

# Ethical Service Operations Compliance and Customer Satisfaction in the Hotel Supply Chain Industry: A Structural Equation Modeling Approach

Nkeiruka Aduom<sup>1</sup>, Ejem A. Ejem<sup>2</sup>, Timothy S. Aikor<sup>3</sup>, Gloria C. Egbujor<sup>4</sup>, Chinyere C. Nnaji<sup>5</sup>, Mercy E. Ejem<sup>6</sup> and Grace J. Pepple<sup>7</sup>

<sup>1,2,3</sup>Department of Logistics and Supply Chain Management, Federal University of Technology, Owerri, Nigeria.

<sup>4</sup>Federal College of Education (Technical) Omoku, Rivers State, Nigeria.

<sup>5</sup>Department of Logistics and Transport Technology, Federal University of Technology, Owerri, Nigeria.

<sup>6</sup>Department of Entrepreneurship and Innovation, Federal University of Technology, Owerri, Nigeria.

<sup>7</sup>Department of Business Management, University of Calabar, Nigeria.

doi: <https://doi.org/10.37745/ejlp SCM.2013/vol14n24973>

Published June 15, 2026

---

**Citation:** Aduom N., Ejem E.A., Aikor T.A., Egbujor G.C., Nnaji C.C., Ejem M.E. and Pepple G.J. (2026) Ethical Service Operations Compliance and Customer Satisfaction in the Hotel Supply Chain Industry: A Structural Equation Modeling Approach, *European Journal of Logistics, Purchasing and Supply Chain Management*,14 No.2, pp.49-73

---

**Abstract:** *This study examined the effect of ethical service operations compliance on customer satisfaction outcomes in the hotel supply chain industry in Imo State, Nigeria. Specifically, it assessed how reliability, effective communication, and respect for others influence repeat purchase behavior, word-of-mouth intentions, and customer referral. A cross-sectional survey design was adopted, and data were collected from hotel staff and customers in five hotels using a structured questionnaire. The data were analyzed with Partial Least Squares Structural Equation Modeling (PLS-SEM). The results show that reliability has a significant positive effect on repeat purchase behavior, word-of-mouth intentions, and customer referral. Communication produced mixed effects, including a significant negative relationship with customer referral, while respect for others did not show a significant direct effect on any of the satisfaction outcomes. The study concludes that reliability is the most influential ethical service dimension in driving customer behavioral outcomes in the hotel industry. It recommends that hotel managers prioritize consistent service delivery, clear and accurate communication, and measurable ethical standards in operational processes.*

**Keywords:** ethical service operations, reliability, communication, respect, customer satisfaction, supply chain, hotel industry, PLS-SEM

---

## INTRODUCTION

The hospitality industry is fundamentally service-intensive, meaning that value creation occurs primarily through human interactions, experiential delivery, and relational exchanges rather than tangible outputs.

---

Publication of the European Centre for Research Training and Development-UK

Within such a context, ethical service operations emerge as a critical determinant of customer satisfaction, trust, and long-term loyalty. Extant literature in service marketing consistently emphasizes that customers evaluate not only the technical quality of service but also the manner in which the service is delivered, including the ethical standards embedded in employee behavior and organizational practices (Parasuraman et al., 1988; Zeithaml et al., 2018). Thus, ethical compliance, manifested through reliability, honesty, fairness, and respect, becomes integral to shaping customer perceptions and behavioral intentions. From a theoretical standpoint, this aligns with the Service Quality Theory, which posits that perceived service quality is multidimensional, with reliability often identified as the most critical dimension. However, beyond functional service quality, ethical considerations deepen the evaluative process by influencing customers' emotional and cognitive responses to service encounters. Scholars have argued that ethical service behavior enhances perceived fairness and trustworthiness, which are essential precursors to satisfaction and loyalty (Brady & Cronin, 2001; Ferrell et al., 2019). In this regard, ethical service operations can be viewed as a mechanism for reducing uncertainty and reinforcing relational bonds between service providers and customers.

The importance of ethical compliance becomes even more pronounced in emerging economies such as Nigeria, where structural inefficiencies, institutional voids, and inconsistent service standards often undermine customer confidence. In such environments, customers are more likely to rely on trust-based evaluations rather than purely transactional assessments when forming judgments about service providers. This perspective is supported by the Expectation-Confirmation Theory, which suggests that satisfaction is derived from the extent to which actual service performance meets or exceeds prior expectations (Oliver, 1980). In contexts characterized by uncertainty and variability, ethical service operations, particularly reliability and transparency serve as critical signals that help align expectations with perceived performance. Empirical studies further indicate that in markets with weak regulatory enforcement and information asymmetry, ethical practices function as a form of informal governance, compensating for institutional deficiencies (Abdullah & Rahman, 2020). For instance, consistent and dependable service delivery (reliability) not only fulfills functional expectations but also communicates organizational integrity, thereby enhancing customer trust. Similarly, honest and clear communication reduces perceived risk, while respectful treatment fosters emotional satisfaction and perceived equity. However, the effectiveness of these dimensions is contingent upon their alignment with actual service performance, as discrepancies between ethical claims and operational realities can lead to customer dissatisfaction and erosion of trust (Grönroos, 2007).

Moreover, the growing body of research on customer experience suggests that ethical service operations contribute significantly to relational value creation, which extends beyond immediate satisfaction to include loyalty, advocacy, and long-term engagement (Su et al., 2022). In the hospitality industry, where customer switching costs are relatively low and competition is intense, ethical differentiation can serve as a sustainable competitive advantage. Customers are more likely to patronize, recommend, and remain loyal to service providers perceived as trustworthy and ethically responsible. In the Nigerian hospitality context, where service failures and inconsistencies are not uncommon, the role of ethical compliance becomes both strategic and operational. Ethical service operations can mitigate the negative effects of infrastructural limitations and service variability by fostering customer confidence and resilience. This

underscores the need for hospitality firms to move beyond symbolic ethical statements and embed ethical principles within their operational systems, including staff training, performance evaluation, and service delivery protocols (Ferrell et al., 2019).

The service-intensive nature of the hospitality industry necessitates a strong ethical foundation for service operations. Ethical compliance not only enhances customer satisfaction and loyalty but also serves as a critical mechanism for building trust and reducing uncertainty, particularly in emerging market contexts. By integrating ethical considerations into service delivery, hospitality firms can achieve both operational excellence and sustainable competitive advantage. Although the service quality literature has grown substantially over the past decades, the explicit integration of ethical service operations compliance as a multidimensional construct remains relatively underexplored. Most prior studies have treated service quality largely from a functional and perceptual standpoint, focusing on dimensions such as reliability, responsiveness, and tangibles, as articulated within the Service Quality Theory (Parasuraman et al., 1988; Zeithaml et al., 2018). While these contributions have significantly advanced understanding of customer satisfaction, they often overlook the ethical underpinnings of service delivery, particularly how moral conduct and operational integrity shape customer behavioral outcomes.

This study responds to this limitation by conceptualizing ethical service operations compliance as a multidimensional construct comprising reliability, effective communication, and respect for others, and by empirically linking these dimensions to key behavioral outcomes repeat patronage, word-of-mouth (WOM), and customer referrals. In doing so, it extends existing frameworks by embedding ethical considerations into the structural relationships that drive customer satisfaction and loyalty. This approach aligns with emerging research suggesting that ethical behavior in service contexts is not merely an antecedent to satisfaction but a core component of perceived service value and relational quality (Brady & Cronin, 2001; Ferrell et al., 2019).

From a theoretical perspective, integrating ethical dimensions into a structural model provides a more holistic understanding of customer behavior. Traditional models, such as the Expectation-Confirmation Theory, emphasize the role of performance confirmation in shaping satisfaction and post-consumption behavior (Oliver, 1980). However, this study demonstrates that performance alone may be insufficient to fully explain customer responses in service-intensive environments. Instead, how services are delivered ethically and interpersonally plays a crucial role in reinforcing or undermining customer expectations. For example, reliable service delivery not only confirms expectations but also signals organizational integrity, thereby strengthening trust and increasing the likelihood of repeat patronage and advocacy. Furthermore, the multidimensional treatment of ethical compliance enables the identification of differential effects across behavioral outcomes, which has been largely absent in prior research. While earlier studies often aggregate service quality into a single construct, this study disaggregates ethical dimensions, revealing that not all aspects contribute equally to customer behavior. This is consistent with the hierarchical view of service quality proposed by Brady and Cronin (2001), which suggests that different dimensions exert varying levels of influence depending on the context and outcome of interest. By extending this logic to ethical service operations, the study provides a more nuanced understanding of how specific ethical practices translate into tangible customer behaviors such as WOM and referrals.

