

REWARD SYSTEMS AND CULTURAL CHANGE IN THE HOSPITALITY INDUSTRY: AN ORGANIZATIONAL APPROACH

Christos Kakaroukas

University of the Aegean

Department of Tourism Economics and Management

Ioannis Ntzoufras

Athens University of Economics and Business

Department of Statistics

The purpose of this paper is to create prototype models capable of measuring and depicting the impact of reward systems on specific elements that support a process of organizational culture change (organizational systems, internal mechanisms and structures, supportive management role and organizational commitment to specific goals) in the hospitality industry. The literature review led to the creation of a prototype questionnaire, which was used to collect data from a random and proportionally stratified, representative sample of 207 general managers or human resources managers of Greek luxury hotels. For the analysis of the collected data, Exploratory and Confirmatory Factor Analysis was used. The above led to the creation and validation of a second-order latent variable model as well as two latent constructs, that allowed the scientifically novel modelling of the impact of reward systems on several change-supportive elements in processes of changing a hotel's organizational culture.

Keywords: *organizational culture; change; reward systems; luxury hotels, Greece*

INTRODUCTION

The recent economic adjustment of Greece (Cohen and Karatzimas, 2018) in conjunction with the immigration crisis (Ivanov and Stavrinoudis, 2018) have forced Greek enterprises to change their organizational strategies to survive (Guduraš, 2014). Denning (2016) argued that a successful organizational change, must focus on the organizational culture that includes among others, the behavior, and attitudes of the employees. The study of Hall-Ellis (2014) and Stavrinoudis and Kakarougkas (2019), led to the conclusion that the success of a cultural change initiative is based upon the enhancement that the reward system of an organization will offer to a series of change-supportive elements, such as: organizational systems, internal mechanisms and structures, supportive management role and organizational commitment to specific goals.

The purpose of this manuscript is to explore, measure and depict the effect of reward systems on the abovementioned supportive elements to an organizational culture change effort, by using structural equation models. This purpose will be achieved through three separate research objectives in the form of three complex research hypotheses (Payne and Payne, 2004), which will investigate the opinions of general managers and human resources managers of Greek five-star hotels. The purpose and the main research objectives will cover a knowledge gap (Miles, 2017) and will practically support the hospitality sector. Starting with the knowledge gap, only a few surveys globally have been carried out combining organizational culture and reward systems in various fields (Lei et al., 1990; Nacinovic et al., 2009; Nill and Schibrowsky, 2005) while no research has been identified which, is specialized in the impact of reward systems on the specific change-supportive elements of a cultural change processes in the hospitality industry. Continuing with the practical support of the hospitality sector, the above-mentioned research objectives serve the needs of the modern economy, which is strongly supported by the hospitality industry (Varelas and Apostolopoulos, 2020).

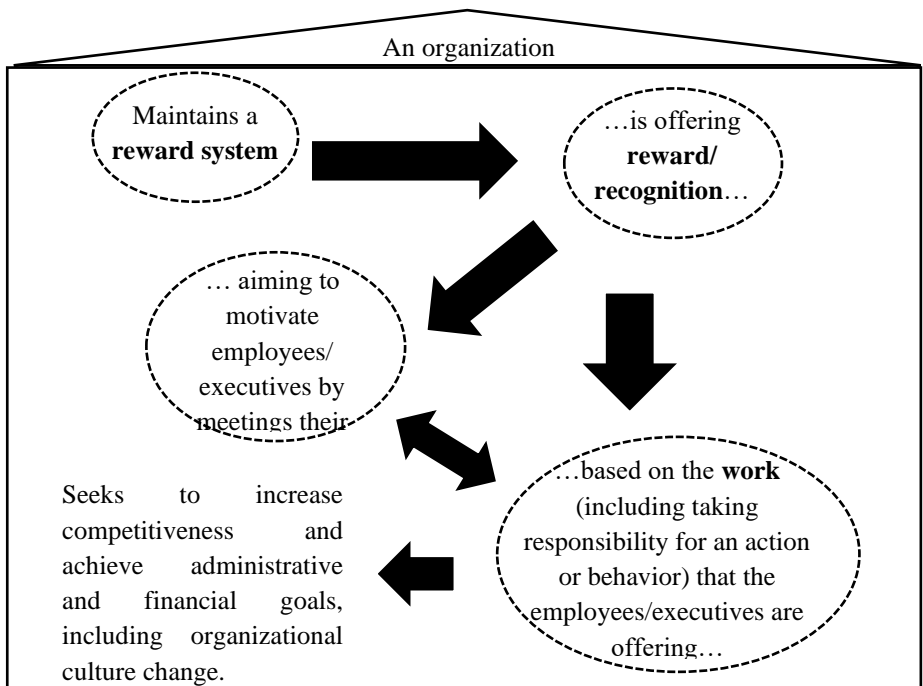
LITERATURE REVIEW

The role of reward systems in organizational culture changing processes



The study of the theories of Cameron and Quinn (2011) and Deal and Kennedy (2000) led to the conclusion that the culture of an organization is determined by specific groups of elements like: the organizational systems, internal mechanisms and structures, the management, and the organizational commitment to specific goals. Following that culture change can be triggered naturally and inevitably by changes in the internal and the external environment of an organization and can be expressed, studied, and applied in three levels: individual, group and organizational (Stavrinoudis and Kakaroungkas, 2017).

