EFFECT OF CORPORATE CULTURE ON EMPLOYEE RETENTION IN SELECTED FIVE-STAR HOTELS IN FEDERAL CAPITAL TERRITORY, NIGERIA

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ABSTRACT
Retention has emerged as an essential element for sustainable competition and competitive advantage by different firms. This study examined the effect of corporate culture proxies by change adaptability and organisational value on employee retention in five-star hotels in FCT, Nigeria. A survey design was adopted and copies of questionnaires were administered to a sample of 297 full-time employees of the selected hotels. Partial Least Square Structural Equation Modeling (PLS-SEM) was employed to test the hypotheses formulated. The result indicated that organisational value has positive and insignificant effect on employee retention while change adaptability significantly and positively affect employee retention of the selected five-star hotels in FCT. The study therefore recommended that hotel management involve employees in discussions about the organisation's values and how they can be implemented in the workplace and ensure that the values resonate with their experiences. In addition, the hotel management should invest in their employees because they are more likely to stay with hotel that invests in their professional growth, such as tuition reimbursement or in-house training programs.
Keywords: Change adaptability, Employee retention, and Organisational values

INTRODUCTION

In the rapidly evolving global business landscape, employee retention has emerged as a critical concern for organisations seeking to maintain a competitive edge. As companies expand their operations across borders and navigate diverse cultural contexts, the ability to attract, engage, and retain talented employees has become increasingly crucial (Akinbode & Fagbohungbe, 2022).

Retention of employees in the hospitality industry is a recurrent agenda in the organisation involving all the combined efforts to maintain the best available labourer (Allen & Shanock, 2023). The high costs associated with employee turnover and the need for a stable, dedicated workforce have prompted extensive research, exploring the factors influencing retention. Among these factors, corporate culture has gained significant attention. Corporate culture encompasses the values, beliefs, and behaviors that shape the work environment and influence how employees interact with each other and the organisation (Groysberg et al., 2018). In a globalised world, corporate culture plays a vital role in bridging cultural differences, fostering a sense of belonging, and aligning employee expectations with organisational goals (Schein, 2017). By fostering a strong, consistent corporate culture that resonates with employees across different regions, organisations can enhance their ability to attract, engage, and retain talented individuals, ultimately leading to improved organisational performance and long-term success. Robinson et al. (2016) concluded that employees will stay with an organisation if given a combination of retention strategies that can make leaving that organisation seem less advantageous than staying in the current organisation. African labour market has placed more emphasis on attracting and retaining employees who may be lost to competitors or other career opportunities. Adeyemi and Abioye (2016) argued that hospitality organisations experience higher than average levels of employee turnover in the studied African Countries. The leadership in these organisations has increasingly acknowledged the cost involved in retaining an employee compared to the high cost of attracting new employees to the organisation (Ngobeni & Bezuidenhout, 2021).

The Nigerian hotel industry faces significant challenges when it comes to employee retention, with high turnover rates posing a critical obstacle to organisational success (Baum, 2015). Organisations with high employee retention rates can experience advantages such as increased productivity, reduced recruitment/training costs, and improved employee morale, and engagement (Adeniji, 2021). On the other hand, high turnover rates can lead to disruption in operational efficiency and negatively impact the work culture, ultimately leading to decreased organisational performance (Coyle-Shapiro & Conway, 2015). Also, employee satisfaction and engagement are significant contributors to employee retention, and corporate culture plays a vital role in promoting these aspects. Organisations that prioritize employee well-being and provide opportunities for growth and development can foster a sense of motivation and loyalty in their employees (Boselie, 2010). The provision of work-life balance opportunities and a supportive work environment can also contribute to employee engagement and retention (Saks & Gruman, 2014).

Studies have shown that hotel industry in Nigeria with a strong, positive corporate culture that prioritizes employee development, work-life balance, and effective communication tend to experience lower turnover rates and higher levels of employee engagement (Kossivi et al., 2016). Conversely, Nigerian hotel that fail to cultivate a supportive and inclusive corporate culture may struggle to retain their workforce, as employees may feel disconnected from the organisation's mission and values (Johnson & Smith, 2017).

There are several dimensions used in assessing corporate culture, thus this study will focus on the dimensions used in the studies of Quinn and Rohrbaugh (1983), they measured using organizational values and change adaptability and how it affects employee's retention.

The organisation values and norms of a company guide decision-making, shape organisational priorities, and set expectations for how employees should conduct themselves in the workplace. A strong corporate culture that emphasizes shared values and norms creates a sense of unity and purpose among employees. This can lead to increased motivation, higher levels of engagement, and greater levels of productivity and retention. A positive culture also makes the organisation more attractive to potential employees, helping with recruitment and retention efforts Kamau et al (2021).

