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Organizational Alignment and Employee Job Satisfaction in an EB-5 Hotel

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Abstract

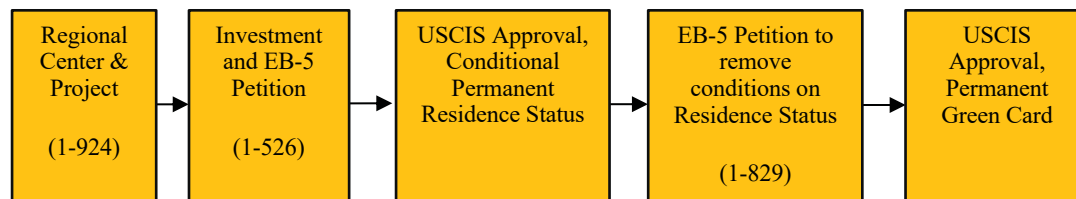
The hospitality industry of the United States continues to thrive and grow each year with millions of tourists and business visitors. Florida, and specifically Orlando are leaders in U.S. tourist destinations. The industry's growth has been stimulated by foreign direct investment, including the EB-5 visa program, which in 2016 contributed almost \$4 billion of inward capital investment. The hospitality industry receives one of the largest portions of total EB-5 investment, about 31%. Florida ranks 2nd to New York among a handful of other states that receive the most EB-5 investment. Because more and more hospitality organizations are financed by EB-5 immigrant investors, learn how this EB-5 ownership may influence hotel performance is important but understudied question. The purpose of this research is to explore organizational alignment of EB-5 hotel. A case study method was employed to examine one EB-5 hotel in Orlando, Florida as part of a larger inquiry into how EB-5 ownership affects employee job satisfaction in the hospitality industry. The research results suggest that while both organizational alignment and employee job satisfaction of the studied EB-5 hotel are higher than the same metrics of some non-EB-5 hotels, employee turnover rate in EB-5 hotel was significantly high. Also, findings outline the uniqueness of organizational alignment of EB-5 hospitality. Importantly, this is the first analysis of its kind, and its results offer a foundation for future research. The findings of this case study benefit researchers, politicians, and practitioners.

Keywords: employment-based fifth preference category visa program, EB-5, organizational alignment, service-profit chain model, employee job satisfaction

EB-5 Visa Program

Various studies on immigrant entrepreneurship have discussed the impact of immigrant entrepreneurs on firm performance as there has been a large growth in entrepreneurship from immigrants into the United States in recent decades (Armengot, Parellada, & Carbonell, 2010; Sahin, Nijkamp, & Stough, 2011). However, immigrant entrepreneurship does not cover the Employment-Based Fifth Preference Category investment visa program (EB-5). U.S. Congress created the EB-5 visa program as part of the Immigration Act of 1990. Its purpose was to help stimulate the economy by encouraging foreign entrepreneurs to make sizable capital investments in exchange for the privilege of immigrating to the U.S. To meet program requirements, investors must invest a minimum of \$500,000 and create 10 full-time jobs within a rural or high-

unemployment area (\$1M otherwise). The process has multiple milestones, and it takes about 5 years to receive permanent residency status (Figure 1).



Average time to approvals: 14 months 2-3 years 13 months

Source: USCIS, 2015

Figure 1. EB-5 process

When immigrant investors express an interest in the program, a Regional Center program guides them through the pre-qualification process. These centers also help investors research the requirements of the investment and estimate the associated risk and the overall investment opportunity. Once the investment project is approved by the Regional Center, the investors must prove their commitment by executing an investment agreement and submitting the required capital. As a next step, the investor files an immigration petition by submitting form I-526 (Immigrant Petition by Alien Entrepreneur). In approving the application, USCIS certifies the intended investment for conditional permanent residency. Normally, the USCIS initial review may take up to 14 months. In the case of application denial, the immigrant investor’s capital is returned to the investor. If the I-526 form gains approval, the investor may apply for conditional permanent residency by completing form I-485 (Conditional Permanent Residence by Adjustment of Status). USCIS (2015) reported that, due to the program’s popularity, processing times have increased. For example, investors from China may encounter a three-year or longer wait before they acquire Conditional Permanent Resident status. Approximately two years following the conditional permanent resident status approval, the investor will be eligible to file an application, form I-829, to remove conditional residency. After all steps are successfully finalized, the investor becomes a lawful permanent resident of the U.S. The new status will grant the investors indefinite permanent residency and work permission. Later, investors and their immediate family members may also choose to naturalize and become U.S. citizens.

