leading to better customer service and, ultimately, higher customer satisfaction.

Relationship Between Employees' Motivation and Customer's Satisfaction

Numerous empirical studies prove a strong positive relationship between employee and customer satisfaction (Band, 1988; George, 1990; Schneider et al., 1998). These studies consistently demonstrate that positive employee attitude changes lead to corresponding customer satisfaction improvements. For example, a study conducted at Sears Roebuck & Co. found that a five-point increase in employee attitudes resulted in a 1.3-point rise in customer satisfaction, which subsequently led to a 0.5 increase in revenues (Caterina, 2005).

In a comprehensive examination of the impact of customer and employee variables on financial success, Brooks (2000) revealed that, depending on the market segment and industry, the relationship between employee attitudes and customer-related factors accounted for between 40 and 80 per cent of customer satisfaction and customer loyalty. Additionally, Vilares and Cohelo (2000) discovered that perceived employee satisfaction, loyalty, and commitment significantly influenced perceived product quality and service quality.

Motivation and compensation in the Hospitality Industry

Motivation and compensation are critical factors in the hospitality industry, influencing employee performance, job satisfaction, and ultimately, customer satisfaction. Motivated and well-compensated employees are more likely to deliver exceptional service, leading to enhanced guest experiences and repeat business (Ahmad et al., 2017).Motivation plays a key role in driving employee engagement and productivity in the hospitality industry. According to Lashley and Barron (2018), motivated employees exhibit higher

levels of job satisfaction, commitment, and a willingness to go the extra mile in delivering exceptional service. Motivation can be fostered through various strategies, including recognition and rewards, career development opportunities, positive work environments, and effective leadership (Kim et al., 2019).

Compensation is another crucial aspect in the hospitality industry that impacts employee motivation and satisfaction. Adequate compensation, including competitive wages, benefits, and incentives, is a powerful tool to attract and retain talented employees (Rahman et al., 2020). Fair and transparent compensation practices contribute to a sense of equity and job satisfaction among employees, promoting loyalty and reducing turnover rates (Woods et al., 2021).Ahmad et al. (2017) examined the relationship between motivation, compensation, and employee performance in the hospitality industry. The findings highlighted the positive impact of motivational factors such as recognition, career development, and work-life balance on employee performance. Similarly, a study by Rahman et al. (2020) explored the influence of compensation on job satisfaction among hotel employees, emphasising the importance of fair and competitive compensation packages in enhancing employee morale and commitment.

Motivation and compensation play crucial roles in the hospitality industry, affecting employee performance, job satisfaction, and customer satisfaction. Motivated and well-compensated employees are more likely to provide exceptional service, leading to enhanced guest experiences and the success of hospitality establishments.

Case Study: Premier Hotel, Ibadan, Nigeria

Premier Hotel in Ibadan, Nigeria, provides a unique setting to investigate the impact of motivating and compensating employees on customer satisfaction within the specific cultural and operational context. By conducting a detailed case study of Premier Hotel, researchers can examine its motivational factors and compensation practices and evaluate their influence on employee performance and subsequent customer satisfaction. Premier Hotel is located on top of Mokola Hill, Ibadan. It is one of the oldest and the best hotels in West Africa. It is jointly owned by the Odua States, namely Ekiti, Oyo, Ondo, Ogun, and Osun states. Premier Hotel Ibadan has the best facilities for customers' enjoyment, with 87 bedrooms of, 80 Double Rooms, 6 Executive, and 1 Luxury Suite. It also has a standard swimming pool, making it a tourist center for guests.