Also, an organisation's ability to embrace or adapt to change without disrupting its core values and the motivation of its employees is a fundamental aspect of corporate culture. Adaptable employees can quickly learn new skills, embrace new technologies, and adjust their work methods, enabling the organisation to stay competitive in a rapidly evolving marketplace. Organisations with an adaptable corporate culture can quickly adjust strategies, processes, and structures in response to external disruptions, thus keeping employees engaged and motivated in times of change (Kuria, 2018).

Employee retention is a critical challenge for the hospitality industry, particularly in five-star hotels located in the Federal Capital Territory. In an environment where high-quality service is paramount, retaining skilled and motivated staff is essential for maintaining competitive advantage and ensuring guest satisfaction. However, many hotels face significant turnover rates, which can disrupt operations, degrade service quality, and increase recruitment costs.

The role of corporate culture in influencing employee retention is increasingly recognized, yet there is limited empirical research that specifically addresses this relationship within the context of luxury hospitality. Two key elements of corporate culture—organizational values and change adaptability—are particularly relevant. Organizational values shape the ethos and identity of a hotel, guiding employee behavior and fostering a sense of belonging. Meanwhile, change adaptability reflects the organization's ability to respond to evolving market demands and operational challenges, which can significantly impact employee morale and commitment.

Despite the acknowledged importance of these cultural dimensions, a gap exists in understanding how they interact to affect employee retention in five-star hotels. This study aims to fill this gap by investigating the effect of organizational values and change adaptability on employee retention. By exploring this relationship, the research seeks to provide valuable insights for hotel management, enabling them to cultivate a positive corporate culture that enhances employee loyalty and reduces

turnover. This understanding is imperative for developing effective strategies to sustain a high-performing workforce in the competitive landscape of the hospitality industry.
In the light of this, the main objective of this study is to examine the effect of corporate culture on employee retention in selected five-star hotels in FCT, while the specific objective is:

i. To investigate the effect of organisational values on employee retention in selected five-star hotels in FCT.

ii. To determine the effect of change adaptability on employee retention in selected five-star hotels in FCT.

In line with these objectives, the following hypothesis were been formulated:

H_{01}: Oranisational values have no significant effect on employee retention in selected five-star hotels in FCT.

$H_{02:}$ Change adaptability has no significant effect on employee retention in selected five-star hotels in FCT.

LITERATURE REVIEW

Corporate Culture

It is believed that corporate culture immensely influences outcomes like productivity, performance, employee commitment, confidence, and ethical behavior. It is one of the major components of the workplace environment that sharpens every aspect of organisational life. Hofstede (2001), defines corporate culture as the mindset of people that distinguishes them from each other within the organisation or outside the organisation. This includes the values, beliefs, and behaviors of the employees different from the other organisation.

Hofstede (1980), extends the concept of corporate culture to a global context, introducing cultural dimensions that capture societal values. He identifies dimensions such as Power Distance, Individualism vs. Collectivism, Masculinity vs. Femininity, Uncertainty Avoidance, and Long-Term Orientation. These dimensions offer a framework for understanding how cultural differences impact organisational behavior on a global scale. Hofstede's work underscores that corporate culture is not only shaped by internal factors but is also influenced by broader cultural contexts that organisations operate within. Whereas, Karatepe and Karadas (2014) world of corporate culture, posits a kaleidoscope of contradictions and fragmented realities. He portrays culture not as a singular entity, but as a "mishmash", a constantly evolving patchwork woven from diverse voices and interpretations. To him each employee, like a street vendor, peddles their own version of the "company story," shaped by their role, personality, and unique journey within the organisation. Some narratives resonate with others, forming temporary alliances, while others clash in discordant dissonance. This study coins corporate culture as the shared values, beliefs, behaviors, and practices that shape how an organisation operates and interacts with its employees, customers, and stakeholders.

Schein (1990), a pioneering figure in organisational psychology, defines corporate culture as a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. However, Handy (1993), conceptualizes corporate culture as the glue that holds an organisation together, the shared values and beliefs that shape behavior within the workplace. He introduces four archetypes of culture: Power Culture, Role Culture, Task Culture, and Person Culture. Power Culture, for instance, is characterized by a concentration of power among a few individuals, while Task Culture focuses on getting the job done efficiently. Handy's framework allows for a nuanced understanding of how different cultures may prevail within an organisation, influencing its dynamics and the interactions among its members.

