Fostering Employee Loyalty in Tourism Sector: The Synergistic Impact of Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward Recognition

Shiwani Singh* and Taruna*

Abstract

This study aimed to determine the critical factors differentiating employees who display unwavering loyalty from those who do not. Using the linear discriminant analysis approach, we examined several important variables, including psychological safety, inclusive leadership, ethical climate, and reward and recognition, to determine their respective influences on employee loyalty. The findings yielded invaluable insights into employee loyalty determinants. Among the factors examined, psychological safety emerged as the most impactful. Workplace culture fostering psychological safety was positively linked to employee loyalty. Ethical climate and recognition & reward systems also played substantial roles in distinguishing loyal from less loyal employees. Moreover, organizations prioritizing ethical behaviour, effective recognition and reward mechanisms were likelier to cultivate employee loyalty. Inclusive leadership, though valuable, was a less discriminant factor in this study.

Keywords - Discriminant analysis, Psychological safety, Loyalty, Ethical Climate

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1. Introduction

India is widely regarded as a captivating tourist destination, drawing visitors worldwide due to its magnificent natural landscapes and rich cultural diversity. In 2017, India witnessed remarkable growth in its tourism industry, with an annual increase of 14 percent. The country attracted a substantial number of foreign tourists, with 10.04 million visitors, reflecting an impressive annual growth rate of 19.1%. This robust performance propelled India to the 26th position among the countries with the highest tourist arrivals globally. These figures highlight India's growing popularity as a preferred choice for travellers seeking diverse experiences, from its natural beauty to its vibrant cultural heritage (UNWTO, 2017). The travel and tourism industry is a vast and dynamic sector that comprises numerous distinct subsectors. These subsectors encompass a wide spectrum of services and businesses that cater to the diverse needs of travellers. Among the prominent subsectors are hotels, airlines, travel agencies, railways, and so on (George & Joseph, 2015).

As an ever-expanding service industry, tourism contributes significantly to yielding diverse advantages. It generates employment opportunities and offers livelihoods to diverse communities. Additionally, it contributes significantly to a nation's foreign exchange reserves and boosts economic stability. Importantly, responsible tourism practices foster environmental conservation, safeguarding natural resources. Moreover, the emphasis of tourism on preserving local traditions and culture enhances the identity of a place. These combined effects lead to the holistic development of destinations, underlining the industry's vital role in promoting economic, cultural, and environmental well-being (Saluja et al., 2022). In the service industry, the core strength resides in its human resources. Attracting talents is challenging, but retaining a dedicated, consistently productive workforce is even more formidable. The importance of fostering employee loyalty cannot be overlooked within service-oriented enterprises. Loyalty is instrumental in ensuring the continual delivery of high-quality service, establishing enduring customer connections, alleviating turnover-related expenses, and nurturing a positive workplace atmosphere. Ultimately, it is the central pillar in securing stable success within this highly competitive sector (Sanjeev & Birdie, 2019; Yee et al., 2010).

Recognizing the significance of employee loyalty, the present study aims to determine various factors that predict employee loyalty within the context of travel agencies. In addition, it seeks to quantify the extent to which these factors affect employee loyalty.

2. Literature review and Theoretical framework

2.1 Psychological safety (PsySafety)

In the modern business environment, organizations increasingly rely on their employees to drive continuous improvement by engaging in activities like sharing new ideas, collaborating, and experimenting with novel concepts. However, such actions carry inherent risks, including resistance from others and the potential for unsuccessful outcomes, which can prevent individuals from contributing to learning initiatives. Promoting individual and organizational learning and providing a psychologically safe work environment is paramount to counteract these barriers. This environment empowers employees to express ideas, collaborate, seek and provide feedback, take calculated risks, and experiment without fear of negative consequences, ultimately fostering a culture of continuous improvement and innovation (Newman et al., 2017).Introduction

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express ideas, collaborate, seek and provide feedback, take calculated risks, and experiment without fear of negative consequences, ultimately fostering a culture of continuous improvement and innovation (Newman et al., 2017). (2014) showed that psychological safety in the workplace enables employees "to feel safe at work to grow, learn, contribute, and perform effectively in a rapidly changing world." Psychological safety fosters a workplace culture that is both supportive and inclusive, eventually promoting a sense of value and respect for each individual. This environment empowers employees to reach their full potential at work, resulting in greater engagement, better creativity, and enhanced overall performance (Frazier et al., 2017; He et al., 2019; Moin et al., 2020).

