

THE ROLE OF ORGANIZATIONAL CULTURE AND EMPLOYEE SATISFACTION IN MANAGING CHANGE: THE CASE FROM THE HOTEL INDUSTRY

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Abstract

Purpose – The main research goal of this paper is to examine how organizational culture affects change management process through employee satisfaction. Organizational culture and employee satisfaction appear as important factors in a successful business because they lead to the satisfaction of the service user, which helps building quality relationships with customers.

Methodology – In order to test the research hypotheses and analyze the connection between variables, a questionnaire was conducted among 49 employees of the Bluesun hotel in Dalmatia. The collected data was analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM), while descriptive statistics were analyzed using SPSS.

Findings – The results of PLS-SEM analysis confirmed that dynamic organizational culture has positive direct and indirect impact on change management, i.e., employee satisfaction partially mediates organizational culture-change management relationship.

Contribution – Organizational culture, change management and employee satisfaction are crucial to an organization's competitiveness and survival in the market. One unique contribution is the proposed model that integrates mentioned variables with a particular focus on the mediating role of employee satisfaction in facilitating the positive effects of a dynamic and creative organizational culture in hotel industry. This work also aims to draw attention to the importance of organizational culture, its impact on each individual part of the organization and the necessity of constant adaptation to changes.

Keywords: organizational culture; employee satisfaction; change management; tourism.

INTRODUCTION

Organizational change refers to the process of modifying the existing state of an organization. Change management plays a vital role in the success and competitiveness of an organization, as it must adapt to its environment to thrive in the business world. While changes have always been present in organizations, their frequency has recently increased significantly. To achieve competitiveness and manage changes effectively, several factors such as funds, technology, human resources and marketing must be taken into consideration. However, the human factor is crucial, and the success of any change management effort depends on employees' acceptance of the change.

According to Carnall (2018), change management has three key issues: identifying what should be changed, assessing the likelihood of implementing the changes, managing people and strategic changes. Human resources are the foundation of any organization, and the success of change management efforts depends on changes at the individual

level, including the attitudes, behaviors, values and thinking of employees. Organizational culture plays a significant role in managing change as it can be used to create a positive image of the company. Employee satisfaction is also an essential factor in a successful business, as it influences the satisfaction of service users and builds quality relationships with customers.

The aim of this research is to investigate how organizational culture affects change management process through employee satisfaction. Organizational change has impact on every part of an organization, but it is specifically challenging to encourage employees to change. Therefore, the organizational culture's impact on employee satisfaction and change management is critical. Moreover, a dynamic and creative organizational culture should lead to more satisfied employees and enable change process (in contrast to static and bureaucratic organizational culture). Previous studies on the hotel industry have not provided a comprehensive model that integrates the three crucial factors of organizational culture, change management, and employee satisfaction. While there are studies that have examined the relationship between these variables individually, there is a need to understand how they interact and affect each other. The study will advance knowledge in this area by providing a framework for understanding the importance of these variables. It also emphasizes the need for constant adaptation to changes and the role of organizational culture in fostering creativity, good interpersonal relationships, and decentralization. By examining these factors in one study, the proposed research contributes to a better understanding of their complex relationship and the results can provide practical implications for hotels and other organizations within the hospitality industry, to review and adapt their organizational culture to create satisfied employees and more successful efforts in managing change.

To gather empirical data for this research, a survey was conducted among the employees who work at a hotel belonging to the Bluesun Hotels & Resorts, located in Dalmatia. The data is analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the set hypotheses.

1. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

1.1. Organizational culture

Organizational culture is a key aspect of modern management theory and practice. It is a complex and multifaceted term, determined by various goals, philosophies, personal beliefs and values that differentiate one organization from another (Widarko and Anwarodin 2022). Organizational culture plays a crucial role in an organization's operations, as it provides employees with a sense of belonging, fosters loyalty, achieves stability and structures employee behavior.