Statement of the Problem

The more popular EB-5 ownership becomes, the more questionable are the outcomes of whether this program actually achieves its intended purpose. There is increasing criticism that the EB-5 program is a relatively inexpensive way for the global elite to purchase United States (U.S.) citizenship. A similar Canadian program was recently terminated due to fraud and poor business outcomes. Regardless of the debates surrounding the EB-5 visa program’s effectiveness as an economic development policy, foreign entrepreneurs continue to participate and invest. The U.S. received over \$15 billion of foreign direct investment (FDI) during 2005-2015 through EB-5 investment, which is 12 percent of total U.S. FDI (NES Financial, 2017). In 2016, according to IIUSA, total inward US EB-5 capital investment was over \$3.8 billion. Most of this capital (74%) was distributed among four states, which are New York, Florida, California, and Texas (NES Financial, 2017). NES Financial (2017) reported that hospitality was one of the fastest growing sectors in EB-5 projects across the U.S. It was reported that 31 percent of EB-5 capital was distributed to the hotel industry sector in 2016.

Literature suggests that firms, where policies and practices are aligned with their strategic goals and objectives, outperform those firms with poorer organizational alignment, all things equal. While it is unknown how EB-5 owners impact firm performance, it is expected that EB-5 owners will impact the organizational alignment of the hotel in a unique way due to their cultural differences, unique entrepreneurial intentions, international experiences, and typical practice of absentee ownership. Thus, employees of EB-5 hospitality organizations will likely display job satisfaction dissimilar to employees of non-EB-5 hotels. So, considering the importance of the industry, advancing the understanding of the phenomenon of EB-5 ownership and its impact on the strategic outcomes of the hotel industry is important. No organizational alignment concept has been previously studied within EB-5 hospitality settings.

Purpose of the Research

This article aims to explore how EB-5 ownership, through the prism of organizational alignment, affects employee job satisfaction and retention. Discussion and findings are based on the Naumenko (2018) dissertation. Naumenko examined one EB-5 hotel in Central Florida as part of a larger inquiry into how EB-5 ownership affects employee job satisfaction in the hospitality industry.

Background and Rationale of the Study

According to Heskett, Jons, Loveman, Sasser, and Schlesinger (1994) and Dickson, Ford, and Upchurch (2006), employee job satisfaction results primarily from high-quality support services and policies that enable employees to deliver results to the guests. However, it is impossible to produce satisfied employees unless policies, procedures, and systems align with the company mission (Crotts, Ford, Heung, & Ngai, 2007). Crotts et al. (2007) argued that aligning the company mission to employees and guests could influence employee satisfaction and decrease employee turnover. Organizational alignment theory lies at the heart of success of any business as it creates a connection with and adds meaning to every customer interaction. According to Crotts et al. (2007), organizational alignment is "... a concept made up of the various prompts or cues that managers use to communicate to employees what is important and what is not, what has value to the organization and what does not, and what they should do for their guests and what they should not do in order to achieve a guest-focused culture focused on service excellence (p. 6)". Crotts et al. (2005) placed alignment factors into three groups: strategy/tactical, staffing policies and procedures, and system design (see Table 1).

Table 1. Organizational Alignment Factors

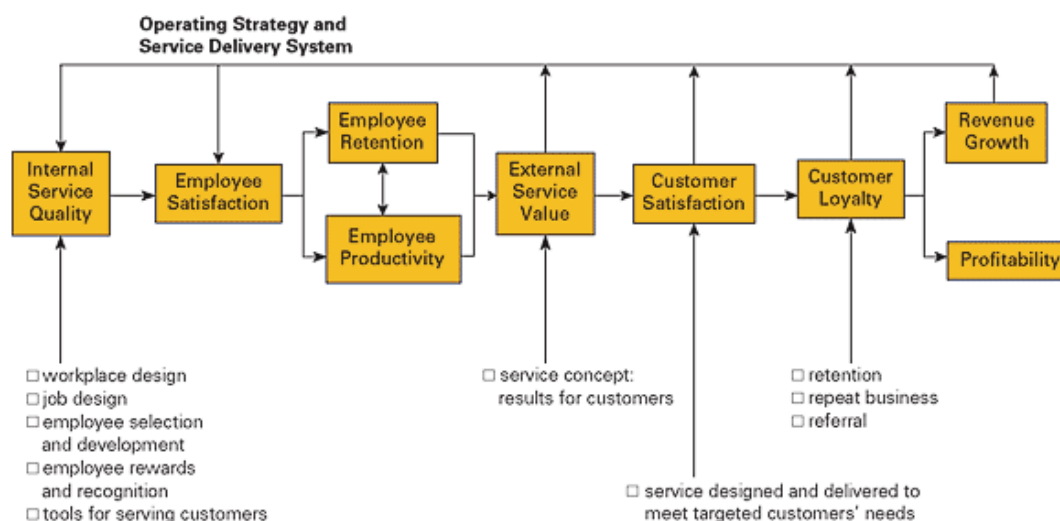
Factors	Alignment Aspects	Approaches
Strategy	Mission	Strategic goals; Objectives; Service Mission; Stories; Events
	Leadership	Fair and respectful treatment; Management support
	Work environment	Work-Family balance; Role conflict; Stress reduction; Team spirit; Happy co-workers; Good physical work conditions; Health care system
Staffing	Employee selection	Hiring; Job analysis; Personality measurements
	Employee development	Orientation programs; Training; Empowering; Tools for serving customers
	Pay and rewards	Appropriate pay levels; Rewards system
System Design	Job design	Communication; Feedback systems; Performance management systems (PMSs)