2.2 Inclusive leadership

Inclusive leadership, introduced by (2006), is defined as "leaders who exhibit openness, accessibility, and availability in their interactions with the followers''. Thus, inclusive leadership comprises three interrelated components that reinforce each other: a leader's willingness to engage openly with employees, accessibility, and readiness to engage in discussions and exchange ideas with their team members (Carmeli et al., 2010). These facets of inclusive leadership demonstrate genuine care by the leader for their team and enable them to convey their expectations effectively. Hence, inclusive leaders are open, receptive to employees' ideas, and proactive in exploring innovative approaches to achieving work objectives. These qualities foster strong relationships among the team members and create a safe environment where employees feel comfortable conveying their thoughts and contributions. This, in turn, encourages open communication and active participation within the workplace (Choi et al., 2017). Inclusive leadership is seen as a type of relational leadership that underscores leaders' explicit emphasis on understanding and addressing the needs of their followers while being readily accessible and approachable to them (Hollander, 2009).

2.3 Ethical climate

Ethical climate refers to the prevailing organizational culture that shapes ethical behaviour and decision-making. It encompasses shared values, norms, and perceptions regarding what is morally right or

wrong within an organization. Ethical climate is characterized as the "prevailing perceptions of typical organizational practices and procedures that have ethical content"(Victor & Cullen, 1988). It influences how employees perceive and respond to ethical dilemmas, impacting their ethical choices and behaviour within the workplace. Ethical climate is an integral part of an organization's culture and exerts influence not only on the ethical conduct of employees but also on their overall work effectiveness and efficiency (Asgari et al., 2017). The ethical climate within an organization comprises three key elements: adherence to regulations, adherence to moral standards, and nurturing trust. Together, these factors shape the ethical culture, ensuring adherence to external rules and the internalization of ethical values, and creating a trustworthy environment where ethical behaviour is upheld (Lu & Lin, 2014).

2.4 Reward and recognition

Organizations employ rewards and recognition strategies to acknowledge and appreciate the efforts and achievements of their employees. Rewards can come in different forms, including monetary incentives, bonuses, or promotions, whereas recognition often involves verbal praise, certificates, or awards. These practices are essential for motivating and retaining employees, boosting morale, and creating a positive workplace atmosphere. By acknowledging and appreciating their contributions, organizations can inspire employee loyalty, enhance engagement, and improve overall performance and productivity (Saks, 2006). Reward systems play a role in shaping the agility of a workforce and eliciting a stronger perception of organizational support among employees (Rai et al., 2018). Jackson et al. (2012) argued that when leaders recognize and reward high-performing individuals, it is a driving force that encourages them to sustain their outstanding performance and unwavering dedication.

2.5 Theoretical framework

Social Exchange Theory (SET), stemming from the pioneering work of (Blau, 1964), is a fundamental theoretical framework for comprehending the dynamics of social interactions and relationships at the workplace. It posits that individuals participate in social exchanges with their organizations, investing their time, effort, skills,

and commitment in exchange for various rewards and benefits. These exchanges are governed by the norm of reciprocity, where individuals feel obligated to reciprocate favourable treatment or rewards from their organization (Cropanzano & Mitchell, 2005).

