

**An examination of the relationship between  
Leader-Member-Exchange (LMX) agreement and the work outcomes of hospitality  
employees**

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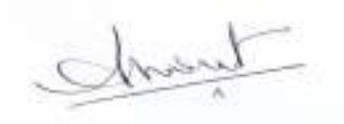
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## ATTESTATION OF AUTHORSHIP

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning”.



Signed: \_\_\_\_\_

Amrit Chandrasekaran Sankaran

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## ABSTRACT

Both Leader-Member-Exchange (LMX) and employee work outcomes, such as organisational commitment and turnover intent, have already been considered by organisational researchers to be firmly established constructs. Few studies, however, have examined a new and emerging concept called LMX agreement. Minsky (2002) observes LMX agreement as the level of similarity in perceptions between supervisors and subordinates. The present study investigates the relationship of this LMX agreement to employee's organisational commitment and turnover intent in the hospitality industry context.

This study was undertaken with hospitality workers in India. The final sample consisted of 350 frontline employees and their 43 supervisors respectively, resulting in 315 meaningful supervisor-subordinate dyads. The characteristics of participants were analysed using descriptive statistics, while LMX agreement was measured by computing the absolute differences between supervisor and subordinate LMX perceptions. A factor structure of all the study variables was examined using a principal component factor analysis, and a series of bivariate correlation analyses was employed to test the research hypotheses.

The findings show that LMX agreement had a positive relationship with subordinates' organisational commitment and a negative relationship with subordinates' turnover intentions. In addition, this relationship was significant across all sub-groups in terms of their demographic characteristics. Hospitality managers can use the findings of this study to understand work relationships between supervisory and non-supervisory

employees and help human resource departments as they plan training sessions for supervisors and their subordinates. Furthermore, this research, being the first of this kind of study in the hospitality context, adds weight to the growing LMX agreement literature.

## CHAPTER 1 - INTRODUCTION

### 1.1 Background to the Study

Managing a workforce effectively is important in the hospitality industry where a competitive strategy is required to gain better market position (Nicolaidis, 2008). This depends on greater commitment from both employees and managers of the organisation because committed employees have been found to create a “lasting effect” on customer perceptions of service quality (e.g. Bitner, Booms, & Tetreault, 1990; De Matos, Henrique, & Rossi, 2007). However, hospitality organisations have been found to have high employee attrition rates (e.g. Bloome, van Rheede, & Tromp, 2010; Bloome, 2006; Williamson, Harris, & Parker, 2008). One of the negative aspects of employee turnover is the additional cost to the organisation. For example, Hinkin and Tracey (2000) suggest that when an employee quits, 70 % of the employee’s yearly salary would be invested in recruiting and training a new employee.

The employee-supervisor relationship is one of the predominant influences on turnover in the hospitality industry (e.g. Ansari, Hung, & Aafaqi, 2008; Bauer, Erdogan, Liden, & Wayne, 2006). Better employee-supervisor relationships result in more committed and motivated employees thereby reducing employee attrition. For example, in a study of working conditions in hospitality, Poulston (2009) found that the supervisor’s relationship with employees was a major influence on employees’ job motivation. Therefore, it is particularly important to understand the supervisor-subordinate relationship in the hospitality industry.

Several leadership theories can be used to explain the role of the supervisor-subordinate relationship, but the one that is predominantly being researched is Leader-Member Exchange (LMX) theory (Kim & Taylor, 2001; Van Breukelen, Schyns, & Le Blanc, 2006). This theory, unlike others, argues that leaders develop and maintain different types of relationships with their members. LMX has been found to have a significant relationship with organisational outcomes such as job performance and job satisfaction (Janssen, 2004), employee turnover intentions (Kim, Lee, & Carlson, 2010a), organisational citizenship behaviour (Kim, O'Neill, & Cho, 2010b), and employee psychological empowerment (Kim & George, 2005).

Most studies in LMX, however, examined the relationship either from a leader's or an employee's perception and the relationship of this perception to organisational outcomes. Only a few have examined LMX from both supervisor and subordinate perspective (e.g. Cogliser, Schriesheim, Scandura, & Gardner, 2009; Minsky, 2002), and none has been undertaken in a hospitality context until now.

Furthermore, the agreement between the scores of the two perceptions of LMX has been a controversial but rarely understood area of study. For example Sin, Nahrgang and Morgeson (2009) found low levels of similarity among the LMX perceptions of supervisors and subordinates but failed to find empirical explanations for this low correlation. Minsky (2002) also found that supervisors and subordinates do not perceive LMX similarly. This poor LMX agreement conflicts with the anecdotal view that there is a high degree of agreement between supervisor and subordinate perceptions.

Grestner and Day (1997), while analysing the moderate correlation between supervisor-perceived LMX and subordinate-perceived LMX noted that “leader-member agreement should be examined as a relevant independent or dependent variable” (p.835). However, they did not offer any suggestion as to why agreement is expected or desired, nor why they consider agreement as a determinant for organisational outcomes. The level of LMX agreement in their study appears to be misunderstood, given that previous LMX studies mostly measured LMX quality from either the subordinate or the supervisor perspective.

Minsky (2002), suggests that agreement between leaders and employees about their LMX relationship is a significant factor in arbitrating desired organisational and individual outcomes. Although some theorists value the significance of LMX agreement in determining organisational outcomes, only a few studies analysed these relationships empirically (e.g. Cogliser et al., 2009). Perhaps even more importantly, no research has investigated this relationship in the hospitality industry where the supervisor-subordinate relationship is of such critical significance to employee turnover. Furthermore, despite numerous calls for more research, India is an understudied region for leadership research. Organisational researchers believe that there is still a dearth of academic research in the Indian hospitality and business environment generally (see Chhokar, 2007; Kirkman & Law, 2005; Pillai, Scandura, & Williams, 1999). It is therefore important to examine this phenomenon in the context of the Indian hospitality industry.

## **1.2 Research Objective**

This study determines how the LMX agreement between employees and their supervisors is related to the employees' organisational commitment and intent to quit their jobs in the Indian hospitality industry.

To accomplish the objectives above, this study examines the following research questions in the remaining chapters:

1. What is the direction and magnitude of the relationship between LMX agreement and organisational commitment in the Indian hospitality industry?
2. What is the direction and magnitude of the relationship between LMX agreement and turnover intent among Indian hospitality employees?
3. Are the relationships of LMX agreement with organisational commitment and turnover intent differently manifested across demographically different sub-groups?

## **1.3 Significance of the Study**

1. By analysing LMX from the perspectives of supervisors and subordinates, results of this study can potentially mitigate problems arising from observing LMX from just one perspective (e.g. LMX differentiation, subordinates perceiving their relationship more favourably, perceived unfairness).
2. By being undertaken in the hospitality context, this study will contribute to the literature by providing a better understanding of LMX agreement and how it influences employees' work outcomes such as organisational commitment and turnover intent.

3. The results of this study may be used by operational and human resource managers to understand the supervisor-subordinate relationship generally, and further aid in planning training sessions for their employees.
4. As a frontier study to analyse the relationship of LMX agreement with subordinate's work outcomes in two different scenarios (supervisor LMX higher than subordinate LMX, supervisor LMX lower than subordinate LMX), this research may help operational managers understand the importance of the work relationship between supervisory and non-supervisory employees and organise training or counselling sessions accordingly.

#### **1.4 Structure of the Thesis**

This chapter introduces a framework of the study including problem statement, objective of the study, research questions and significance of the research to the theory and practice. In the next chapter, a comprehensive discussion of the extant literature with respect to the particular characteristics of the hospitality industry, LMX agreement, organisational commitment and turnover intent is presented. Chapter Three discusses research methods in terms of sampling, data collection, research instruments and the ethical consideration of this study. Chapter Four presents the tabulated and narrative results of this research, and the final chapter discusses the research implications based on the findings and limitations of the study, along with recommendations for future research.

## **1.5 Definitions of Key Terms**

### *Leader Member Exchange (LMX)*

Martin, Epitropaki, Thomas and Topakas (2010) define leader-member exchange (LMX) theory as a leadership theory that focuses on the ‘two-way relationship’ between the leader and the follower and believes that leadership occurs through an effective relationship development of the individuals.

### *LMX Agreement*

LMX agreement is the level of congruence between the perception of the supervisor and the subordinate towards their relationship. LMX agreement exists when both sides of the vertical dyad portray the nature of the relationship in the same way (Minsky, 2002).

### *Organisation Commitment*

The degree of involvement of the employees in the organisation is called “Employee Organisation Commitment” (Allen & Meyer, 1990).

