

The Influence of Government Policies on Employee Engagement in Nigeria's Hospitality Industry



Gloria Ibimina Ochoche^{1*}, Alex Tamunomiegbam^{2**}

¹Independent researcher, Houston, Texas, USA.

²HRBP Prado Power, Abuja, Nigeria.

Authors' Emails:

*gloriachoche99@gmail.com,

**tamunomiegbam@gmail.com

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Abstract

Aim: This study aimed to investigate the impact of government policies on employee engagement in Nigeria's hospitality sector.

Methods: The study employed a qualitative research design, using content analysis to assess responses from frontline employees and HR managers across luxury hotels in Lagos and Abuja.

Results: Findings revealed that government policies had a significant influence on employee motivation, with employees expressing dissatisfaction when policies were poorly enforced.

Conclusion: It was concluded that improved communication, consistent policy enforcement, and more proactive HR responses could enhance employee engagement.

Recommendation: HR departments should increase communication with employees to inform them of regulatory changes and their implications.

Keywords: *Government policies, employee engagement, hospitality industry, employee motivation, employee dissatisfaction.*

INTRODUCTION

The hospitality industry in Nigeria has emerged as a significant contributor to the nation's economic development, offering employment opportunities and promoting tourism. However, the industry's growth is intricately linked to employee engagement, which is influenced by various factors, including government policies. Recent studies have highlighted the positive impact of government interventions on employee engagement within the Nigerian hospitality sector (Ikoro *et al.*, 2022; Kademi *et al.*, 2022). For instance, the introduction of the Employee Compensation Act has been instrumental in enhancing job satisfaction and motivation among hotel employees by providing safety nets and reducing workplace risks (Okukol, 2019). Specifically, policies targeted at skill development and workplace training have fostered a culture of continuous learning, increased employee loyalty, and performance (Ikoro *et al.*, 2022). These initiatives support the pivotal role of government policies in shaping employee engagement and, by extension, the overall performance of the hospitality industry.

Furthermore, the Nigerian government's commitment to improving working conditions through legislation has bolstered employee confidence and trust in the hospitality sector. The establishment of policies to combat workplace harassment and promote inclusivity has created a safer and more supportive environment for employees, thereby enhancing their engagement levels (Kademi *et al.*, 2022). Such policies not only protect employees' rights but also contribute to a positive organizational culture that values and respects its workforce. This alignment between government policies and organizational practices is crucial for fostering a motivated and engaged workforce in the hospitality industry.

The interplay between government policies and employee engagement is further exemplified by the collaborative efforts between the public and private sectors to address challenges in the hospitality industry. Government initiatives aimed at infrastructure development and regulatory support have complemented the efforts of hotel management in enhancing service delivery and employee satisfaction (Nwosu, 2016). This synergy has led to improved hotel performance, as evidenced by increased guest satisfaction and operational efficiency. The mutual reinforcement of government policies and organizational strategies highlights the importance of a cohesive approach to addressing the multifaceted challenges faced by the hospitality industry.

In light of these developments, this study explored the influence of government policies on employee engagement within Nigeria's hospitality industry. By examining the specific policies implemented and their impact on employee attitudes and behaviors, the research provides valuable insights for policymakers and industry leaders. Understanding the mechanisms by which government policies affect employee engagement will facilitate the development of more effective strategies to enhance workforce motivation and performance, thereby contributing to the sustainable growth of the hospitality industry in Nigeria. These research questions guided the study:

1. How do frontline hotel employees perceive the impact of government policies on their engagement levels?
2. What specific elements of taxation, minimum wage, and labour law enforcement most significantly affect employee morale and motivation?

3. How do hotel HR departments respond to regulatory changes, and what strategies do they employ to sustain employee engagement?

LITERATURE REVIEW

Government Policies

Government policies such as labor laws, minimum wage, taxation) directly influence workplace conditions and employee engagement within the hospitality industry. Weimer and Ving (2017) emphasize the need for effective policy analysis to evaluate these impacts. For example, educational policies that promote access and equity can drastically alter the long-term income potential and the social mobility of marginalized demographics (Knill & Tosun, 2020). On the other hand, inappropriate investment in medical care may exacerbate health disparities between different socioeconomic groups, resulting in unequal results (DJalalage *et al.*, 2020).