Organizational culture is essential for an organization's development, progress and achievement of its goals. During this process, the organization's desired image is created using various symbols that define the company, making the organization recognizable. Management's important task is to define the characteristics of the organizational culture and determine the desired direction of change. Changes in society occur rapidly, making

it crucial to upgrade and change organizational culture. Employees play a significant role in the development and change of culture. Changing organizational culture occurs in three phases: determining the need to change, finding appropriate methods and implementing the new culture. The change process takes time, and there may be resistance from some members of the organization. According to Bahtijarević-Šiber (1992), there are two main types of organizational cultures: dynamic, creative culture, and static, bureaucratic culture. Dynamic, creative culture is entrepreneurially oriented, people-oriented and decentralized, while static, bureaucratic culture is highly formalized and focused on maintaining status-quo. Due to its orientation on interpersonal relationships and decentralization, a dynamic, creative culture should lead to higher employee satisfaction. Also, since this type of culture is entrepreneurially oriented while fostering creativity, innovations and new ideas, it should facilitate the change process.

Organizational culture shapes the way employees work, interact with customers and make decisions. The hotel industry is unique, as it involves interactions between employees and customers from different cultures, which requires a strong and positive organizational culture. Organizational culture influences the behavior and attitudes of employees, and in turn, affects the quality of services provided to customers. To gain acceptance within their environment, individuals tend to conform to the prevailing culture (Hasrat and Rosyadah 2021; Azizah et al. 2022). The hotel industry is highly dependent on customer satisfaction and a positive organizational culture can increase employee satisfaction, which can lead to higher levels of customer satisfaction. Therefore, developing and maintaining a strong organizational culture is crucial for the hotel industry's success.

Several studies have examined the impact of organizational culture in the hotel industry. The study conducted by Pawirosumarto et al. (2017) on a sample of 642 employees reveals that organizational culture is a crucial variable that significantly contributes to employee job satisfaction. DuFrene and Lehman (2014) concluded that the way in which employees respond to change is significantly influenced by the culture of the organization. To ensure a positive outcome, management should inform employees of all changes, provide direct and thorough explanations without exaggerating potential losses, encourage open discussion about any fears, and give timely notifications of changes. Additionally, management should communicate on a personal level to show care and compassion, and ask for employee input to build a stronger relationship. According to another study by Warrick (2017), organizational culture is crucial to a company's success, affecting employee morale, productivity, and talent retention. Managers must prioritize understanding and building healthy cultures to align with organizational strategies. Investing in cultural training and management can yield significant benefits and competitive advantages.

Organizational culture is a crucial factor in the success of the hotel industry. Studies have shown that a strong and positive organizational culture can lead to higher employee motivation, job satisfaction, and productivity, resulting in better customer service and profitability. On the other hand, a negative or weak organizational culture can lead to employee turnover, poor customer service, and ultimately, financial losses. Therefore, it is essential for hotel managers and leaders to invest in building a strong and positive organizational culture. This can be achieved through various ways, such as effective

communication, training and development programs, employee recognition or rewards, and a clear set of organizational values and goals. In conclusion, the hotel industry is highly competitive, and a positive organizational culture can give hotels a competitive advantage. Hotels can attract and retain talented employees, deliver exceptional customer service, and achieve long-term success by fostering a culture of collaboration, innovation and respect.

1.2. Employee satisfaction

Employee satisfaction is a crucial aspect of organizational behavior and management. It refers to the extent to which employees are contented and fulfilled with their work environment, job responsibilities and overall experience at work (Goretzki et al. 2022). Numerous studies have shown that employee satisfaction is a critical factor in determining the success and growth of a company.

Employee satisfaction is essential for a company's success as it directly impacts various aspects of the organization. Firstly, satisfied employees are more productive, motivated and committed to their work, which ultimately leads to increased organizational performance and profitability. Secondly, employee satisfaction is positively related to employee retention, reducing the cost of hiring and training new employees. Satisfied employees are more likely to stay with the company for a longer duration, leading to lower turnover rates. Thirdly, employee satisfaction helps create a positive work culture, which attracts top talent, improves customer satisfaction and enhances the company's brand image.