### *Turnover Intent*

Turnover intent is defined as “the probability that an individual will change his or her job within a certain time period” (Sousa-Poza & Henneberger, 2002, p. 1).

## **CHAPTER 2 - LITERATURE REVIEW**

### **2.1 Introduction**

This review assesses existing literature with respect to the constructs of interest. As such, its purpose is to investigate the concept of LMX agreement and its relationships with employees' work outcomes, such as organisational commitment and turnover intent in a hospitality context.

The first part of the review provides an overview of characteristics of the hospitality industry and leadership theories, with an emphasis on Leader Member Exchange (LMX). Then, a key issue related to LMX theory regarding source of information and the emerging construct of LMX agreement is highlighted. The second part of the review addresses two important employee work outcomes, (i.e. organisational commitment and turnover intent) and the role of LMX agreement in explaining these work outcomes in a hospitality context. Based on the literature review, a set of hypotheses is generated to examine the relationships of LMX agreement with employees' organisational commitment and turnover intent.

The studies reviewed were selected to provide a thorough analysis of the most significant work on the constructs of interest. Although the focus of the literature was on the hospitality industry, as LMX agreement is a broad management topic, attention was also given to relevant management and behavioural literature for theoretical support.

## **2.2 Characteristics of the Hospitality Industry**

This section aims to define the hospitality industry from the perspective of human resource management. The latter part of this section presents an overview of the current situation in hospitality organisations in terms of leadership, employee commitment and employee turnover theories in the hospitality industry.

Hospitality can be defined as “the friendly and generous reception and entertainment of guests, visitors or strangers” (Jewell & Abate, 2001, p. 823). From studies in the hospitality industry (e.g. Brotherton & Wood, 2000; Lashley, 2000), it is evident that hospitality is practised in private, social and commercial environments. Considering academic research works, hospitality itself is defined by Tideman (1983, p. 1) as follows:

“The method of production by which the needs of the proposed guest are satisfied to the utmost and that means a supply of goods and services in a quantity and quality desired by the guest and at a price that is acceptable to him so that he feels the product is worth the price.”

However, Brotherton and Wood (2000) argue that the foregoing description could be a definition for any economic activity. Furthermore, Ottenbacher (Ottenbacher, Harrington, & Parsa, 2011) criticise this definition by mentioning that it fails to define whether hospitality includes only food service and lodging or encompasses other entities such as transport and amusement centres. They believe that there is no common knowledge of what is meant by hospitality. Likewise, Brotherton and Wood (2008, p. 39) define hospitality as “a multi-faceted industry that profits by the interactions between individuals.” Kruml and Geddes (2000) suggest that hospitality industry involve an exchange of emotions and could be categorised as those between employees and customers and among employees and managers. Therefore

understanding employee-customer and employee-manager relationship is essential because there is a persistent existence of emotional exchanges in the hospitality industry.

Even though the hospitality industry has evolved into a highly profitable business over time (Davidson, Timo, & Wang, 2010), the associated and necessary attributes of business such as corporate re-structuring, downsizing and layoffs may have affected the attitudes of employees, increased the frequency of career transitions and lowered organisational commitment of their employees generally (Williamson et al., 2008). This has in turn affected the development of the industry overall. According to Cascio (2003), an employee's average tenure in the hospitality industry is about 2.7 years globally. This statistic is consistent with those in studies that focus on job insecurity in the hospitality industry (Ananiadou, Jenkins, & Wolf, 2004; Auer & Cazes, 2000).

Furthermore, studies have suggested the importance of committed employees for the profitability of the business. For example, (Kamakura, Mittal, Rosa, & Mazzon, 2002) suggest that an increase in committed employees increases the profitability of the organisation. Kamakura et al. (2002) relate to the service profit chain to justify their assumption. Service profit chain is a concept that finds the relationships among employee satisfaction, customer loyalty and business profitability (Heskett, Sasser, & Schlesinger, 1997). Kamakura et al. (2002) explain that profitability of business is obtained by loyal customers, which can be obtained by greater customer satisfaction influenced by the value of services offered to the customers. The study suggests that the values of services are in turn developed by the satisfied employees of the organisation. Therefore, necessary steps should be taken to increase employee

satisfaction, as employees have a vital role in increasing the organisation's profit (Williamson et al., 2008).

However, studies in the hospitality industry have shown that employees are low in job satisfaction and organisational commitment. Some of the reasons include, for example, Collins' (2007) suggestion that increased perceptions of instability impact negatively on employee job satisfaction and organisational commitment. Seymour (2000) found that hospitality managers pursue maximum performance from their employees without providing an amicable work atmosphere to them. Their study believes hospitality employers follow these practices as they strive to cope with the challenges presented by a rise in technology and the customers' demand for individual attention. Øgaard and colleagues (Øgaard, Marnburg, & Larsen, 2008) suggest that, since the employers' focus is to meet the demands of customers and shareholders, they fail to realise that these increased demands of the working environment tends to induce a psychological feeling of exhaustion and result in a low work motivation and a loss of job satisfaction, among employees. DiPietro and Condly (2007) found that employees low in motivation tend to quit their job. Finally, Kim et al. (2010a) believe that employee turnover results in an increase in work pressure on the remaining employees to deliver quality service.

Furthermore, it is evident from these findings that the hospitality industry is facing difficult staffing situations due to increased employee turnover and low work morale among remaining employees. Borchgrevink, Cichy and Mykletun (2001) suggest that difficult staffing situations require a dynamic leader to enhance stability in the organisation. Strong leadership qualities have been found to influence certain positive employee work outcomes such as a rise in organisational trust and perceived

organisational support (e.g. Kim, O'Neill, & Jeong, 2004). As a result, understanding leadership theories in hospitality is important.

### **2.3 Leadership Theories – An Overview**

The following section presents an overview of leadership theories and the evolution of leadership concepts are analysed. This section explains the uniqueness of Leader Member Exchange theory.

Berger and Brownell (2009) described leadership as a way of dealing with people and a method of changing people's thoughts towards the leader's vision. This description encapsulates the concept of leadership described by Hogg and Martin (2003) and Northouse (2001). These studies describe leadership as an interaction process involving a leader and a member. Various methods have been employed to classify leadership theories. This study follows the model employed by Graen and Uhl-Bien (1995) who classify theories based on the three fundamentals of leadership: the leader, the follower and their relationship.

Theories based on the leader tend to be based on the behavioural characteristics of the leader. The leader has the primary role in these theories and remains the focal point of the study (House & Aditya, 1997). Early theories further focussed on the traits of the leader. However, after discovering that all leaders do not have uniform traits, the focus of the studies shifted to behavioural leadership theories such as transformational and transactional leadership theories (House & Aditya, 1997). These theories further suggest the leaders' behaviour to be contingent to the situation. This discovery gave rise to contingent theories such as Hersey and Blanchard's Situational Leadership (SLT) model (Minsky, 2002).

The theories that focus on followers portray how the followers manage their work with only a slight reliance on the leaders. The theories in this approach include self management, the leadership substitutes and empowerment (Minsky, 2002).

In recent years there has been a shift in the research work from traditional leadership styles (Berger & Brownell, 2009) to contemporary theories which include the leader-member exchange theory (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975; Kim et al., 2010a; Kim & George, 2005; Kim et al., 2004; Uhl-Bien & Graen, 1993) and the social identity theory (Hogg, 2001; Hogg & Martin, 2003). These theories emphasise the concept that leadership theories emerging from the leader-member relationship process. Theories in this category are based on the postulation that the relationship is similar and as a result an 'average' style is thought of across the groups (Schriesheim & Kerr, 1977). The Leader Member Exchange (LMX) theory is based on this concept but differs by not regarding all the leader-follower relationship to be in an average style; instead it posits that the leader develops a unique relationship with each of his or her followers (Minsky, 2002). Consistent with this viewpoint, House and Aditya (1997, p. 430) observe,

The proponents of the theory argue that the quality of the mature superior-subordinate dyadic relationships would be more predictive of positive organisational outcomes than traits or behaviours of superiors.

Lord, Brown, and Harvey (2001) argue that leadership cannot be understood with only studying the leader's action and not that of the member. Haslam and Platow (2001) further warn against any explanation of leadership that relies on an analysis of the behaviour of any one of the two individuals in the relationship and not on the relationship process between them. Leader Member Exchange theory is one of few leadership theories that rely on the relationship between the individuals.