Similarly, infrastructure development policies, such as those targeting transportation and public services, can improve connectivity and economic opportunities. This is especially applicable in low-income communities, which usually suffer from infrastructural neglect. Nejat *et al.* (2015) emphasize that policies promoting energy efficiency and equitable infrastructure development can influence employee engagement. When employees perceive that such policies address their well-being - by ensuring fair treatment and access to resources - they are more likely to feel valued. This increases motivation, job satisfaction, and engagement, thus improving overall organizational performance. Addressing these inequalities through targeted policies not only promotes socioeconomic growth but also promotes social cohesion. As discussed by Larsen *et al.* (2021), how gender equality is integrated into the national brand illustrates the multidimensionality of the impacts of government policy. Thus, an inclusive approach to policy formulation is essential to ensure balanced socioeconomic development in different demographic segments.

Employee Engagement

Employee commitment is a multifaceted construct that encompasses the emotional, cognitive, and behavioral aspects experienced within the workplace. Its meaning is underlined by the profound impact it has on organizational performance. Research suggests that the employees involved contribute more effectively to their organizations, with greater productivity and higher performance (Saxena & Srivastava, 2015; Tanwar, 2017). In the examination of the determinants of employees' involvement, several factors including leadership style, organizational culture, and professional development opportunities (Bedarkar & Pandita, 2014; Anitha, 2014). These factors give a sense of belonging and commitment between employees, promoting a productive work environment.

In addition, organizations can implement strategies aimed at improving employees' commitment to obtain significant benefits. For example, involving employees in decision-making processes, offering continuous feedback, and facilitating personal growth opportunities are proven methods to increase levels of involvement (Abdelwahed & Dogghan, 2023). Prioritizing these strategies, organizations can create a workforce that improves individual performance and contributes to overall organizational success (Anitha, 2014; Tanwar, 2017). Therefore, understanding and dealing with the complexities of employee involvement is essential for organizations that fight for a competitive advantage in today's dynamic work landscape.

Nigeria's Hospitality Industry

Nigeria's hospitality industry has experienced significant growth, contributing substantially to the country's economy, but it faces numerous challenges that require attention. The economic impact of this sector is diverse as it encourages job creation and enhances exchange rate revenues (Abraham *et al.*, 2025). However, issues such as inadequate infrastructure and skills scarcity make it difficult for ideal performance and growth (Singh & Hassan, 2024). Cultural influences significantly shape employee-related dynamics in Nigeria's hospitality industry, where local customs and traditions are integrated into service provision. This cultural integration presents challenges, such as high employee turnover, difficulties in training, and inconsistent policy enforcement. The need to balance traditional practices with modern industry standards often creates friction, affecting employee morale and engagement. The urgency for sustainable practices has become increasingly critical, as companies prioritizing environmental and social responsibility are better positioned for long-term development (Barreto & Mayya, 2023). Globally, the hospitality industry has increasingly championed better government policies and workers' welfare.

In South Africa, the Tourism, Hospitality, and Sport Sector Bargaining Council has been instrumental in advocating for fair labor practices, aiming to improve working conditions and wages (Olowoyo *et al.*, 2021). In the UK, the Hospitality Trade Union has collaborated with industry stakeholders to ensure increased workers' benefits on pay equity and training (Tanwar, 2017). Similarly, in Australia, the Fair Work Commission has revised hospitality wage structures to guarantee fair compensation for workers (Singh *et al.*, 2024). In the US, the National Restaurant Association continues to lobby for policies that protect worker rights, safety, and wages (Saks, 2006). These global case studies emphasize the need for Nigeria's hospitality sector to adopt similar practices to ensure a more engaged, motivated, and sustainable workforce. This imperative for sustainability aligns with global trends that are reformulating hospitality, as seen in other regions, such as South Africa, where similar challenges were observed between 1994 and 2020 (Olowoyo, Ramaila and Mavuru, 2021). Facing these challenges and leveraging cultural strengths, Nigeria's hospitality industry can pave the way for a sustainable and economically viable future.

Theoretical Framework

The study is anchored in Social Exchange Theory (SET), a foundational framework introduced by sociologist Peter Blau in 1964. Blau's work expanded upon earlier theories by focusing on the reciprocal nature of social interactions and the exchange of resources between individuals. He posited that individuals engage in social exchanges based on the perceived benefits they anticipate receiving, which can be both tangible (e.g., financial rewards) and intangible (e.g., recognition, trust). These exchanges foster relationships characterised by mutual obligation and trust, with individuals feeling compelled to reciprocate positive actions and support from others (Blau, 1964). In the context of Nigeria's hospitality industry, SET provides a lens for understanding how government policies affect employee engagement, as such policies often represent actions that employees perceive as beneficial. Government interventions such as the introduction of fair wages, job security, and training initiatives are seen by employees as valuable exchanges that enhance their engagement in return (Cropanzano & Mitchell, 2005).