Source: Crotts, Dickson, & Ford, 2005

By keeping organizational factors aligned, hospitality owners can prevent dissonance, increase employee job satisfaction, and make the service-profit chain model work, introduced shortly. However, it has been argued that organizational alignment is among the greatest challenges facing companies (Papke, 2014). While hotel employees are expected to maintain a pleasant attitude and polite demeanor while delivering essential service quality, empathy, and helpfulness (Tiyce, Hing, Carncross, & Breen, 2013), the lodging industry often has low wages (Krause, Scherzer, & Rugulies, 2005; Tiyce et al., 2013), low job control, limited opportunities for career advancement (Akgunduz, 2014; Chiang, Birtch, & Kwan, 2010; Kim, Shin, & Umbreit, 2007; Tsaur & Tang, 2012), frequent rotations, work overload, late or overnight hours, intensive contact with guests, and other highly emotional characteristics.

The role of the business owner is especially critical. Successful owners of well-known hotels practice organizational alignment based on their vision, passion, leadership, and commitment to work. The Ritz-Carlton hotel chain is an example of a dedicated owner involved in everyday organizational life of the hotel. The main focus of Ritz-Carlton hotels is guest service and perfectly-aligned strategic activities, staffing policies, system design, and procedures (Thompson, Peteraf, Gamble, & Strickland, 2015). Another example of successful hospitality ownership is displayed by Rosen Hotels & Resorts located in Orlando, Florida. The guests of these hotels enjoy a tremendous hotel experience, and this firm has continued welcoming returning guests for more than 40 years (Thompson, Peteraf, Gamble, & Strickland, 2018). What enables this hotelier to stay successful is its professional and friendly staff, clean and comfortable rooms, a beautiful and pleasant hotel, and competitive room rates. Behind the success of this hospitality organization is founder, president and COO, Harris Rosen, who takes an active daily position in hotel operations to ensure that key linkages of the service-profit chain model (see Figure 2) are aligned within his company.

The Links in the Service-Profit Chain



Source: Heskett et al. (1994). Reprinted with permission

Figure 2. The links in the service-profit chain

According to Heskett et al. (1994), who pioneered the service-profit chain model that integrated operations management and human resource management for organizational improvement in the

context of the service industry, satisfied employees increase the value of services that fulfill the needs of guests and exceed their expectations. Thus, satisfied customers will, in turn, become loyal to the company, leading to improved business performance such as revenue and profitability growth.

The implementation of organizational alignment in a hotel is not an easy task even for experienced owners, and integrating the concept with the service-profit chain model presents special challenges for owners of EB-5 hotels. Based on the theoretical framework, they could face more barriers to alignment of the organization due to cultural differences, prior experience, not being involved in daily operations, and entrepreneurial intentions (Armengot et al., 2010; Hiebert, 2002; Hofstede, 1991; Li, Lam, & Qian, 2001; Lin, Yu, & Yi, 2014; Sahin et al., 2011; Radipere & Dhliwayo, 2014; Scheers & Radipere, 2007). While Papke (2014) stated that owner motivations connect them to customers, to members of their teams, and to individuals within organizations, Mahmoodi and deRoos (2015) added that the EB-5 investor's main goal is to receive permanent residency in the U.S. Since EB-5 owners may have additional alternative motivations, they may not have a strong vision, passion, or commitment to a sustained business idea. According to Papke (2014), participation, engagement in collaborative and inclusive approaches and group processes, the level of social interaction, and inclusion of individuals in the various processes and actions undertaken are crucial for organizational alignment and organizational performance. For example, since EB-5 owners may not take any active roles within the company, the connection between the customers and the owner's vision may be weaker. Or because lack of engagement from EB-5 owners, firms experience negligible financial returns (Mahmoodi & deRoos, 2015). Because EB-5 ownership shapes the firm's strategy factors, staffing factors, and system design factors, EB-5 hospitality organizations may impact employee job satisfaction differently than in non-EB-5 organizations. Consequently, an EB-5 hotel is likely to exhibit unique performance outcomes.