Employees play a crucial role in creating a positive guest experience in a hospitality sector. Maintaining employee motivation is important in achieving company goals as it contributes to customer satisfaction and loyalty (Machova et al. 2022). Therefore, it is imperative for hotel managers to ensure their employees are satisfied to provide exceptional customer service. Studies have contributed to understanding employee satisfaction in the hotel industry. Chiang and Jang (2008) studied the importance of employee motivation and satisfaction in the hotel industry. Motivated employees tend to work harder, improve their productivity and enhance their performance. Ultimately, employee support and recognition are critical for enhancing employee satisfaction and motivation. According to Ashton (2018), employee satisfaction in the hotel industry depends on factors such as working conditions, leadership, training, job security, brand image, and personal traits. The study also highlights the importance of extrinsic and intrinsic motivation and personal attitudes in shaping employee job satisfaction.

Employee satisfaction is a critical factor in the success of the hotel industry. Ensuring employees are satisfied can lead to better customer service, lower turnover rates and increased profitability. Factors such as job security, job autonomy, compensation, benefit and organizational culture contribute to employee satisfaction. By understanding these factors and implementing strategies to improve employee satisfaction, hotel managers can create a positive work environment and improve their bottom line.

1.3. Change management

Change management is the process of planning, implementing and controlling changes in an organization's operations or processes. The need for change can arise due to external or internal factors, such as technological advancements, new market trends, or changes in the competitive landscape. Successful change management is essential for an organization's long-term success, enabling it to adapt and remain competitive in an ever-changing business environment.

Change management is crucial for organizations that wish to remain competitive and adapt to changing market trends. By effectively managing change, organizations can minimize disruptions and reduce resistance from employees, thereby ensuring a smooth transition to new processes and operations. Effective change management can also help organizations to achieve their strategic goals, such as improving operational efficiency, enhancing customer satisfaction, and increasing revenue. Change management is not without its challenges. One of the biggest challenges is resistance from employees who are comfortable with the existing processes and may feel threatened by change. Other challenges include inadequate communication, lack of employee engagement and poor planning and execution. Organizations must develop effective change management strategies to overcome these challenges and involve employees in the change process.

The hotel industry is a highly competitive and dynamic sector that is constantly evolving due to changes in market trends, customer preferences and technological advancements. Several key factors influencing organizational change in the hotel industry have been identified by studies. According to a study by Chiang (2010), communication strongly influences organizational change, while the nature of the changes affects employees' attitudes toward organizational change and commitment. The study highlights the importance of hotel managers being aware of employees' concerns about changes and implementing them carefully. A study by Ramos-Maçães and Román-Portas (2022) examined how organizational communication, leadership and employee commitment are linked to organizational change. A survey of 335 hospitality employees indicates that effective communication positively impacts leadership and employee commitment, which is related to successful organizational change. A study by Yue et al. (2019) explored the relationship between transformational leadership, transparent organizational communication, and employee reactions to organizational change. The findings showed that transparent communication and transformational leadership positively influenced employee organizational trust, which in turn, increased employee openness to change. The study highlights the importance of incorporating transparent communication and leadership strategies to effectively manage change and generate positive employee reactions. The results suggest that companies should prioritize building trust as a top business issue to foster successful change implementation.

By embracing change management strategies, hotels can ensure that they are always meeting the needs of their guests and providing them with exceptional experiences. This includes updating their technology, investing in employee training and development, improving customer service, and implementing sustainability practices. Hotels that successfully manage change will thrive in today's rapidly evolving hospitality landscape.