Organisational Value

Schein (2016) defines values as the deeply held beliefs and principles that guide the behavior of individuals within an organisation. These values, according to Schein (2016) form the core of an organisation's culture, influencing decision-making, interactions, and the overall organisational identity. However, Kamau et al. (2021), approaches organisation values from a semiotic perspective, considering them as symbolic expressions that convey meaning and identity within an organisation. She argues that values act as symbolic tools through which organisations communicate their aspirations, identity, and desired behaviors to both internal and external stakeholders, while Handy (1996) differentiates between instrumental and intrinsic values within organisations. Instrumental values, according to Handy (1996) are the means to achieving organisational goals, while intrinsic values represent the fundamental beliefs that define the character and purpose of the organisation.

Schein (2017) emphasizes that values are not just explicitly stated guidelines but are often tacit, influencing decision making, interactions, and overall organisational identity. Schein's work explains that organisation values are seen as the fundamental principles that define the character and essence of an organisation. These values are reflected in the shared beliefs and norms that employees collectively hold, contributing to a unique organisational culture. This study adopted the definition of Schein (2016) which defines organisational values as the fundamental beliefs and guiding principles that shape the behavior, culture, and decision-making processes within an organisation.

Change Adaptability

According to Kotter (1996) change adaptability is define as an organisation's capability to rapidly adjust and respond to external shifts in its environment. Whereas Kuria (2018), views change adaptability through the lens of organisational culture. She defines it as an organisation's capacity to foster a culture that encourages experimentation, risk-taking, and learning from failures. Also, Kanter, cultural adaptability is essential for organisations to navigate the uncertainties and complexities of the business environment. However, Worley and Lawler (2010) propose a systemic perspective on change adaptability, defining it as an organisation's capacity to implement and sustain change across multiple levels and functions. They emphasize the need for a holistic and integrated approach to change that considers the interconnectedness of various organisational systems. Furthermore, Mensah (2020) explore change adaptability through the perception of organisational ambidexterity in luxury hotels. They define adaptability as the simultaneous pursuit of exploration (innovation) and exploitation (efficiency). In the context of five-star hotels, this involves balancing the need for traditional excellence in service delivery with a proactive approach to embracing new trends and technologies. Change adaptability, in this context, is integral to an organisation's long-term survival and success

This study views change adaptability from Mensah (2020) perspective and therefore defines change adaptability as an organization’s ability to swiftly and effectively adjust to external changes in its environment. This involves not only recognizing and responding to emerging trends, market fluctuations, and evolving customer preferences but also fostering a culture that embraces flexibility and innovation.

Employee Retention

Armstrong (2019), defines employee retention as the systematic effort by employers to create an environment that encourages current employees to remain with the organisation for the maximum period. Armstrong emphasizes the strategic nature of retention efforts, suggesting that organisations should actively design and implement policies, practices, and programs that foster employee loyalty and commitment. Armstrong's perspective underscores the intentional and ongoing nature of employee retention, emphasizing that it goes beyond reactive measures and involves a proactive approach to creating a workplace conducive to long-term employee commitment.

From the perspective of Mitchell et al. (2022), employee retention refers to an organisation's ability to retain its talented employees over a sustained period by creating an engaging work environment, offering attractive benefits and opportunities, and implementing effective strategies to build loyalty and commitment. Still, O'Reilly and Chatman (2021) emphasize that employee retention refers to the organisation's ability to keep valuable employees engaged, satisfied, and committed to the organisation, reducing turnover and ensuring a stable workforce that contributes to organisational success. They emphasize that employee retention involves understanding and addressing the factors that influence employees' decisions to stay with or leave the organisation. It encompasses strategies such as effective leadership, competitive compensation and benefits, opportunities for development and growth, work-life balance, and a positive work environment that fosters trust and engagement. However, Prahalad et al. (2020) conceptualized employee retention as the ability of an organisation to retain its employees and reduce turnover, particularly of its most talented and essential workers. This definition underscores the importance of retaining key personnel to maintain organisational performance and continuity. The authors argue that a supportive corporate culture, characterized by clear communication, recognition, and growth opportunities, is crucial for retaining employees.

