

Corporate Image Management and Organizational Effectiveness in the Retail Travel Trade in Nigeria

¹Obiora, J. N. &

²Ekeke, J. N.

^{1&2}*Department of Hospitality
Management & Tourism,
Faculty of Management Sciences,
University of Port Harcourt,
Choba, Nigeria*

Abstract

Despite the increase in corporate image management studies, no effort seems to be made to investigate its effect on organizational performance in the retail travel trade in the African tourism context. It is in the quest to close this apparent gap that, this study used a data set of 120 workers to investigate how customer relations and workplace environment influences profitability and employee satisfaction in travel agencies in Port Harcourt, Rivers State, Nigeria. The four posited hypotheses were supported. The results indicate that customer relations significantly affected profitability and employee satisfaction. On the other hand, workplace environment significantly affected profitability and employee satisfaction positively. Academic and managerial implications of the results and future research directions are suggested.

Keywords:

Customer relations,
Workplace
environment,
Profitability and
Employee
Satisfaction

Corresponding Author:

Obiora, J. N.

Background to the Study

Organizational effectiveness as a concept describes the ability of an organization to utilize its scarce resources and achieve its predetermined goals. Firms are said to achieve organizational effectiveness when they utilize their scarce resources and achieve pre-stated objectives with less waste of the resources. One of the means by which firms could achieve its goals in the marketplace is through the creation and sustaining of reputable corporate image amongst its stakeholders. Stakeholders in a typical business firm include shareholders, customers, the government, the public, suppliers, etc.

The quest to achieve organizational effectiveness is a very important issue for the sustainability of firms especially in a competitive business environment. Our focus in this study as regards organizational scope is the travel intermediaries who dominate the retail travel trade in the tourism sector of Nigeria. The broad objective was to determine the effect of corporate image management on the organizational effectiveness of travel agencies operating in Port Harcourt, Rivers State, Nigeria.

Some studies (Adeniji, Obasanjo, Omotayo, Abiodun, & Ori-Ojo 2015; Okoisama, Best & Anyanwu 2017) had investigated the relationship between corporate image management and organizational effectiveness. As a multi-dimensional construct, other studies also investigated the relationship between some dimensions of corporate image management such as workplace environment ((Leblebici 2012; Al-Omari & Okasheh 2017, Naharuddin & Sadegi 2013) and measures of organizational behaviour.

To the best of our knowledge, no study seems to have examined customer relations as a dimension of corporate image management. Accordingly, therefore, our point of departure is to investigate the effect of two dimensions of corporate image management (corporate relations and workplace environment) on two measures of organizational effectiveness (profitability and employee satisfaction in a developing country, Nigeria).

Objectives of the Study

The main objective of the study was to examine the relationship between corporate image management and organizational effectiveness in the travel retail trade in Nigeria. The specific objectives were to;

- (i) Examine the effect of customer relations on profitability of travel retail trade organizations.
- (ii) Determine the effect of customer relations on employee satisfaction in travel retail trade organizations.
- (iii) Examine the effect of workplace environment on profitability of travel retail trade organizations.
- (iv) Determine the effect of workplace environment on employee satisfaction in travel retail trade organizations.

Theoretical Foundation

Company executives/CEO understands that maintaining a good image with all stakeholders is capable of engendering public acceptance, patronage and profitable

relationships. As noted by Adeniji, Obasanjo, Omotayo, Abiodun, and Ori-Ojo (2015), "there is strong positive correlation between how people perceive organizations and the pro-corporate supportive behavior, The resource based value theory views corporate image as a very valuable and distinctive intangible resource that has the potential to enable organizations achieve competitive advantage in the marketplace. It is the view of Berney (1991) that, corporate image satisfies the qualities of a strategic resource possessed by an organization in and therefore provide strategic value to the firm.