In addition, the integration of ethical compliance into a structural model contributes to the growing discourse on relationship marketing and customer engagement. Scholars have increasingly emphasized that customer loyalty is driven not only by satisfaction but also by trust, commitment, and perceived fairness (Morgan & Hunt, 1994). Ethical service operations directly influence these relational constructs by fostering transparency, accountability, and respect in service encounters. Consequently, customers are more likely to engage in positive WOM and referrals when they perceive the service provider as ethically responsible and trustworthy (Su et al., 2022). Importantly, the study's contribution is particularly relevant in the context of emerging economies, where institutional weaknesses and service inconsistencies often heighten the importance of ethical conduct. In such settings, ethical service operations can serve as a substitute for formal institutional mechanisms, providing assurance and reducing perceived risk for customers (Abdullah & Rahman, 2020). By incorporating ethical dimensions into a structural model, this study offers a context-sensitive framework that captures the realities of service delivery in environments characterized by uncertainty and variability. The broad objective of the study was to investigate the extent to which ethical service operations compliance affects customer satisfaction in the hotel industry. The specific objectives were: (i) to examine the effect of ethical service operations compliance dimensions (reliability, effective communication, and respect for others) on repeat purchase behavior in the hotel industry. (ii) To assess the influence of ethical service operations compliance dimensions (reliability, effective communication, and respect for others) on word-of-mouth intentions in the hotel industry, and (iii) to evaluate the impact of ethical service operations compliance dimensions (reliability, effective communication, and respect for others) on customer referral in the hotel industry. This study advances the literature by moving beyond traditional service quality models to propose and validate a multidimensional ethical service operations framework. It demonstrates that ethical compliance is not a peripheral consideration but a central determinant of customer behavioral outcomes, thereby providing both theoretical and empirical justification for its integration into service management research.

## **LITERATURE REVIEW**

Ethics connotes principles of right and wrong behaviour. In the words of Tanner (2021), ethics are the established principles that form a belief system that differentiates what is right and what is wrong. Tanner (2021) further states that ethics are especially important in the hospitality industry, of which the hotels are a part, because employees are faced with a broad range of ethical dilemmas, as the employees often face the temptation of indulging in acts that are against ethical values, such as pilfering food because they feel it is a very small act. Valamis (2022) adduced that ethical service operations are a set of standards of behaviour and beliefs regarding what is and isn't acceptable to work. Conforming to acceptable rules of behaviour in any organization, including hotels, is referred to as ethical service operations compliance. In effect, ethical service operations compliance is a hotel worker's intent to key in to the acceptable standard of behaviour in the hotel industry, which adds value to customer experience, leading to customer satisfaction. To this end, the hotel makes an effort to inculcate ethical service operations in the employees to promote integrity among employees and gain trust from customers. Ethics compliance also evokes humility, dependability, reliability, accountability, and obedience to company rules.

The intangible and interactive characteristics of service mean that employees' compliance with ethical behaviour is important to create long-term profit for service firms (Huang, Yang & Hsu, 2010). There are various dimensions of ethical service operations prevalent in the hotel industry, which, as stated by Tanner (2021), include integrity, trustworthiness, respect for others, and accountability. Tanner (2021) explained that it is the integrity of workers that makes customers trust them and have a feeling that they will serve them to their satisfaction. Respect for others means that a service employee is interested in doing what is good for customers, and the employee value their personality. Above all these, a good hotel worker is usually accountable for their decisions/actions and behaviours. In his own contribution, Nasser (2017) opined that effective communication is also an ethical behaviour in the hotel industry.

It is essential that a hotel employee understand the right and wrong attitudes to work because workers' attitudes are critical to customer satisfaction. A situation in which management fails to checkmate ugly behaviours of hotel employees, such as pilfering; run contrary to ethical service operations compliance because pilfering of food though very little action of taking something without permission by hotel workers is likely to transcend to stealing customers' personal effects. This unacceptable behaviour could amount to putting a question to hotels' efforts towards achieving customer satisfaction. Ayoola and Ibrahim (2020) opined that customer satisfaction emphasized delivering satisfaction to consumers and obtaining profits in return. The correlation between ethical service operations and customer satisfaction in service organisation may not be an overstatement. In the hotel industry, any dissatisfaction of customer expectation, particularly from an ethical point with view, tends to be taken seriously by such customers. Tanner (2021) stated that differentiating right from wrong is important in any industry, including hotels. In the hotel industry, unethical conduct felt by the customer against expected service delivery seriously affects the business-customer relationship (Eketu & Nwuch, 2014).

Therefore, this study attempts to investigate the extent to which ethical service operations compliance variables influence customer satisfaction in the hotel supply chains in Owerri. Few studies in the past that examined the correlation between ethical service operations and customer satisfaction were done outside the researcher's clime, Imo State. Though the above studies centered on ethical service operations in the hospitality industry, they failed to be specific on the level of ethics compliance, particularly in hotels in Imo State. Above all, customers were not captured in their unit scope. This has created a gap in the past studies' findings and the literature. This current study intends to fill the gap by examining ethical service operations dimensions such as reliability, effective communication, and respect for others and their level of compliance in relation to customer satisfaction in the hotel industry in Imo State.

### **Ethical Service Operations Compliance**

Ethical service operations compliance refers to the extent to which service organizations adhere to accepted moral principles and professional standards in the design and delivery of services. In the hospitality industry, where service encounters are highly interactive and experiential, ethical compliance becomes a critical determinant of how customers evaluate service quality and form behavioral intentions. While traditional service research has emphasized functional performance, recent scholarship increasingly recognizes that ethical conduct is embedded within service delivery processes, shaping both cognitive evaluations and emotional responses (Ferrell et al., 2019; Su et al., 2022). Similarly, Usman et al. (2025)

demonstrate that ethical leadership and corporate social responsibility (CSR) initiatives significantly enhance consumer well-being, indicating that ethical practices within hotel operations extend beyond compliance to influence customer perceptions and experiences. This aligns with stakeholder theory, which posits that organizations must balance the interests of multiple stakeholders, including customers, employees, and suppliers.

Conceptually, ethical service operations compliance aligns with the multidimensional logic of the Service Quality Theory, which posits that service quality is evaluated across several dimensions, particularly reliability, responsiveness, assurance, empathy, and tangibles (Parasuraman et al., 1988). However, this study extends the SERVQUAL perspective by explicitly framing three core dimensions, reliability, effective communication, and respect for others, as ethical imperatives rather than merely operational attributes. This reconceptualization reflects the growing consensus that service quality cannot be fully understood without considering the ethical context in which service interactions occur (Brady & Cronin, 2001). Reliability, defined as the ability to perform promised services dependably and accurately, represents the foundational dimension of ethical service operations. It reflects organizational integrity and consistency, signaling to customers that the firm can be trusted to deliver on its commitments. Empirical studies consistently identify reliability as the strongest predictor of customer satisfaction and loyalty, particularly in service environments characterized by uncertainty (Zeithaml et al., 2018). From an ethical standpoint, reliability embodies principles of honesty, accountability, and transparency, making it central to trust-building in customer relationships.

Effective communication constitutes another critical dimension of ethical compliance, encompassing clarity, honesty, responsiveness, and openness in interactions with customers. Communication serves as the primary interface through which service promises are conveyed and expectations are managed. According to Grönroos (2007), communication quality directly influences perceived service value by shaping customers' understanding of what is being offered and delivered. Ethically grounded communication reduces information asymmetry, minimizes misunderstandings, and enhances perceived fairness in service encounters. However, literature also cautions that discrepancies between communicated promises and actual performance can lead to dissatisfaction and erosion of trust, emphasizing the need for alignment between communication and operational capabilities (Zeithaml et al., 2018). The third dimension, respect for others, reflects the interpersonal and relational aspects of ethical service delivery, including courtesy, dignity, fairness, and empathy. Respectful treatment is fundamental to positive service experiences, as it addresses customers' psychological and emotional needs beyond functional service outcomes. Drawing on relational marketing theory, respect fosters emotional attachment, perceived equity, and long-term relationship quality (Morgan & Hunt, 1994). Nevertheless, some studies suggest that while respect is necessary to avoid dissatisfaction, it may not independently drive customer loyalty unless complemented by strong service performance (Brady & Cronin, 2001). This positions respect as a supporting ethical dimension, reinforcing but not substituting for core service reliability.