## **2.4 Leader Member Exchange (LMX) Theory**

### **2.4.1 LMX Defined**

Developed by Graen (1975) and colleagues (e.g. Dansereau et al., 1975), Leader-Member Exchange theory, initially called Vertical Dyad theory, focuses on the valuable leadership achieved in the relationship between the leaders and the followers (Martin et al., 2010). The focal notion of LMX is that leadership occurs through an effective relationship development of individuals (Uhl-Bien, 2006). These relationships progress through a sequence of social exchanges and are defined as the value of the relationship between the leader and the subordinate (Schriesheim, Castro, & Cogliser, 1999). LMX theory states that, within work units, the quality of the leader-member exchange differs widely along a continuum of low to high quality LMX. Members in the low quality LMX range receive fewer valued resources than those in high quality LMX relationships. Graen and Cashman(1975) argue that a contractual atmosphere is maintained in the exchanges at this level. In contrast, leadership relationships with high quality LMX are those most favoured by their leader, and the exchanges often surpass the limitation of a formal employment contract. These subordinates thus receive influence and support from their managers, thereby providing the subordinates greater autonomy and responsibility (Dansereau et al., 1975). This in turn, enhances the subordinates' work performance (Hogg & Martin, 2003). Sin et al. (2003) state that high level leader member exchange (i.e. LMX) is characterized by a high degree of trust and obligation, whereas low level LMX implies a low level of trust. These groups of high quality and low quality LMX relationships are sometimes mentioned as “in-group” and “out-group” (Graen & Cashman, 1975) or as “trusted assistants” and “hired hands” (Cogliser et al., 2009).

Colquitt, Lepine and Wesson (2011) relate LMX to role theory and explain that leaders develop vertical dyads during role-taking phases. The stages progress through the tenure of employment of a subordinate and develop into a role saturation phase. Colquitt et al.(2011) suggest that there is a free flow of exchange at this stage wherein a supervisor offers more support and opportunities, and the subordinate contributes with more activities and effort.

Northouse (2001) believes that LMX theory works in a two-way process by both describing and prescribing leadership. In both examples, the primary concept is centred on how the leader develops dyadic relationships with his or her subordinates. Working with in-group workers allows the leader to accomplish more effective work compared to that achieved with those in an out-group. In addition, the members of out-groups do not do extra work and operate only within their prescribed operational roles. Graen and Uhl-Bien (1991) further advocate that the leaders should create relationships with subordinates in a manner similar to that of the high LMX group or in-group to create quality partnerships with members in the organisation.

#### **2.4.2 LMX in Hospitality**

Numerous studies in the hospitality literature have analysed LMX and certain studies are highlighted in this section. For example, Testa (2002) found that high LMX groups fostered higher levels of trust, and higher levels of satisfaction with their supervisors. The influence of LMX in role negotiations was extensively discussed by Borchgrevink et al. (2001). This study found that members with high LMX had strong relationships with their supervisors. The LMX and TMX (Team-Member exchange) were proposed as likely moderators to test the employee socialisation (Lam, 2003). The results of this

research found that high quality LMX and unmet job prospects are inversely related to the job turnover intent of employees.

The relationship between LMX and employee turnover intent was also observed by Kim et al. (2010a) who found that high quality LMX was inversely related to turnover intent in employees at the middle management level. Their study further revealed that a curvilinear relationship existed between LMX and turnover intent when examined in frontline subordinates. In an organisational study, Lee (2010) found that organisational justice acts as a mediator between the LMX and the employee turnover intentions.

In a subsequent study, LMX and employee organisational commitment were used as antecedents to find the relationship between Chinese values and organisational citizenship behaviours (Wang & Wong, 2011). The study involved 930 hospitality employees in mainland China and found that Chinese values had a positive effect on LMX and LMX had a positive effect on employee organisational commitment. A recent study of the relationship between LMX and employee job performance was undertaken with Chinese hospitality workers (Li, Sanders, & Frenkel, 2012). The study examined the relationship between 298 subordinates and 54 supervisors and found that human resource practices of the management mediated the relationship between LMX and employee job performance.

### **2.4.3 Critiques of Previous LMX Studies**

LMX is found to offer four strengths (Northouse, 2001). First, the theory is descriptive, in that it helps to find which individual is the highest contributor in a specific organisation. Although LMX might create a hostile work atmosphere, since it shows the leader to be biased in decision-making, LMX helps in finding individuals'

relationships with the organisation. Second, this theory is the only theory transacting with the concept of dyadic relationships in organisational behaviour, so is unique in its approach. Third, the theory guides and informs the importance of communication in leadership (Minsky, 2002), as high quality LMX is determined by effective communication. Last, LMX theory is related to positive organisational outcomes, which include organisational commitment, job climate, innovation, organisational citizenship behaviour and various other organisational variables (Graen & Uhl-Bien, 1995; Kim & George, 2005; Northouse, 2001).

However, LMX theory has also been criticised. For example, the theory, by examining the existence of the in-group and the out-group, creates undesirable effects on the group as a whole (McClane, 1991). Although LMX theory describes the difference between high quality and low quality dyads, it fails to express how effective high quality dyads are created (Yukl, 1998). A further criticism arises in the level of the supervisor-subordinate agreement on the LMX (Zhou & Schriesheim, 2009). The research states that measurement deficiencies and a difference in perception of the LMX construct between the supervisor and the subordinate are the two major factors for a low LMX agreement. Nevertheless, LMX theory assumes that the leader's relationship with the subordinates is heterogeneous, thereby distinguishing from other traditional approaches in defining leadership (Martin et al., 2010).

Another critical issue found is that all previous LMX studies in the hospitality literature examined LMX from either the employee's perspective only (e.g. Kim & George, 2005; Kim et al., 2010 a; Kim et al., 2010 b) or the leader's perspective only (e.g. Borchgrevink et al., 2001). Further, analysing LMX from one perspective has negative organisational consequences (Cogliser, Schriesheim, Scandura, & Neider,

1999). Therefore understanding LMX from both (subordinates and supervisors) perspective is essential. Minsky (2002) suggests that this can be achieved by using LMX agreement, which finds the level of similarity between the perceptions of supervisors' and subordinates' LMX.

## **2.5 LMX Agreement**

LMX agreement exists when both sides of the vertical dyad portray the nature of the relationship in the same way (Minsky, 2002). Investigations by Cogliser et al. (1999) and Scandura (1999) supported the proposition that the agreement between the supervisor and the subordinate is a significant factor in determining the organisational outcomes. Minsky (2002) further proposes that an agreement indicates consistency in the approach of the supervisor and associated subordinates towards their work, and this agreement leads to better subordinate performance.

### **2.5.1 Explanations for Poor LMX Agreement**

A critical issue raised recently is that the LMX should be measured from both supervisor and subordinate perspectives (e.g. Cogliser et al., 2009; Minsky, 2002; Sin et al., 2009). It could be argued that since LMX analyses the quality of the relationship, both the leader and member can describe the relationship equally. However, the construct of LMX has been found to differ when measured from the two different perspectives (Zhou, 2003). Unfortunately only a few studies have examined the convergence between these two perspectives of LMX. Further, most hospitality studies in this area examined LMX separately, either from the subordinate's or a supervisor's aspect (e.g. Kim et al., 2010a; Kim & George, 2005; Kim et al., 2004)

In particular, Grestner and Day (1997) found only 24 out of 85 studies collected LMX data from both groups. As only a few studies have examined LMX from both perspectives, there is a possibility of the results of LMX being biased, which might further inhibit a robust analysis of the LMX agreement (Schriesheim et al., 1999). It is therefore necessary for LMX research to focus on both the leaders' and the members' perspectives (Zhou, 2003).

Additionally, one early study (Schriesheim et al., 1999) found that correlation between supervisor's and subordinate's LMX scores range from .50 to .16. Correlation is the statistical analysis performed to analyse relationships between variables. (Székely, Rizzo, & Bakirov, 2007). Evidences (e.g. Gerstner & Day, 1997; Schriesheim et al., 1999) have made it difficult to understand that both the supervisors and the subordinates are rating the same construct, which weakens the theoretical understanding of the LMX.

According to role theory, the exchanges between the supervisor and the subordinate develop during the role making process and eventually reach a state of equilibrium (Holly, Schoorman, & Hwee Hoo, 2000). As a result, the quality of the relationship may be mutually perceived. Theoretical explanations of LMX note that the exchange is objective and separate from the individuals involved (Graen & Uhl-Bien, 1995). Furthermore, it is believed that the supervisor and subordinate scales of the LMX are merely two different measures of the same construct; as a result they are proposed to agree with each other (Uhl-Bien, 2006). In reality however this makes little sense, as the correlations between the two perceptions of the LMX have been consistently found to be low.

