

## Factors Affecting Enterprise Performance of Luxury Hotel in Henan Province, the People's Republic of China

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**Abstract:** The objectives of this study were: (1) to study the factors that affect enterprise performance of luxury hotel in Henan Province, the People's Republic of China, (2) to study employee satisfaction, employee loyalty, customer satisfaction, on the effect of enterprise performance of luxury hotel in Henan Province, the People's Republic of China, (3) to develop a new model of the influence of employee satisfaction on enterprise performance of luxury hotel in Henan Province, the People's Republic of China. This research is a mixed method research. The quantitative research includes questionnaire collections from 395 employees of 4-star and above of 83 hotel enterprises through simple random sampling technique. The qualitative research mainly uses the interview method to interview the six senior managers of human resource department, and ten senior employees who have worked in the human resource department for more than ten years of luxury hotel in Henan Province, the People's Republic of China. Statistics for data analysis used frequency, percentage, mean, standard deviation, and structural equation model. The research findings indicate that (1) employee satisfaction has direct influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China, it also discovers that employee loyalty act as mediators between employee satisfaction and enterprise performance. This suggests that employee satisfaction not only directly enhances enterprise performance but also indirectly influences it by strengthening employee loyalty and improving customer satisfaction, (2) the study explores the relationship of key affecting factors between employee satisfaction and enterprise performance. The results reveal that factors such as interpersonal relationships, working environment, and job content have a significant influence on employee satisfaction, subsequently affecting enterprise performance. The combined effect of these factors leads to employee satisfaction, thereby promoting improvements in enterprise performance, (3) based on the research findings, several recommendations are proposed to help luxury hotel in Henan Province, the People's Republic of China, enhance employee satisfaction and subsequently improve enterprise performance. These recommendations include improving interpersonal relationships, optimizing the working environment, adjusting job content, and strengthening employee training and incentive mechanisms. This study provides valuable management insights for the hotel industry, contributing to enhanced competitiveness and sustainable development of enterprises.

**Keywords:** Enterprise Performance, Luxury Hotel.

### INTRODUCTION

As the global tourism industry recovers and continues to boom, the international hotel industry is showing strong recovery and growth momentum in 2023. The global hotel industry has ushered in a wave of growth, with several hotel giants announcing increased revenue forecasts for 2023. Recently, a number of well-known hotel companies have raised their expectations for full-year revenue and expressed optimism about the future. The positive recovery in travel demand, resurgent leisure and business travel and the recovery of the global market have created favorable conditions for the hotel industry. Despite certain uncertainties in the macroeconomic environment, industry giants remain optimistic about the future and have taken positive steps to improve operational efficiency and value creation. In the context of the gradual recovery of the global economy, the international hotel industry is

moving towards a new peak to provide travelers with better services and experiences. This round of elevated expectations has breathed new life into the industry and provided positive signals to investors and stakeholders. However, there are still some challenges and uncertainties, such as the world situation, macroeconomic fluctuations and inflationary pressures. Therefore, hotel companies need to be vigilant and flexible in responding to changing market conditions.

At the same time, the development of economic globalization and demand diversification has brought new influences and challenges to the hotel industry. Hotel companies are actively responding to challenges, seeking opportunities for growth and innovation, with high expectations and confidence for the future. The world famous hotel groups have accelerated the pace of expansion and development in the global scope, the development of the hotel industry to chain expansion, brand promotion, and mainly in the middle and high-end hotel group trend is obvious. The competition between middle and high-end hotels and economical and suitable hotels has basically formed, and it is becoming more and more intense.

According to the data of Maidaian Research Institute, a brand research platform for professional hotels, apartments, offices, scenic spots and other commercial space industries, in the past decade, boutique hotels have achieved rapid expansion in the Chinese market, benefiting from multiple factors such as economic environment and market drivers. In 2014, there were more than 500 boutique hotels in the People's Republic of China, but the trend has slowed down significantly in the past three years. The number of new supply in the boutique hotel market from 2018 to 2022 is more than 50. According to the "Hotel Industry Current Situation Analysis and Development Prospect Forecast Report" released in June 2023, the number of hotels in the People's Republic of China is in a state of decline from 344,300 to 252,395 during 2018-2021; In 2021-2022, under the triple pressure of "supply shock, domestic demand contraction and expected weakening", the recovery momentum of the domestic economy slowed down, the rebound rate of the number of business tourists was lower than expected, and the number of hotels continued to rise to 279,900, but did not reach the pre-epidemic level. Looking at 2023, the influence of the epidemic has basically subsided, and the frequency and willingness of consumers to travel have greatly increased, and the hotel industry is expected to usher in a critical recovery period.