This study aligns with O'Reilly and Chatman (2021) and defines employee retention as an organisation's ability to keep its employees and reduce turnover over time. It involves strategies and practices aimed at maintaining a stable workforce by encouraging employees to remain with the company for the long term. High employee retention is often seen as a sign of a healthy organisational culture and effective management

Empirical Review

Becker and Huselid (2023) aimed to explore the correlation between organisational values and employee retention. Using a mixed-methods approach that included surveys and qualitative interviews, they gathered data from 500 employees across different sectors. The study found that when employees strongly aligned with their organisation's values, their likelihood of staying with the company increased by 40%. However, some critics argue that the study overlooks external economic factors that could also influence retention rates. This study was conducted in a different sector, which means that its findings may not be directly applicable or effective for making decisions in the study area. Therefore, the need for this study to address this limitation.

Demerouti (2022) investigated how aligning employee values with organisational values affects retention rates. They found that employees whose values matched their organisations were more likely to stay, enhancing job satisfaction and engagement. The study, which involved surveys and interviews with 500 employees over two years, highlighted the positive impact of values alignment on retention. However, some critics argued that the study may have oversimplified the issue and relied too much on self-reported data, suggesting that other factors like compensation and work-life balance also play significant roles. The study's sectoral focus may limit its applicability to the current research area. This highlights the need for a tailored investigation.

In Europe, Wheele et al. (2023) explored the role of organisational values in fostering employee resilience and its subsequent impact on retention during times of crisis, specifically in the context of the global COVID-19 pandemic. Their research aimed to understand how hotels' adherence to their stated values during challenging times influenced employees' ability to cope with uncertainty and their decision to remain with the organisation. The study employed a mixed-methods approach, combining an online survey of 600 hotel employees across Europe with 30 semi-structured interviews. The researchers used validated scales to measure perceived organisational value adherence, employee resilience, and intention to stay. They also included open-ended questions to capture qualitative insights into employees' experiences during the pandemic. This study utilized Pearson correlation and multiple linear regression in analyzing the data, while the current study uses a distinct analytical tool, namely PLS-SEM.

Usman and Ibrahim (2022) also identified several organisational practices that strengthened the relationship between values and retention, including regular value-based training programs, transparent communication of values, and alignment of reward systems with stated values. They recommended that hotels tailor their value-based retention strategies to their cultural context and invest in practices that reinforce the lived experience of organisational values. While this meta-analysis provided a broad overview of the field, it was limited by the heterogeneity of the included studies and the potential for publication bias favoring significant results. Since the study was carried out in a different country, its findings may not be directly applicable to the Nigerian economy.

Again, Tepeci and Bartlett (2022) researched on effect of organisational change on employee retention in Nigerian public sector organisations. Using a longitudinal study, and a population size of 600 employees from various public sector organisations across Nigeria, they were able to establish that organisations that successfully managed change and maintained adaptability were more likely to retain employees. Public sector employees who felt that their organisations were responsive to environmental changes and included them in the change process were less likely to seek employment elsewhere. However, the study's focus on public sector organisations may limit the applicability of the findings to the private sector. Additionally, the reliance on employee self-reports may introduce response bias, and the study's sectoral focus may limit its applicability to the current research area. These, therefore, highlight the need for a tailored investigation.

In a more recent study, Thompson et al. (2023) explored the role of leadership in fostering change adaptability and its subsequent impact on employee retention during times of crisis, specifically in the context of the post-pandemic recovery in the hospitality industry. Their research aimed to understand how different leadership styles influenced employees' perceptions of organisational change adaptability and their decision to remain with the organisation during turbulent times. The study employed a mixed-methods approach, combining an online survey of 500 hotel employees across North America with 40 in-depth interviews of both employees and managers. The researchers used validated scales to measure perceived leadership styles, organisational change adaptability, and intention to stay. They also included open-ended questions to capture qualitative insights into employees' experiences during the industry's recovery phase. This study was conducted in a different sector, which means that its findings may not be directly applicable or effective for making decisions in the study area. Therefore, this study aims to address this limitation.

Thompson et al. (2023) findings indicated that transformational leadership was positively associated with higher perceptions of organisational change adaptability ($r = 0.58$, $p < 0.001$), which in turn was positively related to intention to stay ($r = 0.51$, $p < 0.001$). Qualitative data revealed that employees felt more confident in their organisation's ability to navigate changes when leaders communicated a clear vision, provided individualized support, and encouraged innovative problem-solving. The authors recommended that hotels invest in developing transformational leadership capabilities among their management teams, particularly focusing on skills such as articulating a compelling vision for change, providing individualized consideration to employees, and fostering intellectual stimulation. They also suggested implementing regular leadership assessments and providing coaching to help managers develop these crucial skills. While this study provided valuable insights into the role of leadership in change adaptability and retention, its focus on the post-pandemic recovery period may limit its generalizability to other types of organisational changes. This study was conducted in a different sector, which means that its findings may not be directly applicable or effective for making decisions in the study area. Thus, there is a need for this study to address this limitation.

