

Service Innovation, Marketing Innovation on Customer Retention: The Mediating Role of Satisfied and Retained Employees. Insights from Ghanaian Restaurants

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Abstract

To establish a mediating effect of retained and satisfied employees in the relationship between service and marketing innovation and customer retention. The design/methodology/approach of this paper was Quantitative and causal research design and a positivist paradigm. Simple random sampling was used to sample data collected on 259 registered restaurants on the Ghana Tourism Authority database. The quantitative data were acquired by administration of a closed-ended questionnaire and analyzed with Structural Equation Modelling (SMART PLS 4). The research identified that there was a significant positive impact of service and marketing innovation on retained and satisfied employees, a positive and significant mediating role of satisfied and retained employees on marketing/service innovation, and customer retention. The conceptualization of that study revolves around marketing and service innovation, and it also has a customer retention model that increases our knowledge and gives fresh insights into the issues.

KEYWORDS

Marketing, Service innovation, Satisfied and retained employees, Customer retention, Ghanaian restaurants

1 | INTRODUCTION

This paper contributes to the evolving discourse on service and marketing innovation by exploring their effects on customer retention, emphasizing the mediating role of satisfied and retained employees. Recent developments in service-oriented industries underscore the crucial need for businesses to adapt and innovate to keep customers in an increasingly competitive market landscape. Anecdotal evidence from various sectors suggests customer loyalty has dwindled, mainly due to inadequate service quality and a lack of meaningful employee engagement (Neessen *et al.*, 2019; Ramirez, 2018). Conceptual frameworks posit that employee satisfaction significantly impacts service quality and customer interactions, ultimately influencing customer retention rates (Mahmoud *et al.*, 2018).

Statistical analyses reveal that companies prioritising employee well-being see a marked increase in customer loyalty, suggesting a direct

correlation between satisfied employees and repeat business. For instance, businesses that have implemented comprehensive employee engagement strategies report retention rates exceeding 75%, a stark contrast to those with disengaged workforces, which struggle with high turnover and dissatisfied customers (Hanaysha, 2018). This phenomenon highlights the vital intersection between employee satisfaction and customer retention, framing a pressing research question: "How do service and marketing innovations impact customer retention through the lens of employee satisfaction?"

While theoretical perspectives advocate for the integration of service and marketing innovations as strategies to enhance customer retention, empirical evidence validating these claims remains scarce. Proponents of service innovation argue that improving service delivery and customer interactions attracts new

clientele and fosters a loyal customer base through enhanced employee engagement and satisfaction (Helkkula *et al.*, 2018). In addition, previous studies suggest that marketing innovations such as personalized marketing strategies and loyalty programs are instrumental in cultivating customer relationships and retention (Ramirez, 2018). Thus, the current literature presents a foundational hypothesis that connects service and marketing innovations to customer retention via satisfied and retained employees.

Nevertheless, due to the complexity of the interplay among those variables, more than an ephemeral insight is needed to recognize the overall implications of employee satisfaction to bridge the connection between the service and marketing innovations and customer retention. This research hypothesis assumes that service and marketing innovations do not have a direct effect on customer retention but rather change with the degree of employee satisfaction. This statement corresponds to studies stating that happy employees have a higher chance of giving better customer service, which positively affects customer loyalty (Irabor and Okolie, 2019). On the other hand, when employees are not satisfied with their working conditions, their inadequate service delivery will hurt customer retention and brand loyalty (Ahmad Fadzil *et al.*, 2021; Tajeddini *et al.*, 2020).

The findings of a systematic literature review underscore the necessity of conducting empirical research to investigate the mediating role of employee satisfaction in the relationship between service and marketing innovations and customer retention. Existing studies suggest that organizations focusing on employee engagement and satisfaction experience higher customer retention rates, indicating a critical area for exploration (Tajeddini *et al.*, 2020). This leads to an essential research question: "What role does employee satisfaction play in mediating the effects of service and marketing innovations on customer retention?" Thus, this study is designed to empirically examine the intricate relationships between service innovation, marketing innovation, and customer retention, focusing on the mediating effects of satisfied and retained employees.

1.1. Theoretical Position

1.1.1. Dynamic capability theory underpins marketing, service innovation, and customer retention

Teece's dynamic capability theory (1997) emphasizes a firm's ability to adapt, integrate, and reconfigure internal and external competencies to address rapidly changing environments, which is crucial for maintaining competitive advantage. Hospitality sectors should offer innovative services that adapt to customers' needs and wants. Hospitality businesses should also be able to reconfigure internal and external competencies to meet marketing demands.

1.1.2. Satisfied and retained employees underpin Khan's (1990) theory of engagement.

The theory posits that before an engagement, employees need to harness themselves physically, emotionally, and cognitively toward their task (Khan, 1990). In the hospitality context, retained employees cognitively know the kind of services that trigger the emotions of their customers since they have an idea of what services their customers want. Also, when employees believe that their ideas and suggestions have been considered, they become emotionally and physically attached to the organization, impacting the kind of service they offer to their customers within the hospitality sector.