Employee job satisfaction and retention are particularly relevant outcome variables to enhance hotel guest satisfaction (Crotts et al., 2007; Karatepe, 2013; Rothfelder, Ottenbacher, & Harrington, 2013; Yee, Yeung, & Cheng, 2011). The recognition that service employees play a pivotal role in the delivery of quality, guest satisfaction, and retention of loyal customers in the hospitality industry is well established (Chiang et al., 2010; Crotts et al., 2007; Heskett et al., 1994; Karatepe, 2013; Rothfelder et al., 2013). In contrast to the service-profit chain model, when employees lose their sense of fulfillment, they start seeking employment elsewhere (Crotts et al., 2007; Hester, 2013; Karatepe, Uludag, & Menevis, 2006; Lu, Shih, & Chen, 2013; Silva, 2006). Employee turnover is a most critical problem for organizations in the hospitality industry (Jung & Yoon, 2013; O'Neill & Davis, 2011).

Methods

To our knowledge, this is the first study of its kind to examine EB-5 ownership and its impact in real-life operational settings. An instrumental, single-case study design was used, and the guidelines provided by Robert Stake (1995) were followed. In an instrumental case study design, the case itself is secondary to understanding a particular phenomenon. This research closely examined the functioning and activities of one hotel, which was used to reveal employee job satisfaction in an EB-5 setting.

The research was conducted over 6 months from July to December 2017. The participating hotel was a luxury resort near Disney World, Orlando. Managed by a property management company, the resort features approximately 500 rooms with almost 100 on-site employees. The hotel is

managed by a management company. Approximately ten percent of the hotel rooms are also owned by the management company. Ownership of the rest of the rooms is distributed among various EB-5 owners. According to the administrator of this EB-5 program, there are 30 owners with pending EB-5 visas. All EB-5 owners were absentees.

Primary data were collected through an organizational alignment audit, where surveys and individual interviews were used. In-depth interviews reflected perspectives of study participants, and helped explain, expand, and triangulate quantitative survey findings. To collect survey data, a structured and self-administered questionnaire provided by Crofts et al. (2007) was utilized. The survey questionnaire consisted of two main parts and 59 questions. A 5-point Likert scale with responses ranging from 1 (strongly disagree) to 5 (strongly agree) was used. The first part, four employment-related questions, was composed of questions designed to collect background information of hotel respondents. The second part, 55 questions, included 18 employee job satisfaction questions and 37 questions detecting the hotel's organizational alignment. The questionnaires were anonymous to assure employee confidentiality. Members of the management team were interviewed. For the interviews, an interview protocol with pre-determined, open-ended questions was used. Managers were asked to first identify the strengths of their team and then to think about possible improvements. The questions about strength, improvements, and barriers helped to gain a general idea about hotel strategy, staffing, and system design factors and employee job satisfaction. Then managers were asked to share their opinions about what effect EB-5 ownership had on hotel performance and employee job satisfaction.

The population for this study consisted of service employees and their managers. To conduct both survey and interviews, the total sample was 68 participants, who were service employees. Service staff was defined as employees who have face-to-face contact with guests. Based on size effect using three factors (e.g., $\alpha = 0.05$, power = .80, and effect size = 0.5) (Creswell, 2014), the required minimum sample for the survey was 34 participants. For the interviews, five managers who have daily face-to-face or voice-to-voice interactions with guests were selected.

To better understand the foundation of this research, it was proposed that *there is a relationship between EB-5 owned hotel employee job satisfaction and organizational alignment attributes and their aggregated dimensions, which are strategy, staffing, and system design*. The elements of this proposition were tested empirically by using econometric analysis. To conduct the research and test the hypothesis, several statistical methods were employed. Among them were Cronbach's test of scale reliability test, descriptive statistics, as well as correlation and regression analyses. The objectives of these statistical analyses were to measure job satisfaction among service employees and to predict a relationship between dependent and independent variables. In this study, the dependent variable was the employee job satisfaction index (JSI) and independent variables were the factors of the organizational alignment index (OAI): strategy, staffing, and system design. Maximum values for JSI and OAI were 90 and 185, respectively. Statistical analysis was conducted using both SPSS version 21 and SPSS Desktop Reporter version 5.5.

To conduct interview data analysis, a thematic analysis method was used, and step-by-step guidelines provided by Braun and Clarke (2006) were followed. They outlined six phases of thematic analysis: familiarizing with the data, coding, searching for themes, reviewing themes, defining themes, and producing the report. There were no pre-determined codes or thematic areas. The researcher used Microsoft® Excel and Word for data coding and closely followed the process outlined by Bree and Gallagher (2016). This data-driven approach led to the identification of 94 codes between 86 data extracts.