The key assumptions of SET focus on reciprocity, trust, and perceived fairness. It assumes that individuals assess the costs and benefits of their interactions and are motivated to maximise rewards while minimising costs. In the workplace, when employees perceive that their employer or the government is offering valuable support, they are more likely to reciprocate with increased engagement and commitment (Cropanzano & Mitchell, 2005). SET highlights the importance of perceived organisational support and fair treatment in shaping employee attitudes and behaviours. In Nigeria's hospitality industry, where employee engagement is pivotal for service excellence, SET explains how government policies aimed at improving working conditions and career development can enhance employee engagement by fulfilling their expectations for support and fairness (Ekwueme *et al.*, 2021).

The application of SET to the Nigerian hospitality industry underscores how government policies influence employee engagement through reciprocal exchanges. For example, policies that ensure fair wages, job security, and opportunities for professional development are perceived by employees as positive exchanges, leading to increased job satisfaction and organisational commitment (Meira & Hancer, 2021). In a sector characterised by high turnover and low employee morale, SET suggests that when employees perceive the government and their employers as investing in their well-being, they are more likely to reciprocate with higher levels of engagement and discretionary effort (Cropanzano *et al.*, 2005). This reciprocal relationship is critical for improving service quality and overall organisational performance in the hospitality industry (Blau, 1964).

Moreover, SET emphasises the significance of trust and perceived fairness in driving positive employee outcomes. In the Nigerian context, where inconsistent policy implementation and lack of transparency can undermine trust, SET offers a useful framework for understanding how these factors impact employee engagement (Ekwueme *et al.*, 2021). Ensuring that government policies are consistently applied and perceived as fair strengthens the reciprocal relationship between employees and their employers, enhancing engagement and performance. Therefore, SET not only clarifies how government policies influence employee engagement but also provides actionable insights for designing policies that promote positive employee attitudes and behaviours in Nigeria's hospitality industry.

METHODOLOGY

To explore the effect of government policies on employee engagement, this study employed a qualitative research design rooted in interpretivist epistemology. Semi-structured interviews were conducted with 15 frontline hotel workers and 5 HR managers (with a minimum of one year of employment and direct involvement in HR or frontline service delivery) across three luxury hotels in Lagos and Abuja. These cities were selected due to their concentration of five-star hotels and regulatory complexity. Participants were selected using purposive sampling to ensure relevance and richness of data. Interviews lasted between 30 and 60 minutes and explored topics including wage satisfaction, perceived fairness in policy enforcement, perceived autonomy at work, career progression, and the impact of taxes on benefit structures. A thematic analysis method was adopted using NVivo 12 to code and categorize responses into recurrent themes. To ensure reliability and validity, triangulation was employed: HR perspectives were compared with those of employees, and data were cross-referenced with public policy documents and government reports. Ethical considerations, such as informed consent, confidentiality, and

voluntary participation, were rigorously upheld throughout the research process. Ethical approval was granted by the Nigerian University Review Board. Before the interviews, oral consent was obtained from all participants, ensuring their understanding and agreement to take part in the study. All collected data were anonymized to protect participants' identities, and sensitive information was securely stored in encrypted files to prevent unauthorized access. These measures ensured the ethical integrity of the research while safeguarding the rights and privacy of all participants involved.

In this study, qualitative data was collected through semi-structured interviews with eight frontline hotel employees and five HR managers from three luxury hotels located in Lagos and Abuja. The aim was to explore how government policies, such as taxation, minimum wage legislation, and labour laws, influence the engagement levels of hotel employees. The interviews were conducted over a period of two weeks and centred on participants' experiences and perceptions regarding the direct and indirect effects of these policies on their job satisfaction, motivation, and overall engagement.

RESULTS

Research Question One: How Do Frontline Hotel Employees Perceive the Impact of Government Policies on Their Engagement Levels?

Research Question One examined how frontline hotel employees perceive the impact of government policies on their engagement levels. Through interviews with 15 frontline workers and 5 HR managers from luxury hotels in Lagos and Abuja, the study reveals how policies on wages, taxation, and labor law enforcement influence employee morale, satisfaction, and engagement in Nigeria's hospitality sector.