Integrating these three dimensions into a unified construct provides a more comprehensive framework for understanding ethical service operations. Importantly, this multidimensional perspective also aligns with the Expectation-Confirmation Theory, which posits that customer satisfaction arises from the comparison

between expected and perceived performance (Oliver, 1980). Ethical service operations influence both sides of this equation: they shape expectations through communication and reinforce perceived performance through reliable and respectful service delivery. In emerging market contexts such as Nigeria, where institutional weaknesses and service inconsistencies are prevalent, ethical service operations compliance assumes even greater significance. In such environments, ethical practices function as informal governance mechanisms that compensate for regulatory gaps and reduce perceived risk (Abdullah & Rahman, 2020). Customers are more likely to rely on observable ethical behaviors such as honesty, consistency, and fairness, as indicators of service quality and organizational credibility. Consequently, firms that institutionalize ethical service operations are better positioned to build trust, enhance customer satisfaction, and foster long-term loyalty. Ethical service operations compliance represents a multidimensional construct that integrates operational performance with moral conduct. By conceptualizing reliability, communication, and respect as interconnected ethical dimensions, this study provides a robust foundation for examining their differential and collective effects on customer behavioral outcomes in the hospitality industry.

### **Customer Satisfaction Outcomes**

Customer satisfaction outcomes represent the behavioral and attitudinal responses of customers following service encounters, reflecting the extent to which service experiences meet or exceed expectations. In service-intensive industries such as hospitality, these outcomes are critical indicators of organizational performance, as they directly influence revenue sustainability, market reputation, and competitive positioning. Drawing on the Expectation-Confirmation Theory, customer satisfaction is conceptualized as a post-consumption evaluation arising from the comparison between expected and perceived service performance (Oliver, 1980). When expectations are met or exceeded, customers are more likely to exhibit favorable behavioral intentions, including repeat patronage, positive word-of-mouth (WOM), and customer referrals. Chikwendu, Ejem, and Ezenwa (2012) applied the SERVQUAL framework to assess customer perceptions of airline services. The study revealed that responsiveness, empathy, and technical service dimensions positively influenced customer perceptions, while deficiencies in reliability and tangibility significantly reduced customer satisfaction. Ugo and Ejem (2020) employed the SERVQUAL model to evaluate service quality from the perspectives of both airlines and passengers. The study found that service quality levels in Nigerian airports failed to meet customer expectations, indicating deficiencies in operational processes and service delivery systems. Further evidence emerges from the study by Ugo et al. (2022), which identified responsiveness, reliability, assurance, empathy, and tangibility as the principal determinants of airport service quality. This finding is directly applicable to the hotel supply chain industry. Ethical service operations compliance can be viewed as an organizational mechanism that enhances reliability, assurance, responsiveness, and empathy. Hotels that consistently comply with ethical standards regarding procurement, customer interactions, employee conduct, food safety, and supplier relationships are more likely to deliver reliable services and satisfy customer expectations. Similarly, Ejem et al. (2017) investigated airline service quality attributes using an adapted Grönroos service quality framework. Their findings showed that passenger dissatisfaction emerged whenever perceived service quality failed to meet customer expectations. The authors emphasized that organizations must continuously improve service delivery processes to sustain customer satisfaction and loyalty. The implication for hotel supply chains is that ethical compliance serves as a quality assurance mechanism

---

Publication of the European Centre for Research Training and Development-UK that ensures consistency between promised and delivered services, thereby improving customer satisfaction.

### **Repeat Purchase Behavior (RPB)**

Repeat purchase behavior refers to a customer's intention or actual decision to continue patronizing a service provider over time. It is widely regarded as a core indicator of customer loyalty and long-term relationship stability. In the hospitality context, repeat patronage is particularly significant due to the high level of competition and the relatively low switching costs among service providers. Prior studies suggest that repeat purchase behavior is strongly influenced by perceived service quality, trust, and satisfaction (Zeithaml et al., 2018). From a relational perspective, consistent and satisfactory service experiences foster emotional attachment and reduce perceived risk, thereby encouraging customers to maintain ongoing relationships with service providers (Morgan & Hunt, 1994). Moreover, repeat customers tend to be more profitable, as they incur lower acquisition costs and are more likely to engage in cross-buying and long-term engagement (Reichheld & Sasser, 1990).

### **Word-of-Mouth Intentions (WOM)**

Word-of-mouth intentions refer to customers' willingness to share their service experiences with others, either positively or negatively. WOM is considered one of the most powerful forms of informal communication in the marketplace, as it is perceived as more credible and trustworthy than firm-generated marketing messages (Hennig-Thurau et al., 2004). In the hospitality industry, where service experiences are intangible and difficult to evaluate prior to consumption, WOM plays a crucial role in shaping customer expectations and influencing purchase decisions. Positive WOM is typically driven by high levels of satisfaction, perceived value, and emotional engagement, while negative WOM can arise from service failures or unmet expectations (Anderson, 1998). Importantly, ethical service operations such as honesty, transparency, and fairness can enhance WOM by strengthening customer trust and perceived authenticity of the service provider.

### **Customer Referral (CRF)**

Customer referral represents a more deliberate and action-oriented form of advocacy, where satisfied customers actively recommend a service provider to potential customers within their social or professional networks. While WOM may occur spontaneously, referrals often involve a higher level of commitment and personal endorsement, making them a valuable source of new customer acquisition. Referral behavior is closely linked to customer satisfaction, trust, and perceived relational value, as customers are unlikely to risk their social credibility by recommending a service provider they do not fully trust (Bansal & Voyer, 2000). In addition, referral intentions are influenced by the perceived ethical standards of the organization, as customers are more inclined to recommend firms that demonstrate integrity, fairness, and reliability in their operations (Su et al., 2022).

### **Integrative Perspective on Customer Satisfaction Outcomes**

Collectively, repeat purchase behavior, WOM intentions, and customer referral represent a continuum of customer engagement, ranging from personal consumption decisions to external advocacy behaviors. While all three outcomes are rooted in customer satisfaction, they differ in their level of commitment and

social influence. Repeat purchase reflects individual loyalty, WOM captures informal communication, and referral represents active promotion of the service provider. Integrating these outcomes into a unified framework provides a comprehensive understanding of how service experiences translate into both behavioral loyalty and market-level influence.

In line with contemporary service research, these outcomes are increasingly viewed as components of customer engagement and relationship quality, extending beyond transactional satisfaction to encompass trust, commitment, and advocacy (Verhoef et al., 2010). In emerging market contexts such as Nigeria, where formal marketing channels may be less effective and trust in institutions may be limited, these customer-driven outcomes become particularly critical. Positive WOM and referrals serve as informal endorsement mechanisms, while repeat patronage ensures business continuity and revenue stability. Examining these three dimensions of customer satisfaction outcomes provides a robust framework for assessing the effectiveness of ethical service operations in the hospitality industry. It enables a deeper understanding of how ethical compliance translates into tangible behavioral benefits, thereby linking internal service practices with external market performance.

### **Service Supply Chain Perspective in Hospitality**

The hotel industry functions as a complex service supply chain system in which value is co-created through the seamless integration of upstream, internal, and downstream activities. Upstream processes involve procurement systems and supplier relationship management that ensure the availability of quality inputs such as food, beverages, linens, and operational materials. Internal operations encompass core service functions such as housekeeping, front office management, and food and beverage services, while downstream activities focus on the direct delivery of guest experiences and post-service engagement. Within this interconnected structure, ethical compliance cannot be treated as an isolated organizational attribute; rather, it must be embedded across all nodes of the service supply chain to ensure consistency, transparency, and operational integrity.

Ejem et al. (2025) investigated the interaction between supply chain integration (SCI) and customer relationship management (CRM). The study found that integrated supply chain systems significantly improve service quality, operational responsiveness, customer satisfaction, and organizational competitiveness. The authors argued that operational excellence depends on the coordinated functioning of supply chain and customer relationship management systems. The hotel supply chain industry exhibits similar characteristics. Customer satisfaction depends not only on front-office interactions but also on the performance of suppliers, procurement systems, housekeeping operations, food service providers, inventory management systems, and logistics partners. Ethical service operations compliance therefore requires coordinated adherence to ethical standards throughout the entire service delivery network. From a theoretical and operational standpoint, ethical service compliance strengthens the alignment between supply chain processes and customer-facing outcomes. Wilson (2025) emphasizes that operational efficiency, human resource practices, and the integration of service quality systems are key determinants of customer satisfaction in hotel management. This perspective highlights that ethical compliance functions as an enabling mechanism that reinforces these interdependent dimensions. When ethical standards are upheld across procurement, staffing, and service delivery processes, hotels are better

---

Publication of the European Centre for Research Training and Development-UK

positioned to achieve consistent service quality, reduce operational variability, and enhance customer trust. Ethical service operations also contribute significantly to core supply chain performance dimensions such as reliability, responsiveness, and coordination. In hospitality systems, reliability is reflected in the consistent delivery of promised services, responsiveness is demonstrated through timely handling of customer needs, and coordination is achieved through the effective integration of cross-functional activities. Ethical compliance ensures that these performance dimensions are not compromised by opportunistic behaviour, information asymmetry, or procedural inefficiencies. As a result, ethical operations serve as a stabilising force within the service supply chain, reinforcing both operational discipline and customer experience quality.