1.2. Hypotheses Development

1.2.1. Marketing innovation and satisfied employees

Marketing innovation plays a crucial role in enhancing employee satisfaction within organizations. Souitaris (2002) surveyed Greece to determine the importance of firm-specific competencies in driving technological innovation. Liao *et al.* (2004) explored the relationship between internal marketing, job satisfaction, and customer-oriented behaviors, emphasizing the significance of communication, leadership, benefits, and salary in promoting employee

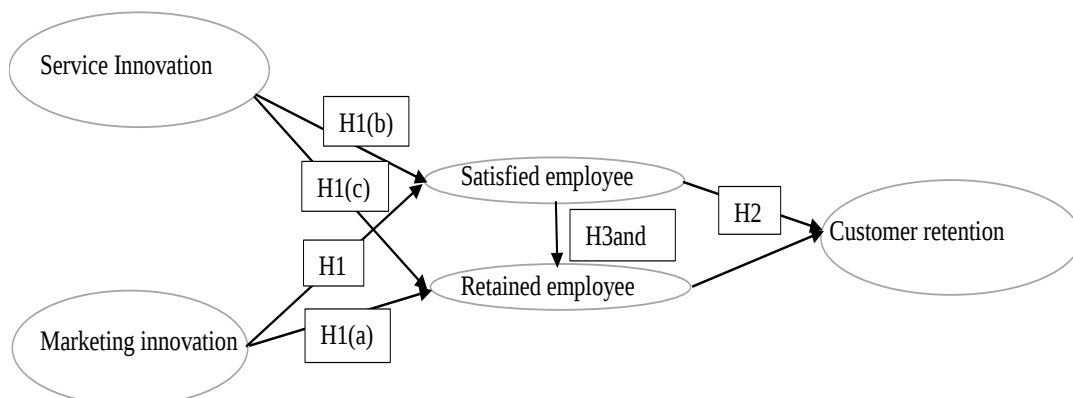


Fig. 1

satisfaction. Keller *et al.* (2006) introduce a marketing mix framework that focuses on marketing the workplace to logistics distribution employees, highlighting the importance of internal marketing efforts. (Tag-Eldeen *et al.* (2011) further delved into the implementation of internal marketing in Egyptian five-star hotels, emphasizing the impact of internal marketing on employee performance. Additionally, Aboramadan *et al.* (2019) found that organizational culture and marketing innovation positively influence banks' performance, highlighting the importance of fostering a culture of innovation within organizations. In the context of the banking sector, YuSheng *et al.* (2020) explored the effect of innovation adoption on the performance of banks in Ghana, underscoring the importance of innovation capabilities in driving firm performance. Al-Dmour *et al.* (2020) focused on the effect of marketing knowledge management on bank performance through Fintech innovations in Jordanian commercial banks, highlighting the role of knowledge management in driving innovation and performance. Based on these assertions, we offer the following hypothesis;

H₁- Marketing innovation can influence satisfied employees

H_{1a}- Marketing innovation affects retained employees

1.2.2. Service innovation and satisfied employee

Namkung *et al.* (2008) found critical quality attributes that can largely differentiate highly satisfied diners and not highly satisfied diners among mid-to-upper scale restaurant diners. Such characteristics are attractive food presentation, palatable food, spatial location of seats, interesting interior design, appealing background music, dependable service, receptive service, and skilled employees. This draws attention to the fact that the competence of its employees has played a role in achieving high diner satisfaction. Gebauer *et al.* (2008) discussed the concept of innovation of product-related services. They concluded that the need to have frontline employees, information sharing, multifunctional teams, funnel tools, information technology, internal organization, training, and education are key antecedents to lead to the success of integrated and separated service innovations. This reiterates the fact that employees can play a big part in making service innovations in an organization. In addition, Clark *et al.* (2009) investigated how leadership style influenced the commitment of the employees of a hotel to its level of service delivery. The research revealed that committed managers who use transformational leadership style, wishing to promote the quality of services, can establish a transformational climate, which effectively communicates their desire to promote a quality service among the staff at the frontier. This implies that leadership has a great role in establishing a service excellence culture in the hospitality sector. In a paper by Ordanini *et al.* (2011), the knowledge in service-dominant logic was exploited

to develop a conceptual model that attempted to establish that elements of service innovation are antecedents and consequences. The authors discovered that customer collaboration, reaching out to employees, and customer orientation of a firm are factors involved in the amount and radicality of innovation. This highlights the significance of customer participation as well as employee teamwork in service innovation in organizations. In response to this, we postulate that;

H_{1b}- Service innovation influences satisfied employees

H_{1c}- Service innovation and retained employee

1.2.3. Satisfied employees, Retained employees, and Customer retention

Employee ease of employees is very important in the retention of both the customers and the employees. The fact that Rust *et al.* (1996) considered workers as the customers can be an effective strategy in enhancing employee satisfaction. In this method, the use of a customer satisfaction measurement technique becomes applicable to employee attitude measurement. Farquhar (2004) also emphasizes the issue of employee perceptions in the customer retention process, especially in the retail financial services industry. In its research, the building of customer relationships was identified as one of the strategies in retention, but the organizational systems and structures could only show traces of transactional exchange. Besides employee satisfaction, employee empowerment and organizational commitment are also crucial in relation to the performance of customer relationships Suntornpithug *et al.* (2010). It brings to light the mutual relationship that exists between employee attitudes and customer retention. Mathe *et al.* (2013) explore the connection between supervisor undermining and employee involvement climate to customer perceptions of service quality in the quick-service restaurant sector. The research illustrates why employee involvement and good organizational climate are essential in maximizing retention of customers. Moreover, Adzoyi *et al.* (2018) analyze the hotel customer retention strategies in an emerging market in the form of Ghana. The study emphasizes the fact that employee opinions should be considered when undertaking effective customer retention strategies. Likewise, Kimunge (2014) stresses the importance of total rewards with reference to compensation, work-life balance, training, and career development in the retention of employees. This is an indication that well satisfied and maintained workforce has higher chances of supporting customer retention initiatives. So we posit the following hypothesis;

H₂- Retained employees can mediate satisfied employee and customer retention.