Following the thematic analysis design, the themes and sub-themes were created by pairing the codes (see Table 2). Data was studied multiple times to certify the accuracy and comprehension of the phenomenon. The data analysis process led to generating three main themes and five sub-themes, which were critical to dissecting the interview data to ascertain commonalities of experiences. Among the main themes were (1) EB-5 Ownership, (2) Job Satisfaction, and (3) Guest Satisfaction. Within each theme, sub-theme(s) were identified. For (1) EB-5 Ownership, sub-themes were (a) organizational alignment and (b) hotel performance. For (2) Job Satisfaction, sub-themes were (a) pay and rewards and (b) professional development. For (3) Guest Satisfaction, the sub-theme was (a) workplace environment.

Validity and Trustworthiness

To establish the validity of this research, several accepted practices in the field of study were utilized. First, a mixed method was used. The advantage of integrating different forms of data was that qualitative data could be used to assess the validity of quantitative findings (Fetters, Curry, & Creswell, 2013). Second, following Creswell (2014), Cronbach's alpha reliability assessment model was employed to verify reliability checks for the internal consistency of the scales. Third, to enhance data accuracy, ensure validity, and establish credibility, a peer debriefing technique was used. Two doctoral students from Florida Institute of Technology examined the interview transcripts. Creswell (2014) called peer debriefing an analytic triangulation.

Table 2: Schematic Overview of the Interview Data Consolidation Process

Ph. 1	Ph. 2	Phases 3 and 4		Phase 5	Phase 6
Data Extract	Codes	Initial Themes	Candidate Themes	Main Themes (3) Subthemes (5)	Report by Research Questions
86	94	16	10	8	3
		EB-5 Ownership/ (15)/32 <i>Hotel Performance (8)</i> <i>Employee Selection (5)</i> <i>Organizational Alignment (3)</i> <i>Mission (1)</i>	EB-5 Ownership/43 <i>(HP+ES+OA+BE)</i>	EB-5 Ownership <i>- Organizational Alignment;</i> <i>- Hotel Performance</i>	RQ 1
		Job Satisfaction/ (7)/27 <i>Job Design (3)</i> <i>Pay and Rewards (11)</i> <i>Employee Development (5)</i> <i>Employee Turnover (1)</i>	Job Satisfaction/25 <i>(PR+ED)</i>	Job Satisfaction <i>- Pay and Rewards;</i> <i>- Professional Development</i>	RQ 2
		Guest Satisfaction/ (8)/19 <i>Team strengths (5)</i> <i>Work environment (6)</i> Barriers and Enablers /16 <i>Improvements (11)</i> <i>Barriers (5)</i>	Guest Satisfaction/18 <i>(WE)</i>	Guest Satisfaction <i>Workplace Environment</i>	RQ 3

Note. Adapted with permission from *Using thematic analysis in psychology* by V. Braun and Clarke (2006), *Qualitative Research in Psychology* and *Using Microsoft Excel to code and thematically analyse qualitative data: A simple, cost-effective approach* by Bree and Gallagher (2016) *All Ireland Journal of Teaching and Learning in Higher*.

Results

There were 49 survey questionnaires collected from participants. The response rate of this study was 72 percent. Due to some incomplete and unusable questionnaires, the study was based on 47 staff members. To assess internal consistency of the survey, Cronbach's alpha test was used. High reliability (.982) was found suggesting that survey items were consistent with each other. Five hotel managers participated in the interviews to supplement survey findings.

Interviewees shared that more than 90% of the studied hotel rooms are owned by EB-5 investors; they referred to the owners as people participating in the EB-5 visa program to obtain “green cards”. Three managers stated that EB-5 owners negatively affected the site, its employees, and the guests. 80 percent of managers admitted that a guest service job within an EB-5 hotel is stressful because EB-5 ownership lowers guest satisfaction and increases guest complaints. One interviewee said that “... here at the front desk, we face guests daily who curse us out, yell at us...”. The main reason provided was that there are EB-5 owners who seem not to care about their investment. For example, broken furniture cannot be replaced “because the EB-5 owners reject any improvement requests...we have the owners who do not care. They do not want to invest, and their units are falling apart. These owners’ position is that they will not spend any money and they want the unit to be rented as is.” Another participant concluded that “people who don't want to upgrade is the worst thing that we have right at this moment.” Managers stated that while the hotel can maintain the rooms, they can't replace things without the owner’s approval. Since the owner’s authorization is required, some processes, like upgrades, repairs, and replacements, processes are often delayed or remain incomplete.