Chen et al. (2022) also identified several organisational practices that strengthened the relationship between change adaptability and retention, including participative decision-making during change initiatives, comprehensive change communication strategies, and investment in employee training and development. They recommended that service organisations, including hotels, focus on developing these practices to enhance their change adaptability and improve employee retention. While this meta-analysis provided a broad overview of the field, it was limited by the heterogeneity of the included studies and the potential for publication bias favoring significant results. Additionally, the inclusion of various service industries beyond hospitality may have introduced some variability in the findings. Though the link between organisation change adaptability and retention is promising, the limitation of varying industries having different change frequencies and employees' skills still exist. This is in line with the fact that organisation with prompt readiness to adapt to change with inclusive workforce would naturally retain staff. The study's sectoral focus may limit its applicability to the current research area. This therefore highlights the need for a tailored investigation.

Social Exchange Theory

Social exchange theory is a key framework in organisational behavior and human resource management, primarily developed by George Homans in the 1950s and 1960s. This theory examines the dynamics of social interactions and resource exchanges between individuals and groups, emphasizing the principle of reciprocity in employee-organisation relationships. Employees contribute effort and loyalty in expectation of rewards such as compensation and career development opportunities. When organisations treat employees fairly and supportively, it fosters a sense of obligation and commitment, and enhances retention and job performance.

Empirical studies, including one by Chidi and Ogunyomi (2021), have validated the theory's impact on organisational outcomes like employee retention. However, social exchange theory has faced criticism for oversimplifying complex social interactions and not adequately addressing factors such as power dynamics and cultural differences.

In the context of five-star hotels in Abuja, the theory suggests that supportive organisational practices lead to higher employee retention rates, as employees feel compelled to reciprocate positive treatment. By integrating social exchange theory into research on corporate culture, valuable insights can be gained regarding how organisational support influences employee commitment and retention in the hospitality industry.

METHODOLOGY

The study adopted a survey design to examine the relationship between employee retention (dependent variable) and corporate culture proxy by organizational value and change adaptability (independent variables). The population for this study includes full-time employees of selected five-star hotels in FCT Abuja. These hotels are known for their high service standards and operate under complex corporate structures. Based on available data, the estimated total population is approximately 2,524 employees. Considering the focus of the study, all full-time staff with at least six months of tenure in these hotels are included, ensuring they have had sufficient exposure to the organization's culture. The selected hotels are: Transcorp Hilton, Abuja Continental Hotel, The Envoy Hotel, Grand Pela Hotel, Nicon Luxury Hotel, The Palms Hotel, Rockview Royale Hotel, and Hawthorn Suites Hotel. A sample size of 345 employees with the attrition of 10% of the sample size was added after applying the Krejcie & Morgan (1970) formula however, all the 390 questionnaires was distributed, however 297 questionnaires were duly completed and returned and were used for data analysis. The questionnaire items were adapted from the works of Kamau et al (2021), and Kuria (2018) and designed using 5-point Likert scale structure ranging from "strongly agreed to "strongly disagreed. The study adopts stratified random sampling technique which is well-justified for the study.

The study employed the Partial Least Square Structural Equation Modeling (PLS-SEM) to model the regression analysis. The PLS path modeling method was developed by Wold (1982). The PLS algorithm is a sequence of regressions in terms of weight vectors. The weight vectors obtained at convergence satisfy fixed point equations. PLS-SEM is a non-parametric method that does not require that the data meet certain distributional assumptions. However, the parametric significance tests (e.g., as used in regression analyses) cannot be applied to test whether coefficients such as outer weights, outer loadings and path coefficients are significant. Instead, PLS-SEM relies on a nonparametric bootstrap procedure to test the significance of various results such as path coefficients, Cronbach's alpha, HTMT, and R^2 values. (Efron & Tibshirani, 1986; Davison & Hinkley, 1997). The model for the path analysis is specified thus:

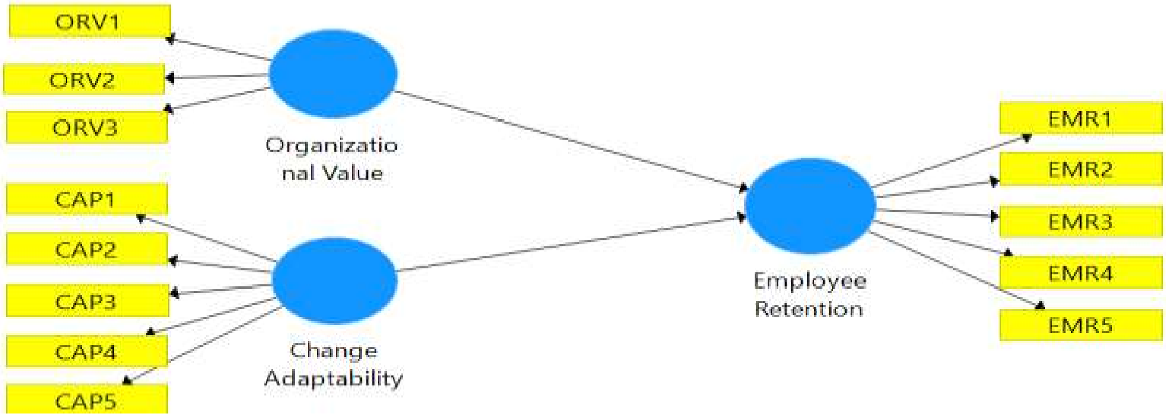

Fig. 1 Theoretical Model on Effect of Corporate Culture on Employee Retention

RESULTS AND DISCUSSION

Out of the three hundred and ninety (390) distributed questionnaires, 297 were properly filled and returned giving a response rate of 89%. Subsequently, all further analyses were done using 297 response data.

Table 4. 1 : Description of Study Variables

Variable	Mean	Median	Min	Max	SDV	Kurtosis	Skewness
CAP	3.02	4.80	1.00	5.00	0.70	0.68	-0.92
ORV	2.49	4.20	1.00	5.00	0.88	4.93	-1.70
EMR	3.43	4.60	1.00	5.00	0.79	2.23	-1.51

Source: SmartPLS Output, 2025.

Data on the study variables were described in Table 4.1 above in terms of the mean, minimum, maximum, standard deviation, skewness and kurtosis values. Change Adaptability (CAP) revealed an average value of 3.02 with a standard deviation value of 0.70. However, the minimum and maximum values stood at 1 and 5 respectively. Organizational Value (ORV) had minimum and maximum values of 1 and 5 respectively however, it showed an average of 2.49 along with a standard deviation of 0.88. Furthermore, Employee's retention (EMR) showed a minimum value of 1 and a maximum value of 5 with an average value of 3.43 accompanied with a standard deviation value of 0.79. All the skewness and kurtosis values were less than 1 which shows that there is a normal distribution of data.

Assessment of Measurement Model

In assessing the measurement model, we begin by assessing the item outer loadings. As a rule, loadings above 0.708 are recommended, as they indicate that the construct explains more than 50 percent of the indicator's variance, thus providing acceptable item reliability (Hair, et al., 2019). However, Hair, et al., (2019) posited that low but significant indicator loading of 0.50 can be included hence justifying why indicators with loadings less than 0.708 and above 0.50 were not deleted from the model as seen in figure 2 below; However, according to Hair et al. loadings less than 50 percent will be deleted this justify the reduction in number of indicators for some latent variables.