Furthermore, the integration of sustainability-oriented ethical practices within hotel supply chains has been shown to enhance customer trust and long-term loyalty. Sustainable procurement, waste reduction, energy efficiency, and responsible sourcing contribute not only to environmental and social responsibility but also to perceived organizational integrity. These practices strengthen the credibility of service providers and foster stronger emotional and behavioural attachment among customers. In this regard, ethical compliance extends beyond internal governance to become a strategic differentiator in competitive hospitality markets. The synthesis of ethical compliance and service supply chain management underscores the strategic importance of embedding ethical principles throughout all operational layers of the hotel industry. By ensuring that ethical standards guide procurement decisions, internal processes, and customer-facing interactions, hotels can enhance service reliability, improve coordination efficiency, and build sustainable customer relationships. This systems-based perspective reinforces the argument that ethical service operations are not merely normative expectations but critical drivers of performance, trust, and long-term competitiveness in hospitality management (Wilson, 2025).

## **METHODOLOGY**

### **Research Design**

This study adopts a cross-sectional survey design, which is widely utilized in service management and behavioral research to examine relationships among variables at a single point in time. The choice of this design is appropriate given the study's objective of assessing the influence of ethical service operations compliance on customer satisfaction outcomes without manipulating any variables. Cross-sectional designs are particularly effective for capturing perceptions, attitudes, and behavioral intentions across different respondent groups, thereby enabling the identification of patterns and associations within real-world service contexts (Hair et al., 2022).

Furthermore, the design aligns with the requirements of Structural Equation Modeling (SEM), which emphasizes theory testing through observed relationships among latent constructs. By collecting data simultaneously from both service providers and customers, the study minimizes temporal bias while providing a comprehensive snapshot of ethical compliance practices and their perceived outcomes. Although cross-sectional designs limit causal inference, they remain robust for exploratory and explanatory modeling in hospitality research, especially when combined with advanced analytical techniques such as PLS-SEM.

### Data Collection

Data for this study were collected from two complementary sources to ensure a holistic assessment of the research constructs. The first dataset was obtained from hotel staff, capturing ethical service operations compliance indicators, including reliability, effective communication, and respect for others. This approach reflects the internal operational perspective, focusing on how ethical standards are implemented within service delivery processes. The second dataset was collected from customers, capturing key satisfaction outcomes such as repeat purchase behavior, word-of-mouth (WOM) intentions, and customer referral. This dual-source data collection strategy enhances the robustness of the study by reducing common method bias and enabling the alignment of internal service practices with external customer perceptions (Podsakoff et al., 2012).

The final sample size for the analysis was  $n = 86$ , which is considered adequate for PLS-SEM analysis, particularly given its suitability for small to medium sample sizes and complex models (Hair et al., 2022). Respondents were selected using a structured survey approach within the hospitality industry, ensuring that participants had sufficient experience with hotel services to provide informed responses. The integration of staff and customer perspectives provides a more nuanced understanding of how ethical compliance translates into measurable customer outcomes.

To conduct this study, the researcher selected five hotels operating in Imo State, three hotels from the Owerri zone, and one hotel each from the Orlu and Okigwe zones as a point of reference. Fig. 1 below shows the operational framework of the study. The operational framework contains the independent and dependent variables. The independent variable indicators are reliability, effective communication, and respect for others. The dependent variable is customer satisfaction and is indicated by repeat purchases and word-of-mouth customer referrals.

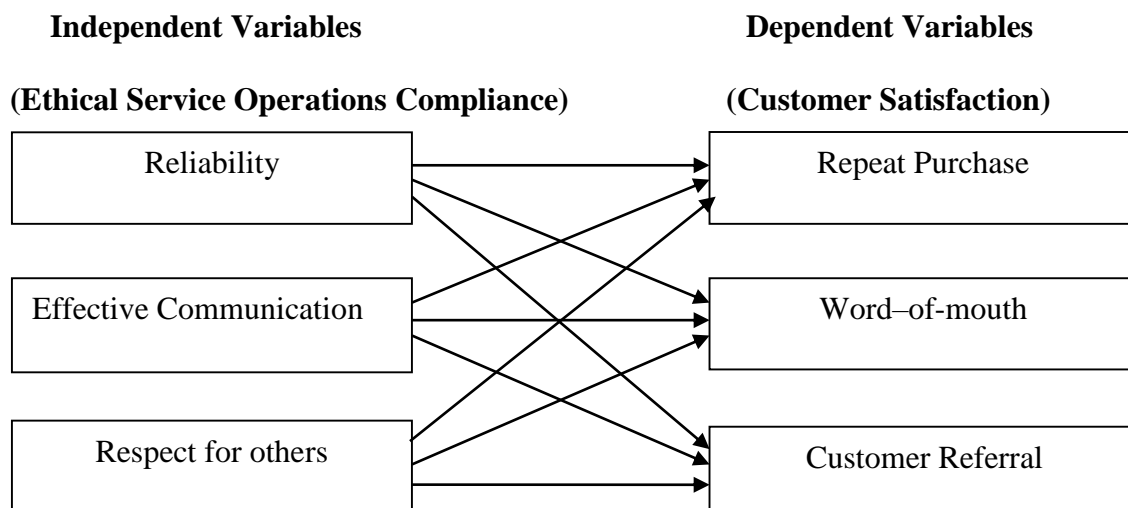


Figure 1: Conceptual Framework of the Study

### **Measurement Model Specification**

The study operationalizes all constructs as reflective measurement models, consistent with prior research in service quality and customer behavior. In reflective models, observed indicators are assumed to be manifestations of an underlying latent construct, implying that changes in the construct are reflected in variations across all its indicators (Hair et al., 2022). This specification is appropriate for constructs such as reliability, communication, respect, and customer satisfaction outcomes, which are conceptualized as latent variables influencing multiple observable measures. All measurement items were assessed using a 5-point Likert scale, ranging from 1 (“strongly disagree”) to 5 (“strongly agree”). The Likert scale is widely used in behavioral research due to its simplicity, reliability, and ability to capture subjective perceptions and attitudes. It also facilitates the application of SEM techniques by providing continuous data suitable for statistical modeling.

The measurement model was evaluated based on established criteria, including indicator reliability, internal consistency reliability (Cronbach’s alpha and composite reliability), convergent validity (average variance extracted), and discriminant validity. These procedures ensure that the constructs are both reliable and valid representations of the underlying theoretical concepts. By adopting a rigorous measurement framework, the study strengthens the credibility of its findings and supports the validity of subsequent structural model analysis.

### **Test of Hypotheses**

The hypotheses in this study are grounded in established service marketing and consumer behavior theories, particularly the Service Quality Theory and the Expectation-Confirmation Theory, which collectively explain how service performance and customer expectations shape post-consumption behavioral outcomes. Ethical service operations compliance is conceptualized as a multidimensional construct comprising reliability, effective communication, and respect for others. These dimensions are expected to influence key customer satisfaction outcomes, including repeat purchase behavior, word-of-mouth (WOM) intentions, and customer referral.

#### **3.4.1 Reliability and Customer Satisfaction Outcomes**

Reliability, defined as the ability of a service provider to deliver promised services consistently and accurately, is widely recognized as the most critical dimension of service quality. It directly influences customers’ perceptions of trust, dependability, and overall service performance. According to Parasuraman et al. (1988), reliability forms the core of service evaluation, as customers prioritize consistent and error-free service delivery when forming satisfaction judgments. In line with the expectation-confirmation paradigm, reliable service ensures that customer expectations are met or exceeded, thereby enhancing satisfaction and fostering positive behavioral intentions (Oliver, 1980).