"What talent related factors will affect the development of the hospitality industry in the next 3-5 years"? On December 5, 2022, the "China Hotel Human Resources Survey Report (2022)" (hereinafter referred to as the report), hosted by the Hotel Industry Research Center of Zhongrui Hotel Management College, Beijing International Studies University, was officially released, and the report results show that the employment ratio of interns and management trainees has rebounded; Flexible employment forms such as hourly workers, outsourcing, labor dispatch and part-time employment are becoming more and more normal. The problem of difficult recruitment has eased slightly, and the proportion of campus recruitment has increased slightly. The monthly salary of employees at all levels has been increased; Employee turnover rate increased slightly, but turnover frequency decreased slightly; "Difficult to recruit", "high labor costs", "high talent turnover rate" these three mountains in front of the hotel people are still standing.

Comparing hotels with different management modes, international hotel group has the highest staff turnover rate, while local hotel group has the lowest staff turnover rate. Comparing hotels of different grades, the higher the grade, the higher the turnover rate; compared with hotels in different regions, the turnover rate in Northeast of the People's Republic of China is the lowest, while the turnover rate in Central of the People's Republic of China is the highest. Compared with different types of hotels, the staff turnover rate of resort hotels is generally higher than that of business hotels. Therefore, "difficult recruitment", "high labor cost ratio", "high talent turnover rate" have been the three mountains in front of the hotel people, is the biggest challenge facing the human resources department, and under

the influence of the epidemic, the hotel industry in Henan Province is also facing the same problem, or even more serious. 2021 can be said to be the first year of Henan cultural tourism broken circle. The development of Henan cultural tourism industry began to explore a new main line and inspiration, taking cultural revival as a breakthrough point, reinterpreting the new Henan culture in the form of ethnic songs and dances, supplemented by landing cultural tourism projects to undertake immersive cultural experience, forming a new industrial ecosystem, and stepping out of a new road of integrated development of cultural tourism.

Through the above analysis of the current situation of human resources at home and abroad, employee satisfaction not only influence on the individual performance and output of employees, but also an important factor affecting the development of enterprises, and employee satisfaction is also based on the industry, market environment, the nature of the country has different reasons. In the era of rapid economic and cultural development, the competition for talents is becoming increasingly fierce among various hotel enterprises. Hotel managers, experts and scholars all study issues such as improving employees' satisfaction and loyalty to hotels and reducing brain drain from a macro perspective, and rarely study employee satisfaction from a micro perspective. According to a study by Harvard University, for every 3 percentage points increase in employee satisfaction, a company's customer satisfaction will increase by 5 percentage points, and the average profit margin growth of companies with 80% employee satisfaction is about 20% higher than that of other companies in the same industry. To investigate the impact of factors affecting employee satisfaction on employee loyalty, customer satisfaction, and business performance, and to determine whether high employee satisfaction can enhance employee loyalty, customer satisfaction, and overall business performance, the title for this study is proposed and confirmed as follows: "Factors affecting enterprise performance of luxury hotel in Henan Province, the People's Republic of China."

This study takes the employees of 4-star hotels and above in Henan Province as the research object, and conducts theoretical and empirical research on the relationship between their satisfaction dimension, current situation, organizational justice, positive emotion and negative emotion and enterprise human resource management. First of all, based on the research and review of employee satisfaction theory, employee satisfaction model's constituent dimensions, affecting factors, effects, organizational justice theory, positive and negative emotion theory, the hypothesis of this study is proposed in combination with the influence on employee loyalty, customer satisfaction and enterprise performance. Secondly, on the basis of the Minnesota Su (JDI) scale, the measurement items of MSQ scale were added to form the employee satisfaction scale. At the same time, the mature organizational fairness and positive and negative emotion scales were used to form questionnaires. The collected data were analyzed in the reliability and validity of the selected sample enterprises. Relevant software was used to conduct factor analysis, structural equation model (SEM) to analyze the hypotheses proposed in this study. Finally, according to the data analysis results, the contributions, limitations and research prospects of this study are written.

### **Research Objectives**

To study the factors that affect enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

To study the relationship between employee satisfaction, employee loyalty, customer satisfaction, and enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

To develop a new model of the influence of employee satisfaction on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

### **Research Hypothesis**

Hypothesis 1 (H1): Employee satisfaction has a positive influence on employee loyalty of luxury hotel in Henan Province, the People's Republic of China.

Hypothesis 2 (H2): Employee satisfaction has a positive influence on customer satisfaction of luxury hotel in Henan Province, the People's Republic of China.