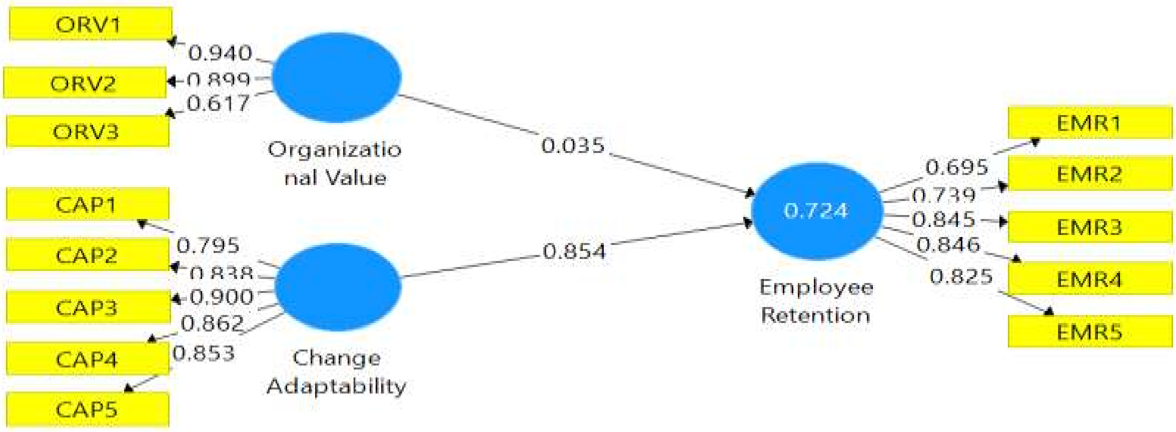

Fig 2: Indicator Loadings

Table 4.2: Reliability of study scale

S/N	Variables	Items	Factor Loadings	Cronbach Alpha	Composite Reliability	Average Variance Extracted (AVE)	No of Items
1	**Change Adaptability (CAP)**	CAP1	0.795	0.795	0.858	0.669	5
		CAP2	0.838				
		CAP3	0.900				
		CAP4	0.862				
		CAP5	0.853				
2	**Organizational Value (ORV)**	ORV1	0.940	0.788	0.746	0.697	3
		ORV2	0.889				
		ORV3	0.617				
3	**Employee Retention (EMR)**	EMR1	0.695	0.825	0.879	0.595	5
		EMR2	0.739				
		EMR3	0.845				
		EMR4	0.846				
		EMR5	0.825				

Source: SmartPLS Output, 2025

Composite reliability of Jöreskog's (1971) was applied to test for internal consistency of the study. All the values fall within the Hair, et al., (2019) rating of good consistency. The Cronbach alpha value were above 0.60 which is the minimum threshold as recommended by Sekaran (2010). To test for the convergent validity, the average variance extracted (AVE) was used. All the latent variables showed values greater than 0.50, which indicates that the constructs explain at least 50 percent of the variance of its items. According to Henseler et al., (2015) the Fornell-Larcker criterion does not perform well when explaining discriminant validity, particularly when the indicator loadings on a construct differ only slightly. As a replacement, they proposed the Heterotrait-Monotrait (HTMT) ratio of the correlations which is the mean value of the item correlations across constructs relative to the (geometric) mean of the average correlations for the items measuring the same construct (Voorhees et al., 2016). Discriminant validity problems are present when HTMT values are high than 0.90 for structural models (Henseler, et al., 2015).

Table 4.3: Heterotrait-Monotrait Ratio (HTMT) Criterion

	Employee Retention	Change Adaptability	Organizational Value
Employee Retention	1.000		
Change Adaptability	0.232	1.000	
Organizational Value	0.337	0.183	1.000

Source: SmartPLS Output, 2025

The variance inflation factor (VIF) was used to evaluate collinearity of the formative indicators. All the VIF values were less than 5 indicating the absence of critical collinearity issues among the indicators of formatively measured constructs (Hair, et al., 2019).

Model Goodness of Fit (GoF)

Sequel to the need to validate the PLS model, there is a need to assess the goodness of fit of the model as Hair, et al. (2017) suggested. This study used the standardized root mean square residuals (SRMR). The choice of this index was based on the fact that the SRMR provides the absolute fit measure where a value of zero indicates a perfect fit. The study adopted Hu & Bentler (1998) suggestion that a value of less than 0.08 represents a good fit while applying SRMR for model goodness of fit. The study result indicates an SRMR value of 0.030. This indicates the model is fit.

Assessing the Structural Model

Having satisfied the measurement model assessment, the next step in evaluating PLS-SEM results is to assess the structural model. Standard assessment criteria, which was considered include the path coefficient, t-values, p-values and coefficient of determination (R^2). The bootstrapping procedure was conducted using a resample of 5000.