Although there has been evidence in the literature that a high quality LMX is related to desirable organisational outcomes (Graen & Cashman, 1975; Kim & George, 2005; Schyns & Paul, 2005; Uhl-Bien & Graen, 1993), there have been only few studies to predict LMX agreement (e.g. Cogliser et al., 1999; Minsky, 2002; Sin et al., 2009). The following discussion therefore addresses some of the widely discussed factors that are considered to be theoretical explanations for poor LMX agreement.

#### **2.5.1.1 Relationship tenure**

Graen and Scandura (1987) proposed that the LMX relationship moves from a continuum of low to high through a progressive series of steps. When subordinates join the organisation, they enter the “*role taking phase*” where organisational tasks are assigned to them by their supervisors. This is the first contact between these individuals. Miller (2011) believe that formal social exchanges between subordinates and supervisors are established in the second phase called the “*role making phase*”. Social exchange theory states that individuals give approval to something only when they expect to get certain benefits from it (e.g. Ap & Crompton, 1998; Pearce, Moscardo, & Ross, 1996; Sirakaya, Teye, & Sonmez, 2002). Therefore, Miller (2011) believes that during the “*role making phase*” supervisors and subordinates mutually assess their relationship, and if favourable, build a high LMX relationship. Sin et al. (2009) propose that the opportunity to engage in positive exchanges is related to the time supervisors and subordinates spend together. The study found that the LMX agreement is positively related to the length of the relationship tenure.

#### **2.5.1.2 Relationship schemas**

Based on the cognitive leadership studies and the research on interpersonal exchanges in cognitive psychology (e.g. Baldwin, 1992; Baldwin & Baccus, 2003; Epitropaki &

Martin, 2004; Kenney, Blascovich, & Shaver, 1994; Lord & Emrich, 2001; Lord & Maher, 1991; Walsh, 1995; Wofford, Goodwin, & Whittington, 1998), it is clear that subordinates and supervisors develop structures or assumptions based on their previous relational experiences. In a recent management study, Ritter and Lord (2007) found that subordinates characterised their present supervisor based on their relational incidents and experiences with their previous supervisor. This situation is further enhanced by supervisors creating assumptions based on subordinates' work, whereas subordinates focus on emotional criteria (Huang, Wright, Chiu, & Wang, 2008). Baldwin (1992) further observes that certain LMX assumptions be shared among the individuals as they pose similar experiences. Huang et al. (2008) found that LMX agreement was high when supervisors and subordinates both present similar levels of schematic assessments of their relationship.

### **2.5.1.3 Effective communication**

Minsky (2002) believed that subordinates group themselves with those who have similar work patterns. This belief is developed from the similarity-attraction paradigm, where individuals group themselves with those who tend to work in patterns similar to them (Byrne, 1971; Ritzer, 2003). Increase in supervisor-subordinate interactions increases the probability of getting captivated to similar work patterns. This is because increased interactions permit the individuals to investigate and validate the similarity in work patterns between the individuals (Minsky, 2002; Simpson & Harris, 1994). Furthermore, communication is different among the different levels of the dyad and develops as the dyad develops from a lower to a higher level LMX (Kacmar, Zivnuska, Witt, & Gully, 2003). Effective communication also assists in better organisational outcomes among the LMX members (Kacmar et al., 2003). The study proved that

better and effective communication would assist in delegating and understanding the expectations of the individuals of the dyad group.

Finally, Minsky (2002) believes that better communication among the individuals leads to better LMX agreement. Minsky (2002) found that cooperative communication and feedback play a role in better LMX agreement. Sin et al. (2009) further observed that increased tenure produced better LMX agreement because the members have better opportunity to increase the frequency and intensity of their communication and thereby verify their prospective similarity. As a result, effective communication is one of the decisive factors for stronger LMX agreement.

#### **2.5.1.4 Response inflation**

Supervisors' inflated ratings of LMX scores have a decisive role in LMX agreement (Sin et al., 2009). Generally speaking, the wordings of the measurement scales for LMX concentrate on the leader. This study considers LMX-7 (c.f. Graen & Scandura, 1987; Graen & Uhl-Bien, 1991) for answering this prediction. LMX-7 is the most widely used LMX measurement scale, having seven questions that pertain to the supervisor-subordinate relationship (Minsky, 2002). It focuses on the cognitions and actions of supervisors. As a result of this core concentration, supervisors may think the questions to be concerned to their self evaluation and not an evaluation of their relationship with subordinates (Sin et al., 2009). Finally, Sin et al. (2009) found supervisory inflation to be negatively related to LMX agreement. As a result, supervisors who provide genuine LMX scores have better LMX agreement than those who provide inflated responses.

### **2.5.1.5 Ego-centric bias**

Ego-centric bias has been identified as a vital antecedent for the LMX agreement (Harris & Schaubroeck, 1988) and is explained by attribution theory. According to attribution theory, organisation members tend to attribute good performance to their own behaviour and blame environmental factors for their failures. Observers do it the other way around, leading to different performance ratings and perceptions of the LMX (Zhou & Schriesheim, 2009). Harris and Schaubroeck (1988) state that if this sense of attribution is streamlined and a more accurate method of analysing the relationship dyad is established, then better agreements can be expected.

### **2.5.2 Consequences of LMX Agreement**

Analysing one dimension of the LMX construct may advance to considerably unfavourable results (Cogliser et al., 2009). There is a possibility of subordinates analysing the relationship more favourably than supervisors. For example, this process may be habituated by the subordinates to impress or favour supervisors, or to garner favourable returns from supervisors such as recommendations to senior management. This might result in subordinates being overconfident, leading to negative consequences for both the organisation and the subordinates (Cogliser et al., 1999). For example, these subordinates may not attend to training sessions or might tend to take up their work reluctantly (Atwater & Yammarino, 1997).

On the contrary, subordinates who assume their relationship to be less favourable than that perceived by their respective supervisors may experience work anxiety, leading to increased levels of employee turnover and reduced employee performance and organisational commitment (Van Breukelen, Konst, & Van Der Vlist, 2002).

Subordinates who assume their low LMX relationships are similar to their supervisors' may find their performance efforts are not appreciated, leading them to become disconnected from organisational recognitions. This situation has the potential to generate low levels of self-efficacy, resulting in reduced task performance, job satisfaction and commitment (Cogliser et al., 2009).

In their study of LMX agreement, Cogliser et al. (1999) noted that LMX agreement aids in understanding the LMX relationship between supervisors and subordinates. Furthermore, although studies have been conducted to establish the antecedents of LMX agreement (e.g. Minsky, 2002; Sin et al., 2009) only one study (Cogliser et al., 2009) found the relationship between LMX agreement and employee work outcomes such as organisation commitment and job satisfaction.

To analyse the relationship between the LMX agreement and the subordinate's organisational commitment, Cogliser et al., (2009), analysed the LMX scores of 285 matched pairs of employers and their subordinates. Their study introduced a conceptual model, which identifies four possibilities of supervisor-subordinate ratings. The four possibilities as observed by the study are: balanced low supervisor and subordinate LMX scores, balanced high supervisor and subordinate LMX scores, subordinate overestimation (subordinates rating their LMX scores higher than their supervisors) and subordinate underestimation (subordinate rating their LMX scores lower than their supervisors). The study found subordinates in the balance/high LMX group to have the highest level of organisational commitment and balanced/low LMX group to have the lowest level of organisational commitment. Finally, intermediate results were found among the incongruent group combinations.

The foregoing sections reviewed the literature on LMX to enhance the understanding of LMX agreement in hospitality. The following sections review the literature on organisational commitment and turnover intent and their relationship with LMX agreement, to provide a background for the study's hypotheses.

## **2.6 Organisational Commitment**

Organisational commitment is the degree of involvement employees experience with their organisation (Allen & Meyer, 1990). Enthusiastic employees, committed to the ethics and direction of their company, are a fundamental element to the success of hospitality businesses (Williamson et al., 2008). Such employees are also those who support the formal aims of the company (Brown, Zablah, & Bellenger, 2008). The study of organisational commitment has identified its effects, such as a reliable predictor of turnover intention (Johnston, Parasuraman, Futrell, & Black, 1990) and a stable measure of employee attitude (Teh & Sun, 2012).

Organisational studies have therefore revealed a common element of exchange involving a method of psychological contact between the manager and employee (Cannon, 2002). This element was witnessed in early studies on organisational commitment (e.g. Becker, 1960; Homans, 1961; Rusbult, 1980). Certain studies have also concentrated on benefits such as pensions and insurance plans of the organisation as contributing factors for the organisational commitment (Goldberg, Greenberger, Koch-Jones, & O'Neil, 1989) and demographic factors such as age, tenure and education level (Brief & Aldag, 1980).