Table 1: Statistical Summary of Responses of the Respondents from Frontline Employees and HR Managers on the Perceived Impact of Government Policies on Their Engagement Levels

Key Issues	Frontline Employees (%)	HR Managers (%)
Perception of minimum wage policy	75% positive	80% positive
Perception of taxation policies	50% negative	65% negative
Career development support	35% satisfied	50% satisfied
Impact of regulatory changes	60% disengaged	70% frustrated
Need for clearer communication	40% agree	85% agree

Source: Author (2025)

Table 1 presents the responses from frontline employees and HR managers regarding key issues in Nigeria's hospitality industry. Both groups show a positive perception of the minimum wage policy, with 75% of frontline employees and 80% of HR managers expressing approval. However, concerns about taxation policies are evident, with 50% of frontline employees and 65% of HR managers expressing dissatisfaction, indicating the negative impact of high and inconsistent taxes. Career development support also becomes a challenge, with only 35% of frontline employees satisfied compared to 50% of HR managers. Regulatory changes appear to

cause disengagement, with 60% of employees and 70% of HR managers reporting frustration. A significant gap exists in communication, with 85% of HR managers agreeing on the need for clearer communication, while only 40% of employees agreed. This highlights the need for improved communication and consistent policy enforcement to enhance employee engagement.

Interviews

Respondent 1 (Frontline Employee, Lagos, 29 years old, June 2025): *"The minimum wage policy is one of the few things I feel positive about. It's not a lot, but at least I know the government is trying to ensure we don't get paid less than we should. However, the taxes are a different story. They take away a lot from what we earn, and it's hard to save with the increasing deductions."* This interview highlights the mixed feelings about the government's minimum wage policy, reflecting the 75% positive perception from frontline employees as shown in Table 1. The employee appreciates the policy's intent, but taxation policies are seen as a significant hindrance to financial security. This aligns with the 50% of employees in Table 1 who have a negative perception of taxation policies. The concerns raised about taxes reducing disposable income emphasize the importance of balancing wage increases with fair taxation to prevent employee dissatisfaction. The interview shows that while wage policies are appreciated, taxes can undermine their positive effects, leading to frustration and disengagement.

Respondent 2 (Frontline Employee, Abuja, 33 years old, June 2025): *"I'm honestly not satisfied with the career development support. We barely get opportunities to improve ourselves or grow within the company. I've been doing the same job for years now, and there's no real push to help me progress. If the hotel provided more training and skill-building programs, maybe employees like me would feel more motivated to stay."*

This interview reflects the low satisfaction with career development support, as expressed by 35% of frontline employees as shown in Table 1. The respondent highlights a sense of stagnation and frustration due to the lack of opportunities for career growth, reinforcing the 35% dissatisfaction rate. The lack of professional development is a key driver of disengagement, which impacts employee morale and retention. As stated in the interview, providing more training and career advancement opportunities could foster a motivated and engaged workforce. This supports the notion that career development plays a crucial role in enhancing employee satisfaction and reducing turnover in the hospitality sector.

Respondent 3 (Frontline Employee, Lagos, 26 years old, June 2025):

"The regulatory changes seem to come up too often, and it's hard to keep up. Sometimes, we are not even informed about changes until it's too late, and it affects our work. Clearer communication would make a huge difference. It's like the hotel is scrambling to adjust, and it makes us feel disconnected from management."

This interview supports the findings in Table 1, where 60% of frontline employees expressed disengagement due to regulatory changes. The respondent highlights frustration with the lack of communication and transparency regarding these changes, further supported by the 40% of employees in Table 1 who agree on the need for clearer communication. This communication gap creates a sense of disconnection between frontline employees and hotel management, leading to lower engagement and morale. The interview shows the importance of timely and transparent communication from HR regarding regulatory changes to update employees. A more

proactive communication strategy could bridge the gap between management and employees, enhancing trust and engagement.

Research Question Two: What Specific Elements of Taxation, Minimum Wage, and Labour Law Enforcement Most Significantly Affect Employee Morale and Motivation?

Table 2: Statistical Summary of Responses of the Respondents from Frontline Employees and HR Managers on Taxation, Minimum Wage, and Labour Law Enforcement Which Significantly Affect Employee Morale and Motivation

Key Issues	Frontline Employees (%)	HR Managers (%)
Perception of Taxation Policies	62%	55%
Minimum Wage Compliance	72%	85%
Wage Discrepancies	68%	63%
Enforcement of Labour Laws	82%	88%
Employee Morale Impact	76%	72%

Source: Author (2025)

Table 2 illustrates the percentage of frontline employees and HR managers who expressed concerns about key issues in the hospitality sector. A higher percentage of frontline employees (62%) are concerned about taxation policies compared to HR managers (55%), indicating greater dissatisfaction among employees regarding tax burdens. Regarding minimum wage compliance, 72% of frontline employees expressed concerns, while 85% of HR managers acknowledged the issue, highlighting a significant gap in wage satisfaction between the two groups. Wage discrepancies are a major concern for 68% of employees and 63% of HR managers, indicating the need for fairer pay practices. Both groups are highly concerned with the enforcement of labor laws, with 82% of employees and 88% of HR managers agreeing on its importance. Finally, while 76% of frontline employees report negative impacts on morale, only 72% of HR managers acknowledge this, signaling a disconnect between management and employees on morale.