Figure 1: Delineation of an organizational rewards system



Note: Edited by the authors, based on Idemobi et al. (2017) and Moriarty (2014).

On the other hand, a reward system (Figure 1) can be defined as the arrangements, in the form of practices, structures, subsystems and processes, that are providing and maintaining appropriate types and levels of remuneration, allowances and other forms of reward for employees in return for the work they provide to the organization, aiming to achieve organizational goals (Armstrong, 2002).

Based on the above summary analysis, it is concluded that a reward system is part of the culture of an organization, which is formulated through organizational culture change processes. At the same time, the role of reward systems in any process of changing organizational culture is to motivate the employees of an organization to work in such a way that will enhance the transition of organizational culture from the old to its new desired form (Milkovich et al., 2011).

Research hypotheses formulation

Several authors and researchers (Arnold, 2010; Kotter, 2012) argue that an “organization's systems, internal mechanisms and structures” are important elements in supporting every effort to change its culture. Further investigation and content analysis of other research has led to the identification of six variables/elements which, in the context of a reward system, are considered particularly important in strengthening the organization's systems, internal mechanisms and structures in the processes of changing its organizational culture. These variables are Job design/characteristics (Oludeyi and Aborisade, 2018), Connection of success with specific reward, Connection of every work with the success of the hotel, Recognition meritocracy (Brown, 2014a; Hall-Ellis, 2014), Fair reward distribution (Steel and König, 2006) and Flexible working hours (Rose, 2014). Leading to the following complex research hypothesis.

H1: In the context of a reward system, the enhancement of organizational systems, internal mechanisms and structures that support a process of organizational culture change is positively correlated, with six separate variables.

Several authors and researchers argue that the management of each organization plays a key role in the success of organizational culture change processes (Arnold, 2010; Kotter, 2012). Based on this finding, further analysis of the content of other research was carried out, which led to the identification of seven variables/elements, which in the context of a reward system are considered particularly important in enhancing the supportive role of management in a process of changing organizational

culture. These variables are: The competition between the hotels and the Clarification of the desired work and behavior from the management (Armstrong et al., 2011; Brown, 2014a), The need for exercising power over the others (Woods, 2016), Reward development according to the hierarchy (Lima and Telhado Pereira, 2003). A specific way of promoting the employees (Schlechter et al., 2015), The daily training and guidance from the department head and the daily recognition from the department head (Rose, 2014). The above led to the expression of the second complex research hypothesis.

H2: In the context of a reward system, the enhancement of a supportive management role towards a process of organizational culture change is positively correlated with seven separate variables.

Researchers like Marks and Mirvis (2011) and Newman (2012) argue that the commitment to specific goals plays a key role in the success of organizational culture change processes. Based on this finding, six variables have been identified through the content analysis of previous published surveys, which, in the context of a reward system, are considered particularly important in enhancing commitment to specific goals in a process of changing organizational culture. These variables are: The need for completing a work and The need for short term/immediate results (Rasskazova et al., 2016), The objective assessment, The existence of clear and specific criteria of success, The setting of specific targets by the management (Brown, 2014a; Hall-Ellis, 2014) and The support of a unified and specified target by the reward (Datta, 2012). Leading to the third complex research hypothesis.

H3: In the context of a reward system, the enhancement of commitment to specific goals, supporting a process of organizational culture change, is positively correlated with six separate variables