Research in organisational commitment has found three different components: affective, continuance and normative components of organisational commitment

(Allen & Meyer, 1990; Wahn, 1998). Affective commitment denotes the emotional attachment experienced by the employees to the organisation. The continuance component relates to the costs that the employees associate with leaving the organisation and influences their need to remain in the organisation. The third component, normative, refers to the feeling of employees' obligation to remain with the organisation. These components have been found to have varied consequences of the different commitment types. For example, continuance component is related to the job turnover and the poor job performance (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989), and low levels of organisational citizenship (Wahn, 1998).

This study of LMX agreement focuses on affective organisation commitment, which this research refers to as "organisational commitment". This is because affective commitment relates to the psychological feelings of the employee and therefore managers may be more interested in fostering affective commitment than a customary form of commitment such as continuance or normative commitment (Kim, Lee, Murrmann, & George, 2012). Furthermore, Meyer and Allen (1997) state that affective commitment is the most beneficial to organisations, as it is related to other operational measures such as self and supervisor performance appraisal, improved retention, and improved operational cost and sales.

### **2.6.1 Hospitality Research on Organisational Commitment**

Numerous studies in hospitality contexts have focussed on organisational commitment as an outcome variable. Some of the studies are listed here chronologically to show the development of theory. Sparrowe (1993) studied employee empowerment in the hospitality industry, and found it had a positive impact on organisational commitment and negative impact employee on employee's turnover intent. Borchgrevink

(1993) analysed the relationship between employee burnout and organisational commitment and found employee burnout had a negative impact on the organisational commitment. Recently, the difference in organisational commitment with respect to gender was studied among hospitality employees (Kara, 2012). The study, conducted in Turkey, examined data from 397 employees, of which 234 were males and 163 were females. It used multivariate analysis of variance (MANOVA) and found that, although there were not any significant differences between male and female employees towards “attitudinal commitment”, differences were established in what the author referred to as “behavioural commitment”; the study found that males had higher levels of “behavioural commitment” than their female counterparts.

The motivational effect of employee empowerment on organisational commitment was analysed by Kim et al. (2012). Utilising a survey of 330 Korean hospitality employees working in hotel restaurants, the study found that management trustworthiness acts a factor to fully mediate influence and organisational commitment, and partially mediate attitude and organisational commitment.

### **2.6.2 LMX Agreement and Organisational Commitment**

The relationship between LMX and organisational commitment was tested by Grestner and Day (1997). The research found that the LMX variable consistently shows a significant positive correlation with a subordinate’s organisational commitment ( $r = 0.87$ ). Nystrom (1990) found a significant relationship between the vertical dyads and the organisational commitment. In order to measure the organisational commitment, the study used the nine item “Organisational Commitment Questionnaire” (Mowday, Koberg, & McArthur, 1978) with response categories ranging from ‘strongly agree’ (7) to ‘strongly disagree’ (1). For measuring the LMX, the “five item questionnaire”

(Dansereau et al., 1975) was used with a four point item scale. It had demographic variables such as job level, organisational size, years in job and seniority. A principal component analysis was employed and the results proved the hypothesis that a high quality LMX has a significant and positive relationship on organisational commitment. The study indicates that organisations should invest on improved supervisor-subordinate relationship to build committed employees. It is evident that committed employees increase customer loyalty, thereby increasing profit for the organisation.

Based on the studies of role theory(e.g. Baldwin, 1992; Graen, Orris, & Johnson, 1973; Kahn, Wolfe, Quinn, & Snoelk, 1964), Baldwin and Baccus (2003)observe that the LMX develops in a series of episodes or incidents which fosters the development of the supervisor-subordinate dyads. When more social exchanges are established, this results in a better work atmosphere for the subordinates, who will be willing to do work additional to what is mentioned in their contract (Cogliser et al., 2009; Graen & Scandura, 1987; Minsky, 2002). In addition, as part of the dyad's development, supervisors encourage the subordinate motivations towards the organisation by assuring subordinates about their importance in the organisation (Cogliser et al., 2009). Furthermore, Cogliser et al. (2009) establish that high quality LMX subordinates perceive their supervisors as ambassadors of their organisation and the means through which they can fulfil their psychological contract requirements (Lester, Turnley, Bloodgood, & Bolino, 2002; Morrison & Robinson, 1997). This results in a psychological requirement for them to complement the organisation as a form of reciprocation(Liden, Sparrowe, & Wayne, 1997). Consistent with this, Dienesch and Liden (1986) assimilated the LMX members' attributions into their LMX framework. In accordance with the available theory, it could be postulated that subordinates have

better organisational commitment when their relationship with their supervisors is favourable as compared to those who have a less favourable relationship.

The supervisor's perception of the LMX is positively related to the subordinates' organisational commitment for two reasons. First, the supervisors know that the subordinates who experience their relationship favourably will respond to their requirements positively, thereby increasing the overall commitment to the organisation (Cogliser et al., 2009). Second, LMX study has shown that subordinates who have a high commitment to their job are more likely to have good relations with their supervisor (Graen & Scandura, 1987).

In consideration of the above studies, this research expects subordinates' organisational commitment to be higher when strong LMX agreement is established. The reason for this is, as Uhl-Bien and Maslyn (2003) believe, that the exchanges develop between the dyad members, subordinates become more committed and therefore develop an even better LMX relationship. Strong empirical support is provided by Cogliser et al. (2009) and Maslyn and Uhl-Bien (2001) for this development. Cogliser et al. (2009) developed a conceptual model to test the LMX congruence and employee outcomes and found the LMX agreement is related to the organisational commitment, and Maslyn and Uhl-Bien (2001) found the relationship between the LMX and the dyad's members' perceived effort.

### **Hypothesis 1**

LMX agreements between supervisors and subordinates are positively related to the subordinates' organisational commitment. The stronger the LMX agreement between

the supervisor and subordinate, the stronger the subordinate's organisational commitment will be.

## **2.7 Employee Turnover Intention**

Turnover is the movement of individuals across organisations (Price, 2001). The individuals are mostly employees, and the notion of movement means either an accession to an organisation or a separation from the other organisation. The concept of employee turnover can be understood under three fundamental characteristics, voluntariness, avoidability and functionality. The act of employees leaving their jobs could be initiated by employees themselves (e.g. resignation), by the organisation, or by external factors in the form of dismissal or death (Morrell, Loan-Clarke, & Wilkinson, 2004; Price, 2001).

Employee turnover has been found to have negative organisational consequences including the high costs incurred in replacing the employees, the negative influences on the existing employees and the demoralising effects on other organisational members (Kim et al., 2010a; Tziner & Birati, 1996). Turnover is expensive and represents an exodus of the investment from the organisation including the cost incurred for substituting the employee (Denvir & McMahon, 1992). Added to these costs there are also potential costs of unsatisfied or lost customers due to unskilled or poor service offered by new and poorly trained staff (Simons & Hinkin, 2001). The possible negative organisational outcomes can also be that the employees who stay have low levels of performance and organisational commitment (Davidson et al., 2010). The reason for this might arise from the physical consequences such as increased workload or psychological consequences such as feelings of betrayal and being "left behind" (Williamson et al., 2008).

Turnover is a topic of intense research in the hospitality industry(Hinkin & Tracey, 2000). The focus of turnover studies can be divided into two broad streams. One category of research focuses on the cost of turnover and results in a range of cost estimates (Hinkin & Tracey, 2000). Accordingly, Simons and Hinkin (2001) established the association between increased employee turnover and decreased organisation profits.

The second category focuses on the antecedents and outcomes of employee turnover (Hogan, 1992; Poulston, 2005). Almost every area of management (e.g. human resource practices, self-image of the industry, supervisor relationship) has been found as potential causes of employee turnover. For example, the constructive dismissal technique practised by hospitality managers (Poulston, 2005), training and development (Buick & Muthu, 1997; Moncarz, Zhao, & Kay, 2009; Poulston, 2008) and supervisor or human resources practices (Davies, Taylor, & Savery, 2001; Moncarz et al., 2009; Rowley & Purcell, 2001), all influence employee turnover in the hospitality industry.