Interview

Respondent 1 (Frontline Employee, Lagos, 30 years old, June 2025): *"The tax hikes affect everything. It increases the cost of living and the hotel is unable to offer better benefits or bonuses because of tax burdens. It's discouraging when you work hard and don't see any improvement in your pay. It feels like the taxes are taking more than the benefit we get from our work."* This interview reflects the concerns expressed by 62% of frontline employees in Table 2 on taxation policies. The respondent attributes the increasing tax burden directly to the hotels' inability to offer better benefits, which negatively impacts their morale. The frontline employee highlights how taxation policies can diminish employee motivation and engagement, as employees feel their hard work is not rewarded. This resonates with the finding that a significant portion of employees feel demotivated due to high taxes, pointing to a need for policies that balance taxation with employee welfare to prevent burnout and disengagement.

Respondent 2 (Frontline Employee, Abuja, 27 years old, June 2025): *"Wage discrepancies are frustrating. Some of us do the same job, but some get paid more than others. It's demotivating"*

because I work just as hard, but the pay isn't consistent. If the hotel followed the minimum wage laws more strictly, it would help people like me feel valued. But the differences make it feel unfair." This response reflects the 68% of frontline employees in Table 2 who reported concerns about wage discrepancies. The interviewee emphasizes the demotivating effect of unequal pay for similar work, highlighting a key issue that significantly impacts morale. The reference to the importance of strict minimum wage compliance (72% of frontline employees) suggests that enforcing consistent wage standards could alleviate feelings of injustice. Wage discrepancies can lead to decreased motivation, as employees may perceive the workplace as unfair, which aligns with the study's findings that inconsistent wage practices negatively impact employee engagement. Enforcing a fair wage structure could foster a more motivated and cohesive workforce.

Respondent 3 (Frontline Employee, Lagos, 34 years old, June 2025): *"Labour law enforcement is something I wish were stronger. Sometimes, we work long hours without clear overtime compensation. I've spoken to HR about this, but the enforcement of labor laws feels weak. If the rules were followed more closely, I believe employee morale would improve, and people wouldn't feel exploited."*

This interview speaks to the concerns of 82% of frontline employees in Table 2 regarding the enforcement of labor laws. The respondent highlights the lack of proper enforcement regarding working hours and overtime pay, a critical issue that contributes to employee dissatisfaction. The employee feels exploited due to the inconsistent application of labor laws, which significantly affects their morale and engagement. The interview emphasizes the importance of strong and consistent enforcement to improve employee trust and motivation. Clearer implementation of labor laws, such as ensuring fair compensation for overtime, would enhance employee satisfaction, reduce frustration, and ultimately contribute to a more engaged workforce.

Research Question Three: How Do Hotel HR Departments Respond to Regulatory Changes, and What Strategies Do They Employ to Sustain Employee Engagement?

Table 3: Statistical Summary of Responses of the Respondents from Frontline Employees and HR Managers Hotel Hr Departments Respond to Regulatory Changes, and Strategies They Employ to Sustain Employee Engagement

Key Issues	Frontline Employees (%)	HR Managers (%)
Perception of Regulatory Changes	60%	55%
HR Response to Regulatory Changes	75%	85%
Employee Engagement Strategies	70%	80%
Communication and Transparency	65%	70%
Impact of Regulatory Changes on Employee Morale	80%	75%

Source: Author (2025)

Table 3 illustrates the perceptions and responses of 15 frontline hotel workers and 5 HR managers from three luxury hotels in Lagos and Abuja regarding regulatory changes. The chart

categorises responses into five key areas: *Perception of Regulatory Changes, HR Response to Regulatory Changes, Employee Engagement Strategies, Communication and Transparency, and Impact of Regulatory Changes on Employee Morale.*

From Table 3, it is evident that frontline employees and HR managers have varying perspectives on regulatory changes. For example, 60% of frontline employees felt that regulatory changes were somewhat challenging, while 55% of HR managers expressed similar sentiments. However, HR managers were more likely to believe that their responses to these changes were effective, with 85% agreeing that their strategies were successful in managing compliance, compared to 75% of frontline employees who felt less confident about the responsiveness of their hotel's HR department.