Premier Hotel, a Odua's Investment Company Limited subsidiary, was incorporated in 1966 as a resort, amusement, pleasure, and relaxation center. The Mokola Hill site gives it a unique feature of a "night watch lantern" welcoming you into a haven built on the "roof" of the ancient city. With over three decades in the Hotel business, Premier Hotel has used its vast experience and understanding of what today's hotel business is all about to ensure customer satisfaction which has made it to remain the Hospitality king. (Odu'a, 2014)

HYPOTHESES

The following are the hypotheses tested:

Ho: There is no significant relationship between employees' motivation and customer satisfaction

H1: There is a significant relationship between employees' motivation and customer satisfaction

Ho: There is no significant relationship between the compensation of employees and customer satisfaction

H1: There is a significant relationship between the compensation of employees and customer satisfaction

METHODOLOGY

In a study conducted at Premier Hotel in Ibadan, Nigeria, the researchers employed a case study approach

to explore the relationship between employee motivation and compensation and customer satisfaction (Author1, Year). The target population consisted of the hotel's employees, and a purposive sampling technique was used to select participants (Author1, Year). To collect data, a structured questionnaire was designed and distributed to both the staff and customers of the hotel. The sample size comprised 100 respondents, with 50 being hotel staff and 50 being hotel customers. The study incorporated both primaryand secondary data sources. Primary data was gathered through the administration of questionnaires, while secondary data included articles from newspapers, magazines, academic journals in the tourism and hospitality field, and relevant textbooks.

The questionnaires were carefully constructed to gather information aligned with the research objectives. Two separate questionnaires were created, one for the hotel staff and another for the customers. The staff questionnaire consisted of two sections (A and B), capturing personal information in section A and employing a Likert-type scale in section B to measure agreement with various items. The Likert scale ranged from "strongly agree" to "strongly disagree." The customer questionnaire comprised three sections (A, B, and C), collecting personal data in section A, featuring a combination of open-ended and closed-ended questions in section B, and utilizing a Likert scale with response options of "strongly agree," "agree," "disagree," and "strongly disagree" in section C. Data analysis involved descriptive and statistical methods. Descriptive analysis included the use of tables, while statistical analysis employed Spearman's Rank Correlation Coefficient. This statistical method was employed to assess the degree of statistical confidence between the variables and was particularly relevant for hypotheses 1 and 2. As the data were measured on an ordinal scale with four ordered ranks, the use of the Spearman's Rank Correlation Coefficient was appropriate.

FINDINGS

Fifty (50) questionnaires were distributed to employees of Premier Hotel out of which forty-six (46) were completed and retrieved, while fifty (50) questionnaires were distributed to the external stakeholders of the Premier Hotel such as customers out of which forty-three (43) were returned and used for data Analysis.

Table 1 Socio-economic characteristics of sampled employees

Variable	Frequency
Gender	
Male	12
Female	34
Age	
Below 20	3
21-40	16
41-60	17
60 and above	10
Nationality	
Nigeria	40
Non Nigerian	6
Employment status	
Full time	29

Part time	10
Contract	7
Designation	
Junior Staff	9
Senior Staff	26
Management Staff	11
Monthly income distribution	
below 20,000	18
21,000-40,000	6
41,000-60,000	8
61,000- 80,000	3
81,000 and above	11
Educational qualification	
SSCE	13
HND	5
B.sc	19
MBA/M.sc	9

Table 1summarises the socio-economic characteristics of the sampled employees. It provides information on various variables such as gender, age, nationality, employment status, designation, monthly income distribution, and educational qualification. Among the sampled employees, 12 are male, while 34 are female. The age distribution shows that 3 employees are below 20, 16 fall in the age range of 21-40, 17 are between 41-60, and 10 are 60 years old and above. The majority of the employees (40) are Nigerian, while a smaller number (6) are non-Nigerian. The employees' employment status reveals that 29 are working full-time, 10 are part-time employees, and 7 are on a contract basis. The designation breakdown shows that 9 employees are in junior staff positions, 26 hold senior staff roles, and 11 are part of the management staff.

The distribution of monthly income indicates that 18 employees earn below 20,000, 6 fall within the 21,000-40,000 range, 8 earn between 41,000-60,000, 3 earn between 61,000-80,000, and 11 earn 81,000 and above. The employees' educational qualifications are distributed as follows: 13 hold SSCE qualifications, 5 have HND degrees, 19 possess B.Sc degrees, and 9 have MBA/M.Sc degrees. Overall, the table provides an overview of the socio-economic characteristics of the sampled employees, offering insights into their gender distribution, age range, nationality, employment status, job designation, income distribution, and educational background.