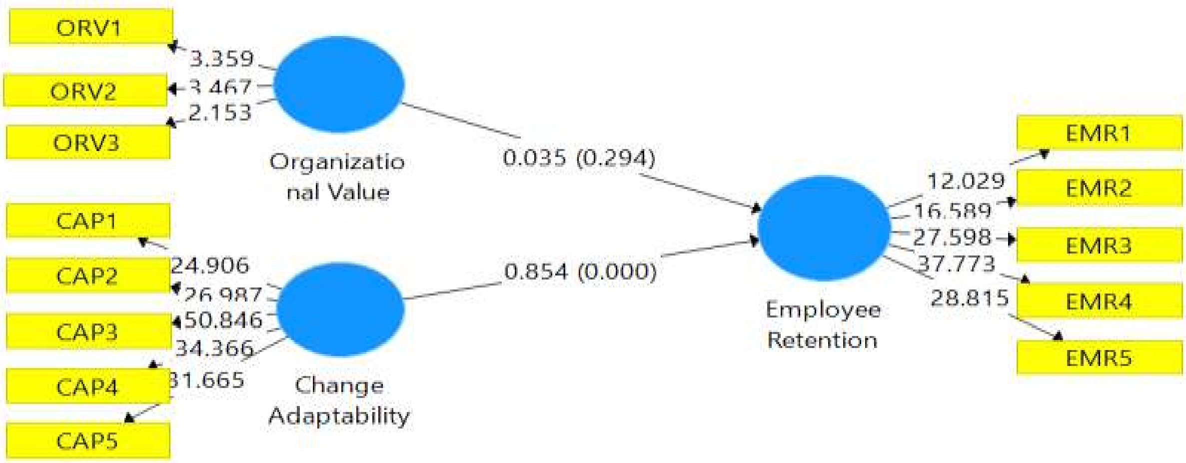

Fig. 3: Structural Model

The R-square value stood at 72% indicating that change adaptability and organizational value are responsible for 72% variation in employee retention. The remaining 28% variation could be explained by other factors not included in the study. Based on Hair, et al., (2019), the r-square is considered moderate and negate the findings of the study. Also, the Q^2 value of the result of the path analysis is presented in the table below:

Table 4.5: R^2 and Predictive Relevance of the Model

Endogenous Variables	R^2	Q^2 (=1-SSE/SSO)	P Val.
Employee Retention	0.724***	0.714	0.000

Source: SmartPLS Output, 2025

Test of Hypotheses

Table 3 shows the path coefficients, t-values and p-values used to test the hypotheses of the study:

Table 4.4: Path Coefficient of the Model

Hypotheses	Beta	T Statistics	P Val.	Decision	f^2
H_{01}: *Change Adaptability -> Employee Retention*	0.854	8.885	0.000	Rejected	0.254
H_{02}: *Organizational Value -> Employee Retention*	0.035	1.050	0.294	Accepted	0.022

Source: SmartPLS Output, 2025

Hypothesis one

***HO*₁:** *Change adaptability (CAP) has no significant effect on the employee retention of selected five-star hotels in FCT, Nigeria.*

The result from the analysis indicates that change adaptability has positive and significant effect on employee retention of selected Five-Star hotels in FCT. The decision was reached based on the t-value of 8.885 which is greater than 1.964 and a beta value of 0.000 with a p-value of 0.000. Thus, implying that the null hypothesis lacks sufficient ground to be accepted and as such the alternate hypothesis which states that rewards has significant effect on employee retention is accepted.

This finding implies also that change adaptability on employee retention in selected five-star hotels is significant, as an organisation's ability to adapt to changes can foster a more resilient and committed workforce. When hotel embrace change effectively, they create an environment that not only supports employees during transitions but also enhances their overall job satisfaction and loyalty. Similar findings have been reported in literature that change adaptability has a significant effect on employee retention Adeniji **(**2021**)** and Mensah (2020) but disagrees with that O'Reilly and Chatman (2021) who found insignificance of change adaptability on employee retention

Hypothesis Two

HO_2: *Organizational Value (ORV) has no significant effect on employee retention of selected five-star hotels in FCT, Nigeria.*

From Table 4, it was revealed that organisational value (ORV) has positive and insignificant effect on employee retention (EMR) as indicated in the t-value of 1.050 with a p-value of 0.294. Hence the alternative hypothesis is rejected while the null hypothesis which states that organisational value has no significant effect on the employee retention of selected five-star hotels in FCT, Nigeria is accepted.

The finding stated that organizational value on employee retention is not strong enough to be considered a significant predictor of employee retention. Organizational value on employee retention implies that organizational value alone may not be a primary driver of employee retention. There are likely other factors, such as compensation, career development opportunities, or work-life balance that play a more significant role in an employee's decision to stay with the organization. This finding agrees with the earlier research that has shown that organisational value has a positive and insignificant effect on employee retention Akinbode and Fagbohungbe (2022) but disagree with Prahalad et al. (2020) who found positive and significant effect of organizational value on employee retention.

CONCLUSION AND RECOMMENDATIONS

The study examined the effect of Corporate Culture on Employee Retention in Selected Five-Star Hotels in FCT, Nigeria. The collected data were analysed using multiple regression analysis and on the basis of the regression results, the study concludes that organisational value and change adaptability are significant predictors and contributors to employee retention of five-star hotels. Therefore, the study recommends that:

i. Hotel management should involve employees in discussions about the organisation's values and how they can be implemented in the workplace, empowering staff and ensuring that the values resonate with their experiences.
ii. Hotel management should invest also on their employees because they are more likely to stay with a hotel that invests in their professional growth, such as tuition reimbursement (on courses relevant to their job) or in-house training programs. This approach not only enhances employee skills but also increases their commitment to the organisation

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