1.4. Development of research hypotheses

The relationship between organizational culture and change management has been a popular research topic in academic literature. Organizational culture plays a critical role in change management in every organization. Organizational culture is significant as it establishes a shared system of norms, beliefs and meaning among its members, providing mutual understanding and effective communication within the organization. Additionally, examining employee satisfaction can be vital in linking organizational culture with change management. By understanding the perceptions of employees towards the company's culture and their willingness to adapt to change, organizations can identify areas that require improvement and implement effective strategies for change management. Employee satisfaction serves as a valuable tool in creating a positive work environment and fostering an engaged workforce that is better equipped to adjust to changes in the industry. Therefore, conducting thorough studies of employee satisfaction is essential to successful change management in organizations.

Over the years, the connection between organizational culture and employee satisfaction has been a prominent subject of interest in the academic literature. According to Tsai (2011), organizational culture plays a crucial role in shaping the work environment. Effective communication and promotion of organizational values to employees can significantly impact their work behavior and attitudes. A positive interaction between leadership and employees can foster better teamwork, communication and collaboration, encouraging a more enthusiastic pursuit of the organization's mission and objectives. Consequently, this can enhance job satisfaction and promote a sense of fulfillment among employees. Recognizing and fostering a healthy organizational culture is essential for achieving a productive and fulfilling work environment. Arifin (2015) demonstrated that competence and organizational culture positively affect job satisfaction, while Mubarok (2019) concluded that organizational culture and work motivation significantly influenced job satisfaction. Belias et al. (2017) also examined the relationship between organizational culture and employee job satisfaction. The study finds that job satisfaction is influenced by factors such as the work environment, colleague relations and organizational goals. Laškarin Ažić (2017) analyzed the factors related to employee satisfaction in the hospitality industry. The study found that good relationships, represented by organizational culture, are the main incentive for positive employee behavior. The study shows that satisfaction with management and coworker relationships significantly influence overall job satisfaction and positive behavior within the organization. According to Chahal and Poonam (2017), organizational culture is vital for enhancing employee performance and commitment in the hospitality industry. A clear understanding of company culture leads to higher job satisfaction, commitment and achievement of organizational goals. Strong employee commitment strengthens their job security within the organization. Organizational culture impacts employee satisfaction and intentions to stay or leave the organization.

Extending beyond the relationship between organizational culture and employee satisfaction, scholars have also explored their interaction with organizational change. These studies have emphasized the importance of a supportive and adaptive culture in facilitating effective change management and have identified strategies to promote positive change. Rashid et al. (2004) found a link between organizational culture and

employees' affective, cognitive and behavioral attitudes toward organizational change. Affective attitude refers to feelings, cognitive attitude to beliefs, and behavioral attitude to intentions. The study by Yousef (2017) examined the relationships between job satisfaction, organizational commitment and attitudes toward organizational change. Results show that certain job satisfaction facets have direct and indirect effects on attitudes towards change, with organizational commitment playing a mediating role. Mallinger et al. (2009) concluded that aligning organizational culture with company goals increases the acceptance of change. Thus, managers should analyze the culture before implementing change to ensure a successful strategy and plan for employee readiness and barriers to acceptance. Lucas and Kline (2008) conducted a study that highlighted how an organization's culture and its constituent groups can impact the way individuals and work groups perceive and respond to organizational change initiatives. Their research focused on organizational learning, stressing the significance of learning throughout the process of change. Bryson (2008) points out that society constantly changes, influencing organizational culture. Changes occur in every corner of the organization. Globalization and market changes directly affect the management in the organization, leading to the adoption of better values, norms, beliefs, and ways of doing things, which are the core elements of the corporate culture. Rashid et al. (2004) emphasize that organizational change involves commitment, a psychological aspect that influences employees' perception and adaptation to change. The authors clarify the association between different types of organizational cultures and types of commitments in the organization. For example, a competitive corporate culture emphasizes risk-taking, high levels of dynamism, creativity, and innovation, which enhances the likelihood of adapting and supporting organizational change.