H₃- Satisfied and retained employees have a significant mediating effect on service innovation and customer retention.

H₄- Satisfied employees and retained employees have a partial mediating effect on marketing innovation and customer retention.

2 MATERIAL AND METHOD

2.1. Context and Target Population

The study used a quantitative methodology to study the role played by employees who are satisfied and retained in the relationship that exists between service innovation, marketing innovation, and service retention of customers in the Ghana scenario. The research targeted registered restaurants by the Ghana Tourism Authority (GTA) and living within the Accra Metropolitan Assembly. The chosen study area is based on the intensification of market competition and the total volume of restaurant businesses, which is growing rapidly (LAbaj et al., 2017).

2.2. Population and Sampling

Preliminary contact with the Ghana Tourism Authority (GTA) detailed that 735 registered restaurants exist within the Accra Metropolitan Assembly. Using Taro Yamane's (1967) formula for sample size determination, $n = \frac{N}{1+N(e)^2}$

Where the sample size, N = population size (735), e = significance error (0.05).

$$n = \frac{735}{1+735(0.05)^2} = \frac{735}{2.84} = 258.802 \text{ (259 approximately).}$$

The identified sample size of the current study is 259, as per the result of the calculated sample size. The target population/ respondents in this study comprised Owners/ Owner managers, front desk, and servers. Such respondents can be deemed as credible sources in representing the business, and more so, in understanding matters pertaining to the phenomenon studied. To select respondents, Taherdoost (2016) simple random method was employed to clarify the population of the interest (number of registered restaurants within Accra Metropolitan Assembly), calculate the sample size using Taro Yamane formula, give each member or entity of the population a unique number or label, and select the sample through appropriate use of number tables, number allocation method, and computer generated random numbers. Lastly, get in touch with respondents in your study (contact on a physical and in-person basis). The total number of respondents (259) is presented; the maximum possible number is 200, which is the response rate of 77.2 percent.

2.3. Data Collection Instrument

Data was collected with the help of a structured questionnaire. A structured questionnaire is the one that contains closed-ended questions and is separated into sections (Baburajan et al., 2020). Section A addresses

the background information that attempted to capture the background information of the respondents. Section B contained a list of questions in which the questionnaire incorporated measures or items in prior studies: service and marketing innovation (Autio et al., 2014), satisfied and retained employees (Bhatti and Qureshi, 2007), and retention of customers (Ascarza et al., 2018).

Face validity, content validity, and pretesting were used to generate the instrument (Mumtaz et al., 2023). The three marketing and two entrepreneurship professionals with a strong background and publications within the study field were used to test the face validity. They also made efforts to make sure that the selected terms were clear and understandable in the context of the target population in question (Marsden et al., 2018) at ratios of (Koller et al., 2017). Overlapping and word similarity were reviewed to make sure that the items measured the right constructs. Lastly, it was seen that the instrument was pretested. Barros et al. (2022) advised that pretesting of all items should be carried out to determine the extent to which the respondents have understood the questions or statements, irrespective of whether the instruments have been adopted or adapted. Similarly, five (5) respondents in the target population were pretested, informally pretested, subjected to cognitive interviewing and debriefing as explained in (Marsden et al., 2018). Workers were requested to read the questionnaire in order to comprehend the items in a better way. The level at which the respondents understood a particular item was determined using the responses they gave to the researcher in answering questions about a specific item. Things that were found to be ambiguous were rewritten in simple English. Other expressions that had long sentences were simplified to simple explanations.

2.4. Data Analysis and Results

Partial Least Squares-Structural Equation Modelling (PLS-SEM 4.0) was used to analyses the relation among variables. PLS-SEM is one of the statistical methods of analyzing and modelling non-observable (latent) and observed variables. It assists the researcher in getting to know the intricate connections and interdependencies between variables (Legate et al., 2023). The two primary techniques of analysis in the application of SEM include measurement modelling (which involves the investigation of the links between the latent variables and the observed indicators) and structural modelling (which involves the examination of the links between the latent variables and the hypotheses (Hair et al., 2021).

2.4.1. Normality Test and Collinearity

In order to confirm whether the data should be analyzed further a test to check on normality was done.

Checking the normality in the data set was made using the skewness-Kurtosis approach (Byrne, 2013). The findings were identified to be within to be expected scales respectively. The normality of the data was confirmed by all the skewness values falling between -2 to + 2 and the kurtosis values between 7 and - participants/+participants/), as shown in Fig 4.3 (Byrne, 2018). But in the case of several sources of the data used, a correlation of great strength between items or indicators may result in the occurrence of multicollinearity. To avoid it, the values of the Variance Inflation Factor (VIF) must not exceed 5 ($VIF < 5$) (Akinwande et al., 2015). As observed in Table 1, values of VIF were all below 5, suggesting that there is no problem of multicollinearity.

All skewness values in Table 1 dataset fall between approximately -1.34 and +1.12, and all kurtosis values are within roughly -0.04 to +1.26. According to widely accepted guidelines, skewness absolute values under 1 are considered excellent and up to ± 2 are generally acceptable, while kurtosis values within the ± 2 to ± 7 range (for "proper" kurtosis) usually indicate reasonable approximation to normality. In multivariate factor

analysis, specifically, thresholds of skewness ± 2 and kurtosis ± 7 are often cited as moderate acceptable limits. Therefore, your data exhibits acceptable symmetry and tail behavior, supporting the assumption of univariate normality.