The multidimensional nature of cooperate image gives the managers the latitude to isolate any dimension and emphasize it with a view to achieving organizational effectiveness. Due to the fact that corporate image influences stakeholders' behavior towards the organization, organizational managers do strive to establish and manage their image for several reasons such as the quest to achieve competitive advantage. In this study the dimensions of corporate image management that is of interest to the researchers are customer relations and workplace environment.

Literature Review

Organizational Effectiveness

Organizational effectiveness could be described as the efficiency with which an organization is able to meet its pre-determined goals. This is usually possible through strategic utilization of both human and material resources by organizational employees. An organization that is very productive with less or no waste is said to be effective.

Profitability

Profitability is described as the engine which is the main driver of business enterprises (Kaynes as cited in Ozuru, Igwe and Akuma 2016). The primary reason why entrepreneurs go into business is for profit making. It is the surplus that occurs when expenses are deducted from sales made for a specified period of time. There are several factors that account for profitability of enterprises, such as patronage of loyal customers, good corporate image of firms, economies of scale in production and marketing, etc.

Employee Satisfaction

Employee's job satisfaction is defined by Locke(as cited in Khan, Abbasi, Waseem, Ayaz and Ijaz(2016) as "feelings of a person which come positively when appraisal comes from person's job". There are several factors which account for employee satisfaction at in organizations. For example, training and development of employees in appropriate skills capable of enhancing their job performance, god working conditions, good corporate image/reputation, etc are all capable of making an employee get satisfaction from his/her job.

Corporate Image Management

According to Murray (as cited in Ademiji 2015, p.3) "corporate image builds strategic value for a company by granting it a competitive advantage over rivals". This fact is achieved through various means, such as employees with skill and competence,

Customer Relations and Profitability

Orantes-Jimenez, et al (2017) conducted a research in 3. star hotels in Mexico to determine the effect of CRM on customer profitability with customer loyalty and customer retention acting on mediating variables. They found that, CRM had positive impact on customer loyalty and equity had positive impact on customer retention. They also found that loyalty of customers to hotels had positive impact of the Hotel's profitability. The foregoing suggests that, a good customer relation by travel agencies in Port Harcourt engenders customer loyalty which in turn increases the profitability of the firms.

Also, Williams, Ogege & Idegi (2014) investigated the impact of effective customer service on Nigerian banks profitability. They found that poor customer service management may reduce profitability by banks which is capable of causing bank distress. Conversely, effective customer service management will engender profitability in organizations. We therefore propose that;

H1: Customer relations is a significant determinant of profitability.

Customer relations and Employee satisfaction

An organization that has a good customer relationship initiative that is companywide in practice could be argued to have created an enabling environment for the employees to relate well with customers through delivery of excellent service quality. The satisfaction by customers in this type of situation, could make the customer to show gratitude and appreciation to the employees who in turn will be satisfied. Dolen, Lemmink, Ruyter and Jong(2002) opine that for employees, the such gratitude shown by customers will engender a higher level of employee satisfaction. As argued by Ailloopour, Heammapour and Mirtashimi (2014, p.1) “job satisfaction experienced by employees will affect the quality of service they provide which in turn will affect their job performance”.

Jeon and Choi (2012) examined the effect of employee satisfaction on customer satisfaction in educational institutions in Korea. The findings showed that customer satisfaction did not significantly affect employee satisfaction. Also in the study conducted by Brown and Lam (2008) on the effect of employee satisfaction on customer satisfaction with perceived service quality acting as a moderating effect. The findings showed a non-significant direct effect between employee satisfaction and customer satisfaction. But a direct effect was found with perceived service quality acting as a mediating variable. The following is suggestive of the fact that in customer centric firms, since employees are primarily concerned with customers' feelings, they will naturally be pleased when customers show appreciation for excellent service delivery (Goodwin & Gremmler 1996). From the foregoing, it could be proposed that:

H2: Customer Relations are a Significant Determinant of Employee Satisfaction.

