

**THE ROLE OF BUSINESS PROCESS MANAGEMENT (BPM)
AS A MEDIATOR BETWEEN EMPLOYEE JOB SATISFACTION AND
CUSTOMER SATISFACTION IN THE HOSPITALITY INDUSTRY
IN HONG KONG AND MACAU**

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A dissertation submitted for
The Doctorate Degree of Business Administration

February 2013

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STATEMENT OF ORIGINALITY

This dissertation contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by any person, except where due reference has been made in the text. I give consent to this copy of my dissertation, when deposited in the University of Library being made available for loan and photocopying subject to the provisions of the Copyright Act 1968.

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Acknowledgements

I would like to express my wholehearted appreciation to my Supervisor, Professor Ananda Kumar Palaniappan, for his great support, guidance and advice during the whole period of my dissertation study. I sincerely thank him for his professional supervision.

I would like to extend my special thanks to Mr. Michael Kam for his encouragement, professionalism and continuous assistance during the preparation of my dissertation.

I wish to take this opportunity to thank Ms Andrea Kam and Ms Wendy Tsang for their sincere support and love during the tough time of my study.

Abstract

It is widely recognized that customer satisfaction is imperative to the success of an organization. Investigating the factors affecting customer satisfaction is one of the strategic objectives of business leaders. This study aims to demystify the inconsistency of previous literature on the relationship between employee job satisfaction and customer satisfaction link in the hospitality industry. More recent research shows that Business Process Management (BPM) is the main driver for customer satisfaction; and the relationship of employee job satisfaction, technical service quality – a business process, and customer satisfaction. However, the inter-relationship of the three important variables – employee job satisfaction, BPM and customer satisfaction – in the same setting is unexplored. Investigating this unexplored gap is worthwhile as BPM may be a mediator in the employee-customer satisfaction link. Hospitality is a growing and important industry, which makes it appropriate for this study. Data was collected from 188 employees and 189 customers from nine hotels in Hong Kong and Macau to test the hypotheses in a thriving industry. Exploratory factor analysis followed by confirmatory factor analysis indicated two factors in employee satisfaction, one factor in BPM, and three factors in customer satisfaction. Findings showed that there is a positive relationship between employee job satisfaction and customer satisfaction, and that BPM is a significant mediator between these two variables from Structural Equation Modelling (SEM) – path analysis, as well as from regression analysis. Moreover, the results also highlight the effect of climate and culture of an organization in creating a homogenous effect of employee job satisfaction amongst all

employee groups with different levels of customer contact intensity. The empirical results of this study support the conceptual framework of BPM as a mediator between employee job satisfaction and customer satisfaction, which helps future research in BPM.

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