Hypothesis 3 (H3): Employee satisfaction has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

Hypothesis 4 (H4): Employee loyalty has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

Hypothesis 5 (H5): Customer satisfaction has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.

## LITERATURE REVIEW

The topic of this study is the influence of employee satisfaction on enterprise performance of luxury hotel in Henan Province, the People's Republic of China. According to the needs of the research content, the relevant theories and concepts are reviewed and summarized in the literature. Making the research results useful and achieving the established literature review:

### Concepts, Theories, and Related Research

**Theory of employee satisfaction:** Employee satisfaction is the subjective representation of employees' attitude towards their working environment. In the process of studying the relationship between employee behavior and enterprise performance, scholars have different understandings and interpretations of the basic concepts of employee satisfaction based on different research objectives and analysis angles. Bai Furong, Zhang Jinsuo and Zhang Ruya (2002) in their article "Employee Satisfaction and Customer Satisfaction" defined employee satisfaction as: Compared with individual life satisfaction and overall satisfaction, employee satisfaction refers to the satisfaction of an individual as a professional. It is an evaluation obtained after comparing the expectation of the employee from the combination of salary and working environment with the actual level of salary and working environment. In addition, Li Chengwen (2005) defined employee satisfaction as the degree of satisfaction of employees' psychological and physiological needs in his article "Evaluation Methods and Empirical Research on Employee Satisfaction". At the same time, he also believes that employee satisfaction is an indicator of employee turnover tendency and performance inside and outside the role. In conclusion, many scholars have their own understandings of the definition of employee satisfaction. Some scholars divide employee satisfaction into three types: the first is holistic; the core of job satisfaction is the employee's overall perception of work and environment, which is a single concept rather than the reaction of process or cause. The second is the reason type, through the reason to analyze employee satisfaction, that is, from the aspect of employee's personal needs. The third is the element type, that is, employee satisfaction is the employee's evaluation and emotional feedback on all elements related to the job. And Wang Xiurong and Cheng Xiuping (2014) studied the affecting factors of employee satisfaction, mainly from the aspects of work intensity and matching degree, working conditions, enterprise management and work return. Wang Hongfang et al. (2019) conducted a field survey on 318 private enterprises and studied the influence of salary level on employee satisfaction in contemporary private enterprises by taking man-post matching as the intermediary. They also provided salary incentives to employees to improve employee satisfaction while controlling costs.

In conclusion, there are different opinions on the affecting factors of employee satisfaction. Different industries and different company systems may have an impact on the selection of affecting factors. After reading relevant satisfaction research literature and incentive theory, based on the actual situation of 4-star hotels in Henan Province, combined with the characteristics of hotel enterprises, industries, company system and scale, staff characteristics and interviews and other factors, this paper adopts the following four dimensions: Work itself, work return, interpersonal relationship, organization and management, to study the satisfaction of 4-star hotels in Henan Province.

**Theory of employee loyalty:** Harvard University experts (1980) introduced the concept of loyalty, in which they argue that loyalty can be categorized into different levels

and grades, manifested in a pyramid-shaped hierarchy from high to low. At the base of the pyramid is the individual's loyalty, followed by the employee's loyalty to the organization, and finally, the employee's endorsement and loyalty to the organization's values and relevant rules. And Zheng Zhenhai (2020) puts forward that employee loyalty can be summarized from the perspective of employees as follows: the degree to which employees make every effort and make unremitting efforts to achieve tasks or goals; From the perspective of the enterprise, it can be understood as: the degree of dependence of employees on the enterprise, corresponds to Zhao Yuqing (2020) takes high recognition of the cultural value of the enterprise, pride in working in the enterprise, and value of collective interests as the realistic expression of employee loyalty and Li Shixiong (2021) believes that employee loyalty is not a quality possessed by employees themselves, but a projection of the welfare, leadership and overall level of the enterprise, and a standard for evaluating the enterprise. According to the research of Lu Xiaodong et al. (2010), various factors affecting employee loyalty in an enterprise mainly include salary and welfare standards, employees' recognition of the enterprise, internal training system, and whether resource allocation is reasonable. They found that the current research on loyalty mainly focuses on organizations and supervisors, the content of loyalty mainly includes emotional loyalty, normative loyalty and instrumental loyalty, and the level of loyalty mainly includes attitude and behavior.

In conclusion, according to the existing literature research and domestic and foreign research results, this paper divides the composition dimension of employee loyalty into three aspects, namely emotional loyalty, continuous loyalty and normative loyalty. In order to better understand these three dimensions, this paper selects the 4-star and above hotels in Henan province for investigation, hoping to effectively improve the human resources situation of the 4-star and above hotels in Henan Province.