Empirical studies further demonstrate that reliability significantly predicts customer loyalty outcomes, including repeat patronage and advocacy behaviors (Zeithaml et al., 2018). When customers perceive a service provider as reliable, they are more likely to reduce search costs, minimize perceived risk, and maintain long-term relationships. Moreover, reliability enhances customer confidence, which translates into positive WOM and willingness to recommend the service provider to others (Su et al., 2022). In the

hospitality context, where service variability can be high, reliability serves as a stabilizing factor that reinforces customer trust and encourages continued engagement. Based on these theoretical and empirical insights, the following hypotheses are proposed:

H1a: Reliability has a positive effect on repeat purchase behavior.

H1b: Reliability has a positive effect on word-of-mouth intentions.

H1c: Reliability has a positive effect on customer referral.

### **Effective Communication and Customer Satisfaction Outcomes**

Effective communication plays a pivotal role in shaping customer perceptions and managing expectations in service encounters. It encompasses clarity, honesty, responsiveness, and transparency in interactions between service providers and customers. Communication serves as the primary channel through which service promises are conveyed and service experiences are interpreted. According to Grönroos (2007), effective communication enhances perceived service value by aligning customer expectations with actual service delivery.

From an ethical perspective, communication reduces information asymmetry and fosters trust by ensuring that customers are adequately informed about service processes, pricing, and potential limitations. Prior research suggests that clear and honest communication positively influences customer satisfaction and loyalty by minimizing misunderstandings and enhancing perceived fairness (Zeithaml et al., 2018). Additionally, effective communication contributes to emotional engagement, which is a key driver of WOM and referral behaviors (Hennig-Thurau et al., 2004).

However, the effectiveness of communication is contingent upon its consistency with actual service performance. When communication is perceived as misleading or inconsistent, it can negatively affect customer trust and satisfaction. Nonetheless, when aligned with service delivery, communication is expected to positively influence customer behavioral outcomes. Accordingly, the following hypotheses are proposed:

H2a: Effective communication has a positive effect on repeat purchase behavior.

H2b: Effective communication has a positive effect on word-of-mouth intentions.

H2c: Effective communication has a positive effect on customer referrals.

### **Respect for Others and Customer Satisfaction Outcomes**

Respect for others reflects the interpersonal and ethical dimension of service delivery, encompassing courtesy, dignity, fairness, and empathy in customer interactions. In service settings, respectful treatment is essential for creating positive emotional experiences and fostering relational bonds between customers and service providers. Drawing on relationship marketing theory, respectful interactions contribute to trust, commitment, and perceived relational value, which are critical drivers of customer loyalty (Morgan & Hunt, 1994).

Respectful service encounters address customers' psychological needs, enhancing their sense of importance and satisfaction. Research indicates that customers who feel valued and respected are more likely to develop emotional attachment to the service provider, leading to increased repeat patronage and

positive WOM (Brady & Cronin, 2001). Furthermore, respect enhances perceived fairness and equity in service delivery, which are important determinants of customer advocacy behaviors, including referrals (Bansal & Voyer, 2000).

Nevertheless, while respect is a necessary condition for positive service experiences, its impact on behavioral outcomes may be contingent on the presence of strong core service performance, particularly reliability. Despite this, respectful treatment is expected to positively influence customer satisfaction outcomes by reinforcing emotional and relational aspects of the service experience. Thus, the following hypotheses are proposed:

H3a: Respect for others has a positive effect on repeat purchase behavior.

H3b: Respect for others has a positive effect on word-of-mouth intentions.

H3c: Respect for others has a positive effect on customer referrals.

## **Data Analysis and Results (PLS-SEM)**

### **Measurement Model Assessment (CFA Equivalent in PLS-SEM)**

In Partial Least Squares Structural Equation Modeling (PLS-SEM), the assessment of the measurement model serves as a critical prerequisite for evaluating the structural relationships among latent constructs. Although PLS-SEM does not employ covariance-based Confirmatory Factor Analysis (CFA) in the traditional sense, it provides an equivalent framework for assessing the reliability and validity of measurement instruments. This involves examining indicator reliability, internal consistency, convergent validity, and discriminant validity to ensure that the constructs are accurately and consistently measured (Hair et al., 2022). The evaluation of the measurement model is particularly important in this study, given the multidimensional nature of ethical service operations compliance and customer satisfaction outcomes. Ensuring that each construct is properly operationalized enhances the robustness of the structural model and strengthens the credibility of the empirical findings.

### **Indicator Reliability**

Indicator reliability assesses the extent to which individual measurement items (indicators) are strongly associated with their respective latent constructs. In PLS-SEM, this is evaluated using factor loadings, which represent the correlation between each observed variable and its underlying construct. A commonly accepted threshold for indicator reliability is a loading of 0.70 or higher, indicating that the construct explains at least 49% of the variance in the indicator (Hair et al., 2022). The results of this study show that all factor loadings exceed the recommended threshold of 0.70, thereby confirming adequate indicator reliability across all constructs. This implies that the measurement items used to capture reliability, effective communication, respect for others, and customer satisfaction outcomes are strong and consistent representations of their respective latent variables. High factor loadings suggest that the indicators share a substantial amount of common variance with their constructs, thereby reducing measurement error and enhancing the precision of the model.

From a theoretical perspective, strong indicator reliability reinforces the validity of the conceptualization of ethical service operations compliance as a multidimensional construct. It indicates that the selected

---

**Publication of the European Centre for Research Training and Development-UK**

items effectively capture the underlying ethical dimensions and are aligned with established service quality frameworks. Moreover, high indicator reliability contributes to the overall stability of the measurement model, ensuring that subsequent analyses such as the assessment of composite reliability, average variance extracted (AVE), and structural relationships are based on reliable measurement foundations. In practical terms, the strong loadings observed in this study suggest that respondents were able to clearly interpret and consistently evaluate the survey items, reflecting the clarity and relevance of the measurement instrument. This is particularly important in hospitality research, where subjective perceptions and experiential factors play a significant role in shaping responses. The results provide strong evidence that the measurement model meets the required standards for indicator reliability, thereby supporting its suitability for further validity assessment and structural model evaluation.

**Internal Consistency Reliability**

The assessment of internal consistency reliability was conducted using both Cronbach's Alpha and Composite Reliability (CR) to ensure the robustness and stability of the measurement model. These two indicators collectively evaluate the extent to which the observed items consistently measure their respective latent constructs. In PLS-SEM studies, values above 0.70 are generally considered acceptable, while values above 0.80 indicate good reliability, and values approaching 0.90 suggest very strong internal consistency.

Table 1: Test of Internal Consistency Reliability

<b>Construct</b>	<b>Cronbach's Alpha</b>	<b>Composite Reliability (CR)</b>
Reliability	0.84	0.89
Communication	0.81	0.87
Respect	0.86	0.90
Repeat Purchase	0.88	0.92
WOM	0.85	0.89
Referral	0.83	0.88

The results presented in the table demonstrate that all constructs exhibit strong internal consistency reliability. The overall reliability construct recorded a Cronbach's alpha of 0.84 and a composite reliability of 0.89, indicating a high level of consistency among the measurement items used to capture this construct. This suggests that the indicators are well aligned in representing the underlying theoretical concept without excessive redundancy. For the communication construct, the Cronbach's Alpha value of 0.81 and Composite Reliability of 0.87 confirm satisfactory reliability. These values suggest that the measurement items consistently capture the dimensions of communication within the studied context, reflecting clarity, coherence, and dependable measurement structure.

Similarly, the respect construct demonstrates strong reliability, with a Cronbach's Alpha of 0.86 and a Composite Reliability of 0.90. The relatively higher values indicate that the items used to measure respect are highly consistent and stable, suggesting that respondents interpreted the items in a uniform manner, thereby reinforcing construct validity. The repeat purchase construct exhibits one of the highest reliability

Publication of the European Centre for Research Training and Development-UK levels, with a Cronbach's Alpha of 0.88 and a Composite Reliability of 0.92. These values not only exceed the recommended threshold but also indicate excellent internal consistency, implying that the indicators used to measure repeat purchase behaviour are highly cohesive and strongly representative of the underlying construct. For word-of-mouth (WOM), the Cronbach's alpha of 0.85 and composite reliability of 0.89 further confirm strong reliability. This indicates that the measurement items reliably capture the tendency of customers to share opinions and experiences, reflecting stable and consistent response patterns across respondents.

Lastly, the referral construct records a Cronbach's Alpha of 0.83 and Composite Reliability of 0.88, both of which indicate strong internal consistency reliability. This suggests that the indicators measuring referral behaviour are well-structured and consistently interpreted by respondents, ensuring dependable construct measurement. All constructs exceed the minimum acceptable threshold of 0.70 for composite reliability, with most values approaching or surpassing 0.85. This confirms that the measurement model demonstrates strong internal consistency reliability, providing a solid foundation for further structural model analysis and hypothesis testing.