Survey findings supported that the OAI of the participated hotel was 144.4 (78 percent of the maximum value) and JSI among the employees was 71.9 (80 percent of the maximum value). It is worth noting that non-EB-5 hotels’ employees in the research of Crotts et al. (2007) perceived their firm’s organizational alignment much lower than employees of this research. According to Crotts et al. (2007), “the employees of hotel A perceived their firm’s alignment at 63.8 percent of its potential, while hotel D employees assessed its alignment at 50.8 percent.” (p. 28).

According to Crotts et al. (2007), a higher organizational alignment lowers the employee turnover rate. However, the findings demonstrated that although the hotel has a high organizational alignment score, the employee turnover rate was also high. 71 percent of the participants had joined the hotel within the last 18 months prior to data collection. Only 13 percent of the employees had been employed by the hotel for longer than three years. The majority of new employees represented the Maintenance Department (37 percent) and the Front Desk (32 percent). Considering the fact that no new jobs were created during this time, this finding points to the notably higher employee turnover rate at the hotel than hotels experience nationwide. For example, while the average employee turnover rate among U.S. hotels is 31 percent per year (Lean, 2015), the employee turnover rate in participating hotel was 72 percent in the past 18 months and at 48 percent in the past 12 months. To explore this phenomenon, another set of descriptive statistical analyses was conducted. Data supported that employee job satisfaction was highly assessed by mainly newly hired employees. More specifically, employees who joined the hotel in 2017 experienced higher satisfaction with their selection of the employer than people who joined in 2008. Due to the limited time new employees had spent with the company, it is doubtful whether they were fully able to assess the fit between the hotel’s values and employees’ personal values. And one possible reason is that new employees could be satisfied simply because the hotel had hired them.

A stepwise regression analysis automatically selected four components that had the highest influence on employee job satisfaction (Table 3). The following regression equation to display how four main attributes contribute to job satisfaction was built: $JSI = 5.176 + 5.822*Q24 + 3.326*Q38 + 4.541*Q26 + 3.259*Q37$. Table 3 displays all positive equation coefficients. As a result, there is a strong dependency between organizational alignment attributes and job satisfaction. This finding supports the proposition of this research.

Table 3. Stepwise Regression Model

Model	Unstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
Constant	5.176	3.781		1.369	.182
Q24 Management reminds about service excellence OA	5.822	1.046	.413	5.564	.000
Q38 Managers are rewarded for service measures OA	3.326	.953	.240	3.492	.002
Q26 Hotel asks applicants about service commitment OA	4.541	1.284	.276	3.536	.001
Q37 Managers lead by example OA	3.259	1.231	.200	2.647	.013

To determine strong and weak areas of hotel employee job satisfaction, a priority grid model was built. The influence chart (see Figure 3) was created according to the priority grid model. Figure 3 indicates that employee recognition, encouragement of professional development, and employee-company value fit influence JSI index the most. However, they had a negative effect. Improving these areas will likely lead to an increase in job satisfaction among employees and a reduction in employee turnover.