Furthermore, the research conducted by Loi et al., (2015) emphasized the significant impact of SET in the workplace. This theory has become a conceptual framework for understanding employee attitudes and behaviours. In an environment of psychological safety, employees are empowered to freely express themselves without fear of repercussions, thus fostering a culture of open communication and innovation. Inclusive leadership ensures that everyone feels valued and respected, which enhances their sense of belonging. A strong ethical climate promotes fairness and integrity, encouraging trust and moral behaviour. Appropriate rewards and recognition validate employees' efforts and achievements, boosting their morale and motivation. These factors build a positive work environment where employees feel supported and appreciated, leading them to reciprocate with increased loyalty and commitment to the organization.

Hence, SET offers a structured perspective for understanding reciprocity, trust, and mutual obligations in the workplace. Employees who perceive that their organization fulfils their expectations and provide support, safety, and recognition are more likely to reciprocate with loyalty, commitment, and positive behaviours, ultimately benefiting both the individual and the organization (Fan et al., 2021)

3.0 Methodologies

3.1 Sample and data collection

The primary data was gathered from travel agency employees across four Uttar Pradesh, India districts, including Lucknow, Varanasi, Allahabad, and Mathura. A convenience sampling method was employed to gather responses. The selection of convenience sampling was based on practicality and accessibility, allowing for easier data collection from employees across the specified districts in Uttar Pradesh, India. Given the geographical spread and diverse nature of travel agencies in these areas, convenience sampling facilitated efficient access to a representative sample. A total of 500 survey forms

were distributed, out of which 338 forms were considered valid for further analysis. The sample size of 500 survey forms was determined to ensure an adequate demonstration of the target population while considering the limited resources and time. This size strikes a balance between maximizing the diversity of employee responses across the selected districts and maintaining manageability in data collection and analysis.

Statistical tools and techniques were chosen based on their appropriateness for the research objectives and the nature of the collected data. Using factor analysis and discriminant analysis aligns with the study's aim to explore the relationships between psychological safety, inclusive leadership, ethical climate, reward recognition, and employee loyalty. Factor analysis distils the multidimensional aspects of Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward Recognition into underlying constructs, clarifying their interrelationships and significance. Discriminant analysis determines which factors effectively differentiate between loyal and non-loyal employees, enabling precise identification of the most influential predictors. This allows organizations to prioritize interventions or strategies targeting these factors to enhance employee loyalty effectively. The characteristics of the participants are detailed in Table 1.

3.2 Measures

Psychological Safety: Psychological safety was calculated using a 7-item scale developed by (Edmondson, 1999).

Inclusive Leadership: The nine items scale, developed by (Wang et al., 2019), was used to measure inclusive leadership.

Ethical Climate: To measure the ethical climate, the study used a seven-item scale proposed by (Schwepker & Hartline, 2005).

Reward and Recognition: Reward and recognition were measured by a ten-item scale created by (Saks, 2006).

3.3 Statistical procedure

We have employed several statistical methods to achieve the study's research objectives.

KMO and Bartlett's Test: These are initial tests used to assess the adequacy of the data for factor analysis. They help to ensure that the data is suitable for further analysis. Table 2 presents the results of KMO (Kaiser-Meyer-Olkin) and Bartlett's Test, which collectively affirm the adequacy of the sample for subsequent analysis.

Factor Analysis with PCA and Varimax Rotation: Factor analysis is a statistical method used to identify underlying factors or dimensions within a dataset. Principal component analysis (PCA) and varimax rotation are specific techniques within factor analysis that help to ensure that these factors are distinct and not overlapping. This analysis was used to confirm that the variables being studied are measuring what they are intended to measure (convergent validity) and that they are not measuring the same thing (discriminant validity).

Discriminant Analysis: Discriminant analysis is a statistical method employed to determine the relationship between a single outcome (dependent) variable and several independent variables. It helps researchers understand which factors or variables are most influential in predicting an individual's loyalty to the organization. The statistical analysis was performed with SPSS software, specifically version 26.