Furthermore, employee turnover is typically high in the leisure and hospitality industry. For example, the total employee turnover in USA for August 2011 was 689,000 in the leisure and hospitality industry and the number of hospitality employees who changed jobs during the same period for the accommodation and food services sector was 576, 000 (BLS, 2011). With respect to the Indian hospitality employees, Umashankar and Kulkarni (2002) predicted a high employee turnover in the industry. This prediction was supported by Yiu and Saner (2011), who found a six percent increase in turnover rates among Indian hospitality employees. Considering the New Zealand hospitality industry, the Government of New Zealand predicts that, though

there are ample job opportunities in the country, there is a relatively high staff turnover in the hospitality sector. The government believes that 30 % of New Zealand's hospitality industry workforce is comprised of part-time workers who are predicted to move to other full time careers in the future (Kiwi Careers, 2011). Finally, Poulston (2008), in a study of hospitality employees in Auckland, New Zealand, found employees, on average, stayed with an organisation only for one year. The study further revealed a turnover rate of 50% among the organisations. Therefore, from the foregoing studies, it is evident that employee turnover is an important issue in the hospitality industry that requires attention of the management.

Within the context of employee turnover is turnover intent, which can be defined as “the probability that an individual will change his or her job within a certain time period” (Sousa-Poza & Henneberger, 2002, p. 1). Turnover intent is understood as an intention to leave an organisation, which may arise from dissatisfaction with company policies, individual perceptions of the employee, or even the general labour market (Kim et al., 2010a; Trett & Meyer, 1993). It is found to be an immediate precursor of the actual turnover and it captures the employee's perception of job alternatives (Perez, 2008). Further, Kim et al (2010) state that employees find it more manageable to express a desire to quit than actually to quit the job. Empirical evidence has been found to support that view; that the turnover intent is a significant precursor of the actual turnover (Sousa-Poza & Henneberger, 2002). As a result employee turnover intent is used as a dependent variable (Kim et al., 2010a).

Turnover in the hospitality industry has resulted from various factors. The reasons primarily cited were the dissatisfaction with the current job rather than attraction to other job opportunities (Kiwi Careers, 2011). Studies in employee turnover have found

poor working conditions and unsatisfactory supervisor relationship are important factors for employee turnover. For example Poulston (2009) found negative supervisor behaviours, such as abuse of position and discrimination, and reduced motivation levels of the employees. The study further revealed that employees who are low in motivation had a greater probability of quitting the job. These findings are similar to The Ken Blanchard Companies (2009) which found lack of respect or support of supervisors and supervisors' lack of leadership skills as important factors for employee turnover. Furthermore, Yiu and Sanner (2011) found relationships with immediate supervisors to contribute 48% of employee turnover among Indian employees. Therefore, consistent with these findings, it could be established that employee turnover is closely related to effective leadership skills of the supervisor and favourable supervisor-subordinate relationships.

### **2.7.1 LMX agreement and Turnover intent**

The study undertaken by Griffeth and colleagues (Griffeth, Hom, & Gaertner, 2000) showed that the correlation between LMX and actual turnover is negative ( $\rho = -.23$ , % of variance = 57). It implies that subordinates in the high LMX group do not intend to quit their jobs. Furthermore, Graen, Linden, and Hoel (1982) observed that the intentions of employees to quit are increased by poor supervisor-subordinate relationships. Major, Kozlowski, Chao, and Gardner (1995) examined the relation among newcomers' expectations and the employee outcomes. Data were collected from a sample size of 248 new hires from different hospitality establishments. Their research found that the subordinate perception of the LMX quality was negatively related to the subordinate's turnover intentions.

Wilhelm, Herd, and Steiner (1993) investigated the relationship between LMX and the employees' organisational outcomes using 141 supervisor-subordinate dyads. The participants were from manufacturing establishments. The research established that LMX had a negative relationship with employees' turnover intentions. Subsequent research has also established the LMX to be significant and negatively related to the employee's turnover intentions (Ansari et al., 2008; Bauer et al., 2006).

Psychological contract theory explores the mutual beliefs, perceptions and informal obligations between employees and management (Tomprou, Nikolaou, & Vakola, 2012). According to this theory employees show greater job satisfaction and commitment when their job expectations are met and lowest when their expectations are violated (Rousseau, 1995). Further, if the dyads perceive the relationship as mutual, employees show a higher degree of satisfaction (Gerstner & Day, 1997). Employee satisfaction is found to be negatively related to employee turnover intentions and positively related to the organisational commitment (Aydogdu & Asikgil, 2011). Empirical evidence also supports the view that LMX is negatively related to turnover intent (Bauer et al., 2006; Sparrowe, 1994; Vecchio, 1998).

It is perceived that higher levels of communication between supervisors and subordinates reduce turnover intentions of subordinates (e.g. Minsky, 2002). This observation was supported by Macky and Boxall (2007) who found high work performance practices, such as effective communication and organisational support, increased job satisfaction, and thereby reduced employee turnover intentions. Further, Minsky (2002) noted that higher levels of communication can reinforce higher agreement between individuals. The study relates this prediction to the social identity theory which states that, when subordinates perceive they are members of the same

group, they will regard themselves as similar to one other and may develop shared beliefs and values, and these values garner better agreement between individuals (Hogg, 2006). Better communication fosters the chances for similar perceptions among the groups. This is because when subordinates communicate freely with their supervisors, there is a reduction in subordinates' sense of discrepancy, unmet expectations or anxiety (Minsky, 2002).

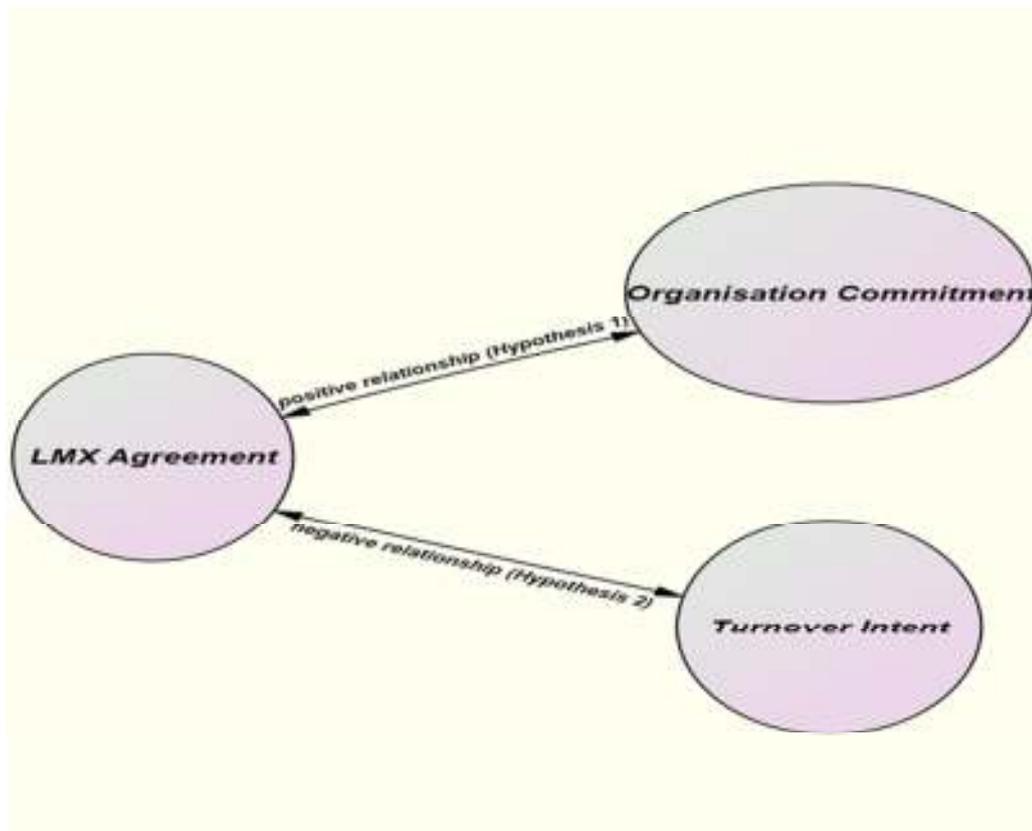
From the above discussion it could be surmised that high LMX levels foster employees' job satisfaction and thereby reduce employees' turnover intentions. Further, stronger LMX agreement results in higher job satisfaction among the employees. Therefore it is believed that strong LMX agreement reduces turnover intentions of the subordinates.

## **Hypothesis 2**

LMX agreement between supervisors and subordinates is negatively related to the subordinates' turnover intent. The stronger the LMX agreement between the supervisor and subordinate, the weaker the subordinate's intention will be to quit the organisation.

Figure 1 depicts a conceptual framework of this study. It is hypothesised that the focal construct, LMX agreement, has a positive relationship with organisational commitment and a negative relationship with turnover intent.

**Figure 1: Conceptual Model**



## **CHAPTER 3 - METHODS**

### **3.1 Introduction**

This chapter presents an outline of the methods employed in this research. The first part of the chapter discusses the research paradigm and explains why a positivist paradigm was appropriate. Following this, the chapter describes target population and the research instruments used to collect information from participants. The later part of the chapter then describes the various components of the research design including the sampling process, data collection and analysis procedures. Finally, a brief overview of the ethical considerations is explained.