These studies suggest that organizational culture can significantly impact employee satisfaction, which is critical in facilitating change management. By understanding this relationship, organizations can create a culture that fosters employee satisfaction, ultimately facilitating the successful implementation of change initiatives. A positive and supportive culture can be associated with higher change readiness, commitment, and success. By promoting a supportive organizational culture, organizations can create an environment where employees feel safe to express their opinions, share ideas and take calculated risks. In turn, this encourages creativity and innovation, which can contribute to the success of change initiatives. Moreover, a positive culture promotes employee engagement, which can improve productivity and performance. Therefore, this study focuses on the dynamic, creative culture which is expected to increase employee satisfaction. On the other hand, a negative or unsupportive culture can act as a barrier to change management. When employees feel unappreciated, unsupported, or distrustful of management, they may be resistant to change and less likely to collaborate with management. Such a culture can lead to low employee morale, high turnover, and reduced productivity. Therefore, based on the literature review, we have formulated the research hypotheses presented below.

H1. Organizational culture directly and positively influences change management.

H2. Employee satisfaction is a mediator between organizational culture and change management.

2. EMPIRICAL ANALYSIS

2.1. Method

A survey using a questionnaire was conducted among the employees of the analysed 3-star pavilion-type Bluesun hotel, located in Dalmatia. This hotel was chosen since at the time of survey it was going through significant changes linked to ownership change. The questionnaire was completed by 49 out of 78 employees, forming a response rate of 62.82%. The questionnaire was divided into five parts. The first part of the questionnaire included the socio-demographic characteristics of the employees, i.e., gender, age and education. The second part of the questionnaire refers to the employment, that is, the department, the employment type and the length of employment in investigated hotel.

Employee satisfaction was evaluated through following statements adopted from Bolfek, Lukavac and Milković (2017): I'm satisfied with the quantity and quality of information about the business of the hotel (SAT1), the flow of information in the hotel is at a satisfactory level (SAT2), I receive feedback on whether I perform my work well (SAT3), communication with colleagues is at a satisfactory level (SAT4), I get reliable information about work from my colleagues (SAT5), during the conversation, my superior listens to me and tries to understand (SAT6), I receive reliable information from my superior (SAT7), I'm praised by my superior (SAT8), I receive recognition for my work from my superior (SAT9), my superior has confidence in me (SAT10), there are possibilities for career advancement in this hotel (SAT11), I think that my talents and knowledge are sufficiently used in this hotel (SAT12)

Following statements about dynamic and creative organizational culture were evaluated (Bahtijarević-Šiber 1992): organizational culture is oriented towards development and entering new projects (OC1), represents ambitious goals (OC2), is changeable and full of dynamics (OC3), implies taking risks (OC4), encourages creativity with its climate (OC5), motivates creativity and innovation (OC6), values all employees (OC7), is characterized by trust and fairness (OC8), enables participation of all members in decision-making (OC9), enables the creation of informal friendly relationships (OC10), encourages teamwork (OC11). Change management was evaluated using the following statements (Aleksić 2009): I am involved in the change process and development of solutions (CM1), during the change process, departments in the hotel cooperate with each other (CM2), during the change process, the manager is committed to making it easier for the employees to implement the changes (CM3), the manager tries to reduce change resistance by conversation, praise, reward, etc. (CM4), implementation of changes improves the situation in the organization (CM5), employees who participate in the implementation of changes are generally rewarded (CM6). The statements about employee satisfaction, organizational culture and change management were evaluated using Likert 1-5 scale (from 1 – strongly disagree, to 5 - strongly agree).

SEM-PLS with SmartPLS was used for hypotheses testing, while descriptive statistics were analyzed using SPSS. Structural equation modeling (SEM) is used to incorporate into the model unobservable variables measured by indicators (Hair et al. 2014) and for simultaneous analysis of relationships (Ramli et al. 2018). This paper uses PLS-SEM due to the small sample size and the aim of testing a theoretical framework from a

prediction perspective (Hair et al. 2019). The other reason for choosing PLS-SEM is because it provides fewer contradictory results than regression when testing mediation effects (Ramli et al. 2018).