Theory of customer satisfaction: The theory of customer satisfaction first sprouted in the early 20th century, and was the result of in-depth research of consumer psychology. With the gradual development of theoretical research, the theory of customer satisfaction is gradually applied to many disciplines, such as economics, marketing, consumer psychology and econometrics. American scholar Cardozo first published a theoretical paper on Customer Satisfaction in 1965, and successfully introduced the concept of "customer satisfaction" into the field of marketing. In his research Wu Yuehong (2017) believes that hotel satisfaction refers to the overall satisfaction index obtained after comparing the perceived service provided by the hotel with the expected value. In the research on employee satisfaction in different industries, Wang Jingya (2019) conducted a study on manufacturing employees. In the study, he divided the employees into local employees and foreign employees respectively. The results show that leadership support, age and overtime have significant effects on the two types of employees. The difference is that local employees are more concerned about health and income, while non-local employees are more concerned about insurance and job autonomy. And Ma Yingying (2021) clarified the determinants of customer satisfaction in streaming media shopping, indicates that consumers' satisfaction with live shopping is determined by brand image, customer-perceived quality (information quality, service quality, argument quality), and customer loyalty.

In conclusion, there is no uniform standard for the composition dimension of customer satisfaction, and there are certain gaps between industries. There is no uniform standard for the constituent dimensions of customer satisfaction in the hotel industry. According to the development status and existing problems of the hotel industry in Henan Province, the constitutive dimensions of customer satisfaction are determined as four dimensions: brand image, perceived quality, perceived value and customer loyalty.

Theory of enterprise performance: Academic circles have been paying attention to Enterprise performance for a long time, dating back to the 14th century, but the definition of Enterprise performance has not been unified. According to the existing literature, its definition can be divided into three points of view: outcome orientation, behavior orientation

and comprehensive orientation. Manal Munir et al. (2020) believe that environmental change factors will have an impact on the business orientation of enterprises, and put forward social management indicators as indicators to measure enterprise performance. Li Lin (2019) added eight management performance indicators, including social contribution, into the financial performance evaluation system, including current ratio, accounts receivable turnover, return on shareholders' equity, etc., to build a performance evaluation model for new retail enterprises. And Xu Xinxin et al. (2017) added visual indicators of supply chain, including indicators of customer management and supply chain early warning, into the enterprise performance evaluation system to strengthen supply chain and information governance. According to Lichtenthaler (2011) and Lichtenthaler et al. (2008), environmental factors affecting the sustainable entrepreneurial performance of enterprises include: economic conditions, competitive environment, technological development, policy environment, market demand, social development, resource environment, etc. In addition, internal factors will also affect the sustainable entrepreneurial performance, including organizational culture, innovation ability, management system, resource allocation and so on. Zeng Ying (2019) used the entropy method and added three non-financial indicators, such as innovation ability, to build an indicator system for evaluating the performance of commercial banks. And Zhang Qi et al. (2016) proposed that performance evaluation indicators should be selected from the perspective of different stakeholders of enterprises and industries to make performance evaluation results have value for different users.

In conclusion, the academic circles have different standards of affecting factors on enterprise performance, and the evaluation models of enterprise performance are not uniform. There are many internal and external factors that affect enterprise performance. Internal factors involve employee satisfaction, employee loyalty, enterprise management, etc., while external factors involve economic and market environment. In the context of the new normal of economy, the People's Republic of China's hotel industry is making great strides towards "high-quality development", and it is more necessary to explore how enterprises can keep up with the pace of economic development and maintain good growth from the factors affecting enterprise performance. This paper mainly studies the influence of employee satisfaction on enterprise performance. First of all, it is necessary to clarify the affecting factors of enterprise performance in order to explore the most authentic relationship between them. In this paper, the affecting factors are divided into four dimensions: enterprise profit, enterprise management level, enterprise innovation and enterprise core competitiveness.

## **THE CONCEPTUAL FRAMEWORK**

The conceptual framework of this study integrates the relationship between employee satisfaction, employee loyalty, customer satisfaction and enterprise performance. Based on the literature and the original measurement scale, the composition dimension of hotel staff satisfaction is determined. Through the questionnaire survey, the independent variable of staff satisfaction is determined. Through the intermediary variable of employee loyalty and customer satisfaction, the dependent variable of enterprise performance is affected. The details are as follows.