### **3.2 Research Paradigms**

This study aims to provide seminal information for both hospitality and management literature by investigating the relationship between LMX agreement and employee work outcomes. As the data are analysed using inferential statistics, this study follows a positivist paradigm approach. A positivist paradigm tries to find the truth through verification of hypotheses by employing statistical methods (Guba & Lincoln, 1994).

Paradigms are basic beliefs that deal with a fundamental theory or assumption (Guba & Lincoln, 1994). A paradigm describes a “worldview” of the values or knowledge and the appropriate path of analysing this knowledge (Grant & Giddings, 2002). Within this context lie ontology and epistemology. While ontology is the form and nature of reality that exists in this world, epistemology seeks to understand this

knowledge (Guba & Lincoln, 1994). The following section will outline a positivist paradigm.

A positivist is one who applies methods of natural sciences to study reality in the social world (Bryman & Bell, 2003). A positivist believes that there are relationships between the variables that could be identified and explained (Hesse-Biber & Leavy, 2006). Researchers following a positivist approach state that the objective and the unbiased results, producing a healthy study, are established only when the observer and the observed are distanced from each other. The studies argue that the researcher has negligible impact on the researched (e.g. Anderson, 2009; Bryman & Bell, 2003; Hesse-Biber & Leavy, 2006). This approach assumes that the relationship between the researcher and the researched is unidirectional (Goodson & Phillimore, 2004).

Studies have also been found to criticise the positivistic approach (e.g. Denzin & Lincoln, 2005). Criticism to positivism is based on the assumption that knowledge is not “out there waiting to be discovered” but rather it is subjective and produced during the research process (e.g. Hesse-Biber & Leavy, 2006). Grant and Giddings (2002) further observe that the researcher and the researched do not always maintain an objective stance and that the researcher is part of the research process. These theorists are not concerned with producing replicable results but rather they focus on adding qualitative knowledge about the topic.

The aim of this study was to measure certain behaviours and does not include proposals for mediating change on conditions. The conditions will remain the same after the study. Further, the researcher took an objective stance and was not part of the research process. From the above discussion, it is evident that the methodology of the

present study is consistent with a positivist approach of the research paradigm which tests hypotheses through statistical results that are reliable and can be generalised (Collis & Hussey, 2003). As a result this study follows a positivist approach.

Quantitative research is based on the positivist epistemology and ontology. The research using quantitative methods uses a variety of statistical and numerical analysis and often presents data in charts, graphs and number-based representations (Collis & Hussey, 2003; Hesse-Biber & Leavy, 2006). These methods are designed to produce results that are accurate and reliable through reliability and validity. Reliability could be explained as the extent to which the results of the study are repeatable and validity is concerned with the judgement or integrity of these results (Anderson, 2009; Bryman & Bell, 2003). Higher reliability scores and greater validity would enhance results that are more statistically significant (Anderson, 2009). Finally, generalisation of the quantitative results is possible as they are free of any contexts and circumstances (Creswell, 1994).

Numerous criticisms have arisen on quantitative research method. For example, Hesse-Biber and Leavy (2006) believe that quantitative method is generalised and fails to understand the individual relationship of the respondents. Critiques identify that the real motive of a respondent is lost in numbers and other statistical interpretations. These critiques further suggest that better understanding of the emotions and underlying values of the participants could be achieved by qualitative practices such as observation, interviews and narration (e.g. Bryman & Bell, 2003; Denzin & Lincoln, 2005).

However, previous studies in the LMX agreement have predominantly used quantitative research methods to discuss the agreement between supervisor and subordinate perceptions of the LMX (e.g. Cogliser et al., 2009; Minsky, 2002; Sin et al., 2009). A significant number of studies on the LMX have used a quantitative research approach (e.g. Kim et al., 2010a; Kim & George, 2005; Kim et al., 2004; Schyns & Paul, 2005). Finally, numerous studies on the agreement issues have used a quantitative approach (e.g. Atwater & Yammarino, 1997; Fleenor, McCauley, & Brutus, 1996). The fact that the quantitative approach is able to achieve the research objectives without personal bias and conjectures is considered beneficial. As a result a quantitative research approach using a survey questionnaire was employed in this research.

### **3.3 Target Population and Sample Size**

The target population of this study included frontline staff and their immediate supervisors in hospitality establishments in India. Frontline staff are those employees who have personal contact with guests or customers. These employees generally belong to the lower levels of the departmental hierarchy (Berger & Brownell, 2009). Adler-Milstein, Singer and Toffel (2010) state that better operational ideas and risk management procedures arise from the frontline staff since they experience numerous difficult situations. Also, because Kruml and Geddes (2000) found the highest frequencies of employee-supervisor interactions among frontline staff and their immediate supervisor, this study included frontline staff as the target participants.

The establishments in the study ranged from small takeaway businesses to medium size hotels. A variety of hospitality establishments were selected in order to enhance the generalisability of the present study. Given that most LMX studies in the

hospitality literature have been conducted using American workers, little is known regarding the work relationship between supervisors and subordinates in countries such as India, because Indians are considered to be culturally different from American workers (Varma, Srinivas, & Stroh, 2005). This research therefore contributes to the hospitality research in terms of generalisability by analysing the relationship between organisational issues in the Indian hospitality context, which until now has been neglected.

Sample size could be explained as the suitable number of participants required to attain the desired study results (Bryman & Bell, 2003). Determining sampling size is important to establish statistically reliable results. There have been several opinions regarding appropriate sample sizes. For example Hair and colleagues (Hair, Anderson, Tatham, & Black, 1995) state that 300 cases are desirable for sufficient estimations. The study further argues that, in sample sizes above 400, the probability test becomes too complex and difficult to generate significant results, and that 200 cases are desirable to produce sufficient estimates. Further, Hoyle (1995) suggests that an optimum sample size for probability sampling is in the range of 100 to 200 cases. Veal (2006) established that the minimum sample size for probability analysis could be analysed by examining cases that are five times the number of the investigated variables. In other words, it is possible to analyse 30 variables with 150 cases. Further, Bryman and Bell (2003) believe that the time and cost of the study should also be taken into consideration while determining sample size. From these studies (e.g. Hair et al., 1995; Hoyle, 1995) it is understood that the desirable sample size for research involving probability sampling is in a range of 100 to 300 cases. Therefore the target sample size for the current study was 300 supervisor-subordinate dyads.

### **3.4 Measures**

This research used measures similar to those used in previous studies (e.g. Minsky, 2002; Lee et al., 2001) so results could be compared. This research developed two sets of survey questionnaire - subordinate and supervisor (See Appendix 1 and Appendix 2). While the subordinate survey had four sections of the questions, the supervisor survey had two sections of questions. Both survey forms had questions pertaining to the demographic details of the participants.

#### **3.4.1 Measures in Subordinate Survey**

The subordinate survey questionnaire had three measurement scales along with demographic questions. The measures are explained in the following sections.

##### **3.4.1.1 Subordinate LMX**

The employees' perception of the work relationship with their supervisor was analysed using a seven-item inventory called LMX-7 which was derived from Graen and Scadura (1984). In particular, Minsky (2002) used the LMX-7 in a doctoral dissertation to calculate LMX agreement and had an acceptable reliability score ( $\alpha = .88$ ). The reliability score is the extent to which similar results could be produced (Anderson, 2009). Each item in the present study was arranged in a 7-point Likert scale format. Likert scales are psychometric scales commonly used in questionnaire where responses are measured in commonly spaced intervals (Bryman & Bell, 2003). The measure had a coefficient  $\alpha$  (measure of internal consistency or reliability) of 0.89. All measurement items included in this scale are presented in Table 1.