METHODOLOGY AND RESULTS

Survey instrument

The literature review epigrammatically presented theoretical findings that have emerged through extensive content analysis of previous research and are related to organizational culture and its different directions of

change as well as the linking of human motivation theories within an organization with the elements that constitute a reward system. These theoretical findings through a deductive process led to the creation of a prototype questionnaire, which was tested through a pilot survey for item content validity (Hinkin, 1998). The comments of the participants in the pilot survey led to the final number and the rephrasing of the questionnaire items aimed to achieve a greater degree of clarity and ease of completion. These improvements eventually led to a new questionnaire used to collect the primary data of this survey. The questionnaire was consisted of four sections, one section was specialized in demographic data collection (five questions), while the other three sections were specialized in investigating the three hypotheses. Analytically, each section of the questionnaire asked the participants to declare their degree of agreement or disagreement on the following three positively expressed sentences: a) In the context of a reward system, the following elements reinforce the mechanisms that support organizational culture change (6 items- see the variables of H1 presented in the “Research hypotheses formulation” section), b) In the context of a reward system the following elements reinforce the role of management in a process of changing organizational culture (7 items- see the variables of H2 presented in the “Research hypotheses formulation” section) and c) In the context of a reward system, the following elements reinforce the commitment to specific goals in a process of organizational culture change (6 items- see the variables of H3 presented in the “Research hypotheses formulation” section).

The sum of the nineteen items of the three main sections of the questionnaire were expressed in the form of five-point Likert scales, to generate enough variance among the responses of the hotels’ executives for the subsequent statistical data analysis (Laerd Statistics, 2015). At this point it is important to note that the questionnaire scales were formulated by the researchers and tested in the context of the abovementioned pilot survey

Sample and data collection

The researchers decided to contact five-star hotels for the sampling and data collection needs of this research. This decision was based on the one hand on the actual risk of failure to collect high-quality data due to the general characteristics of the Greek hotel sector: large number of small family enterprises with dispersion throughout the Greek territory, seasonal operation, unstructured corporate form, and employment of employees with low qualifications and specialization (Papadopoulos and Lyddon, 2020). On the other hand, the above decision was based on the fact that the hotels of the five stars category, due to their particular characteristics (clientele of high standards and high-quality services) maintain a relatively structured corporate/organizational form even in the case of small/family managed properties, while for the same reasons they usually employ highly skilled

and trained executives (Jha and Nair, 2008; Watson, 2008). The above characteristics of the five-star hotels are likely to reduce the risk of high denial/avoidance rates of the questionnaire and the risk of low-quality data collection due to non-understanding of the research subject and the associated terminology.

Following the above, the field research, utilizing a personalized Google form between 01/05/2017 and 01/11/2017, focused on the collection of data from the entire population of the general managers or alternatively of the human resources managers of the 444 Greek five-star hotels (Hellenic Statistical Authority, 2016). A random and proportionally layered sample of 207 valid questionnaires (confidence level 95%, margin of error 5% and response distribution 50%) was collected based on the area, the type of hotel and the number of rooms (Levy and Lemeshow, 2013).

Data analysis

The exploratory factor analysis using the statistical software SPSS 23 was carried out in two stages that followed the principal component extraction method and relied on the varimax rotation for the extraction of factors. In the first stage, it was confirmed that the data collected from the field survey covered the requirements of this method. More specifically, the existence of a linear correlation between all variables was confirmed via the correlation matrix and the Kaiser-Meyer-Olkin index (KMO) per variable. Additionally, the sampling adequacy was confirmed by the Kaiser-Meyer-Olkin general index and the Bartlett's test of sphericity. In the second stage a small number of factors were extracted for further analysis. Their selection was based on the following criteria: the scree plot test, the percentage of variance explained criterion and the interpretability criterion (Laerd Statistics, 2015; Osborne, 2014). The above methodology is considered the most appropriate for the investigation of relevant topics in the modern hospitality industry (Lee and Cheng, 2018; Wu and Liang, 2009) since, through the reduction and grouping of a larger set of observed variables, it manages to reveal a multitude of latent variables that cause the observed variables to correlate with each other. The above leads to the creation of a new model or a new data structure (Laerd Statistics, 2015; Osborne, 2014), which will be confirmed through the confirmatory factor analysis.

The confirmatory factor analysis was carried out using the statistical software AMOS 21 and relied on the maximum likelihood method of estimation, which is the most suitable from various researchers specializing in the hotel and tourism industry (Arbelo et al., 2018; Chen and Chen, 2010; Leung and Baloglu, 2015). The main purpose of the confirmatory factor

analysis was to highlight and validate the findings of the exploratory factor analysis through the creation of latent variable models. For the above to be achieved the authors tried to validate for each hypothesis a second-order latent variable model, in the case that this could not be achieved then the authors proceeded to the validation of a latent construct. The created second-order latent variable models and the latent constructs, should meet the following conditions to be validated:

- (1) Unidimensionality of the Variables/elements- Factor Loading for each variable >0.5 (Brown, 2014b).
- (2) Convergent validity- Average Variance Extracted >0.5 (Fornell and Larcker, 1981).
- (3) Construct validity- Achievement of the required level of the Fitness Indexes (Brown, 2014b).
- (4) Discriminant validity- The latent variable model must be free of redundant items based on the modification indices (Brown, 2014b).
- (5) Internal reliability- Cronbach's Alpha score >0.5 (DeVellis, 2016).
- (6) Composite reliability- Composite Reliability score >0.6 (Fornell and Larcker, 1981).
- (7) Average variance extracted- AVE >0.5 (Fornell and Larcker, 1981).
- (8) Probability level- P-value >0.05 (Brown, 2014b).
- (9) The simple structure based on the AIC and BIC indexes (Akaike, 1987; Raftery, 1995).