Workplace Environment and Profitability

Al-Omari and Okasheh (2017) investigated the influence of work environment on job performance in an engineering firm in Jordan. The findings of the study showed that

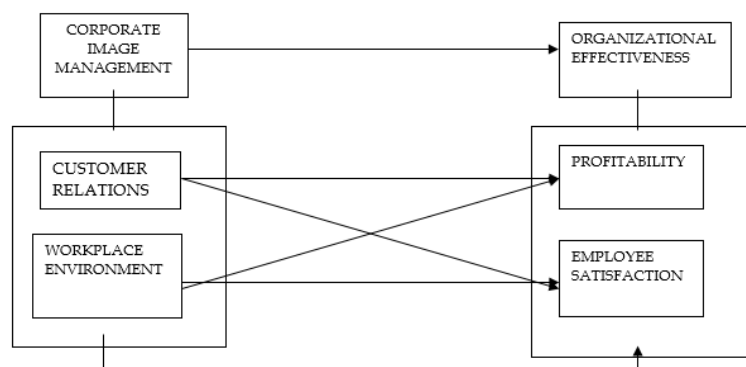
developing and marketing quality products, embarking on corporate social actions, educating host communities etc. Okoisama, et al (2017) argues that competitive business environment, innovation, dynamic economic conditions are some of the issues compelling organizations to seek how to achieve competitive advantage through intangible assets such as corporate image. Corporate Image Management (CIM) is defined by Russell (as cited in Okoisama, et al 2017, p.20) as “a systematic and multi-aspect process that entails plans and policies aimed at fashioning a positive image for the organization 's internal and external atmosphere and eliminating thoughts and attitude towards the organization”. This definition clearly suggests that, the management of corporate image involves creation and sustaining of cordial and harmonious relationship with all stakeholders of an organization including employees and customers.

Customer Relations

Customer relations connote relating with customers with a view to creating a long lasting and profitable relationship with them. Customer relationship management (CRM) is the process involved in maintaining or sustaining customer relationships. Orantes-Jimenez, Vazquez-Alvarez and Jejeida (2017, p.38) argues that CRM “is a strategy whose purpose is to select and manage customers in order to optimize their value in the long term”. A technically oriented definition was given by Zikmund, Mcleod and Gilbirt (2003, p3) as a “business strategy that uses information technology, to provide an enterprise with a comprehensive, reliable, and integrated view of its customer base so that all processes and customer interactions help maintain and expand mutually beneficial relationships”.

Workplace Environment

Workplace environment has both physical and behavioral components. The physical component is made up of the physical layout, technology, furniture and fittings, furnishings, building, landscapes, etc. The behavioural component of workplace environment is made up of the level and manner of interaction and distractions: social interaction, work interactions, creative physical environment, overall atmosphere, position relative to colleagues, position relative to equipment, overall office layout and refreshment (Leblebici 2012,).



work environment had positive impact on job performance. This implies that when employees are able to enhance their job performance as a result of good working conditions, organizational effectiveness occurs naturally through profitability. Agwu (2012) found in a study conducted in Bonny Terminal in Nigeria that, employees' safety culture had positive influence on organizational performance (increased profitability inclusive). Naharuddin and Sadegi (2013) found in a study in Malaysia that workplace environment had significant relationship with employees' performance. Primiana (2015) conducted a study in Indonesia and found that business environment had significant relationship with organizational performance. We can therefore propose that;

H3: Workplace environment is a significant determinant of profitability.

Workplace Environment and Employee Satisfaction

Leblebici (2012) argues that an “an organization's physical environment and its design layout can affect employee behaviour in the workplace”. This explains why organizations are expected to always strive to create a conducive workplace environment to enhance service delivery. Oreij, Dliondt, Kran, Vergeer and Pot (2012) found a positive relationship between workplace innovation and organizational performance and employee commitment. A committed worker will be more productive and thus contribute to the profitability of the firm. Razip and Maulabakhsh (2014) investigated the impact of working environment on job satisfaction in Pakistan. They found a positive relationship between work environment and job satisfaction. From the foregoing, we propose that;

H4: Workplace environment is a significant determinant of employee satisfaction.