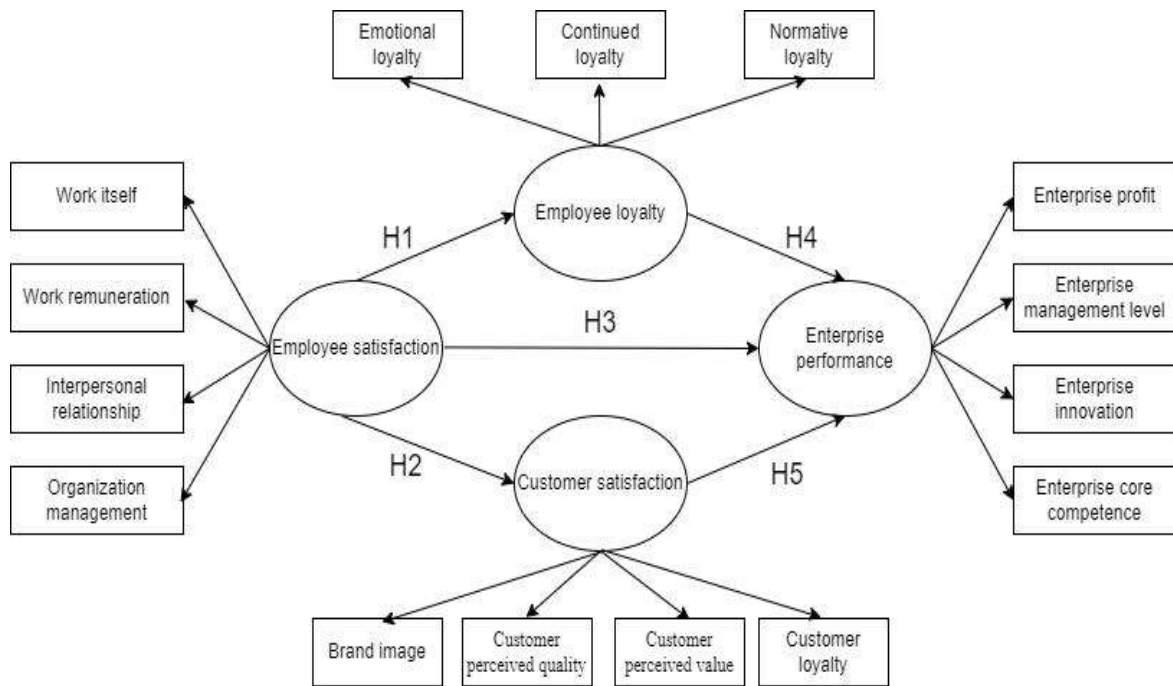


Figure 1: Research concept framework

**METHODS**

This research is a mixed method research. The quantitative research includes questionnaire collections from 395 employees of 4-star and above of 83 hotel enterprises through simple random sampling technique. The qualitative research mainly uses the interview method to interview the six senior managers of human resource department, and ten senior employees who have worked in the human resource department for more than ten years of luxury hotel in Henan Province, the People’s Republic of China. Statistics for data analysis used frequency, percentage, mean, standard deviation, and structural equation model.

**RESULTS**

According to the path test results of the structural equation model in Table 1, the path coefficients of employee satisfaction on employee loyalty, customer satisfaction and enterprise performance are 0.44, 0.27 and 0.23, respectively. Meanwhile, the path coefficients of employee loyalty and customer satisfaction on enterprise performance are 0.35 and 0.14, respectively, and their significance level is less than 0.05. Prove the relationship between variables. It can be seen from the results that:

Table 1. The path coefficients of employee satisfaction on employee loyalty, customer satisfaction and enterprise performance

Path declaration		S.Estimate	( ) Path coefficient	P-Value
EL	<--- ES	0.445		***
CS	<--- ES	0.415		***
EP	<--- EL	0.386		***
EP	<--- CS	0.104		0.022
EP	<--- ES	0.252		0.002

H1 hypothesis is established: Employee satisfaction of luxury hotel in Henan Province of the People’s Republic of China has a positive effect on employee loyalty. The path coefficient of employee satisfaction to employee loyalty is 0.44, the value is positive, and the significance coefficient is at the level of 0.001, so hypothesis 1 is valid.