Finally, the interpretation of the results of the confirmatory factor analysis was based on the validated second-order latent variable model and the latent constructs that were created, and the findings of the literature review.

RESEARCH FINDINGS

Exploratory factor analysis

The interpretation of the extracted and maintained factors per research hypothesis was based on the characteristics of the elements/variables that compose them, as presented in the "Research hypotheses formulation" section. The results of the exploratory factor analysis, using the extraction method of principal component, are briefly presented in Table 1 below.

Table 1. Results of the exploratory factor analysis

H1- In the context of a reward system, the enhancement of organizational systems, internal mechanisms and structures that support a process of organizational culture change is positively correlated, with six separate variables				
Variables		Organizational Characteristics - OC	Fair Recognition of Success- FRS	Com/ties
I1_1	Job design/characteristics	0.797	-0.035	0.636
I1_2	Connection of success with specific reward	0.485	0.421	0.413
I1_3	Connection of every work with the success of the hotel	0.780	0.024	0.609
I1_4	Recognition meritocracy	0.027	0.838	0.702
I1_5	Fair reward distribution	0.112	0.868	0.766
I1_6	Flexible working hours	0.589	0.333	0.458
H2- In the context of a reward system, the enhancement of a supportive management role towards a process of organizational culture change is positively correlated with seven separate variables				
Variables		Superiority Role- SR	Guidance Role- GR	Com/ties
I2_1	The competition between hotels	0.772	-0.001	0.596
I2_2	Clarification of the desired work and behavior from the management	0.441	0.463	0.409
I2_3	The need for exercising power over others	0.823	-0.095	0.686
I2_4	Reward development according to hierarchy	0.710	0.382	0.650
I2_5	A specific way to promote the employees	0.467	0.595	0.572
I2_6	The daily training and guidance from the department head	0.034	0.878	0.771
I2_7	The daily recognition from the department head	-0.093	0.837	0.710

H₃- In the context of a reward system, the enhancement of commitment to specific goals, supporting a process of organizational culture change, is positively correlated with six separate variables				
Variables		Need for Fast Work Completion with Formal Assessment-NFWCFA	Need for Work Completion Formally Delimited-NWCFD	Com/ties
I3_1	The need for completing a work	0.803	0.301	0.735
I3_2	The need for short term/immediate results	0.901	-0.062	0.815
I3_3	The objective assessment	0.635	0.467	0.621
I3_4	The existence of clear and specific criteria of success	0.114	0.882	0.790
I3_5	The setting of specific targets by the management	0.161	0.860	0.766

Note: Com/ties = Communalities

The study of the above results leads to the conclusion that the exploratory factor analysis, using the principal component extraction method, met its purpose partially because it extracted specific factors that explain most of the overall variance (H₁: 59.74%, H₂: 62.75% and H₃: 74.54%) of the initial variables per hypothesis. However, the extracted factors are characterized by relative complexity since they are loading in specific common variables/elements per hypothesis. The authors aiming to reduce the above-described complexity for the interpretation of the H₁ and H₂ used the items holding a factor loading score above 0.4, while for the same reasons for H₃ decided to use the items holding a factor loading score above 0.3.