4. Results

4.1 Reliability and Validity

Table 3 shows that all constructs exhibit Cronbach's alpha values exceeding the established benchmark of 0.7, thus affirming the scale's reliability (Hair et al., 2010). The study applied principal component factor analysis to assess the measures' convergent and discriminant validities. Convergent validity was confirmed as each item consistently exhibited strong factor loadings (exceeding 0.70) on its designated construct, signifying a robust association between the items and the specific constructs. In addition, discriminant validity was confirmed as none of the items exhibited loadings on factors other than their designated ones, ensuring that each measure was distinct and did not overlap. Table 4 reveals the findings of factor analysis.

5. Discriminant Analysis

Discriminant Analysis was employed to differentiate between two or more groups by considering multiple variables and determining which variables have the greatest classification power. After the reliability and validity of each construct, a two-group discriminant analysis was applied. The results of group statistics presented in table 5 were used to evaluate the discriminant function. Loyal employees have a higher mean for the four parameters, i.e., psychological safety, inclusive leadership, ethical climate, and reward & recognition, as compared to those who are not loyal or looking for alternative employment.(2014) showed that psychological safety in the workplace enables employees "to feel safe at work to grow, learn, contribute, and perform effectively in a rapidly changing world." Psychological safety fosters a workplace culture that is both supportive and inclusive, eventually promoting a sense of value and respect for each individual. This environment empowers employees to reach their full potential at work, resulting in greater engagement, better creativity, and enhanced overall performance (Frazier et al., 2017; He et al., 2019; Moin et al., 2020).

Table 1

Sample Characteristics (N = 338)

No.	Demographics	Categories	Frequency	Percentage
1.	Gender	Female	140	41.43
		Male	198	58.57
2.	Age	20-30	95	28.11
		31-40	118	34.91
		41-50	69	20.42
		Above 50 years	56	16.56
3.	Education	Bachelor's degree	217	64.20
		Postgraduate degree	121	35.80
4.	Marital Status	Married	231	68.34
		Unmarried	107	31.66
5.	Experience	Below 5 years	181	53.55
		Above 5 years	157	46.45

The above table outlines the demographic characteristics of the sample population. Firstly, in terms of gender distribution, the sample consists of 140 females (41.43%) and 198 males (58.57%). Regarding age demographics, the largest proportion falls within the 31-40 age bracket, comprising 118 respondents (34.91%), followed by 95 respondents (28.11%) aged between 20-30 years, 69 respondents (20.42%) aged 41-50 years, and 56 respondents (16.56%) above 50 years old. Moving to education levels, the majority of respondents hold a bachelor's degree, accounting for 217 individuals (64.20%), while 121 respondents (35.80%) possess a postgraduate degree. In relation to marital status, the data tells that 231 respondents are married (68.34%), whereas 107 respondents are unmarried (31.66%). Lastly, the distribution of work experience indicates that 181 respondents have less than 5 years of experience (53.55%), while 157 respondents have over 5 years of experience (46.45%). This comprehensive breakdown provides insights into the diverse composition of the sample population across various demographic categories.

Table 2

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.943
Bartlett's Test of Sphericity	Approx. Chi-Square	13244.165
	df	528
	Sig.	.000

Table 2 presents the results of the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity, which are commonly used in factor analysis to assess the appropriateness of the data for this statistical technique. The KMO statistics evaluate the sampling adequacy of the variables included in the analysis, with values closer to 1, indicating better suitability for factor analysis. In the present case, the KMO value of .943 suggests that the dataset is highly suitable for factor analysis, indicating a strong relationship among the variables. Bartlett's Test of Sphericity assesses whether the correlation matrix among variables significantly deviates from an identity matrix, which would indicate that the variables are correlated and, therefore, appropriate for factor analysis. The test statistic, the

approximate chi-square value of 13244.165, is associated with a high degree of significance (p < .000), indicating that the correlation matrix significantly differs from an identity matrix. Thus, the variables included in the analysis are sufficiently correlated, supporting the use of factor analysis to explore underlying factors or dimensions within the data. These results suggest that the dataset meets the assumptions necessary for effective factor analysis.