In terms of multicollinearity, the VIF values across items range from approximately 1.6 up to 2.5, all well below the typical cutoff around 5 (or more conservatively, 10), indicating that multicollinearity among indicators is negligible and not of concern. Factor loadings are all strong (ranging from about 0.53 to 0.92), with most items above .50, demonstrating that each indicator loads appropriately onto its theoretical construct and contributes meaningfully to scale reliability and convergent validity. Taken together, these diagnostics suggest that the data are well-behaved for confirmatory factor analysis and structural equation modeling. Skewness and kurtosis values lie well within recommended thresholds; VIF values show no problematic collinearity; and factor loadings are solid. Thus, the data set meets essential statistical assumptions, justifying the use of parametric analyses and the validity of your constructs.

Table 1: Measurement Items

Coded Items	Scales	Factor Loadings	VIF	Skewness values	Std. Error	Kurtosis values
Marketing innovation 1	This restaurant adapts marketing strategies based on customer feedback and changing market conditions.	0.856	1.603	-0.928	1.165	0.042
Marketing innovation 2	This restaurant encourages employees to suggest and participate in innovative marketing ideas.	0.852	2.063	-1.204	1.024	1.133
Marketing innovation 3	This restaurant regularly explores and implements new marketing channels to reach a wider audience.	0.834	2.227	0.220	1.266	1.240
Marketing innovation 4	This restaurant regularly updates its marketing approach to adapt to changing consumer preferences.	0.843	2.503	0.158	1.289	1.216
Service innovation 1	This restaurant frequently introduces new service offerings.	0.923	2.246	0.158	1.157	1.216
Service innovation 2	The management actively supports service innovation initiatives.	0.774	1.979	0.199	1.203	1.089
Service innovation 3	Our new service offerings meet customer needs effectively.	0.706	1.824	0.154	1.280	1.150
Customer retention 1	Customers of this restaurant feel a strong emotional connection with the brand.	0.746	2.103	-1.096	1.010	0.880
Customer retention 2	Customers of this restaurant actively engage with the brand through various channels.	0.837	1.956	-0.809	1.027	0.156
Customer retention 3	Customers of this restaurant trust the brand and its offerings.	0.809	1.673	-1.339	1.150	0.613
Customer retention 4	Customers of this restaurant perceive the brand as their preferred choice.	0.806	1.574	-1.257	1.150	1.257
Retained employees 1	Employees in this restaurant are likely to stay with the organisation for an extended period.	0.847	1.653	-0.576	1.136	0.613
Retained employees 2	Employees in this restaurant feel a strong sense of loyalty towards the organisation.	0.874	1.947	0.920	1.177	0.011
Retained employees 3	Employees in this restaurant organization have an emotional connection with the organisation.	0.747	1.875	-1.319	1.037	1.429
Retained employees 4	Employees in this restaurant are motivated to contribute their best efforts to the organisation.	0.530	2.415	-1.172	0.957	1.289
Satisfied employees 1	Employees in this restaurant feel valued and appreciated by their supervisors.	0.724	2.305	-0.154	1.152	1.025
Satisfied employees 2	Employees in this restaurant feel a sense of accomplishment and fulfilment in their work.	0.870	2.382	1.122	1.078	0.899
Satisfied employees 3	Employees in this restaurant believe that their skills and abilities are effectively utilised.	0.903	2.079	-0.236	1.298	1.150
Satisfied employees 4	Employees in this restaurant have a positive attitude toward their work and the organisation.	0.831	1.673	-1.339	1.150	0.613

2.4.2. Measurement Model Assessment

The quality criteria used to show and analyze the quality of the measurement model in the assessment were the outer loadings, the construct reliability, and the construct validity (Hair et al., 2020). The authors propose that the outer loading be at least 0.50 to illustrate that the healthy items have received a reflection of the construct (Purwanto, 2021). All items used as measures of constructs were in order, as the data on item loadings in Fig 2 indicate. Construct reliability can guide a researcher in determining the extent to which a statistical element is coherent and equilibrium in data produced by the aspects incorporated in the calculation of the variable (Hajjar, 2018). The different constructs were reliable with the use of Cronbach's alpha and a composite reliability index of 0.50 and above (Yusoff et al., 2020). These

are construct validity measures on the one hand that test how well an instrument measures a construct that it is supposed to measure (Clark and Watson, 2019). Convergent validity in the form of Average Variance Extracted (AVE) of over 0.5 in Table 2 reveals that CR, MI, RE, SE, and SI converge to explain the variance on their indicators in excess of 50 percent, indicating a strong convergent validity. The songwriters also transformed the configurations of the characters depicted in the song (Cheung et al., 2023). Heterotrait-Monotrait Ratio of Correlations (HTMT) was also used to validate the uniqueness and associations among variables. Looking at the values in Table 3, it is far below the threshold of 0.85, which guides the distinctiveness of the study constructs from each other (Yusoff et al., 2020). HTMT, reliability and validity are exhibited in Tables 2 and 3.