2.2. Results

The survey was completed by 49 hotel employees. The characteristics of the survey participants are presented in Table 1.

Table 1: Respondents' characteristics

Variable		Number of respondents	Percentage (%)
Gender	Male	17	34.69
	Female	32	65.31
Age	18-25	29	59.18
	26-35	4	8.16
	36-49	9	18.37
	50 and more	7	14.29
Education	High school degree	38	77.55
	Undergraduate degree	7	14.29
	Graduate degree	4	8.16
Department	Kitchen	13	26.53
	Housekeeping	11	22.45
	Restaurant	9	18.37
	Reception	6	12.24
	Maintenance	1	2.04
Type of employment	Seasonal	35	71.43
	Permanent	14	28.57
Duration of employment	0-1	19	38.78
	2-5	17	34.69
	6-9	5	10.20
	10 and more	8	16.32

Source: Authors' elaboration

The sample consists of 32 women (65.31%) and 17 men (34.69%). More than half of the respondents are in the 18-25 age group, that is, 29 of them (59.18%). Furthermore, 9 employees (18.37%) are in the age group of 36-49 years, 7 employees (14.29%) are 50 years old and older, while the smallest number of employees is in the age group of 26-35 years, namely 4 employees (8.16%). The structure of employees according to education was analyzed next. Employees that have graduated from high school predominate (n=38; 77.55%), while 7 employees (14.29%) have graduated from undergraduate studies and the smallest number of employees have a graduate degree (n=4; 8.16%). As for the structure of employees according to the department, the largest number of employees are employed in the kitchen and the housekeeping department, i.e., 13 employees (26.53%) work in the kitchen, while 11 employees (22.45%) work in the

housekeeping department. The sample includes 9 restaurant employees (18.37%) and 6 reception employees (12.24%), while only one maintenance employee (2.04%) participated in the research. The majority of employees are seasonal workers (n=35; 71.43%), while the number of permanent workers is 14 (28.57%). 19 employees from the sample worked one year or less in this hotel (38.78%), 17 respondents are employed between 2 and 5 years (34.69%), 5 of them between 6 and 9 years (10.20%), and 8 surveyed employees work in a hotel for more than 10 years.

Mann Whitney test was used to analyze the relationship between the employment type (temporary vs. permanent) and perception of organizational culture, change management and employee satisfaction. The results have shown no statistically significant difference in analyzed variables between temporary and permanent employees. In order to test the relationship between the length of employment and perception of organizational culture, change management and employee satisfaction, the Kruskal-Wallis test was used. The results have shown no statistically significant difference in observed variables (organizational culture, change management and employee satisfaction) in relation to the number of years employed. Based on that it can be concluded that this sample is representative, and can be used to assess the organizational culture, change management and employee satisfaction of the analyzed hotel.

To test collinearity, Variance Inflation Factors (VIF) was analyzed. The results proved that there is no multicollinearity between variables problem since all values are far lower than 10 (Hair et al. 2010). Moreover, only four variables have VIF larger than 5 (VIF(OC2)=5.300, VIF (OC5)=5.055, VIF(SAT8)=7.704, and VIF(SAT9)=5.840)). Inner VIF values are also low and acceptable (Table 2) proving the problem of multicollinearity is not existent.

Table 2: **VIF**

	Employee satisfaction	Change management
Organizational culture	1.000	3.275
Employee satisfaction		3.275

Source: Authors' elaboration

A path analysis was undertaken to analyze the measurement model and test the proposed hypotheses. Individual reliability, composite reliability and convergent validity were tested to confirm reflective constructs. The results are presented in Table 3.