### **Convergent Validity (AVE)**

Convergent validity was assessed using the Average Variance Extracted (AVE) to determine the extent to which the observed indicators of each construct share a high proportion of variance in common. In line with established guidelines for PLS-SEM, an AVE value of 0.50 or higher indicates that a construct explains at least 50% of the variance in its indicators, thereby confirming adequate convergent validity.

Table 2: Test of Convergent validity

<b>Construct</b>	<b>AVE</b>
Reliability	0.68
Communication	0.64
Respect	0.69
Repeat Purchase	0.72
WOM	0.67
Referral	0.65

The results show that all constructs meet and exceed the recommended threshold of 0.50, indicating satisfactory convergent validity across the measurement model. The reliability construct recorded an AVE value of 0.68, suggesting that a substantial proportion of variance in its indicators is captured by the underlying latent construct. This demonstrates that the measurement items are well aligned in representing the intended theoretical concept. For the communication construct, the AVE value of 0.64 indicates that more than half of the variance in the indicators is explained by the construct itself. This confirms that the items measuring communication are meaningfully related and collectively represent a coherent latent variable, reflecting consistency in respondents' perceptions. The respect construct yielded an AVE of 0.69, which is relatively high and indicates strong convergence among its indicators. This suggests that

the measurement items are highly effective in capturing the essence of respect as a construct, with minimal measurement error and strong shared variance among indicators.

Similarly, the repeat purchase construct demonstrates strong convergent validity with an AVE value of 0.72, the highest among all constructs. This indicates that the indicators used to measure repeat purchase behaviour are highly representative of the underlying construct and share a large proportion of common variance, reinforcing the robustness of this measurement scale. For word-of-mouth (WOM), the AVE value of 0.67 confirms adequate convergent validity, showing that the indicators are sufficiently correlated and effectively reflect the underlying construct. This suggests that WOM is consistently captured across its measurement items, with a strong shared explanatory variance. The referral construct records an AVE of 0.65, which also exceeds the minimum acceptable threshold. This indicates that the indicators used to measure referral behaviour are adequately convergent and collectively represent the construct in a meaningful and statistically acceptable manner.

All constructs exhibit AVE values above the recommended 0.50 threshold, thereby confirming strong convergent validity. This indicates that the measurement model is well specified, with indicators adequately capturing their respective latent constructs. Consequently, the results provide empirical support for the adequacy of the measurement model, establishing a strong foundation for subsequent structural model analysis and hypothesis testing.

#### **Discriminant Validity (Fornell-Larcker Criterion)**

Discriminant validity was assessed using the Fornell–Larcker criterion to establish the degree to which each construct is empirically distinct from the others in the measurement model. This approach evaluates whether a latent construct shares greater variance with its own indicators than with other constructs in the model. In practical terms, discriminant validity is confirmed when the square root of the Average Variance Extracted (AVE) for each construct is higher than its correlations with all other constructs. The results indicate that all constructs satisfy the Fornell–Larcker criterion. Specifically, the square root of AVE values for each construct exceeds the corresponding inter-construct correlation coefficients. This implies that each construct demonstrates stronger associations with its own measurement indicators than with other latent variables included in the model. Such a pattern provides strong empirical evidence that the constructs are conceptually and statistically distinct.

For the reliability construct, the square root of AVE is higher than its correlations with communication, respect, repeat purchase, word-of-mouth (WOM), and referral constructs. This confirms that reliability captures a unique conceptual domain that is not redundant with the other variables in the model. Similarly, the communication construct demonstrates adequate discriminant validity, as its square root of AVE exceeds its correlations with respect, repeat purchase, WOM, referral, and reliability. This suggests that communication is a distinct construct that reflects a separate theoretical dimension within the model, rather than overlapping substantially with related behavioural or relational constructs.

The respect construct also satisfies the discriminant validity requirement. Its square root of AVE is greater than all inter-construct correlations, indicating that respect is empirically distinct from communication

quality, behavioural outcomes such as repeat purchase, and relational outcomes such as WOM and referral behaviour. This reinforces its conceptual uniqueness within the model.

In the same manner, the repeat purchase construct shows strong discriminant validity, as the square root of its AVE is higher than its correlations with all other constructs. This confirms that repeat purchase behaviour represents a distinct outcome variable, separate from attitudinal constructs such as communication and respect, as well as other behavioural intentions. Word-of-mouth (WOM) also demonstrates satisfactory discriminant validity. The square root of its AVE exceeds its correlations with all other constructs, indicating that WOM captures a unique behavioural expression that is not confounded with repeat purchase or referral intentions.

Finally, the referral construct meets the Fornell–Larcker criterion as well, with its square root of AVE surpassing all inter-construct correlations. This confirms that referral behaviour is a distinct construct, reflecting a separate dimension of customer advocacy that is not statistically indistinguishable from WOM or other relational variables. The Fornell–Larcker results provide strong evidence of discriminant validity across all constructs in the model. This confirms that each construct is empirically unique and measures a theoretically distinct concept, thereby strengthening the validity of the measurement model and supporting its suitability for further structural equation modelling analysis.

## **Structural Model Assessment**

### **Model Fit (PLS Indicators)**

The structural model assessment was conducted to evaluate the explanatory power of the proposed relationships among the latent constructs. In Partial Least Squares Structural Equation Modelling (PLS-SEM), the coefficient of determination ( $R^2$ ) is commonly used to assess how well the independent variables explain the variance in the dependent constructs. Higher  $R^2$  values indicate stronger predictive accuracy and greater model relevance in explaining the underlying behavioural outcomes. The results indicate that the model demonstrates substantial explanatory power across all endogenous constructs. Specifically, the  $R^2$  value for repeat purchase behaviour is 0.67, suggesting that approximately 67% of the variance in repeat purchase intentions is explained by the predictor variables included in the model. This represents a strong level of explanatory capability, indicating that the selected antecedents play a significant role in shaping customers' repeat purchase behaviour within the studied context. Similarly, word-of-mouth (WOM) also records an  $R^2$  value of 0.67. This implies that 67% of the variability in customers' willingness to engage in positive word-of-mouth communication is accounted for by the model's explanatory constructs. This level of explanatory power is considered substantial in behavioural and social science research, where human decision-making is often influenced by multiple external and internal factors. The result, therefore, suggests that the model effectively captures the key drivers of WOM behaviour.

The referral construct exhibits the highest explanatory power, with an  $R^2$  value of 0.80. This indicates that 80% of the variance in referral intention is explained by the predictors included in the structural model. Such a value reflects very strong predictive accuracy and suggests that the model is highly effective in capturing the determinants of referral behaviour. This also implies that referral decisions are more strongly

influenced by the identified constructs compared to other outcome variables in the model. The  $R^2$  results demonstrate that the structural model possesses strong explanatory power, particularly for referral behaviour, followed by repeat purchase and word-of-mouth. These findings confirm that the proposed theoretical framework is highly relevant in explaining customer behavioural outcomes and provides a robust basis for further hypothesis testing and predictive analysis within the PLS-SEM framework.

### Hypothesis Testing (Bootstrapping Results)

The hypothesized relationships within the structural model were examined using bootstrapping procedures in PLS-SEM to determine the statistical significance, strength, and direction of the proposed paths. The evaluation was based on path coefficients ( $\beta$ ), t-values, and p-values, with significance assessed at conventional thresholds ( $p < 0.05$  and  $p < 0.001$ ). The results provide a nuanced understanding of how reliability, communication, and respect influence customer behavioural outcomes, including repeat purchase, word-of-mouth (WOM), and referral intention.