Priority grid for Job Satisfaction

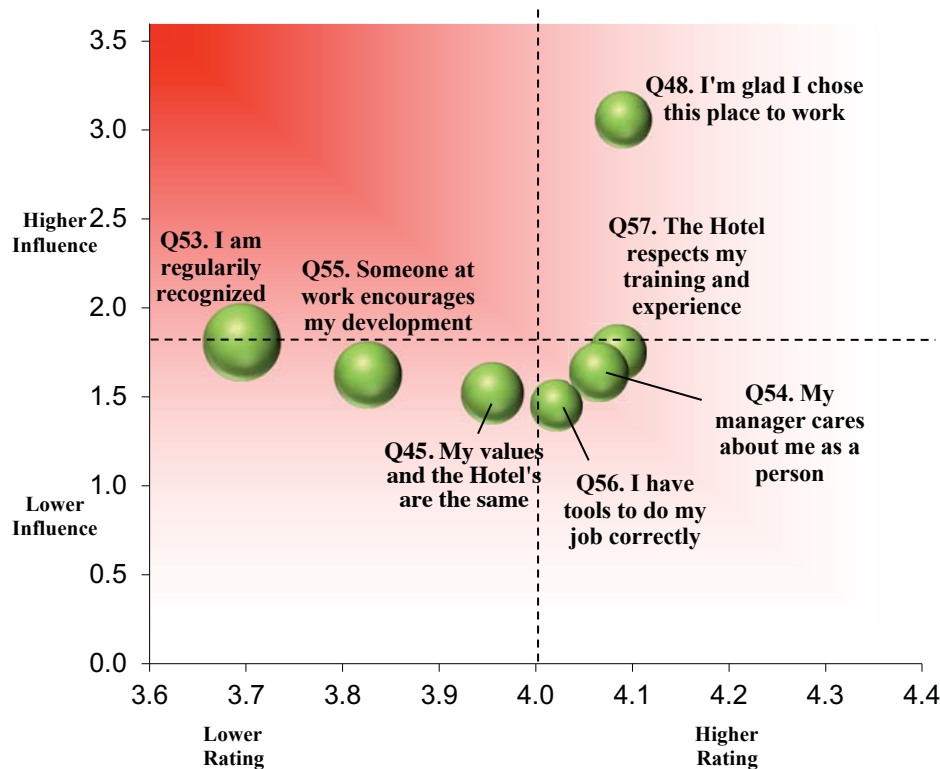


Figure 3. Priority grid for job satisfaction

In general, the employee job satisfaction topic was important for hotel management. “It [keeping the employee satisfied] means everything...when you have happy employees, you have happy guests. They [employees] will be willing to do extra. For example, on a stressful day they will be happy to be there and stay longer if someone calls out...This way operations run smoother.” Managers pointed out that the high employee turnover rate affects the business significantly. The most common reasons provided for people leaving were low pay, lack of recognition and appreciation, lack of standards and structure, lack of development opportunities, and work related

stress. Research pointed out that the working environment is stressful mainly due to the staff shortage and poor quality of accommodations.

Strategy factors were assessed higher than the other factors of organizational alignment (4.22 out of 5). Survey and interview findings showed the importance of customer service for hotel staff members. Commitment to great customer service was a part of the mission statement, corporate values statement, written guidelines, and, as reported, each manager’s objectives. However, when asked, hotel managers were challenged to name the company’s strengths and values, and restate the mission statement. Moreover, the hotel has a practice of hiring employees from outside the hospitality industry, which affords the hotel the cost advantage of paying lower wages to inexperienced workers. Though, it raises a concern about whether these employees are capable of providing excellent customer service and achieving desired outcomes – and if so, how soon and for how long?

According to Table 4, *Staffing factors* (4.04 out of 5) play the most significant role in predicting the hotel’s employee’s job satisfaction (t-value of 3.631).

Table 4: Regression Coefficients

Model	Unstandardized	Standardized Coefficient		t	Sig.
	Coefficient	Std. Error	Beta		
Constant	3.875	6.474		0.598	.553
Strategy	1.657	2.610	.079	0.635	.529
System design	3.556	2.847	.217	1.249	.218
Staffing	11.706	3.224	.627	3.631	.001

Hotel managers admitted that keeping employees satisfied is a great challenge due to EB-5 ownership. One of the managers shared: “I have seen good employees joining the company who I thought were the best ever, and I have seen how the company treated them. It was really bad. And, it turned me off. I was a positive person, but you see good employees who put their hearts into the job, come to work every day to work hard, and the company just doesn't recognize it. That makes you feel a certain way towards the organization. And that's not good for the organization”. Key elements of staffing factors that require improvement are employee recognition and employee development.

Recognition: Pay. According to hotel documentation, the average service employee received \$10.00 per hour while the national average for non-management hospitality workers was \$15.40 per hour (Daily pay, 2017). The company tried to stimulate employees with bonuses, but while base salary was neglected, employees were not happy with the base salary nor the bonus package.

Development. The hotel promotes employee recognition and development. However, both survey and interview data established that employee development opportunities are very limited. The company conducts annual performance evaluations of employees’ commitment to excellent customer service. In response, employees suggested that continuing education is far from ideal and lacking emphasis on excellent customer service. In general, employees expected better training.

System Design Factors were rated the lowest (3.86 out of 5). Employees were dissatisfied mainly with the quality of communication and lack of feedback among staff members. Findings supported that inexperienced, newly hired employees have weak communication skills that hinder the staff from functioning fully. The hotel promotes an open-door policy, however some employees stated

that they received insufficient support from leaders, and that managers did not routinely seek employee feedback. For example, one employee reported, “[they] don’t really care about you; [are] not good with full-time employees; managers are always negative; everything is through email; even when managers are sitting right next to you; no open-door policy.” As a result, there is lack of engagement among employees. When managers tried to encourage employees to share their ideas, none were offered. One possible reason is that there was no positive consequence for employees to share ideas. Another possible reason why employees remain silent is that the hotel had no established or well communicated goals for knowledge sharing. Staff meetings were rarely held, only once every 18 months or so.