In the concrete practice process, the employee satisfaction of luxury hotel in Henan Province of the People's Republic of China will have a certain impact on the loyalty behavior of employees. The research finds that satisfaction is essentially a relativistic concept, so employee satisfaction also represents the perceived state of an individual (employee) after comparing the actual feeling of the enterprise with his inner expectation. In the given work environment, employees' cognition of themselves will better enable them to obtain the corresponding work value. When the gap between the actual situation and the psychological expectation is large, the satisfaction will be reduced, and when the gap is small, the satisfaction will be high. Employee satisfaction not only reflects the satisfaction of employees' psychological standards, but also reflects the actual needs of employees in the company. When enterprises pay attention to and understand the physical and mental health of employees, the turnover is significantly reduced, and the development of enterprises is more stable. Employees experience a sense of satisfaction, often because a purpose or need has been fulfilled. As far as satisfaction is concerned, it can be divided into positive and negative aspects, namely satisfaction and dissatisfaction. Through investigation, Herzberg learned that if employees are not satisfied with the work itself, the work environment, interpersonal relations, work remuneration, organization and management, they will be dissatisfied. When a company's employee satisfaction reaches more than 80%, the company will become a leader in the industry and profit will be higher than other companies. People with high satisfaction with the company often have a strong sense of identity and belonging to the company, and will treat themselves as a member of the enterprise family from the heart, providing impetus for the development of the enterprise. The above characteristics are vividly reflected in the employees of luxury hotel in Henan Province of the People's Republic of China. The emotion displayed by hotel employees in the process of work is usually reflected by employee loyalty. If employees are satisfied with the company, they will actively work hard and complete their personal work with high quality and quantity. When employees are not satisfied with the company, they will have negative emotions at work, feel that the workload is large and the difficulty is high, which affects the entire enterprise, thus breeding some bad atmosphere, such as passive sabotage, imprecise work, etc., so it is difficult to improve work efficiency.

H2 hypothesis is established: Employee satisfaction of luxury hotel in Henan Province, People's Republic of China has a positive effect on customer satisfaction. The path coefficient of employee satisfaction to customer satisfaction is 0.27, the value is positive, and the significance coefficient is at the level of 0.001, so hypothesis 2 is valid.

Employees with high satisfaction will show a positive and enthusiastic working attitude when communicating with customers on service, and will reasonably arrange the products required by customers according to the actual situation of the hotel, so as to improve work efficiency. This exceptional customer service creates a unique customer experience that increases customer expectations and perceived value, which in turn increases customer loyalty. High customer satisfaction will improve word-of-mouth communication, which will attract more customers, increase the rate of repeat customers, and improve enterprise performance.

H3 hypothesis is established: Employee satisfaction of luxury hotel in Henan Province of the People's Republic of China has a positive effect on enterprise performance. The path coefficient of employee satisfaction on enterprise performance is 0.23, the value is positive, and the significance coefficient is at the level of 0.001, so hypothesis 3 is valid.

It can be seen from the research results that the enterprise performance will be improved with high employee satisfaction. Employees with high levels of satisfaction are generally more engaged, provide higher levels of customer service, and build stronger relationships with customers. This helps increase customer satisfaction and loyalty, which in turn promotes the long-term profitability of the business. In addition, employees with high satisfaction are also more willing to stay in the company, reducing employee turnover and

reducing recruitment and training costs. Therefore, employee satisfaction is directly and positively related to enterprise performance.

The H4 hypothesis is established: Employee loyalty of luxury hotel in Henan Province of the People's Republic of China has a positive effect on the improvement of enterprise performance. The path coefficient of employee satisfaction to customer satisfaction is 0.35, the value is positive, and the significance coefficient is less than 0.05, so hypothesis 4 is valid.

It can be seen from the research that if employees have high loyalty, they will have a positive work attitude and efficient work efficiency, which is conducive to the output of high-quality products and high-quality services. For the 4-star hotel enterprises in Henan Province of the People's Republic of China, they can provide customers with high-quality products with added value. The positive work attitude and high personal efficiency brought by the loyalty of employees will make employees take the initiative to innovate in service provision, customer experience improvement, energy saving and environmental protection measures, etc. This kind of continuous exploration of new innovative methods to meet customer needs can improve work efficiency and customer satisfaction, reduce costs and increase the competitiveness of hotel enterprises. Driving the growth of the enterprise economy also helps to attract customers and promote the improvement of enterprise performance.

The H5 hypothesis is established: Enterprise customer satisfaction of 4-star hotels and above in Henan Province of the People's Republic of China has a positive effect on enterprise performance. The path coefficient of employee satisfaction to customer satisfaction is 0.14, the value is positive, and the significance coefficient is at less than 0.01, so hypothesis 5 is valid.

Through the research, all the hypotheses are verified, and the influence of employee satisfaction on enterprise performance is positively correlated. It shows that improving employee satisfaction is one of the key factors to promote the improvement of enterprise performance. It provides more theoretical and practical basis for improving the performance of hotel enterprises. (Refer to Table 2)

Table 1: Summary of the research hypothesis testing results

Research Hypothesis	Test Result
Hypothesis 1 (H1): Employee satisfaction has a positive influence on employee loyalty of luxury hotel in Henan Province, the People's Republic of China.	
Hypothesis 2 (H2): Employee satisfaction has a positive influence on customer satisfaction of luxury hotel in Henan Province, the People's Republic of China.	
Hypothesis 3 (H3): Employee satisfaction has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.	
Hypothesis 4 (H4): Employee loyalty has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.	
Hypothesis 5 (H5): Customer satisfaction has a positive influence on enterprise performance of luxury hotel in Henan Province, the People's Republic of China.	