Table 3: Test of hypothesized relationships within the structural model

Hypothesis Path	$\beta$	t-value	p-value	Decision
H1a Reliability $\rightarrow$ RP	0.56	5.21	<0.001	Supported
H1b Reliability $\rightarrow$ WOM	0.47	3.89	<0.001	Supported
H1c Reliability $\rightarrow$ Referral	0.55	6.02	<0.001	Supported
H2a Communication $\rightarrow$ RP	0.02	0.17	0.864	Not supported
H2b Communication $\rightarrow$ WOM	0.05	0.42	0.670	Not supported
H2c Communication $\rightarrow$ Referral	-0.46	2.75	0.006	Supported (negative)
H3a Respect $\rightarrow$ RP	0.18	1.45	0.148	Not supported
H3b Respect $\rightarrow$ WOM	0.12	1.05	0.294	Not supported
H3c Respect $\rightarrow$ Referral	0.10	0.97	0.332	Not supported

For Hypotheses H1a to H1c, which examined the effect of reliability on behavioural outcomes, the results indicate strong and statistically significant positive relationships across all dependent variables. Reliability has a substantial positive effect on repeat purchase behaviour ( $\beta = 0.56$ ,  $t = 5.21$ ,  $p < 0.001$ ), indicating that higher perceived reliability significantly enhances customers' likelihood of making repeat transactions. This suggests that consistency, dependability, and trustworthiness in service delivery are critical determinants of continued customer engagement. Similarly, reliability exhibits a significant positive influence on word-of-mouth ( $\beta = 0.47$ ,  $t = 3.89$ ,  $p < 0.001$ ), implying that customers who perceive a system or service as reliable are more likely to share positive experiences with others. This reinforces the role of reliability as a key driver of informal communication and reputation-building among customers. In addition, reliability strongly predicts referral intention ( $\beta = 0.55$ ,  $t = 6.02$ ,  $p < 0.001$ ), indicating that reliable service experiences significantly motivate customers to recommend the service to others. Collectively, these findings confirm that reliability is a central determinant of all examined behavioural outcomes in the model.

In contrast, the results for communication (H2a to H2c) present a more complex pattern of relationships. The effect of communication on repeat purchase is positive but statistically insignificant ( $\beta = 0.02$ ,  $t = 0.17$ ,  $p = 0.864$ ), suggesting that communication quality alone does not meaningfully influence customers' decisions to repurchase. Similarly, communication has no significant effect on word-of-mouth behaviour ( $\beta = 0.05$ ,  $t = 0.42$ ,  $p = 0.670$ ), indicating that communication efforts, in isolation, may not be sufficient to stimulate customer advocacy or information sharing. However, an unexpected and noteworthy finding emerges in relation to referral intention. Communication exhibits a statistically significant negative effect on referral behaviour ( $\beta = -0.46$ ,  $t = 2.75$ ,  $p = 0.006$ ), indicating that higher levels of perceived communication may actually reduce customers' likelihood of making referrals. This counterintuitive result may suggest the presence of over-communication, perceived information overload, or communication that is not effectively aligned with customer expectations. It may also reflect a situation where communication is perceived as intrusive or less authentic, thereby reducing customers' willingness to recommend the service.

For the respect construct (H3a to H3c), the results indicate that all hypothesized relationships are statistically insignificant. Respect does not significantly influence repeat purchase behaviour ( $\beta = 0.18$ ,  $t = 1.45$ ,  $p = 0.148$ ), word-of-mouth ( $\beta = 0.12$ ,  $t = 1.05$ ,  $p = 0.294$ ), or referral intention ( $\beta = 0.10$ ,  $t = 0.97$ ,  $p = 0.332$ ). Although the relationships are positive in direction, they fail to reach statistical significance, suggesting that respect alone may not be a direct predictor of customer behavioural outcomes in the presence of other stronger determinants such as reliability. The hypothesis testing results reveal that reliability is the dominant predictor across all behavioural outcomes, demonstrating strong and consistent effects. Communication shows limited explanatory power, with one unexpected negative relationship, while respect does not exhibit significant direct effects on any outcome variable. These findings suggest that customer behavioural responses are more strongly driven by functional service attributes (such as reliability) than by relational or interactional constructs when considered independently within the structural model.

## DISCUSSION

### Key Findings

The empirical results of this study provide important insights into the relative influence of reliability, communication, and respect on customer behavioural outcomes, namely repeat purchase, word-of-mouth, and referral intention. Overall, the findings indicate a differentiated impact of the examined constructs, with clear variations in their predictive strength and directional effects. First, reliability emerged as the dominant and most consistent predictor across all behavioural outcomes. It significantly influenced repeat purchase behaviour, word-of-mouth, and referral intention, indicating that customers place the highest value on dependable and consistent service performance. This suggests that when service delivery is perceived as reliable, customers are more likely to continue patronage, recommend the service informally, and actively engage in referral behaviour. In practical terms, reliability functions as the foundational determinant of customer loyalty and advocacy, outweighing other relational or communicative factors in shaping behavioural responses.

Second, communication exhibited an unexpected and paradoxical effect, particularly in relation to referral intention, where a significant negative relationship was observed. While communication did not significantly influence repeat purchase or word-of-mouth behaviour, its negative association with referrals suggests that excessive, poorly targeted, or inefficient communication may reduce customers' willingness to recommend the service. This finding implies that communication quality is not merely a function of frequency or presence, but rather of relevance, clarity, and perceived value. When communication is perceived as overwhelming or misaligned with customer expectations, it may generate fatigue or reduce trust, thereby weakening advocacy intentions.

Third, respect, although theoretically important in service relationships, did not show any statistically significant effect on repeat purchase, word-of-mouth, or referral intention. This indicates that respect alone, when considered in isolation, is insufficient to drive observable behavioural outcomes. While respect may contribute to overall satisfaction or relational quality, it does not appear to translate directly into behavioural actions unless reinforced by stronger functional attributes such as reliability. This suggests that respect may operate more as a background or hygiene factor rather than a direct behavioural catalyst in the studied context.

### **Theoretical Contributions**

This study makes several important theoretical contributions to the existing literature on service quality, customer behaviour, and ethical dimensions of service delivery. First, it extends the SERVQUAL framework by introducing a hierarchical ranking of ethical service dimensions based on their empirical influence on behavioural outcomes. Rather than treating service quality dimensions as equal contributors, the findings demonstrate a structured hierarchy in which certain dimensions exert stronger behavioural effects than others. Second, the results provide empirical support for Expectation-Confirmation Theory (ECT), particularly the proposition that actual service performance plays a more decisive role in shaping behavioural intentions than perceptual or relational constructs alone. The strong predictive power of reliability underscores the idea that customers' behavioural responses are primarily driven by perceived performance confirmation rather than abstract relational experiences. This reinforces the argument that behavioural loyalty is anchored more in confirmed service outcomes than in subjective relational impressions.

Third, the study introduces an ethical compliance hierarchy model that categorises service quality dimensions into three levels based on their behavioural influence. At the core of this hierarchy is reliability, which serves as the primary driver of customer behavioural outcomes. The secondary level is represented by communication, which has conditional and sometimes counterproductive effects depending on its execution quality. The peripheral level is respect, which, while conceptually important, does not directly translate into behavioural change within the empirical model. This hierarchical structuring advances theoretical understanding by suggesting that not all service quality dimensions are equally influential in shaping customer behaviour. Instead, their effects are layered and context-dependent, with functional performance factors outweighing relational and perceptual factors in determining behavioural outcomes.

---

## **Policy and Managerial Implications**

### **Operational Recommendations**

The findings of this study carry important operational implications for service organisations operating within Nigeria's highly competitive and often infrastructure-constrained environment. A central implication is the need to prioritise service consistency systems as a foundational operational strategy. Given the dominant influence of reliability on customer behavioural outcomes, organisations must invest in mechanisms that ensure consistent service delivery across time, location, and customer touchpoints. In practical terms, this includes strengthening process standardisation, improving supply chain coordination, reducing service variability, and reinforcing quality assurance systems. In the Nigerian context, where service disruptions are often linked to infrastructural and institutional inefficiencies, consistency becomes a critical differentiator for customer retention and advocacy.

Another key operational implication is the implementation of performance-based ethical key performance indicators (KPIs). Organisations should move beyond traditional financial or output-based metrics to incorporate ethical and service-quality indicators such as reliability rates, complaint resolution efficiency, service accuracy, and customer trust indices. Embedding these KPIs into employee evaluation and organisational performance systems ensures that ethical service delivery is not treated as abstract but as measurable and enforceable. This approach also aligns employee behaviour with customer-centric outcomes, thereby reinforcing accountability and improving service discipline across operational units.

Furthermore, the study highlights the importance of aligning communication strategies with actual operational capacity. The finding that communication does not significantly enhance behavioural outcomes and may even negatively influence referrals suggests that communication must be carefully managed to avoid overpromising or overwhelming customers. In practice, organisations should ensure that communication is clear, timely, and consistent with what can realistically be delivered. In the Nigerian service environment, where service gaps often exist between promises and delivery, managing expectations through accurate communication becomes essential for maintaining trust and avoiding customer dissatisfaction.