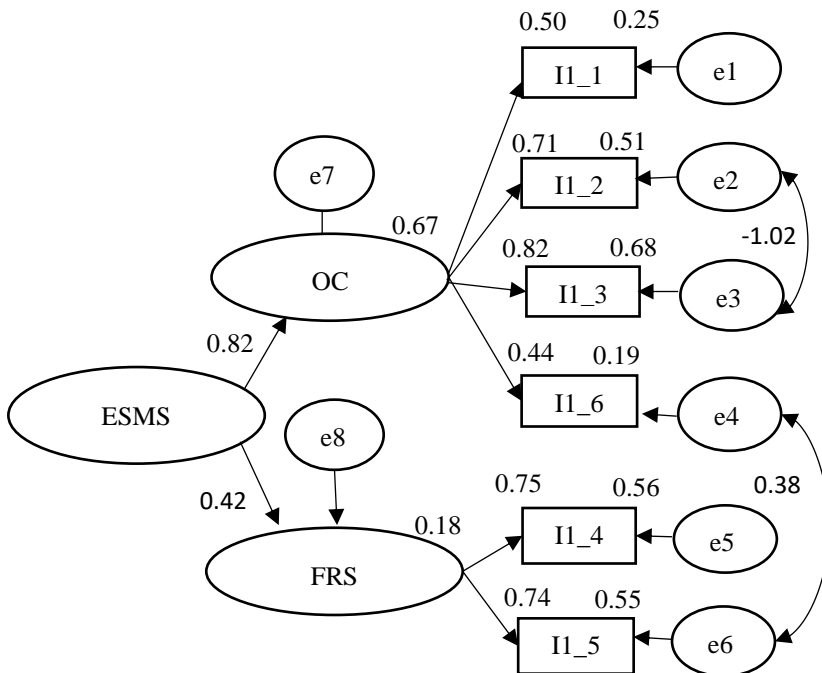
H₁ and H₂ were confirmed at this level, since six and seven elements/variables of a reward system were found to be correlated with the enhancement of organizational systems, internal mechanisms and structures and the enhancement of the supportive management role in a process of organizational culture change. H₃ was not confirmed since it has been found that five rather than six variables/elements of a reward system are positively correlated with enhancing commitment to specific goals in a process of changing organizational culture (item I3_6, “The support of a

unified and specified target by the reward” was removed due to low correlation to any other variable in the correlation matrix- $r < 0.3$).

Confirmatory factor analysis

Bearing in mind the data processing method that presented in the Methodology section and the findings of the exploratory factor analysis regarding the first hypothesis, the confirmatory factor analysis firstly led to the creation of a second order latent variable model (Model 1). Model 1 holds certain limitation that are described in the text that follows.

Model 1. The correlation of the OC and FRS latent constructs with the ESMS latent construct.



Chi-square= 6.356 Degrees of freedom= 6 P-value= 0.384

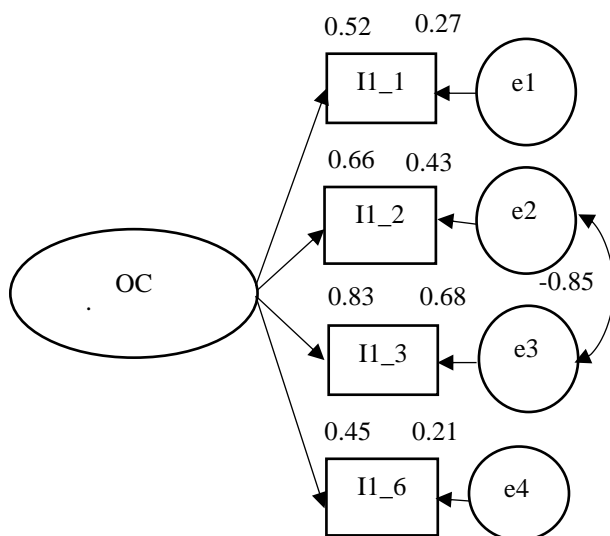
Cronbach's Alpha= 0.667 Composite reliability= 0.827 Average variance extracted= 0.455

CMIN/DF= 1.059; RMSEA= 0.017; RMR= 0.038, GFI= 0.990; AGFI= 0.964; NFI= 0.973; RFI= 0.932; IFI= 0.998; CFI= 0.998; ECVI= 0.176; AIC= 36.356; BIC= 86.347

Note: ESMS= Enhancement of Organizational Systems, Mechanisms and Structures, OC= Organizational Characteristics, FRS= Fair Recognition of Success

Based on the conclusion that Model 1 holds certain limitations, the authors continued with the creation of a latent construct (Latent Construct 1), which also holds certain limitations. The limitations of both Model 1 and Latent Construct 1 are described in the next page.

Latent Construct 1. **Organizational Characteristics- OC**



Chi-square= 0.513 Degrees of freedom= 1 P-value= 0.474

Cronbach's Alpha= 0.618 Composite reliability= 0.716

Average variance extracted= 0.380

CMIN/DF= 0.513; RMSEA= 0.000; RMR= 0.010; GFI= 0.999;