Table 3
Summary of Results of Reliability

Factor	No. of Items	Cronbach's Alpha
Psychological Safety	7	.965
Inclusive Leadership	9	.957
Ethical Climate	7	.962
Reward & Recognition	10	.940

Table 3 presents the reliability analysis results for the four key factors: Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward & Recognition. Each factor is evaluated based on its number of items and its corresponding Cronbach's Alpha coefficient, which measures internal consistency. The Cronbach's Alpha values for all factors—Psychological Safety (.965), Inclusive Leadership (.957), Ethical Climate (.962), and Reward & Recognition (.940)—indicate strong reliability, suggesting that the items within each factor are highly correlated and consistently measure their respective constructs. These findings affirm the robustness of the measurement scales used to assess the constructs in the study.

Table 4
Factor Analysis

Item	F1	F2	F3	F4
PsySafety1	.889			
PsySafety2	.896			
PsySafety3	.887			
PsySafety4	.904			
PsySafety5	.886			
PsySafety6	.861			
PasySafety7	.821			
Inclusive.Leadership1		.910		

Item	F1	F2	F3	F4
Inclusive.Leadership2		.888		
Inclusive.Leadership3		.886		
Inclusive.Leadership4		.907		
Inclusive.Leadership5		.867		
Inclusive.Leadership6		.904		
Inclusive.Leadership7		.880		
Inclusive.Leadership8		.850		
Inclusive.Leadership9		.839		
Ethical.Climate1			.765	
Ethical.Climate2			.803	
Ethical.Climate3			.848	
Ethical.Climate4			.861	
Ethical.Climate5			.883	
Ethical.Climate6			.848	
Ethical.Climate7			.873	
Reward.Recognition1				.834
Reward.Recognition2				.818
Reward.Recognition3				.883
Reward.Recognition4				.906
Reward.Recognition5				.865
Reward.Recognition6				.890
Reward.Recognition7				.880
Reward.Recognition8				.874
Reward.Recognition9				.833
Reward.Recognition10				.850

Table 4 demonstrates the factor loadings resulting from the factor analysis conducted on the items corresponding to four key factors: Psychological Safety (F1), Inclusive Leadership (F2), Ethical Climate (F3), and Reward & Recognition (F4). Each item was assessed for its correlation with each factor, indicated by the respective factor loading. Higher factor loadings suggest stronger correlations between the item and the factor it represents. For instance, items related to Psychological Safety show high factor loadings ranging from .821 to .904, indicating a strong association with Factor 1. Similarly, items related to Inclusive Leadership exhibit high factor loadings ranging from .839 to .910, indicating a strong correlation with Factor 2. Items related to Ethical Climate and Reward & Recognition demonstrate

strong factor loadings, further validating the association between the items and their respective factors. These results provide insights into the underlying factor structure of the measured constructs, confirming the reliability and validity of the measurement model used in the study.

Table 5
Group Statistics

	Loyalty	Mean	Std. Deviation	Unweighted	Weighted
Yes	PsySafety	4.0017	.96433	172	172.000
	Inclusive. Leadership	3.2435	1.22162	172	172.000
	Ethical. Climate	3.7907	.99592	172	172.000
	Reward. Recognition	3.3179	1.21397	172	172.000
No	PsySafety	1.7496	.72732	166	166.000
	Inclusive. Leadership	2.8956	1.24588	166	166.000
	Ethical. Climate	2.4836	1.09699	166	166.000
	Reward. Recognition	2.9795	1.25863	166	166.000
Total	PsySafety	2.8956	1.41499	338	338.000
	Inclusive. Leadership	3.0726	1.24402	338	338.000
	Ethical. Climate	3.1488	1.23317	338	338.000
	Reward. Recognition	3.1517	1.24584	338	338.000

Table 5 presents mean scores and standard deviations for Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward Recognition, categorized by respondents' loyalty status (Yes or No). For those indicating loyalty (Yes), mean scores range from 3.2435 to 4.0017, reflecting positive perceptions across all factors. Conversely, respondents expressing no loyalty (No) have notably lower mean scores, ranging from 1.7496 to 2.9795. These outcomes advocate a strong association between positive perceptions of organizational factors and loyalty.