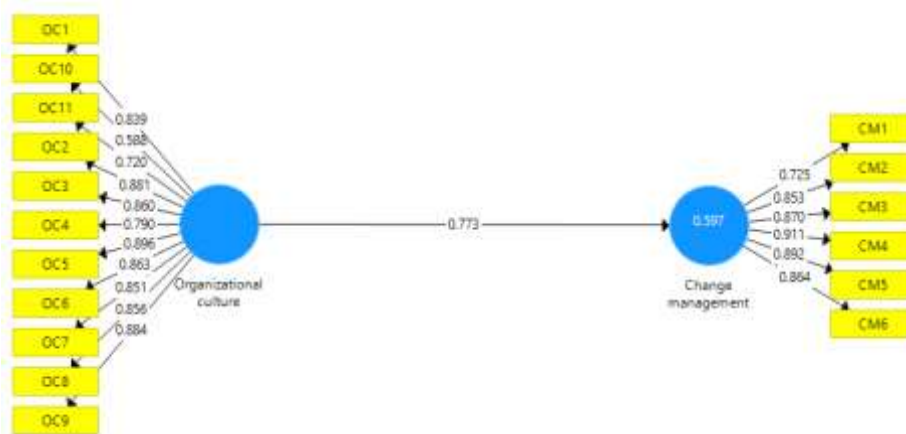
Table 3: **Reliability and convergent validity of constructs**

Constructs	Cronbach's α	Rho_A	CR	AVE
Change management	0.925	0.929	0.942	0.731
Employee satisfaction	0.941	0.944	0.949	0.608
Organizational culture	0.952	0.958	0.959	0.682

Source: Authors' elaboration

Cronbach's alpha, which describes internal consistency, is above 0.9 for all constructs, which is well above the minimum level of 0.7 (Hair et al. 2010). The same is valid for composite reliability (CR). According to Henseler et al. (2016), in PLS analysis, Rho_A should also be examined to test reliability. The results show that Rho_A scores are also above 0.9, i.e., above the acceptable level of 0.7 (Henseler et al. 2016). Average variance extracted (AVE) values are greater than 0.5 proving convergent validity has also been established (Table 1). Bootstrapping method (500 subsamples) was used to estimate structural relationships. Mediation was tested following propositions by Baron and Kenny (1986) and Hair et al. (2010). First, it was established that there is a significant relationship between organizational culture and change management (0.770), organizational culture and employee satisfaction (0.841), as well as employee satisfaction and change management (0.794). After that, the initial model with only a direct effect from organizational culture to change management was estimated ($\beta=0.773$, $p<0.001$). The tested relationship was significant, confirming hypothesis H1.