AGFI= 0.988; NFI= 0.995; RFI= 0.973; IFI= 1.004; CFI=

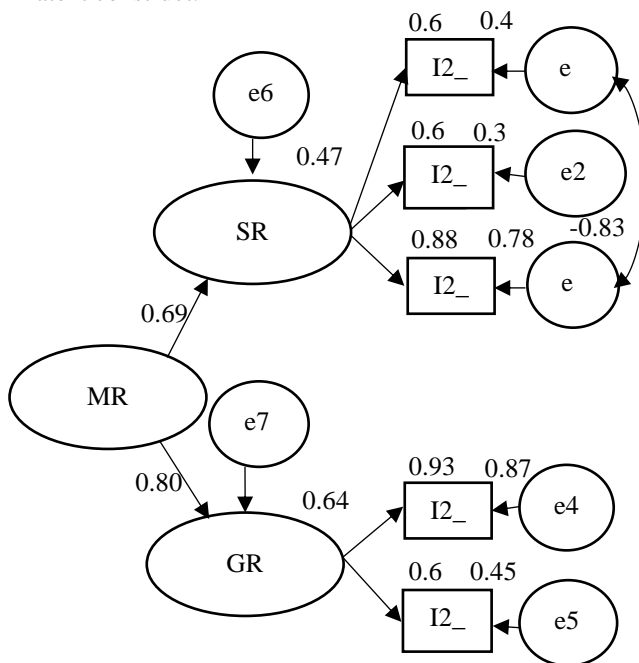
1.000; ECVI= 0.090; AIC= 18.513; BIC= 48.508

Through the examination of the above it is concluded that both (Model 1 and Latent Construct 1) fail to achieve the unidimensionality of the variables/elements, but this result can be accepted due to the good adaptation to the Fitness Indexes presented on the side of the figures

(Zainudin, 2012). Additionally, the average variance extracted score is low (0.455 and 0.380 respectively) and the convergent validity (which is based on the average variance extracted score) is not met, but the low average variance extracted score can be accepted due to the high score of composite reliability (0.827 and 0.716 respectively) according to Fornell and Larcker (1981). The rest of the validating condition as described in the methodology section are met, for both Model 1 and Latent Construct 1. Based on the above findings the authors decided to proceed with the Latent Construct 1, due to the simple structure that it holds based on the scores of the AIC and BIC indexes.

Below, the second hypothesis is examined, through the validated (all the validating condition as described above are met) second-order latent variable: The correlation of the latent constructs SR and GR with the MR (Management Role) latent construct was constructed.

Model 2. The correlation of the SR and GR latent constructs with the MR latent construct.



Chi-square= 3.620 Degrees of freedom= 3 P-value= 0.306
 Cronbach's Alpha= 0.729 Composite reliability= 0.871
 Average variance extracted= 0.585

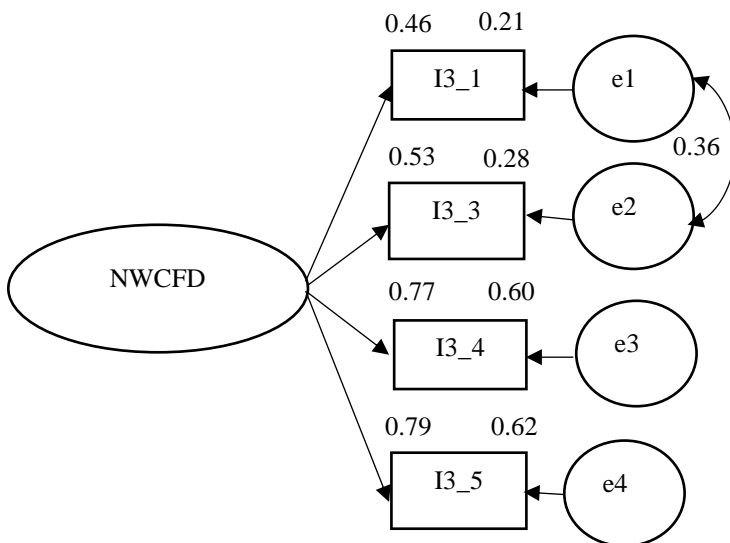
CMIN/DF= 1.207; RMSEA= 0.032; RMR= 0.010; GFI= 0.993; AGFI= 0.966; NFI= 0.987; RFI= 0.957; IFI= 0.998; CFI= 0.998; ECVI= 0.134; AIC= 27.620; BIC= 67.613

Note: MR= Management Role, SR= Superiority Role, GR= Guidance Role

Model 2 above, proves that the two distinct but positively correlated first-order latent constructs (SR and GR) in a reward system context are correlated with a second-order latent construct (MR) that corresponds to the enhancement of a management role that supports an organizational culture change process in hotels. This result is based on the high factor loading of the second-order latent construct upon the first-order latent constructs (0.69 and 0.80) as well as on the R^2 values (0.47 and 0.64) of the first-order latent constructs (SR and GR) which can be characterized as high in relation to the second-order latent construct MR (Hair et al., 2013). The above confirms and at the same time leads to the conclusion that the enhancement of a supportive MR in a process of organizational culture change in hotels is correlated to the latent constructs: SR and GR.