Methodological Issues

The study adopted a descriptive survey research design with the target population being 120 employees of travel agencies operating in the garden city of Port Harcourt. A sample size of 92 were involved in the study. With purposeful sampling technique, well-structured questionnaires were given to participating respondents. The instruments retrieved were 80 and all proved useful for statistical analysis, the correlation Analysis was carried out with the aid of The IBM SPSS (Statistical Package for Social Sciences) version 21.0 for testing of the research hypotheses.

Data Analysis

Test of Hypotheses

DECISION RULE

If	PV < 0.05	=	Reject Ho
	PV > 0.05	=	Accept Ho

Test of Hypotheses 1,2,3 and 4

The variables were correlated to ascertain the degree of relationship existing between them in line with the hypothesized relationships.

Decision Rule

If $PV < 0.05$ = Reject H_0
If $PV > 0.05$ = Accept H_0

Test of Hypothesis 1

H_{O_1} : Customer relations are not a significant determinant of profitability.

H_{A_1} : Customer relations is a significant determinant of profitability

Table 1: Correlation analysis showing the relationship between customer relations and profitability

Correlations

		Customer relations	Profitability
Customer relations	Pearson Correlation	1	.799**
	Sig. (1-tailed)		.000
	N	80	
Profitability	Pearson Correlation	.799**	1
	Sig. (1-tailed)	.000	
	N	80	80

** . Correlation is significant at the 0.01 level (1-tailed).

Table 1 above shows that there is a strong and positive correlation between customer relations and profitability in travel agencies in Port Harcourt with $r=799$. With p value $=.000$ which is less than 0.05 , the correlation is significant and on this basis we reject the null hypothesis. The alternative hypothesis was accepted and it states that;
 H_{A_1} : Customer relations is a significant determinant of profitability.

There is significant relationship between relationship management and customer satisfaction in hotels in Port Harcourt.

Test of Hypothesis 2

H_{O_2} : Customer relations is not a significant determinant of employee satisfaction

H_{A_2} : Customer relations is a significant determinant of employee satisfaction.

Table 2: Correlation analysis showing the relationship between customer relations and employee satisfaction.

Correlations

		Customer relations	Employee satisfaction
Customer relations	Pearson Correlation	1	.687**
	Sig. (1-tailed)		.001
	N	80	80
Employee satisfaction	Pearson Correlation	.687**	1
	Sig. (1-tailed)	.001	
	N	80	80

** . Correlation is significant at the 0.01 level (1-tailed).

Table 2 above shows that there is a strong and positive correlation between customer relations and employee satisfaction in travel agencies in Port Harcourt with $r=0.687$. With p value = .001 which is less than 0.05, the correlation is significant and on this basis we reject the null hypothesis. The alternative hypothesis is therefore accepted. It states that;

HA₂: Customer relations is a significant determinant of employee satisfaction

Test of Hypothesis 3

HO₃: Workplace environment is not a significant determinant of profitability.

HA₃: Workplace environment is a significant determinant of profitability.

Table 3: Correlation analysis showing the relationship between workplace environment and profitability.

Correlations

		Workplace environment	Profitability
Workplace environment	Pearson Correlation	1	.693*
	Sig. (1-tailed)		.021
	N	80	80
Profitability	Pearson Correlation	.693*	1
	Sig. (1-tailed)	.021	
	N	80	80

*. Correlation is significant at the 0.05 level (1-tailed).

Table 3 above shows that there is a strong and positive correlation between workplace environment and profitability in travel agencies in Port Harcourt with $r=0.698$. With p value $=.021$ which is less than 0.05 , the correlation is significant and on this basis we reject the null hypothesis. The alternative hypothesis is therefore accepted. It states that;
HA₃: Workplace environment is a significant determinant of profitability

Test of Hypothesis 4

HO₄: Workplace environment is not a significant determinant of employee satisfaction

Ha₄: Workplace environment is a significant determinant of employee satisfaction.