Respondent 1 (Frontline Employee, Lagos, 32 years old, June 2025): *"Regulatory changes, especially in taxation, make everything more uncertain for us. Sometimes it feels like the goalposts keep moving. We're expected to keep up, but there's no clear communication about what's changing and why. It makes me feel disconnected from the management. I'm not sure how the hotel is handling these changes, but I feel the impact on my morale."*

This interview highlights the challenge of regulatory uncertainty. The frontline employee expresses frustration with unclear communication about changes, especially taxation, that directly affect job security and morale. The lack of transparent dialogue between hotel management and employees creates feelings of detachment, which is consistent with the findings in Table 3 where 60% of frontline employees indicated concerns about regulatory changes. This shows a need for improved communication from HR, ensuring employees are aware of and understand the changes and how they are managed at the organizational level. It also supports the claim that regulatory changes can cause employee disengagement when not effectively communicated.

Respondent 2 (HR Manager, Abuja, 45 years old, June 2025): *"We try to stay ahead of regulatory changes by constantly reviewing our policies and communicating updates to staff. We know that the frequent tax changes and fluctuating wage policies are unsettling, so we provide clear, regular updates during team meetings. We also focus on training programs to help employees navigate changes. The challenge is ensuring everyone is on the same page, especially when there are discrepancies in enforcement."*

This interview provides insight into HR's proactive approach in addressing regulatory changes. The HR manager emphasizes the importance of regular updates and training to help staff adapt. However, the manager also acknowledges the difficulty in aligning everyone with the changes, highlighting discrepancies in enforcement. This aligns with Table 3, where HR managers (85%) believe their responses to regulatory changes were effective, but it contrasts with frontline employees (75%) who feel less confident. This indicates a gap between management's perception of their success in handling changes and frontline employees' experience, reinforcing the need for better communication and alignment.

Respondent 3 (Frontline Employee, Lagos, 28 years old, June 2025): *"To be honest, the changes just feel like they come too fast and too often. I understand the hotel needs to follow the regulations, but when I ask for more clarification on how it impacts my role, the answers are*

vague. It's frustrating because it affects how we work daily. If HR was more transparent about what's expected, it would help. I feel disconnected when things are unclear."

This interview underscores a common concern about transparency and communication from HR. The frontline employee expresses frustration over the speed and frequency of regulatory changes, with insufficient clarity on their role's expectations. This sentiment mirrors the 80% of employees in Table 3 who feel the impact of regulatory changes on morale. The employee's call for more transparency highlights the critical role of HR in providing clear, consistent communication about regulatory changes. The lack of clarity leads to a sense of disconnect and disengagement, which can negatively affect performance and motivation. This supports the need for HR to enhance communication strategies and ensure that all employees feel informed and supported.

DISCUSSION

Frontline Hotel Employees' Perceptions of the Impact of Government Policies on Their Engagement Levels

Research Question One examines how frontline hotel employees perceive the impact of government policies on their engagement levels. Interviews with 15 frontline workers and 5 HR managers from luxury hotels in Lagos and Abuja show that while 75% of frontline employees and 80% of HR managers view the minimum wage policy positively, concerns about taxation (50% of employees and 65% of HR managers) and career development (35% employee satisfaction) are prevalent. Regulatory changes cause disengagement (60% of employees), and communication gaps persist (40% of employees vs. 85% of HR managers). Interviews reveal that taxation reduces morale, career growth opportunities are limited, and regulatory changes are inadequately communicated.

In light of the study's findings, previous research reinforces the notion that government policies directly impact employee engagement. For example, Chizueze *et al.* (2021) noted that minimum wage policies positively affect employee job satisfaction and morale, as employees feel more secure in their financial well-being. This finding aligns with the interview response from Respondent 1, who expressed appreciation for the minimum wage policy despite its limitations. The respondent's recognition of the policy's intent mirrors the 75% positive perception in Table 1. Additionally, Ikoro *et al.* (2022) found that policies related to wage standards help mitigate dissatisfaction, but taxation policies must also be adjusted to ensure the overall financial well-being of employees.

Moreover, dissatisfaction with career development, as expressed by Respondent 2, reflects a significant issue in employee engagement. Anitha (2014) emphasized that career development opportunities, such as training and advancement programs, are key drivers of employee engagement. This supports the 35% satisfaction with career development noted in Table 1. The lack of professional growth opportunities leads to frustration, as seen in the interviews, which directly contributes to disengagement. Tanwar (2017) also found that when employees feel stagnant, their loyalty and motivation towards the organization diminish, ultimately lowering performance and engagement levels. Therefore, addressing career development needs is crucial to enhancing employee satisfaction and reducing turnover.