The third hypothesis, was also attempted to be examined through the construction of a second-order latent variable model which would correlate the latent constructs NFWCFA (Need for Fast Work Completion with Formal Assessment) and NWCFFD (Need for Work Completion Formally Delimited), with the enhancement of commitment to specific goals, supporting a process of organizational culture change, but this model found to be unreliable and therefore rejected. This conclusion was based on the out-of-range factor loading (1.24) and R^2 score (1.55) of the element/variable I3_1: The need for completing a work. The above led to the adoption of the Latent Construct 1 as the best possible solution, although its validation has specific acceptable limitations. Analytically, the unidimensionality of the variables/elements is not achieved, but this result can be accepted due to the good adaptation of the model to the Fitness Indexes according to the output file of the AMOS 21 (Zainudin, 2012). Additionally, the average variance extracted score is low and the convergent validity (which is based on the average variance extracted score) is not met, but the low average variance extracted score can be accepted due to the high score of composite reliability (Fornell and Larcker, 1981).

Latent Construct 2. Need for Work Completion Formally Delimited-NWCFFD.



Chi-square= 1.871 Degrees of freedom= 1 P-value= 0.171
 Cronbach's Alpha= 0.771 Composite reliability= 0.754
 Average variance extracted= 0.43

CMIN/DF= 1.871; RMSEA= 0.065; RMR= 0.006; GFI= 0.995; AGFI= 0.955; NFI= 0.991; RFI= 0.948; IFI= 0.996; CFI= 0.996; ECVI= 0.096; AIC= 19.871; BIC= 49.866

Consequently, it is concluded that in the context of a reward system the enhancement of the commitment to specific goals, that support a cultural change process in hotels, is positively correlated with four elements/variables that describe the concept Need for Work Completion Formally Delimited.

CONCLUSIONS AND DISCUSSION

Three research objectives in the form of specialized hypotheses were expressed aiming to achieve the main purpose of this article, namely the exploration, measurement, and depiction of the effect of variables of reward systems upon the following elements supporting organizational culture change: organizational systems, internal mechanisms and structures, supportive management role and organizational commitment to specific goals, by using structural equation models. The investigation of the views of 207 General Managers or Human Resources Managers of Greek luxury hotels upon the three specialized hypotheses of this research led to the successful completion of the main research objective through the structure and the validation of one second-order latent variable model and two latent constructs.

The enhancement of organizational systems, internal mechanisms, and structures

The first hypothesis was partially confirmed since four and not six variables of a reward system, was found to be positively correlated with the enhancement of organizational systems, internal mechanisms and structures that support a process of organizational culture. Analytically, the enhancement of “organizational systems, internal mechanisms and structures” supporting a process of organizational culture change is mainly found at organizational (hotel) level, and less at group/department level. It relates to the “organizational characteristics” of a hotel, where management must: Create a positive vision among the employees, linking each work they perform with the satisfaction of customers’ needs and consequently the success of the hotel. In other words, the management of a hotel should set rules that will link the successful execution of work with specific reward and carefully design the characteristics of the work executed by each employee, for example the way a waiter serves a breakfast, or a receptionist performs the guest check-in process. Additionally, the opportunity for flexible working hours should be provided to the employees of a hotel. The above findings are also supported by the previous studies of Brown (2014a), Hall-Ellis (2014), Oludeyi and Aborisade (2018) and Rose (2014). The elements that are not linked to the enhancement of organizational systems, internal mechanisms and structures that support a cultural change process in hotels are: Recognition meritocracy and Fair reward distribution. This conclusion contradicts the finding of Brown (2014a), Hall-Ellis (2014) and Steel and König (2006).

The enhancement of a supportive management role

The second hypothesis was partially confirmed since five and not seven variables of a reward system, was found to be positively correlated with the enhancement of a management role that supports a process of organizational culture change. Analytically, strengthening the “supportive management role” in a process of changing organizational culture in hotels is linked to the “guidance role”, which depends on the heads of each hotel department, who are invited to adapt the role of a coach, since they must look after the: Day-to-day training and guidance for their department employees and the Daily recognition of the work offered by the employees of their department, as Rose (2014) proposed. Moreover, the “superiority role” is associated with formal procedures defined by management, exclusively at hotel level, which must: Define specific ways of promoting employees (Schlechter et al., 2015), Clarify the desirable work and behavior to each employee (Armstrong et al., 2011; Brown, 2014a) and Define reward development according to hierarchy (Lima and Telhado Pereira, 2003).

In conclusion, the roles of guidance and superiority complement each other. Therefore, in the context of reward systems, enhancing a “supportive management role” towards a process of changing organizational culture requires attention both at the formal procedures of the hotel and at the informal relations between the head and the subordinates of a hotel department. Elements that are not correlated with the enhancement of a “supportive management” role towards a process of changing organizational culture in hotels are: The competition between hotels and the need for exercising power over others. A finding that contradicts the studies of Armstrong et al. (2011), Brown (2014a) and Woods (2016).