Table 6

Summary of Canonical Discriminant Functions Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1.941	100.0	100.0	.812

Table 6 displays a "canonical correlation" of 0.812, and the squared value of this correlation, $(0.812)^2$, equated to 65.93%. This figure signifies that the model accounts for 65.93% of the total variance in employee loyalty.

Table 7

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.340	360.266	4	.000

Table 7 displays the results of Wilks' Lambda test, a statistical method used in discriminant analysis to assess the significance of discriminant functions in distinguishing between groups. The test evaluates the overall effectiveness of the discriminant functions by measuring the extent to which the groups differ from each other based on the predictor variables. In this case, the Wilks' Lambda value is 0.340, indicating a significant difference between the groups. The associated Chi-square statistic of 360.266 with 4 degrees of freedom further confirms the significance of the discriminant functions. Finally, the p-value of .000 suggests that the observed differences between groups are unlikely to have occurred by chance, reinforcing the validity of the discriminant analysis outcomes.

Table 8

Standardized Canonical Discriminant Function Coefficients

	Function 1
PsySafety	.935
Inclusive. Leadership	.162
Ethical. Climate	.183
Reward. Recognition	.163

Table 8 presents the standardized canonical discriminant function coefficients for Function 1, representing the weights assigned to

each predictor variable—Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward Recognition—in discriminating between groups. The coefficient values indicate the relative importance of each predictor in contributing to the discriminant function. In this case, Psychological Safety has the highest coefficient of .935, suggesting it is the most influential predictor in distinguishing between groups, followed by Ethical Climate (.183), Reward Recognition (.163), and Inclusive Leadership (.162). These coefficients provide insights into which variables are important in differentiating between groups based on the measured constructs.

Table 9

Structure Matrix

	Function 1
PsySafety	.947
Inclusive. Leadership	.102
Ethical. Climate	.449
Reward. Recognition	.099
Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions	
Variables ordered by absolute size of correlation within function .	

Table 9 displays the structure matrix, indicating the correlations between the predictor variables—Psychological Safety, Inclusive Leadership, Ethical Climate, and Reward Recognition—and the standardized canonical discriminant function (Function 1). These correlations reflect how each predictor variable aids the discriminant function's ability to distinguish between groups. In this case, Psychological Safety demonstrates the strongest correlation (.947) with Function 1, indicating its high discriminatory power in differentiating between groups. Ethical Climate follows with a correlation of .449, suggesting significant influence in discriminating between groups, while Inclusive Leadership and Reward Recognition exhibit weaker correlations (.102 and .099, respectively). This matrix offers a valuable understanding of how each predictor variable contributes to distinguishing groups based on the measured constructs.

Table 10

Canonical Discriminant Function Coefficients

	Function 1
PsySafety	1.092
Inclusive. Leadership	.131
Ethical. Climate	.175
Reward. Recognition	.132
(Constant)	-4.531
Unstandardized coefficients	

To differentiate between groups, the discriminant function equation was established using the unstandardized coefficients, as indicated in Table 10.

The following is the discriminant function:

Y (Discriminant score) = -4.531+1.092 (psychological safety) +0.131 (inclusive leadership) +0.175 (ethical climate) +0.132 (reward & recognition)

Table 11

Functions at Group Centroids

Loyalty	Function 1
Yes	1.365
No	-1.414

Table 11 displays the group centroids, which offer insights into the mean discriminant scores for the two employee groups. Specifically, the average discriminant score for group 1 (Loyal employees) was recorded as 1.365, while for group 2 (Unloyal employees), it stood at -1.414

Table 12

Classification Results

		Loyalty	Predicted Group Membership		
			Yes	No	Total

Original	Count	Yes	152	20	172
		No	9	157	166
	%	Yes	88.4	11.6	100.0
		No	5.4	94.6	100.0
91.4% of original grouped cases correctly classified .					