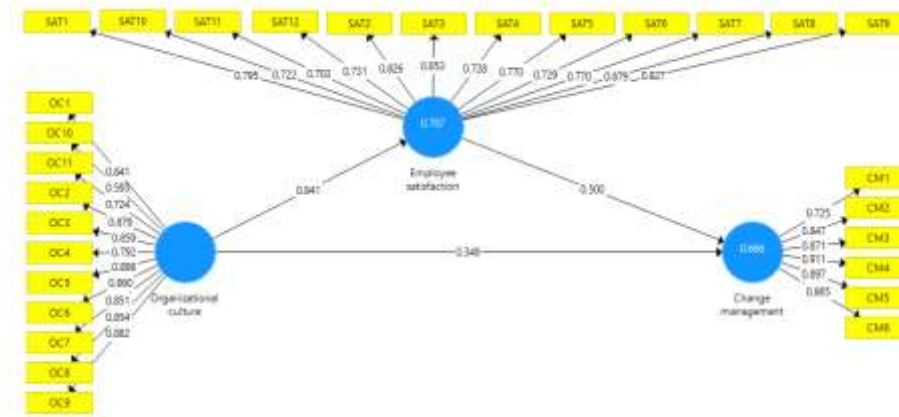
Figure 1: **Structural model**



Source: Authors' elaboration

Then, the second model added employee satisfaction as a mediating variable, and two additional paths were estimated. The impact of employee satisfaction on change management has proven to be significant and positive ($\beta=0.500$, $p=0.001$). The impact of organizational culture on employee satisfaction was also significant and positive ($\beta=0.841$, $p<0.001$). After including employee satisfaction in the model, a path coefficient between organizational culture and change management has significantly decreased ($\beta=0.349$, $p<0.05$, $\Delta\beta=-0.424$). The explained variance in change management (endogenous construct) rose to 0.666 ($\Delta R^2=0.069$). Q^2 for variable organizational culture equals 0.399, and for variable change management equals 0.467 meaning that model has predictive relevance (Chin 2010). Based all previously elaborated, the partial mediation of employee satisfaction on the relationship between organizational culture and change management was proven (Figure 1), so hypothesis H2 was also confirmed. In the mediated model, the direct effect of organizational culture on change management equals 0.349; the indirect effect is 0.421, and the total effect 0.77.

Figure 2: **Structural model with mediation**



Source: Authors' elaboration

To validate PLS structural model, the global goodness-of-fit (GoF) measure was calculated as a geometric mean of the average communality of all constructs and the average R^2 for the endogenous constructs (Tenenhaus et al. 2005). The GoF index of the mediated model was 0.698 suggesting a good fit for the proposed model.

3. DISCUSSION

Results show that dynamic and creative organizational culture should facilitate change management process, confirming hypothesis H1. This is in line with previous research stating that the way in which employees respond to change is significantly influenced by the culture of the organization (Lucas and Kline 2008; DuFrene and Lehman 2014). Moreover, Rashid et al. (2004) analyzed culture that emphasizes risk-taking, high levels of dynamism, creativity and innovation, which is similar to our notion of dynamic and creative culture. They concluded that this type of culture enhances the likelihood of adapting and supporting organizational change.

By incorporating employee satisfaction in a model, its mediating influence on organizational culture-change management relationship was confirmed, supporting hypothesis H2. The results of our research prove that there is a statistically significant, direct impact of organizational culture on employee satisfaction, which correspond to the findings by Tsai (2011), Arifin (2015), Pawirosumarto et al. (2017) and Mubarok (2019). Moreover, Laškarin Ažić (2017) examined this impact on a sample of organizations from hospitality industry, and also found that good relationships, represented by organizational culture, influence overall job satisfaction. This is in line with our research proving that dynamic culture fostering interpersonal relationships leads to higher satisfaction of hotel employees. The direct and positive impact of employee satisfaction on change management we have confirmed, is in accordance with the study by Yousef (2017) stating that job satisfaction effects attitudes towards change.

The results prove that to adapt to changing environment and growing customer needs, hotels must develop and foster organizational culture focused on innovation, change, risk-taking participation, and team-work. This is a difficult, but very important task that can be done only with continuous focus and determination. Such an organizational culture will not only contribute to better change implementation, but also to employee satisfaction. Employees working in such an environment will be more content with their job, more productive, but also better at dealing with customers, which is important for hotel performance. In the context of this research, it is important to note that satisfied employees will be more eager to participate in organizational change.

CONCLUSION

The results of this research can contribute to understanding the importance of organizational culture and employee satisfaction in managing change in the hotel industry. This research highlights the importance of developed organizational culture and, more specifically, the importance of encouraging an organizational culture that fosters creativity, good interpersonal relationships and decentralization. The results can serve all hotels and other organizations within the tourism and hospitality industry to review and adapt their organizational culture to create satisfied employees and more successful efforts in managing change.

The main contribution of this study, in relation to previous similar studies, refers to the proposed model that incorporates organizational culture, employee satisfaction, and change management. Especially important is the notion that employee satisfaction mediates the positive impact of dynamic and creative organizational culture.

Although this research contributes to the analysis of organizational culture and managing change, some limitations must be acknowledged. This study was based on the employees of one hotel, operating in Dalmatia. The results could differ if multiple hotels were included, so they should be interpreted cautiously. Methodological limitation of this study is related to the small sample size, which could also be solved in future research activities. Also, longitudinal studies analyzing relationships between investigated factors over time could be one direction for future research. Future research efforts could include qualitative research design to reveal other possible antecedents of managing change.

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