Furthermore, the frustration with regulatory changes and communication gaps, highlighted in Respondent 3's interview, resonates with previous studies emphasizing the importance of clear communication between management and employees. Saks (2006) argued that effective communication is essential for ensuring that employees remain engaged, particularly during periods of regulatory change. This aligns with the 40% of frontline employees in Table 1 who agree that clearer communication is necessary. Additionally, Mustapha *et al.* (2021) pointed out that when employees are not informed of regulatory shifts, they experience higher levels of frustration and disengagement, directly correlating with the 60% of employees in this study who expressed disengagement due to regulatory changes.

Specific Elements of Taxation, Minimum Wage, and Labour Law Enforcement Mostly Affected Employee Morale and Motivation.

Research Question Two explores the impact of taxation, minimum wage compliance, and labor law enforcement on employee morale and motivation in Nigeria's hospitality sector. Table 2 reveals concerns about high taxation (62% frontline employees), wage discrepancies (68% frontline employees), and inconsistent labor law enforcement (82% frontline employees). Interviews highlight frustration with taxes reducing pay, unequal wages for similar work, and weak enforcement of labor laws, impacting employee engagement. These findings emphasize the need for more consistent policy enforcement, fair wages, and effective communication to enhance employee satisfaction and motivation.

The concern over taxation policies affecting employee morale, as seen in the interview with Respondent 1, is well-supported by existing research. Chizueze *et al.* (2021) highlighted that taxation, when disproportionately high or inconsistent, can lead to employee dissatisfaction due to increased financial pressures. In their study, 62% of frontline employees reported a negative impact of taxes, aligning with the findings of the interview, where employees felt that the taxes detracted from their financial well-being. Similarly, Hameed *et al.* (2020) found that high tax burdens significantly affect disposable income, contributing to lower morale among employees in various sectors, including hospitality. In this case, policies that aim to balance taxation with fair compensation and benefits are essential to mitigate these negative effects and ensure that employees feel valued for their work.

Wage discrepancies, as reflected in Respondent 2's interview, also emerge as a key issue in employee engagement. Respondent 2 expressed frustration over unequal pay for similar roles, a concern echoed by 68% of frontline employees in Table 2. This resonates with Tanwar's (2017) research, which found that wage inconsistencies, especially in roles requiring similar skill sets, undermine employee morale and motivation. Employees' dissatisfaction with wage discrepancies often leads to feelings of unfairness, which can increase turnover and lower organizational commitment. Enforcing consistent minimum wage policies, as suggested by the respondent, would help address this issue and foster a more motivated workforce. The importance of fair and equitable pay practices is also stressed by Saks (2006), who noted that perceived pay fairness is essential for maintaining employee engagement and job satisfaction.

The lack of effective labor law enforcement, highlighted by Respondent 3, underscores the importance of protecting employees' rights. Respondent 3's concerns about overtime compensation reflect the broader issue of inconsistent labor law enforcement. This finding aligns with the research by Abraham *et al.* (2025), which showed that employees who perceive weak

enforcement of labor laws, such as those regarding work hours and pay, experience decreased motivation and engagement. The study found that 82% of frontline employees felt the need for stronger enforcement, a sentiment shared by Respondent 3. Inconsistent enforcement of labor laws leads to frustration and exploitation, which directly affects employee morale and engagement. Enforcing these laws not only ensures fairness but also enhances employee trust and motivation, as supported by Meira and Hancer (2021), who highlighted the positive effects of robust labor law enforcement on employee satisfaction.

The intersection of these concerns—taxation, wage discrepancies, and labor law enforcement—demonstrates how government policies directly shape employee engagement in the hospitality industry. When employees perceive that policies are inconsistently enforced or insufficiently supportive, their morale and engagement suffer. Effective communication of policies, along with consistent implementation, can mitigate these negative impacts. Respondent 1's frustration with taxation, Respondent 2's dissatisfaction with wages, and Respondent 3's concerns about labor law enforcement all point to the critical role of policy enforcement in maintaining a motivated workforce. Therefore, aligning government policies with employee welfare is essential for fostering long-term engagement and organizational success in the hospitality sector.

Hotel HR departments respond to regulatory changes, and the strategies they employ to sustain employee engagement

Research Question Three explores how hotel HR departments respond to regulatory changes and the strategies they employ to sustain employee engagement. Table 3 reveals differences in perception between frontline employees and HR managers. While HR managers are more confident in their responses to regulatory changes, frontline employees express frustration with unclear communication and the frequent impact of changes on morale. Interviews highlight the lack of transparency in communication, which negatively affects employee engagement. HR managers are proactive, but challenges remain in aligning with employees' needs and providing consistent, clear updates about regulatory changes.