## DISCUSSION

This view holds that there is a positive correlation between employee satisfaction and enterprise performance or negative correlation. In the view of positive correlation, improving employees' job satisfaction can improve employees' enthusiasm for work, reduce the rate of talent turnover, and thus improve the competitiveness and performance of enterprises. Based on this view, the top management of enterprises will spend a lot of thought on studying how to improve the job satisfaction of employees. The practical results also confirm that the efforts of enterprises to improve employee satisfaction have received certain results to some extent. Those who hold the negative correlation view believe that the ultimate goal of enterprises is to pursue the maximization of benefits. For example, enterprises spend a lot of time and money on improving employee satisfaction, which will often have a negative impact on enterprise performance. Companies may be overwhelmed, resulting in a decline in overall performance. Therefore, in the market, the performance of very good enterprises,

employee satisfaction is often not very high. Companies with high employee satisfaction are not the best performers in the market. Even some companies with very poor performance have high levels of internal employee satisfaction.

Although the relationship between employee satisfaction and enterprise performance has not been universally recognized academically, the practical results of enterprises show that enterprises can improve their performance through the improvement of employee satisfaction. So, how can enterprises improve their performance based on employee satisfaction? On the one hand, enterprises can achieve the purpose of improving the overall performance of enterprises through the management of employee satisfaction level. That is, pay close attention to the different changes of employee satisfaction in different periods, combine the characteristics of the enterprise itself and the development strategy of the requirements of employee satisfaction in different periods, improve employee satisfaction and improve enterprise performance. For example, the enterprise is in the development stage of rapid growth, which is characterized by rapid growth and rapid expansion, and requires a large number of innovative talents. Therefore, it requires relatively high employee satisfaction. In this period, the improvement of employee satisfaction often brings positive effects, which plays a key role in retaining key talents and participating in market competition. Only change can bring about the improvement of the overall performance of the enterprise. On the other hand, enterprises must attach importance to the employee satisfaction survey, do a good job in the employee satisfaction survey, and must add the question of predicting performance to the satisfaction survey. For example, questions that leads to action, unstructured questions, and suggestions to improve performance.

There are many factors affecting employee satisfaction, of which Frederick Herzberg's two-factor theory is the most typical. According to this theory, factors affecting employee satisfaction can be summarized into two types: internal factors and external factors, and enterprise performance is also changed because of these two factors. The theory holds that intrinsic factors (motivators) are related to job satisfaction. External factors (health factors) are associated with job dissatisfaction. This theory points out that psychological factors are important factors affecting employee satisfaction, that is, motivator. This theory shows that employee satisfaction factors mainly come from the work itself. The reasons for employee dissatisfaction are mostly affected by material factors, called hygiene factors, which mainly come from the external working environment, and are specifically manifested in welfare benefits, salary benefits, consistent responsibilities and rights, working conditions, relations with superiors and subordinates, enterprise policies, administrative management, safety, status, salary and other factors. All of these factors can lead to employee dissatisfaction. The relationship between employee satisfaction and firm performance. Enterprise performance depends on employee satisfaction, that is to say, if the enterprise wants to achieve high performance, it should improve employee satisfaction. On the contrary, low employee satisfaction will affect enterprise performance, which will also bring low enterprise performance. We have been studying the direct and indirect relationship between employee satisfaction and enterprise performance, so as to make enterprises obtain greater benefits. According to the relevant data survey, improving the satisfaction of employees can effectively improve the enthusiasm of employees for work, and employees love their work, will avoid the brain drain, reduce the brain drain, and play a crucial role in improving the competitiveness and performance of enterprises. In the field of organizational behavior, the relationship between employee satisfaction and enterprise performance has been studied as the most important topic. Objectively, the better an employee's performance, the more satisfied they should be with their job, and the most satisfied employees should also be the best performers. The academic world has devoted much attention to the relationship between the two.

Through the search of some literature, it can be seen that employee satisfaction is in direct proportion to enterprise performance. An enterprise must improve employee satisfaction if it wants to improve enterprise performance. However, there are many

measures to improve employee satisfaction. This paper starts from the aspect of employee motivation, strengthens the humanistic care of employees, creates a cheerful working atmosphere, implements effective career planning for employees, enhances communication among employees and attaches importance to internal communication, so as to better improve employee satisfaction and enterprise performance.