The enhancement of commitment to specific goals

The third hypothesis was partially confirmed since four and not six variables of a reward system, was found to be positively correlated with the enhancement of commitment to specific goals that supports a process of organizational culture change. Analytically, enhancing the “commitment to specific goals” as a supportive part of a cultural change process in hotels is solely driven by the: “Need for Work Completion Formally Delimited”. This need is correlated: At a hotel level, with the management of the hotel, which must, through formal procedures, set specific goals and at the same time ensure the existence of clearly defined criteria that will judge their successful completion. At a departmental level, with the management of the department, which through formal procedures must objectively assess the work of the employees, based on the objectives and criteria of success set at a hotel level by the management for each department separately. At an employee level, with the human need of completion an undertaken job.

In conclusion, within a reward system, enhancing the commitment to specific goals that support an organizational culture change process in hotels starts from the management and ends up in the employees of an organization. Analytically the central management of the hotel, must set a general framework of objectives and then set specific criteria that will judge those objectives' successful implementation. Following the above the executives of each individual hotel department, must evaluate the work of the employees, based on the general objectives and the criteria of success that the central management set per department. Finally, the success of the above is based upon the cultivation of a need for work completion among the hotel employees in each department. The above findings are also supported by the previous studies of Brown (2014a), Hall-Ellis (2014) and Rasskazova et al. (2016). Elements that are not correlated with the enhancement of commitment to specific goals, supporting a process of organizational culture change are: The need for short term/immediate results (Rasskazova et al., 2016) and The support of a unified and specified target by the reward (Datta, 2012).

SCIENTIFIC IMPLICATIONS

This manuscript has allowed the creation and validation of a second-order latent variable model as well as two latent constructs. These has led to the scientifically novel modeling of the impact of reward systems in specific change-supportive elements like organizational systems, internal mechanisms and structures, management role and dedication to specific objectives in processes of changing a hotel's organizational culture. The findings of these research bridged the knowledge gap that was identified and presented in the introduction of the manuscript. This manuscript managed: Firstly, to validate three original questionnaire scales that can measure the impact of reward systems on specific culture change-supportive elements in hotels, helping future researchers to explore this phenomenon. Secondly, to identify specific elements of organizational culture that are related to the impact of reward systems on processes of organizational culture change in hotels.

PRACTICAL IMPLICATIONS

This research managed to locate and present in a simple, practical, and novel catalogue, specialized elements of a reward system that offer positive

reinforcement on specific culture change-supportive elements. This knowledge will help hotel managers to make effective strategic decisions regarding the reward system of their organization when the cultural change is aimed in various ways. Firstly, to save time and money by pointing out specific variables of a reward system with a large or small positive impact on organizational culture change processes. Secondly, to design an effective remuneration system in the event of an organizational culture change initiative. Thirdly, to focus on specific variables of a remuneration system that can be used as incentives to enhance employee behavior in favor of a change in organizational culture.

LIMITATIONS AND FURTHER RESEARCH

The most important limitation of this research is the exclusive use of quantitative data, resulting in the absence of an analysis of the qualitative parameters/reasons determining the reward system's effect on the organizational culture change in hotels. Therefore, it is deemed necessary to carry out a future research focusing on the collection of qualitative data. Another limitation of this research is the focus solely on five-star hotels, a future research should investigate the views of executives from other hotel categories. Finally, it is important to stress out that the finding of H1 and H3 cannot be generalized since the respectively latent constructs were validated with certain acceptable limitations.

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Christos Kakaroukas (ch.kakaroukas@aegean.gr) holds a PhD diploma from the Department of Business Administration of the University of the Aegean. He has long experience in the hotel sector as a manager in luxury hotels as well as educational experience in both vocational and higher tourism education. He has also worked as a writer of manuals and guides for various Greek professional bodies. His research has been published in international scientific journals and presented at international conferences in the fields of human resource management and hotel management. He lives in Athens, is married, and has two children.

Ioannis Ntzoufras is a Professor in Statistics at the Department of Statistics of the Athens University of Economics and Business. He holds the Lefkopoulion Award of the Greek Statistical Institute and an honorable mention in the subject of Mathematics at the 2009 PROSE Awards for the book "Bayesian Modeling Using WinBUGS", published by Wiley. He is currently associate editor of the Journal of the Royal Statistical Society, Series C (Applied Statistics). He is currently the author of 54 scientific journals with more than 3500 citations in google scholar (h-index 22). He is currently working on research projects related with statistical methodology, applied statistics, biostatistics, psychometrics, and sport analytics