Table 12 presents the classification results, indicating the accuracy of predicting group membership (Yes or No) based on the measured variables. The original count reveals that out of 172 loyalty cases being "Yes," 152 were correctly classified, while 166 cases where loyalty was "No," 157 were correctly classified. This translates to an overall accuracy rate of 91.4%, indicating that the model correctly classified 91.4% of the original grouped cases. Additionally, the table shows the percentage breakdown of correctly classified cases within each loyalty category, demonstrating high accuracy in predicting group membership based on the analysed variables.

6. Discussion

Employee loyalty is crucial to organizational success, leading to increased productivity, reduced turnover, and a more positive workplace culture. Understanding the factors differentiating loyal employees from those less committed is essential for organizations aiming to foster and retain a loyal workforce. This study employed linear discriminant analysis to identify the key constructs that most accurately distinguish between loyal and less loyal employees. The findings revealed that psychological safety, ethical climate, and reward & recognition were the most discriminant factors, while inclusive leadership had the least discriminating power.

The most salient finding of our study is the prominent role of psychological safety in differentiating loyal employees from those less loyal. Psychological safety refers to the perception of a safe and supportive work environment where employees feel comfortable sharing their thoughts and ideas. The importance of this factor aligns with previous research, which has demonstrated its profound impact on employee engagement, job satisfaction, and commitment to the organization (Edmondson, 1999). Employees who perceive their workplace as psychologically safe are likelier to form strong bonds

with the organization. They feel valued, respected, and free to voice their opinions, ultimately increasing loyalty. The study also reveals that ethical climate and reward & recognition distinguished between loyal and less loyal employees. Ethical climate refers to the prevailing ethical culture within an organization, influencing ethical decision-making and behaviour (Victor & Cullen, 1988). When employees perceive a strong ethical climate, they are more likely to adopt the organization's value in their work, leading to greater loyalty.

Consistent with prior research (Turkyilmaz, 2011), the study emphasizes the significance of reward and recognition as a pivotal factor in promoting employee loyalty. When individuals who excel in their roles receive acknowledgment and rewards for their efforts, it strengthens their commitment to the organization. It serves as a powerful incentive for them to maintain their exceptional performance. Thus, recognizing and rewarding employees for their achievements is a retention strategy and a catalyst for sustaining their outstanding contributions .

  Lastly, this study's findings suggest that organizations with leaders prioritizing inclusivity are more likely to have a loyal and committed workforce. Employees in such environments are more willing to invest their time and effort into the organization's success because they perceive their leaders as advocates for their well-being and advancement. Inclusive leadership is a cornerstone for building an organization's trust, engagement, and loyalty, ultimately fostering its long-term growth .

7. Implications

The findings of our study hold practical significance for organizations. Managers should actively cultivate a workplace environment that encourages psychological safety. This means an environment where employees feel safe to share opinions, express concerns, and take calculated risks without fearing negative consequences. Managers can achieve this by actively listening to employees, providing constructive feedback, and ensuring that communication channels are open and non-judgmental. When employees experience psychological safety at work enhances the likelihood of fostering a deep sense of loyalty toward the organization.

Additionally, establishing and promoting an ethical work climate is crucial. Managers should lead by example and set high ethical standards for behaviour within the organization. They should communicate and reinforce the organization's commitment to ethical conduct, integrity, and transparency. When employees perceive that ethical principles guide decision-making and actions, they are more inclined to remain loyal, as they trust the organization's values.

Furthermore, implementing effective reward and recognition programs is essential for acknowledging and appreciating employees' contributions. Managers should design these programs fairly, transparently, and aligned with the organization's goals. Regularly recognizing and rewarding exceptional performance motivates employees and strengthens their loyalty.