Table 2   Descriptive Analysis of employees' responses

Variable	SD	D	UD	A	SA
My performance may be negatively affected when there are no periodic training	0	2	9	25	10
When I get other benefits apart from salary it increases my performance	2	20	10	4	0
I will work more when both incentives and salaries are increased	17	25	3	1	0
If I am well motivated, I don't mind working all my life in this hotel until retirement	0	0	2	26	18

When I am not motivated, I perform less than my ability	0	2	5	14	25
Motivation does not influence my attitude to work	12	14	5	5	10
The higher the level of motivation, the higher the level of my performance	0	1	0	19	26
I like working because I love the nature of my job and the work environment.	6	0	0	19	21
I work because I want the money and other incentives attached	0	0	0	6	40
When you motivate me, I usually perform higher than expected.	2	2	2	25	15
I do not mind spending extra time at work when I am being motivated.	2	0	0	4	40
I hate being forced to spend extra time even if my overtime allowance is doubled	10	2	5	14	15
I am constantly appreciated by my boss when I do a good work.	0	2	4	24	16
I come to work because I am motivated	6	20	15	3	1
I come to work because I am compensated	0	0	0	5	41
I get compensated when I work longer hours	5	20	5	4	12
I work longer hours because I am compensated for it	0	4	5	12	23

Table 2 represents the results of a descriptive analysis conducted on employees' responses regarding various factors related to their performance, motivation, and attitude towards work. The responses are classified into five levels of agreement: Strongly Disagree (SD), Disagree (D), Undecided (UD), Agree (A), and Strongly Agree (SA). The table provides insights into the employees' perceptions and attitudes towards performance, motivation, and work-related factors. The number of responses in each category indicates the degree of agreement or disagreement among the employees.

The table continues with additional statements regarding motivation, performance, and compensation, along with corresponding response frequencies. These responses provide insights into the employees' perspectives on motivation, performance, and compensation. For instance, employees generally agree that periodic training positively impacts their performance and that motivation plays a significant role in their level of effort and performance. Additionally, there are indications that some employees are more motivated by non-monetary benefits, while financial incentives drive others. The responses also suggest that appreciation and compensation for longer working hours can influence employee motivation and performance. Overall, this descriptive analysis provides a snapshot of the employees' attitudes and perceptions concerning motivation, performance, and compensation within the context of the study.

Table 3 Socio-economic Analysis of Customers of Premier Hotel

Variable	Frequency
Gender	
Male	25
Female	18
Age	
Below 20	4
21-40	21
41-60	15
60 and above	3
Nationality	
Nigeria	41
Non Nigerian	2
Marital status	

Single	18
Married	21
Divorce	4
Designation	
SSCE	21
BSc.	8
HND	14

Table 3 provides a socio-economic analysis of the customers of Premier Hotel. It presents the frequency of customers based on various variables. This table provides insights into the socio-economic characteristics of the customers of Premier Hotel. It includes information about the gender distribution, age range, nationality, marital status, and educational qualification of the hotel's customers. These details can help in understanding the customer demographics and preferences, which can be valuable for market analysis and customer service improvements.

Table 4 Descriptive analysis of customers' responses

Variable	SD	D	UD	A	SA
The customer service rendered by the hotel employees here is satisfactory	0	3	12	20	8
I am in continued patronage because of the excellent services offered by the hotel employees	0	0	10	13	20
I have experienced dissatisfaction due to employees mean attitude	15	19	6	3	0
My discontinued patronage is as a result of poor customers service rendered by employees	0	3	2	23	15
I come to this hotel in search of better customer service	0	0	0	10	33
When I am satisfied with the customer service, I compensate employees	0	5	5	11	25
I am displeased by the hotel employees' attitude towards work	4	18	2	9	10

Table 4 presents the results of a descriptive analysis of customers' responses regarding their experiences and perceptions of the hotel's customer service. The responses are categorized into five levels: Strongly Disagree (SD), Disagree (D), Undecided (UD), Agree (A), and Strongly Agree (SA).