The employee's professional knowledge and personal skills, work ability, work attitude, position and ability matching, IQ and EQ, loyalty, engagement, working environment and the management mechanism of the enterprise have a deep impact on the performance of the enterprise. As an enterprise manager, these factors should not be ignored, should pay close attention to and grasp. From the perspective of employee satisfaction, it is necessary to analyze the influence of employee satisfaction on enterprise performance on a case-by-case basis. In most cases, employees' dissatisfaction is likely to lead to their slow and negative work attitude. However, perhaps out of professional ethics, dissatisfied employees still insist on taking their tasks seriously. Under the influence of various factors, employee satisfaction has become one of the important factors that cannot be ignored, which has a profound impact on enterprise performance. Based on the analysis of the two-factor theory, enterprises should pay attention to: health factors can only play a short role in improving employee satisfaction, which can only ensure that employees are not dissatisfied, while the application of incentive factors can play a more lasting effect and make employees have full intentions. In addition, enterprises are concerned about the process of satisfaction changes, but also to pay attention to the trend of enterprise performance, timely feedback.

Employee satisfaction fully indicates the degree of difference between employees' expectations of the company and their actual feelings. Employees' satisfaction with an enterprise not only has a certain impact on individual performance, but also has a corresponding impact on the performance development of the entire enterprise. Therefore, both experts and scholars in economics and management as well as enterprise managers have begun to pay more and more attention to the topic of employee satisfaction.

There is a positive correlation between employee satisfaction and enterprise performance. Such human resource management practices show that for a company to utilize the skills and knowledge of their employees, it needs to provide educational opportunities, fair pay, benefits, and employment stability. An appropriate way to motivate employees to perform to the maximum in their work. Improving employee satisfaction is a crucial management task because it builds confidence and loyalty on the basis of employee satisfaction and leads to progress in employee output and productivity. The company's top management is committed to managing employee satisfaction and continuously paying attention to the affecting factors of employee satisfaction. Employee satisfaction can encourage employees to increase their responsibilities and improve their job performance. In turn, these can promote business performance and are prerequisites for top managers to lead the company to employees.

The research conclusions indicate that employee satisfaction has a positive impact on employee loyalty, customer satisfaction, and enterprise performance. Additionally, employee satisfaction exerts a positive influence on enterprise performance through the mediating variables of employee loyalty and customer satisfaction. Firstly, companies need to ensure that their employees are satisfied with aspects such as the work itself, work remuneration, interpersonal relationships, and organizational management, as satisfied employees are essential for creating customer satisfaction and fostering loyalty to the company. Secondly, to enhance customer satisfaction, companies must ensure that their employees satisfy customers, becoming advocates and problem solvers for customers. Finally, by addressing employees' needs—such as the need for knowledge, the need to utilize their talents, the need for rights, and the need to fulfill their self-worth—companies should show care and concern for employees. This involves mobilizing employee enthusiasm, stimulating a spirit of dedication, enhancing confidence, and increasing

employee loyalty. In doing so, employees become the driving force for implementing customer satisfaction strategies, ultimately maximizing enterprise performance.



Figure 1: New knowledge

## SUGGESTIONS

### Suggestions for Putting Research Results to Good Use

This study summarizes the intermediate factors through which employee satisfaction influences business performance in 4-star and above hotels in Henan Province, People's Republic of China, and constructs a theoretical model explaining the mechanism of how employee satisfaction affects business performance. It suggests that companies should pay particular attention to the mediating roles of employee engagement and innovation between employee satisfaction and business performance. It explores how employees actively engage in problem-solving and innovation activities and how this directly or indirectly affects performance outcomes.

### Suggestions for Future Research

This study narrows down the research scope to the specific context of 4-star and above hotels in Henan Province, People's Republic of China, making the research more targeted. By delving deeper into the influence of the culture and values of Chinese hotel enterprises on the relationship between employee satisfaction and business performance, it uncovers the unique background of the hotel industry in terms of traditional culture and modern values. It suggests that future research can consider these factors as a basis for understanding how employee satisfaction and business performance interact.

During the practical research, in addition to conducting surveys, other research methods such as peer evaluations, field interviews, or individual case discussions were integrated to improve the accuracy of the research results. It examines the relationship between employee satisfaction and employee loyalty. It suggests that future research could further explore how employee satisfaction influences employee loyalty and, subsequently, how this impacts business performance. This study can contribute to a better understanding of the mechanisms through which employee satisfaction affects employee behavior and business performance.

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