Lastly, promoting inclusive leadership means creating an environment where diversity is valued and every employee's voice is heard and respected. Managers should encourage collaboration, ensure equal opportunities, and actively involve employees in decision-making. Inclusive leadership fosters employees' sense of belonging and engagement, contributing to their loyalty to the organization .

8. Conclusion

Achieving and sustaining employee loyalty entails integrating psychological safety, ethical climate, robust reward and recognition mechanisms, and inclusive leadership. Psychological safety is foundational, as it ensures employees feel secure to express ideas, take risks, and report errors without fear of retribution, fostering an environment of open communication and innovation. An ethical climate promotes fairness, integrity, and trust, vital for building a strong moral foundation and ensuring employees feel their work environment is just and ethical. Implementing robust reward and recognition mechanisms further reinforces positive behaviour by acknowledging and valuing employees' contributions, which boosts morale, motivation, and a sense of belonging. Inclusive leadership is essential for creating a diverse and inclusive workplace where everyone feels valued and respected, enhancing their engagement and commitment. These elements cultivate a supportive and empowering workplace culture that nurtures loyalty. This loyalty

manifests in a more committed, engaged, and enduring workforce, a valuable asset for any organization. Such a workforce is pivotal for long-term success and competitiveness, especially in today's ever-changing business environment, where adaptability and sustained employee engagement are key drivers of organizational performance and growth.

9. Limitations and Future Directions

This study has a few limitations. Firstly, the research has a limited sample size and diversity, which could affect the generalizability of the findings across the broader tourism industry. Additionally, the study's reliance on a cross-sectional design restricts the ability to establish causal relationships, as it captures data at a single point in time, not accounting for temporal changes or long-term effects. Furthermore, the unique characteristics of the tourism industry, including seasonality and high employee turnover, may influence the findings and limit their applicability to other sectors. Cultural and regional differences might not be fully considered, affecting the generalizability of the results across different cultural contexts. To overcome these limitations, future research should consider employing longitudinal designs to examine how psychological safety, inclusive leadership, ethical climate, and reward recognition impact employee loyalty over time, thereby establishing causal relationships and observing long-term effects. Comparative studies across diverse cultural and regional contexts would help to understand the influence of cultural variations and enhance the global applicability of the findings. Incorporating mixed-methods approaches, such as qualitative interviews and focus groups alongside quantitative surveys, could provide a more comprehensive understanding of employee experiences and perceptions. Additionally, exploring the role of technology in facilitating psychological safety, inclusive leadership, ethical practices, and reward systems, especially in remote and hybrid work environments, is increasingly relevant. Investigating different leadership styles and their effectiveness in fostering inclusive and ethical work environments could also inform management practices. Last but not least, future studies could explore the interdisciplinary nature of employee loyalty by integrating insights from both human resource management and marketing.

Researchers could develop frameworks that merge these disciplines, create standardized measurement tools, and conduct comparative and longitudinal studies across industries to identify best practices and long-term impacts on organizational success.

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Factors Influencing Employees' Organizational Citizenship Behaviors for the Environment in Indian Hotel Industry

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Abstract

As the hotel sector is accountable for negative environmental impact and there is a rise in Indian hotels adopting the mission of environmental sustainability, it is the need of the hour to study in depth the voluntary discretionary behaviors of employees, namely Organization citizenship behaviours for the environment (OCBEs), which play a vital role in the successful implementation of hotels' environmental efforts. In order to explore the determinants of employees' OCBEs, a survey was conducted among 522 employees belonging to eight premium hotels with strong environmental policy. The result validates the positive relationship between Green organizational climate (GOC) and employees' OCBEs. It also reveals that green organizational climate is positively related to employees' environmental commitment. The findings of the study confirm that employees' environmental commitment and perceived behavioral control are positively related to OCBEs. This study proves the mediating role of employee's environmental commitment in the relationship between green organizational climate and their OCBEs. It also validates the moderating role of employees' perceived behavioral control. This study elucidates the determinants of employees' OCBEs and provides managerial implications for the hotel management which guide them in their journey of responsible luxury.

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