The table continues with additional statements regarding customer service satisfaction, employee attitudes, and corresponding response frequencies. These responses provide insights into the customers' perceptions and experiences with the hotel's customer service. For example, some customers find the customer service satisfactory and express their continued patronage due to excellent services. However, there are also instances of dissatisfaction, particularly when customers experience employees' mean attitudes or encounter poor customer service. Additionally, some customers specifically choose the hotel in search of better customer service. Overall, this descriptive analysis provides a snapshot of the customers' opinions and experiences regarding the hotel's customer service. These findings can help identify areas of improvement and inform strategies to enhance customer satisfaction and loyalty.

TEST OF HYPOTHESES

The test of hypothesis was carried out using the formula:

$$X^2 = \sum (o - e)^2$$

E

Df = Degree of Freedom = (R – 1) (C – 1)

$$= (5 - 1)(2 - 1)$$

$$= (4)(1)$$

$$= 4$$

Where:

X2 = Chi – Square

O = Observed Frequency

Df = Degree of Freedom

H0 = Null Hypothesis

H1 = Alternative Hypothesis

R = Rows

C = Columns

HYPOTHESIS I

Ho: There is no significant relationship between employees' motivation and customer satisfaction

H1: There is significant relationship between employees' motivation and customer satisfaction

Table 5 Relationship between Employee Motivation and Customer Satisfaction

	Observed (O)	Expected (E)	Residual (O – E)	$(O - E)^2$	$X^2 = \dfrac{(O - E)^2}{E}$
SA	25	8	17	289	36.125
A	11	8	3	9	1.12
U	5	8	-3	9	1.12
D	5	8	-3	9	1.12
SD	0	8	-8	64	8
TOTAL	43	40			**47.485**

Df = Degree of Freedom = (R – 1) (C – 1)

$$= (5 - 1)(2 - 1)$$

$$= (4)(1)$$

$$= 4$$

Table 5 presents observed (O) and expected (E) values for different views (SA, A, U, D, SD) related to employees' motivation and customer satisfaction. It also includes the residual (O – E), squared residual (O – E)^2, and the sum of squared residuals (X2 = (O – E)^2). The expected total value is 40.The degree of freedom (Df) is calculated based on the number of rows (R) and columns (C) in the table. In this case, with 5 rows and 2 columns, the Df is 4. The Df value is important for determining the critical values in statistical tests.

Based on the analysis conducted, the calculated chi-square value exceeds the theoretical value of 9.488 at a 95% level of significance, indicating a significant relationship between employees' motivation and customer satisfaction. This supports the acceptance of the alternative hypothesis (H1) and the rejection of the null hypothesis (Ho). The findings align with previous research in the hospitality industry, where studies by Hinkin and Tracey (2000), Kim et al. (2019), and Lashley and Morrison (2000) have also demonstrated a positive and significant relationship between employee motivation and customer satisfaction. These studies highlight the importance of motivated employees in enhancing customer satisfaction within the hotel context and the broader hospitality sector.

HYPOTHESIS II

Ho: There is no significant relationship between compensation of employees and customer satisfaction

H1: There is significant relationship between compensation of employees and customer satisfaction

Table 6 Relationship between Employee Compensation and Customer Satisfaction

VIEWS	Observed (O)	Expected (E)	Residual (O – E)	$(O – E)^2$	$X^2 = \dfrac{(O – E)^2}{E}$
SA	33	8	25	225	28.125
A	10	8	2	4	0.5
U	–	8	-8	64	8
D	–	8	-8	64	8
SD	–	8	-8	64	8
TOTAL	43				52.625

X2 (Chi-Square) = 200

Df =   Degree of Freedom = (R – 1) (C – 1)

R =   Rows

C =   Columns

Df =   Degree of Freedom   = (R – 1) (C – 1)

$$= (5 – 1)(2 – 1)$$

$$= (4)(1)$$

$$= 4$$

Table 6 presents observed (O) and expected (E) values for different views (SA, A, U, D, SD) related to compensation of employees and customer satisfaction. It also includes the residual (O – E), squared residual (O – E)^2, and the sum of squared residuals (X2 = (O – E)^2). The expected total value is not provided, so we cannot determine the expected values for each category.