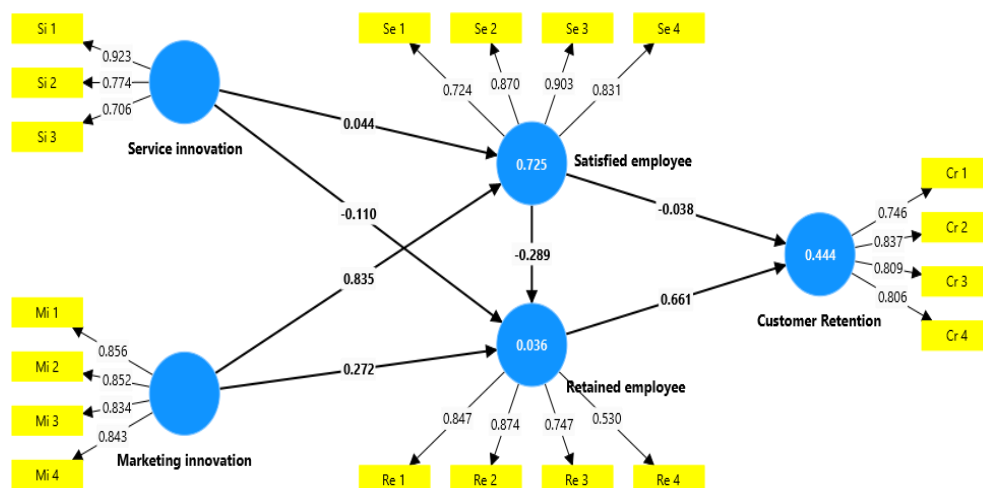


Fig. 2: (Model Output: loadings and path coefficient).

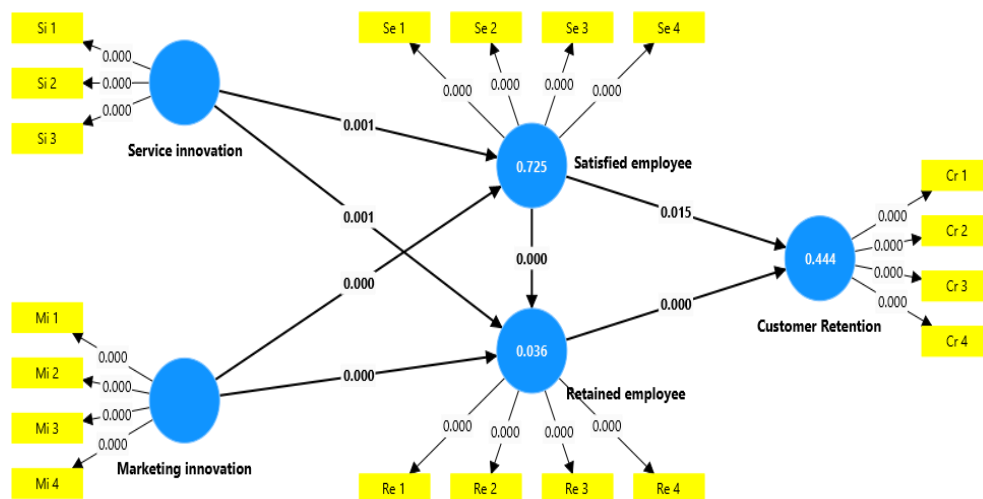


Fig. 3: Structural model output.

Table 2: Reliability and Validity Results

Constructs	Number of Items	Cronbach's alpha	Composite reliability (rho_a)	Average variance extracted (AVE)
Customer retention	4	0.812	0.813	0.640
Marketing innovation	4	0.868	0.874	0.716
Retained employee	4	0.758	0.804	0.580
Satisfied employee	4	0.852	0.861	0.697
Service innovation	3	0.756	0.846	0.650

Table 3: Heterotrait-monotrait ratio (HTMT)

	CR	MI	RE	SE	SI
Customer retention					
Marketing innovation	0.124				
Retained employee	0.793	0.171			
Satisfied employee	0.162	0.811	0.453		
Service innovation	0.196	0.401	0.521	0.386	

2.4.3. Measurement model output

Fig 2 shows the indicator loadings and path coefficients of various relationships.

2.4.4. Structural Model Assessment

Multicollinearity, coefficient of determination, path efficiency, and model fitness are examined in assessing the structural model (Hair *et al.*, 2019; Owusu & Kankam, 2025).

2.4.5. Multicollinearity

Multicollinearity exists when two or more highly correlated predicting variables are present (Hair *et al.*, 2019). A model is considered to have no issues of multicollinearity when VIF values are less than 5 (Hair *et al.*, 2017). From the table below, there are no issues of multicollinearity.

2.4.6. Coefficient of determination

The coefficient of determination measures how the variables explain one another in terms of R^2 , f^2 , and Q^2 (Hair *et al.*, 2017). The statistic R^2 is a piece of information that gives details of the fit between the independent variables of a model and the variation of the dependent variable. Adjusted R -squared punishes the presence of irrelevant or redundant independent variables, so in the case of many predictors, it is a superior measure of how well the model fits. Also, f^2 is applied to explore the significance of the exogenous construct (effect size) in describing the significance of the endogenous construct. In addition, Predictive relevance (Q^2) may be a sufficient test to establish predictive relevance. Table 4 indicates that the indicators of customer retention are self-explanatory to an extent of 44.3 %. Indicators on retained employees explain themselves with 3.6 % and such, with satisfied employees with 72.5 %. Other variables in the model predict 0.8, 1.1 percent, and 72.4 percent of the

customer retention variable and retained employees, respectively. When Q^2 is more significant than zero, the path model could be applicable in forecasting a particular endogenous construct (Hair *et al.*, 2017). The supporting facts in the table indicate that there is a substantive predictive relevancy of the couple relationships and family business sustainability. Based on the result measured by effect size in Table 4, the effect size of constructs measured is between small and medium, and has no significant influence on enrollment intention.

2.4.7. Model Fitness

The Standardized Root Mean Square Residual (SRMR), Root Mean Square of Approximation (d_{ULS}), Goodness of fit (d_G), Chi-Square, and Normed Fit Index (NFI) are in PLS-SEM. Dash and Paul (2021) note that a model can be considered fit when SRMR and ULS < 0.08. d_G < 0.10. Model fitness was attained with a chi-square of a non-significant value (>0.05). Regarding NFI, the model is said to fit when the saturated and the model estimates converge near 1. Table 5 indicates that the model selected fits the study.