Conclusions

Central to the study was to understand employee job satisfaction within one EB-5 hotel. The results of this study pointed out that, while employee job satisfaction in the selected EB-5 hotel was higher than in some non-EB-5 hotels, the employee turnover rate was also significantly higher. Survey findings reported that employees leave the hotel due to lack of recognition, lack of professional development and poor employee-hotel value fit. Merged findings suggested that EB-5 employees are often inexperienced and undertrained, with lack of empowerment to properly assist the guests, who often work under stress because of the outdated rooms. Nearly 50 percent of the staff was hired within the last 6 months. Data supported that newly hired employees assessed their job satisfaction at the highest level, and higher than the employees who were employed longer. Due to the limited time the new employee had spent with the company, it was not easy to assess the fit between the hotel’s values and their personal values and adequately measure job satisfaction.

Since the EB-5 owners of this study were absentees and did not participate in the research, it is not possible to say whether cultural differences, entrepreneurial intentions, or international experience might explain the behavior and attitude of EB-5 owners. Today, this hotel is 10 years old, and the older it gets the more improvements and more investment is required. The study found that these EB-5 owners were reluctant to invest in improvements of the hotel. Dissatisfied with service quality, guests create a more stressful work environment, which decreases job satisfaction of EB-5 employees. Therefore, one can conclude that to some extent EB-5 owners are guided by USCIS regulations. And while the EB-5 visa program requires each investor to create 10 jobs and invest \$500,000 to \$1M, it does not require maintaining either employee satisfaction or guest satisfaction. Thus, EB-5 owners may have little interest to do so. Importantly, not all liability lies with the EB-5 owners. There is a management company that also plays an important role, and hotel performance can be improved by the management company because they influence the factors of organizational alignment daily.

Theoretical Implications

In the recent past, the EB-5 visa program was mainly a subject of interest to policymakers. Organizational alignment and linkages of the service-profit chain model have not been studied before within the hospitality companies that are financed by foreign investment capital coming from immigrants. Since the use of the EB-5 program has become more popular, researchers need data about the program and its relationship with important components of the hotel service-profit chain model. This case study offers the first analysis of its kind and provides valuable insights about one EB-5 hotel located in Orlando, Florida. By introducing new independent variables that influence keys elements of the service-profit chain model in this hotel, this research contributed to the existing body of knowledge.

Practical Implications

The popularity of EB-5 ownership in the hospitality industry increases the importance of the findings of this case study. The findings of this research can have a positive influence on practitioners. The EB-5 owners, property managers, and onsite managers of EB-5 hospitality organizations may observe the practices and outcomes that hospitality organization based on EB-5 capital and its employees experienced. For example, hotel managers will be able to increase their awareness and understanding of what EB-5 organizations are made of and what it takes to lead one successfully. By observing the results of this study, the hotel managers will realize that there is a need for more efficient instruments to work with EB-5 owners to keep the employees happy. EB-5 owners will learn more about what hotel management and employees expect from them. As a result, they may begin to become more active and motivated to participate, and improve their business acumen in The Hotel. This study may also benefit entrepreneurs who consider absentee ownership. For those who have not decided what type of ownership may work best, this study begins to outline possible outcomes of absentee ownership.

Another practical implication is that findings of this research can help U.S. policymakers at the federal, state, and local levels evaluate the effectiveness of the EB-5 program. While originally the EB-5 investment program was designed by the U.S. government to foster economic growth and to respond to labor market needs, EB-5 ownership raises multiple questions. One question is the longevity of EB-5 jobs. Another question is the survival rate of the firms founded by the foreign immigrant investors through the EB-5 program.

Limitations and Future Research

The main limitation to this research was studying just one site. However, by limiting the study sample to one hotel enabled a very thorough analysis and in-depth insight that was not otherwise possible. To mitigate the possible limitation of the sample size, case study methodology was utilized to examine data on a micro level. Another possible limitation of this study lies in the theory used to investigate the relationship between organizational alignment and employee job satisfaction in an EB-5 hotel. EB-5 investment was reviewed as a subset of FDI and incorporated with the service-profit chain model. The hotel was managed by the property management company, and EB-5 owners were absentees. Absentee business ownership emerged as a new variable in the study since past research had not mentioned that EB-5 owners may not be involved in hotel daily operations. Therefore, there may be another theory to better explain the topic, such as absentee business owner theory.

The results of this study offer a foundation for future research to explore and explain the effects of the EB-5 visa program, not only within the hospitality sector but also in other industries. First of all, future research can explain the differences between EB-5 and non-EB-5 hospitality firms, and compare these organizations through the prism of the service-profit chain and organizational alignment theory. Secondly, empirical research may help estimate the actual effects of EB-5 ownership on hotel guest satisfaction and firm profitability. Finally, by studying a site where EB-5 owners held managerial positions and actively participated in day-to-day hotel operations, future research can explain EB-5 leaders' intentions, cultural differences, and international experiences and their effect the business performance.

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