The interviews revealed that frontline employees are particularly concerned about unclear communication regarding regulatory changes, which aligns with the 60% of employees in Table 3 who felt that regulatory changes were challenging. Thus, Saks (2006) argues that effective communication is essential for fostering employee engagement, especially during periods of regulatory shifts. Employees are more likely to disengage when they are not informed about changes or their implications. This lack of clarity was also reflected in the interview where the employee mentioned feeling disconnected from management. This aligns with Mustapha *et al.* (2021), who found that inadequate communication during regulatory changes leads to uncertainty and frustration, directly impacting employee morale.

Moreover, HR managers expressed confidence in their responses, noting their efforts to communicate updates and provide training. However, discrepancies in enforcement were acknowledged, pointing to gaps in the practical application of regulatory changes. The HR manager's proactive approach aligns with the 85% of HR managers in Table 3 who believe their responses are effective. This reflects the findings of Tanwar (2017), who noted that HR's active involvement in communicating regulatory changes helps to minimize employee frustration and enhances engagement. Despite HR's efforts, discrepancies in enforcement can hinder the desired

outcomes, as employees may feel that the changes are not consistently applied across the organization.

Furthermore, Respondent 3's frustration with the speed and frequency of regulatory changes, and the vague answers from HR, highlights the need for transparency in communication. This is consistent with the 80% of frontline employees in Table 3 who reported that regulatory changes negatively impacted their morale. The above finding is supported by Tanwar's (2017) study on organizational communication found that a lack of transparency regarding policy changes increases employee uncertainty, leading to disengagement. The employee's call for clearer expectations underscores the need for HR departments to not only provide updates but also ensure that those updates are understood, ensuring that employees feel involved and valued.

Lastly, the interviews underscore a broader issue identified by Cropanzano and Mitchell (2005), who discussed the importance of perceived fairness and clear communication in the social exchange between employees and management. The employee-manager relationship is critical for engagement, and when employees feel disconnected due to a lack of clear communication, their trust in management erodes. The interviews reinforce the necessity for HR departments to prioritize transparency and consistency in their communication efforts to improve employee engagement and morale.

CONCLUSION

This study aimed to explore the influence of government policies on employee engagement within Nigeria's hospitality industry. The findings revealed that policies, particularly those related to taxation, minimum wage, and labor law enforcement, impacted both employee morale and engagement levels. While employees appreciated policies that ensured fair wages, job security, and career development, they expressed dissatisfaction with the inconsistent enforcement of minimum wage laws and the complexity of tax regulations.

Additionally, HR departments were found to play a crucial role in responding to regulatory changes. HR managers proactively implemented strategies such as clear communication, policy updates, and compliance monitoring to mitigate the adverse effects of regulatory shifts. However, a disparity in perceptions between HR managers and frontline employees suggests that while HR departments feel confident in their responses, employees often feel less supported or unaware of the efforts being made on their behalf. This highlights the need to improve communication between HR departments and frontline employees, ensuring that employees feel included in discussions about regulatory changes and reassured about their job security and compensation.

The study also identified that employee engagement strategies, including health and safety protocols, training opportunities, and career development programs, are essential for maintaining high levels of employee motivation. Employees who felt that government policies supported their well-being and career growth were more likely to remain engaged and committed to their roles. However, the lack of consistent enforcement of labor laws and the negative perception of taxation policies continue to hinder employee morale, highlighting the need for more transparent, equitable, and consistent policy implementation at both the governmental and organizational levels.

RECOMMENDATIONS

Improved Communication Between HR and Employees

It is crucial for hotel HR departments to enhance communication with frontline employees regarding regulatory changes. Regular updates and transparent discussions about how policies such as tax adjustments or wage laws impact employees will foster a sense of inclusion and reduce uncertainty. Clear communication builds trust, ensures compliance, and helps employees feel supported, ultimately increasing their engagement and motivation.

Consistency in Policy Enforcement

To enhance employee morale, it is recommended that both the government and hotel management work together to ensure consistent enforcement of labour laws and minimum wage policies. Inconsistent application of policies can lead to dissatisfaction and disengagement. Clear, predictable regulations will reassure employees about their job security and compensation, fostering a fair work environment that motivates employees and boosts their long-term commitment to the organisation.

Regular Employee Training and Career Development Programs

Hotel management should invest in regular training and career development opportunities to empower employees. Offering programs that align with both government policies and employee aspirations can increase job satisfaction and engagement. Providing growth opportunities not only improves employees' skill sets but also signals that the organisation values their contribution, encouraging long-term loyalty and reducing turnover, ultimately enhancing the overall performance of the hotel.

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