2.4.8. Path Coefficient and P-values

The intensities of relevance of one variable to another are determined through path coefficients with p-value (significance level), b-value (direction of the path), and T-value (testing hypotheses) (Hair *et al.*, 2019). Hypotheses $p < 0.05$ rather than others are determined to be statistically significant, and the T-values greater than 1.99 are supported (Hair *et al.*, 2017). Based on Table 6 below, the hypotheses supported are H1, H1a, H1b, H1c, H2, H3, and H4. There are significant results in support of the hypothesis since T values are greater than 1.96 and p is less than 0.05.

3 DISCUSSION

The data shows a positive and significant connection between marketing innovation and satisfied employees with a positive impact ($\beta = 0.835$, $p < 0.000$). This implies that the introduction of marketing innovation is likely to satisfy employees. The findings align with the studies of (Mayfield *et al.*, 2020; Lasisi *et al.*, 2020; Alshebami, 2021). Their findings suggest that marketing innovation enhances employee satisfaction, where employee ideas and suggestions are fundamental, and

Table 4: Coefficient of determination

Constructs	VIF	F ²	R ²	Adjusted R ²	Q ²	RMSE	MAE
MI -> Ret, employee	3.673	0.021					
MI -> Sat. employee	1.143	2.213	0.444 (CR)	0.443(CR)	0.008	0.107	0.759
Ret. employee -> Customer ret	1.009	0.779	0.036 (RE)	0.034(RE)	0.011	0.996	0.825
Sat employee-> Customer ret	1.145	0.055	0.725 (SE)	0.724(SE)	0.724	0.528	0.365
Sat employee -> Ret.employee	3.631	0.024					
SI-> Ret. employee	1.150	0.013					
SI -> Sat. employee	1.143	0.016					

Table 5: Model fitness summary

	Saturated model	Estimated model
SRMR	0.072	0.070
d_ULS	0.072	0.078
d_G	0.088	0.093
Chi-square	5859.031	5885.242
NFI	0.846	0.844

positively impact employee satisfaction. From a Ghanaian viewpoint, hospitality organizations embrace marketing innovation to promote employee happiness through numerous tactics. For instance, introducing employee recognition programs that promote their accomplishments can enhance morale. Offering continual training opportunities improves skills and shows investment in employees' growth. Utilizing technology for effective operations and communication streamlines work, reducing stress levels.

Moreover, including employees in decision-making through feedback mechanisms develops a sense of ownership and belonging. Lastly, fostering a positive work culture and highlighting ethical practices in marketing helps match employees' values with those of the firm, reinforcing job satisfaction. These innovative marketing tactics attract guests and create a supportive environment where employees feel valued and driven, leading to overall satisfaction and retention in Ghana's hospitality sector.

The data shows a connection between marketing innovation and retained employees with a positive impact ($\beta = 0.272$, $p < 0.000$). This implies that marketing innovation is likely to improve the likelihood of employee retention within an organization. The study findings are in line with the studies of Ali *et al.* (2014), Kamińska (2018), and Siffring (2019). Their findings suggest that marketing innovation positively impacted high employee turnover. In the Ghanaian environment, hospitality organizations embrace marketing innovation to retain employees by building a solid brand identity and a healthy work culture. These organizations use unique marketing methods to promote professional progression potential, such as presenting employee success stories and offering development programs. Establishing a friendly and engaging work environment through social media and internal communications builds employees' sense of belonging and pride. The focus on innovative marketing activities not only recruits new talent but also strengthens the dedication of present employees, leading to lower turnover rates and

a more stable workforce. Thus, marketing innovation is crucial for boosting employee happiness and loyalty within Ghana's hospitality sector.

The data shows a positive and significant connection between service innovation and satisfied employees with a positive impact ($\beta = -0.110$, $p < 0.001$). This implies that the introduction of marketing innovation is likely to satisfy employees. The findings align with the studies of (Truong *et al.*, 2020; Santos-Vijande *et al.*, 2021; Akhtar *et al.*, 2022). Their findings suggest that service innovation enhances employee satisfaction, where employee ideas and suggestions are fundamental and positively impact employee satisfaction. From a Ghanaian perspective, hospitality organizations develop satisfied employees through service innovation by addressing employee welfare and engagement. Organizations boost worker satisfaction by introducing innovative methods such as tailored training programs, flexible work schedules, and open decision-making processes. Providing opportunities for career progression and acknowledging employee efforts also play vital roles.

Moreover, technology developments in service delivery expedite processes, decreasing the burden and enabling personnel to focus on individualized client experiences. These innovations promote an excellent work atmosphere where staff feel valued and encouraged to give outstanding service. Ultimately, by investing in service innovation suited to employee requirements and goals, hospitality businesses in Ghana develop a culture of happiness and loyalty among their workforce.

The data shows a positive and significant connection between service innovation and retained employees with a positive impact ($\beta = 0.044$, $p < 0.001$). This implies that the introduction of service innovation is likely to retain employees. The study findings align with the studies of (Demircioglu and Berman, 2019; Mennens *et al.*, 2018; Baradarani & Kilic, 2018). Their findings suggest that service innovation solves the issue of employee turnover. From a Ghanaian perspective, hospitality organizations dramatically exploit service innovation to influence employee retention by establishing a dynamic and engaging work environment. These innovations generally include introducing modern technology, individualized service offers, and continual professional development possibilities.