Degree of Freedom (Df):

The degree of freedom (Df) is calculated based on the number of rows (R) and columns (C) in the table. In this case, with 5 rows and 2 columns, the Df is 4. The Df value is important for determining the critical values in statistical tests.

Interpretation:

The calculated chi-square value is given as 200. The theoretical value for the degree of freedom of 4 at a 95% level of significance is stated as 9.488.The analysis reveals that the calculated chi-square value of 200 exceeds the theoretical value of 9.488, indicating a significant relationship between employee compensation and customer satisfaction. Therefore, the alternative hypothesis (H1) is accepted, signifying a significant association between employee compensation and customer satisfaction, while the null hypothesis (Ho) is rejected. These findings align with previous research in the field. Gazioglu and Tansel (2002) found a significant positive relationship between employee compensation and customer satisfaction in the hotel industry. Similarly, Muthuri and Gilbert (2016) observed that better compensation was linked to higher customer satisfaction and service quality in the hospitality sector. Woods et al. (2021) conducted a study in the hospitality industry and identified a positive relationship between employee compensation and customer satisfaction. Collectively, these studies provide support for the presence of a significant relationship between employee compensation and customer satisfaction in the context of the hospitality industry.

DISCUSSION OF FINDINGS

Further research conducted by the author examined the role of incentives in enhancing worker productivity, revealing that a well-planned and effectively implemented incentive scheme within an organization can significantly increase productivity levels. This finding was fully supported by all respondents in the study. However, the research also identified various challenges specific to the administration of incentive schemes for workers and proposed corrective measures. Additionally, the study highlighted the preference of workers to be compensated based on individual effort rather than as a group. This suggests the importance of aligning incentives with individual performance to maximize their motivational impact.

To design an effective incentive scheme, management must consider several factors. These include the state of economic development of the country, the organization's corporate objectives and goals, the working conditions of employees, the degree of government intervention in labor matters, the availability of incentive schemes in other organizations, and the administration of incentives in those organizations. Furthermore, the study emphasizes that increased productivity is a crucial determinant of national welfare. Nations that achieve high levels of productivity often enjoy significant benefits as a result. This study's findings contribute to the understanding of the importance of well-designed incentive schemes in enhancing productivity and the welfare of both organizations and nations.

CONCLUSION

This study contributes to the understanding of the impact of motivating and compensating employees on customer satisfaction, specifically within the context of Premier Hotel in Ibadan, Nigeria. By focusing on the case of Premier Hotel, valuable insights can be gained regarding effective strategies to enhance employee motivation, optimize compensation structures, and ultimately improve customer satisfaction. The findings of this study will have practical implications for Premier Hotel and can serve as a guide for

implementing best practices in the Nigerian hospitality industry. Research findings and experiences have consistently demonstrated that workers' productivity increases when their interests and morale are enhanced. Motivation, which serves as an incentive and encouragement for employees to achieve maximum output, plays a crucial role in determining their productivity levels. Therefore, addressing workers' motivation is closely linked to training, participation, and overall productivity within organizations. Given the complex nature of organizational challenges, industrial sociologists, psychologists, and professionals involved in resolving these issues have recognized the significance of addressing motivation in contemporary manufacturing organizations. Providing the appropriate incentives and creating a conducive environment are essential factors for organizations tounlock their full potential.

In summary, this study emphasizes the importance of motivating and compensating employees in improving customer satisfaction. It highlights the need to address workers' motivation, training, and participation as integral components of enhancing productivity within organizations. By implementing effective incentive schemes and fostering a supportive environment, organizations can unleash their full potential and achieve higher levels of success.

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