### **Strategic Implications**

At the strategic level, the findings underscore the importance of building trust-centric service models as a long-term competitive strategy. Trust, anchored primarily in reliability, emerges as the central driver of customer loyalty behaviours such as repeat purchase, word-of-mouth, and referrals. Organisations in Nigeria's service sector should therefore design their strategic positioning around dependability, consistency, and accountability. This involves embedding trust-building mechanisms into corporate culture, leadership practices, and customer engagement frameworks. Over time, trust-centric models can enhance brand equity and reduce customer acquisition costs through organic advocacy and loyalty.

In addition, the study points to the strategic value of deploying AI-based service monitoring systems as a future-ready capability. Intelligent systems can be used to monitor service delivery in real time, predict potential service failures, and ensure compliance with operational standards. In the Nigerian context,

---

Publication of the European Centre for Research Training and Development-UK

where service monitoring is often manual and fragmented, AI-enabled systems offer a pathway to improved efficiency, transparency, and responsiveness. Such systems can also support predictive maintenance, demand forecasting, and customer behaviour analytics, thereby strengthening reliability and reducing service variability.

More broadly, integrating digital intelligence into service operations enables organisations to transition from reactive to proactive service management. This shift is particularly important in environments where infrastructural constraints and operational inefficiencies can undermine service quality. By leveraging AI and data-driven monitoring tools, organisations can institutionalise reliability, enhance decision-making accuracy, and build more resilient service systems capable of sustaining long-term customer trust and advocacy.

## CONCLUSION

This study set out to examine the influence of ethical service operations compliance on customer satisfaction-related behavioural outcomes within the service context. The empirical evidence confirms that ethical service operations play a significant role in shaping customer responses, particularly in terms of repeat purchase behaviour, word-of-mouth, and referral intentions. However, a key insight emerging from the analysis is that the dimensions of ethical service compliance do not exert equal influence on customer outcomes. Instead, their effects are differentiated, with some dimensions demonstrating strong predictive power while others show limited or no direct behavioural impact. Among the examined constructs, reliability consistently emerged as the most critical determinant of customer behavioural outcomes. Its strong and significant influence across all dependent variables underscores the centrality of consistent and dependable service delivery in shaping customer perceptions and actions. This finding suggests that customers primarily evaluate service quality through the lens of actual performance outcomes rather than relational or symbolic attributes. In this regard, reliability functions as the operational core of ethical service delivery, translating organisational promises into tangible customer experiences.

In contrast, communication and respect, while conceptually important within ethical service frameworks, demonstrate weaker and less consistent effects on behavioural outcomes. Communication shows mixed results, including an unexpected negative relationship with referral intention, while respect does not exhibit statistically significant direct effects on any of the measured behavioural variables. This pattern indicates that these dimensions may contribute more indirectly to customer experience formation rather than directly influencing behavioural decisions. Their impact may therefore be conditional, context-dependent, or mediated through stronger performance-based constructs such as reliability.

The study highlights the need for a conceptual and practical shift from symbolic or perception-based ethics toward performance-driven ethical systems, particularly within the hospitality and broader service industries. Rather than focusing primarily on abstract ethical positioning or communication intensity, organisations are encouraged to prioritise operational excellence, service consistency, and measurable delivery standards. This shift is especially critical in environments where service reliability is often

inconsistent, and where customers place greater value on observable performance outcomes than on relational assurances. The findings contribute to a more nuanced understanding of ethical service operations by demonstrating that ethical compliance is not uniform in its effects. Instead, it operates hierarchically, with reliability forming the foundation of customer behavioural responses. Strengthening this core dimension is therefore essential for organisations seeking to enhance customer satisfaction, build trust, and sustain long-term competitive advantage in the service industry.

## REFERENCES

- Abdullah, M. I., & Rahman, M. (2020). Ethical business practices and customer loyalty: The mediating role of trust. *Journal of Business Ethics*, 162(2), 321-335.
- Anderson, E. W. (1998). Customer satisfaction and word of mouth. *Journal of Service Research*, 1(1), 5-17.
- Ayoola, B. and Ibrahim, U. (2020) Effect of Electronic Marketing on Customer Satisfaction: Evidence from selected Airlines Services in Nigeria, *Journal of Business and Management*, 22(1), 1-9.
- Bansal, H. S., & Voyer, P. A. (2000). Word-of-mouth processes within a services purchase decision context. *Journal of Service Research*, 3(2), 166-177.
- Brady, M. K., & Cronin, J. J. (2001). Some new thoughts on conceptualizing perceived service quality: A hierarchical approach. *Journal of Marketing*, 65(3), 3449.
- Chikwendu, D. U., Ejem, E. A., & Ezenwa, A. (2012). Evaluation of service quality of Nigerian airline using SERVQUAL model. *Journal of Hospitality Management and Tourism*, 3(6), 117–125. <https://doi.org/10.5897/JHMT12.019>.
- Eketu, A. and Nwuche, C.A. (2014) Unethical Behaviour in Personal service in Nigeria: A case of the Hospitality Industry. *Research journal's Journal of Hospitality Tourism*.
- Ejem, E. A., Dike, D. N., Igboanusi, C. C., Ezenwa, A., Erumaka, O. P., & Chukwu, O. E. (2017). Evaluation of airline service quality attributes: The Nigerian experience. *Global Journal of Science Frontier Research: I Interdisciplinary*, 17(2), 38-49.
- Ejem, E. A., Keyamo, E., Uzoma, R. O., Ikeogu, C. C., Aikor, S. T., Nwosu, A. O., Poi, E. L., Nze, O. N., & Ekejiuba, C. F. (2025). Integrating supply chain and customer relationship management capabilities for operational excellence in Nigerian airline logistics. *Journal of Optimization and Supply Chain Management*. 2(3), 161-181. <https://doi.org/10.22034/joscm.2025.9325.1048>.
- Ferrell, O. C., Harrison, D. E., Ferrell, L., & Hair, J. F. (2019). Business ethics, corporate social responsibility, and brand attitudes: An exploratory study. *Journal of Business Research*, 95, 491–501.
- Grönroos, C. (2007). *Service management and marketing: Customer management in service competition* (3rd Ed.). Wiley.
- Hair, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2022). *A primer on partial least squares structural equation modeling (PLS-SEM)* (3rd Ed.). Sage.
- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms. *Journal of Interactive Marketing*, 18(1), 38–52.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). Discriminant validity in SEM.

- Huang, J. and Hsu, C. (2010). The impact of customer-to-customer interaction on cruise experience and vacation satisfaction, *Journal of travel research*.  
<https://journals.sagepub.com/doi/abs/10.1177/00472875>.
- Morgan, R. M., & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38.
- Nasser, G. (2017). 13 Ethics of hospitality back of the house. [backofthehouse.mc.com](http://backofthehouse.mc.com)
- Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. *Journal of Marketing Research*, 17(4), 460–469.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.
- Podsakoff, P. M., MacKenzie, S. B., & Podsakoff, N. P. (2012). Sources of method bias in social science research and recommendations on how to control it. *Annual Review of Psychology*, 63, 539–569.
- Reichheld, F. F., & Sasser, W. E. (1990). Zero defections: Quality comes to services. *Harvard Business Review*, 68(5), 105-111.
- Su, L., Swanson, S. R., & Chen, X. (2022). The impact of perceived ethical performance on customer loyalty in hospitality. *International Journal of Hospitality Management*, 102, 103140.
- Tanner, A. (2021). Ethics in the hospitality industry [www.123helpme.com2essay-imp](http://www.123helpme.com2essay-imp).
- Ugo, J. C., & Ejem, E. A. (2020). Assessment of airport service quality in Nigeria. *European Journal of Logistics, Purchasing and Supply Chain Management*, 8(4), 1–18.
- Ugo, J., Ejem, E. A., Nwokedi, T. C., Okoroji, L. I., & Mabachu, J. C. (2022). Major component determinants of international airport service quality in Nigeria. *Journal of Management and Science*, 12(4), 71–82.
- Valamis, E. (2022) Work ethic: How to Develop Strong Ethics. [www.valamis.com](http://www.valamis.com)>hub>workethic
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2010). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31-41.
- Verhoef, P. C., Lemon, K. N., Parasuraman, A., Roggeveen, A., Tsiros, M., & Schlesinger, L. A. (2010). Customer experience creation: Determinants, dynamics and management strategies. *Journal of Retailing*, 85(1), 31-41.
- Wilson, O. (2025). Enhancing operational efficiency and guest satisfaction in hotel management: A strategic approach. *OTS Canadian Journal*, 4(5), 72-81
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services marketing: Integrating customer focus across the firm* (7th Ed.). McGraw-Hill.