Table 6: Hypotheses testing

Structural Relationship	Hypotheses	Standardised Beta (B)	T-Statistics (t-Value > 1.96)	P Values	Status of The Hypothesis
MI -> Satisfied employee	H1	0.835	51.119	0.000**	Accepted
MI -> Retained employee	H1a	0.272	5.028	0.000***	Accepted
SI -> Satisfied employee	H1b	-0.110	3.441	0.001***	Accepted
SI -> Retained employee	H1c	0.044	3.257	0.000***	Accepted
Indirect effect:					
SE-> RE-> CR	H2	0.191	4.824	0.000***	Accepted
SI -> SE -> RE -> CR	H3	0.008	2.716	0.007**	Accepted
MI -> SE -> RE -> CR	H4	0.159	4.623	0.000***	0.000*** Accepted

For instance, many hotels and resorts are integrating digital tools such as property management systems and customer relationship management software to improve operations, minimize manual labor, and enhance guest experiences. This improves operational efficiency and decreases the workload and stress on employees, making their occupations more tolerable and pleasurable.

Personalized service innovations, such as tailored guest experiences based on preferences and comments, also empower employees to give excellent customer service. This empowerment generates a sense of ownership and pride in their work, increasing job satisfaction. Moreover, hospitality businesses in Ghana invest in the continuing growth of their workers through frequent training programs, workshops, and certifications. These possibilities for skill enhancement and career progression drive employees to stay longer with the firm as they perceive a clear route for growth and advancement. Furthermore, an emphasis on developing a supportive and inclusive workplace culture through innovative human resource strategies, such as employee wellness programs and recognition schemes, ensures that employees feel appreciated and respected. This holistic approach to service innovation promotes guest happiness and dramatically boosts employee morale and loyalty, enhancing retention rates.

The data shows a positive and significant connection between retained employees, satisfied employees, and customer retention with a positive impact ($\beta = 0.191$, $p < 0.000$). This implies that satisfied and retained employees are likelier to deliver the best customer service. The findings align with the studies of (Kasekende, 2013; Frey *et al.*, 2013; Hassan, 2022). Their findings suggest that excited and satisfied customers know the kind of services that trigger customer emotions, leading to customer retention. In Ghana's hotel business, maintaining and pleasing staff is essential to ensuring client retention. The industry realizes that staff are the frontline advocates of their brand, dealing directly with customers and significantly affecting their experiences. To attain high employee satisfaction, firms in Ghana engage in comprehensive training programs that develop abilities and build a sense of belonging and worth. This training inspires staff, helping them feel knowledgeable and secure in their responsibilities, which correlates to excellent service delivery.

Moreover, Ghanaian hospitality organizations generally embrace methods that build a healthy work environment, such as recognizing and praising employee successes, providing possibilities for professional progression, and assuring competitive wages. Employees are more likely to feel pleased and loyal to their employer by providing a friendly and encouraging environment. This loyalty and contentment, in turn, are reflected in the level of service delivered to clients. Satisfied staff are more inclined to go the extra mile to meet and exceed guest

expectations, generating memorable experiences that inspire future visits. Their upbeat attitude and dedication boost client encounters, developing solid relationships and fostering a sense of trust and reliability.

In summary, the hotel industry in Ghana realizes that happy staff leads to happy customers, and this synergy is crucial for long-term economic success. The data shows a positive and significant connection between satisfied employees, retained employees, service innovation, and customer retention with a positive impact ($\beta = 0.008$, $p < 0.007$). This implies that a unit change in satisfied employees retained employees has an 8% of service innovation and customer retention. The findings align with the studies of (Mahmoud, 2018; YuSheng and Ibrahim, 2019; and Aityassine, 2022). Their findings suggest that service innovation solves the issue of employee turnover. In Ghana, the hospitality industry places a high importance on ensuring that employees are satisfied and remain with the company, as they are seen as crucial in providing excellent service and promoting creativity. Hotels and resorts allocate resources to implement extensive training programs to improve employees' abilities, guaranteeing they are adequately prepared to satisfy customers' expectations. Content employees perceive themselves as appreciated and adequately remunerated, demonstrating elevated commitment and drive, resulting in outstanding customer service.

The industry reduces turnover rates by cultivating a favorable work atmosphere that offers prospects for professional advancement and acknowledges employees' achievements, thereby promoting a stable and knowledgeable workforce. This consistency is vital for service innovation, as experienced staff are more proficient at understanding client needs and offering improvements. Hotels may improve their service offerings and increase guest experiences by engaging personnel in decision-making processes and fostering innovative problem-solving. This allows them to respond to evolving market needs. The emphasis on innovation attracts new clients and retains existing ones by continually surpassing their expectations. Customer retention is further boosted by the individualized and attentive service satisfied and loyal staff offers. Customers are more inclined to revisit locations where they experience a sense of hospitality and appreciation, resulting in long-term economic expansion.

Therefore, in Ghana's hospitality industry, the interdependent connection between employee contentment, the introduction of new services, and the ability to retain customers is the fundamental basis for achieving long-term success.

The research data shows that there is a significant positive relationship between job satisfaction, employee retention, marketing innovation, and customer retention, with a substantial mean (relative impact) = (0.159, $p < 0.000$) based on the post and the customer sent. This is expected to be associated with employees intending to stay with the company, thereby introducing service

innovation. The findings match the studies of (Hassan, 2022; Hamiza, 2014; Chopra *et al.*, 2024). The Ghanaian Perspective Hospitality Company believes job satisfaction is the foundation of its success. Happy employees engage better, are more motivated, and are more likely to provide top service - critically crucial in hotels where customers and personnel interact constantly. Engaged staff, who receive support and advice in their workplace, make great team players who provide continuity and experience. This stability boosts the quality of service, as personnel with longer tenures understand the complexities of guest preferences and operational intricacies better.