Table 4: Correlation analysis showing the relationship between workplace environment and employee satisfaction.

Correlations

		Workplace environment	Employee satisfaction
Workplace environment	Pearson Correlation	1	.861**
	Sig. (1-tailed)		.005
	N	80	80
Employee satisfaction	Pearson Correlation	.861**	1
	Sig. (1-tailed)	.005	
	N	80	80

** . Correlation is significant at the 0.01 level (1-tailed).

Table 4 above shows that there is a very strong and positive correlation between workplace environment and employee satisfaction in travel agencies in Port Harcourt with $r=.861$. With p value $=.005$ which is less than 0.05 , the correlation is significant and on this basis we reject the null hypothesis. The alternative hypothesis is therefore accepted. It states that;

HA₄: Workplace environment is a significant determinant of employee satisfaction.

Discussion of Findings

Generally, strong and significant relationship exists between the studied variables. As shown in the results above, customer relations had strong and significant relationship with profitability. This result is consistent with Williams, et al (2014) Orantes-Jimenez, et al (2017) Kitchen and Lawrence (2003). The strong and positive relationship between customer relations and profitability could find reasonable explanation that cordial and good and interpersonal approach exist between employees in travel agencies and their customers, which advocates that customers are kings and should be treated as such.

Similarly, customer relations appear positive and significantly related to employee satisfaction. This is very important discovery to professionals and the academia. It could possibly be explained that an excellent customer relation initiative by the firm makes the job of employees very easy in the area of customer service delivery. Workplace environment was also found to have positive and significant relationship with profitability and employee satisfaction. This result is consistent with the findings of Roberts and Dowling (2002). This result suggests that both internal and external physical work environment needs to be conducive, well ventilated, attractive, appealing and free of hazards in order to get the best out of employees. This translates to good employee service which impacts positively on repeat patronage which results in profitability.

Accordingly, therefore, organizations are expected to adopt corporate image management practices capable of enhancing organizational effectiveness since it has a link with profitability of the organization.

Conclusion and Implications

The two dimensions of corporate image management (customer relations and workplace environment) had significant effect on profitability and employee satisfaction. This study therefore concludes that corporate image management in travel agencies is an important and strong determinant of organizational effectiveness.

From the academic perspective, the study makes very important contribution to the organizational effectiveness and corporate management literature by investigating the effect of corporate image management on organizational effectiveness in the Nigerian context- a developing country. In specific terms, the findings of the current study support the proposition that corporate image management is a significant determinant of profitability and employee satisfaction.

From the practitioners' perspective, the important role of maintaining a good corporate image as a determinant of organizational effectiveness in an African context is highlighted. In the light of this, entrepreneurs in the retail travel trade desirous of achieving organizational effectiveness should develop good customer relationship management practice as well as creating a conducive work environment in their firms.

Put differently, It should be noted that the managers of travel agencies should be mindful of corporate image management issues in their respective firms if they are interested in achieving organizational effectiveness. The reason is because such moves have the capacity to enhance profitability potentials of the firm.

Recommendations

Based on the results of the study, we therefore recommend as follows;

- (I) Entrepreneurs managing travel agencies should develop a workable corporate image management policy.

- (ii) Since the society is constantly changing, organizations should be projecting their corporate image to reflect societal expectations.
- (iii) Managers of organizations should recognize the fact that the strong and positive relationship between favorable image and performance demands that the creation of good image for their firms should be an integral part of their long term planning.
- (iv) All members of staff should be involved in the implementation of corporate image management practices.

The effective implementation of the above recommendations is aimed at improving the corporate image of retail travel trade organizations with a view to enhancing organizational effectiveness.

Suggestions for Further Research

The study focused on employees working at travel agencies operating in Port Harcourt, Rivers State. Other studies on different populations involving different dimensions of corporate image management would ensure stronger empirical conclusions on how corporate image impacts on organizational performance.

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