Marketing service innovation is another significant focus. By regularly introducing new services and upgrading old ones, hospitality businesses in Ghana remain competitive and appealing to new and returning clients. Innovations can include improved booking systems, tailored visitor experiences, and distinctive cultural activities that exhibit Ghana's rich past. These advances are pushed through traditional marketing channels and digital platforms, reaching a wider audience and drawing diversified customers. Customer retention is directly tied to these initiatives. Satisfied and well-trained personnel deliver outstanding service, encouraging repeat business. Service innovations keep the experience fresh and engaging, ensuring clients have new reasons to return. In summary, the hospitality sector in Ghana depends on the symbiotic link between happy staff, innovative service offerings, and loyal consumers, establishing a sustainable business model that benefits all stakeholders.

3.1. Managerial and policy implications

Managers can implement programs that recognize and celebrate staff achievements to boost employee happiness through marketing innovation. This can uplift employee morale and foster a sense of accomplishment among the team. Training opportunities are crucial as they enhance employee skills and show the organization's commitment to their growth. Consequently, this leads to improved job performance and satisfaction. Utilizing technologies can streamline work processes, reduce stress levels, and increase job contentment.

Moreover, involving employees in decision-making through feedback mechanisms creates a sense of ownership and inclusivity. Promoting marketing practices aligned with employees' values could also enhance their job satisfaction from a policy perspective. Establishing guidelines that promote a supportive work environment is essential for maintaining employee happiness. Improving employee retention through marketing innovation involves building a brand identity that employees can be proud of. This can be accomplished by sharing the success stories of staff members and offering development programs focused on career advancement opportunities. Creating an engaging work environment through communications

and social media fosters employees' sense of belonging and satisfaction. Policies should support development opportunities, ensuring employees see evident growth and advancement pathways.

Consistently acknowledging and appreciating employees' work can enhance their commitment and reduce staff turnover. To improve employee satisfaction through service innovation, managers should build specialized training programs that satisfy unique employee demands. Introducing flexible work schedules can promote work-life balance and contribute to increased satisfaction. Encouraging transparent decision-making procedures where employees' opinions are valued can enhance engagement and satisfaction. Policies should promote the integration of technology to streamline service delivery, minimize burden, and improve worker satisfaction.

Additionally, regulations should promote possibilities for career progression and acknowledge employee accomplishments, promoting a supportive work environment. Enhancing employee retention through service innovation demands investment in current technology, such as property management systems and customer relationship management software, to improve operational efficiency and reduce employee stress. Encouraging staff to deliver individualized guest experiences can enhance their sense of ownership and job happiness. Frequent training programs, workshops, and certifications can help employees see a clear route for growth and success.

Policies should priorities establishing a friendly and inclusive workplace culture through creative human resource techniques, such as wellness programs and recognition systems. Policies should also ensure a disciplined approach to continued professional growth, fostering long-term staff retention. The mediating role of retained and satisfied employees on customer retention underscores the need for comprehensive training programs that develop employees' skills while building a sense of belonging and worth. Creating a healthy work environment through recognition, career growth chances, and competitive compensation helps assure high levels of employee satisfaction and retention. Empowering employees to make decisions and solve problems can boost job satisfaction and service performance, leading to better customer experiences. Policies should priorities staff happiness and retention, recognizing their vital role in customer retention and overall business success.

Continuous investment in employee development programs should be mandated to maintain a competent and committed workforce. In summary, managers in the Ghanaian hospitality sector should focus on marketing and service innovations that attract and retain clients while boosting employee satisfaction and retention. Policy frameworks should support these endeavors by supporting ethical practices, continuing professional development, and a healthy work environment, ultimately leading to long-term economic success.

3.2. Future Research Direction

Drawing on these resources, future research in the Ghanaian hospitality industry may examine, among other things, the role marketing and the guest experience can play in facilitating employee satisfaction, attrition, and customer loyalty. Longitudinal studies could offer a clearer picture of the impact of these innovations. The type of comparative research between sectors that looks at differences and similarities across cultures is how we know if the effects are consistent or if sector-specific approaches are needed. Understanding how employees with different demographic characteristics perceive organizational innovations can also lead to more focused attempts. Another topic of interest is the impact of emerging technologies on employee well-being and job satisfaction. The following steps must focus on the immediate relationship between innovations and customer experience to better shape where to invest. Knowing the difficulties and inhibitions of articulating change can provide some convenient lessons for managers.

Declaration of interest statement

The authors declare no potential conflicts of interest regarding this study's research, authorship, or publication.

Funding

The authors received no financial support for this manuscript's research, authorship, or publication.

Authors' Contributions

Samuel Oduro Owusu

Conceptualized the study and developed the research framework. He designed the study methodology, wrote the introduction and literature review sections, and contributed to data collection and analysis. Samuel also played a key role in drafting and revising the manuscript.

Samuel Affran

Samuel also reviewed the results and discussion section for clarity and accuracy, ensuring alignment with the study's objectives and theoretical underpinnings.

Approval

All authors have read and approved the final manuscript and agreed to its submission for publication.

Data availability statement

Data supporting the findings of this study are available from the corresponding author upon request.

Ethics Declaration Statement

The authors affirm that this study was in accordance with the ethics and the legalities of Ghana. This study gained an official ethics clearance at the University of Education, Winneba, Ethics Committee as indicated by the organization. The risk to the participants in the research was minimal because the method of data collection was the use of structured questionnaires, where all the responses were anonymous and confidential. Before their participation, the participants gave written informed consent, and the objectives and procedures followed in the study were explained clearly.

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