**Table 1: Measures of Subordinate LMX**

	←Strongly Disagree					Strongly Agree→		
1. Do you usually know how satisfied your supervisor is with what you do?	1	2	3	4	5	6	7	
2. How well does your supervisor understand your job problems and needs?	1	2	3	4	5	6	7	
3. How well does your supervisor recognize your potential?	1	2	3	4	5	6	7	
4. Regardless of how much formal authority he/she has built into his/her position, what are the chances that he/she would use his/her power to help you solve problems in your work?	1	2	3	4	5	6	7	
5. Again, regardless of the amount of formal authority he/she has, what are the chances that he/she would “bail you out,” at his/her expense?	1	2	3	4	5	6	7	
6. Do you have enough confidence in your supervisor that you would defend and justify his/her decision if he/she were not present to do so?	1	2	3	4	5	6	7	
7. Your overall relationship with your manager is excellent.	1	2	3	4	5	6	7	

### 3.4.1.2 Organisational Commitment

This research examines each subordinate’s organisational commitment as an outcome of LMX agreement. Organisational commitment is the employee’s affective attachment and involvement in an employing organisation (Allen & Meyer, 1990). This research uses a revised 5-item version (Lee, Allen, Meyer, & Rhee, 2001) of the 6-item organisation commitment scale developed by Allen and Meyer (1990). The 6-item scale along with the 8-item version (Allen & Meyer, 1990) is one of the most widely used scales for psychometric analysis of employee’s organisational commitment (e.g. Erben & Güneşer, 2008; Karatepe & Kilic, 2007; Meyer & Allen, 1991). Lee et al. (2001) found the 5-item version to have a better reliability score than the 6-item version in countries where English is not the native or first language. Further, Lee et al. (2001) found high correlation between the 6-item scale and the 5-item scale. Since this research was conducted in India, where English is not the first

language the 5-item version was preferred. The reliability score of this measure for the current study was 0.93. All measurement items included in this scale are presented in Table 2.

**Table 2: Measures of Organisational Commitment**

	←Strongly Disagree    Strongly Agree→						
1. I really feel as if this organisation’s problems are my own.	1	2	3	4	5	6	7
2. I do feel “part of the family” at my organisation.	1	2	3	4	5	6	7
3. I do feel emotionally attached to this organisation.	1	2	3	4	5	6	7
4. This organisation has a great deal of personal meaning to me.	1	2	3	4	5	6	7
5. I do feel a strong sense of belonging to my organisation.	1	2	3	4	5	6	7

### 3.4.1.3 Turnover Intent

Employees’ turnover intention was measured using the 3-item scale developed by Hom and Griffeth (1991). The negative item wordings were changed to positive to maintain consistency. This measure is found to have high reliability score. For example, Kim et al. (2010a) in a study on relationship between LMX and turnover intentions among hospitality employees used this type of measure and had a reliability score of 0.87. Each item was arranged in a 7-point Likert scale format. The measure had a reliability score of 0.89 for the current study. All measurement items included in this scale are presented in Table 3.

**Table 3: Measures of Turnover Intent**

	←Strongly Disagree		Strongly Agree→				
1. I often think about quitting.	1	2	3	4	5	6	7
2. I will look for a new job in the next year.	1	2	3	4	5	6	7
3. It is likely that I will actively look for a new job next year.	1	2	3	4	5	6	7

### **3.4.2 Measures in Supervisor Survey**

The supervisor survey questionnaire had one measurement scale focussing on supervisor rated LMX along with demographic questions.

#### **3.4.2.1 Supervisor LMX**

The supervisors' perception of the work relationship with their subordinates was analysed using a scale similar to the one used for subordinate perceived LMX. The seven item scale of Graen and Scandura (1984) was reworded to indicate supervisor's perception. This scale was used in the present study so that the measure would be similar to those of the subordinate LMX and would help in calculating the LMX agreement scores. Minsky (2002) also used this scale to measure the supervisor perception of the LMX agreement ( $\alpha = 0.86$ ). This measure in the current research had a coefficient  $\alpha$  of 0.90. All measurement items included in this scale are presented in Table 4.

**Table 4: Measures of Supervisor LMX**

	←Strongly Disagree		Strongly Agree→				
1. Do you usually know how satisfied he/she is with what you do?	1	2	3	4	5	6	7
2. How well do you understand this staff member's job problems and needs?	1	2	3	4	5	6	7
3. How well do you recognise this staff member's potential?	1	2	3	4	5	6	7
4. Regardless of how much formal authority you have built into your position, what are the chances that you would use your power to help him/her solve problems in his/her work?	1	2	3	4	5	6	7
5. Again, regardless of the amount of formal authority you have, what are the chances that you would "bail out this staff member," at your expense?	1	2	3	4	5	6	7
6. Does he/she have enough confidence in you that he/she would defend and justify your decision if you were not present to do so?	1	2	3	4	5	6	7
7. Your overall relationship with him/her is excellent.	1	2	3	4	5	6	7

### 3.4.3 Demographic Characteristics

The demographic characteristics of respondents were identified by items included in their respective questionnaires. The subordinate survey included demographic items such as the subordinate's gender, age and tenure with the current organisation and with the entire hospitality industry, along with their educational qualification. The supervisor survey had demographic questions similar to those in the subordinate questionnaire. The demographic information was asked to both types of respondents to understand the occupational backgrounds of the participants and to detect any compounding effects arising out of them.

### 3.5 Translation

This study was conducted in the Indian states of Tamil Nadu and Karnataka, states located in the southern part of India. Most of the hospitality professionals working in these demographic areas have only primary education and are not comfortable in

English (Manjunath & Kurian, 2009). Therefore, since English is not the first language of India, the survey questionnaires were translated into Indian languages of Hindi (national language) and Tamil (regional language). Following recommendations by Adler (1983) the translation was conducted with the help of academic translators practising in these languages and the translated version was then back translated to the original version to check compatibility between the two versions.

### **3.6 Pilot Study**

Prior to primary data collection, survey questionnaires were pilot tested on two hospitality human resource managers in the Indian hospitality industry and ten postgraduate students enrolled in hospitality studies at AUT University. Although the research measures have been proven to have good reliability scores in previous studies, the pilot test was conducted to ensure readability of each measure. The feedback from the pilot study was minimal and limited to grammatical errors, so only a few corrections were made prior to beginning the main data collection.

### **3.7 Data Collection Procedure**

This research used the survey method of data collection, so two sets of survey questionnaires targeting the frontline workers and their immediate supervisors were prepared. The field work was conducted during the months of December 2011 and January 2012. An extensive list of contacts was established using the researcher's contacts from previous work experience in the Indian hospitality industry. Ten hospitality organisations in the Indian states of Tamil Nadu and Karnataka were approached to seek their participation. To maintain confidentiality, details of the organisations are not provided in this thesis. Eight organisations agreed to participate in this study. Out of these eight organisations, establishment A was a chain of

takeaway businesses consisting of five outlets and one centralised kitchen under its operation. Establishment B was a chain of one small hotel and three bed and breakfast institutions. The remaining six were independent properties. Consequently, a total of 16 individual hospitality institutions participated in this research. In these properties, senior managers were approached and the research procedure explained to them before obtaining approval to seek participants from their properties. The participants were met only after gaining formal and prior approval from the management.

In these organisations, a separate room (generally the training room) was given for participants to complete the survey. The frontline employees were first invited to this room and the nature of the research explained to them using a Participant Information Sheet (See Appendix 3). Since the study was conducted in India, the participants were given two options of answering either the English version of the survey questionnaire or the translated version. For ethical reasons, only staff over the age of 20 were approached. A written consent for participation was gained from volunteering subordinates using a consent form (See Appendix 4). The employee participants were asked to mention the name of their immediate supervisor. After collecting the consent forms, they were then asked to complete employee survey questionnaires (See Appendix 1). The researcher maintained the confidentiality of the respondents by collecting the completed questionnaires directly from these employees. Then the named supervisors were asked to complete supervisor survey questionnaires (See Appendix 2) which had similar items to those of subordinate survey questionnaire.

Four hundred and ten frontline workers were approached for the study and of these 350 agreed to participate. A total of 43 supervisors were mentioned by employee participants. All the named supervisors were approached personally by the researcher

and a Participant Information Sheet was provided to them (See Appendix 5). A written consent for participation was obtained from these supervisors as well (See Appendix 6). All 43 supervisors named by employee participants agreed to participate in the study.

Unlike predominant LMX studies, which employed mailing techniques for data collection, the researcher personally collected the completed survey questionnaire. This greatly improved the response rates of this research.

### **3.8 Data Analysis**

The Statistical Package for Social Science (SPSS) 18<sup>th</sup> version was used for data analysis. All the variable item measures were first totalled and then averaged for individual participants. The gender and the marital status of the participants were entered as dichotomous variables (a variable that places responses into only two groups such as Male = 0, Female = 1, Single = 0, Married = 1), and participants' age, tenure with the company, total hospitality experience and supervisors' position experience were entered as years.

#### **3.8.1 Agreement Analysis**

The focal variable in this study is agreement on supervisors' and subordinates' perceptions on their dyadic LMX relationship. Various techniques have been employed to calculate the congruence among the variables, the most commonly used type being difference scores or gain scores technique (Minsky, 2002). The difference scores have been employed in numerous studies such as those analysing both subordinate and the supervisor work values (e.g. Posner, Kouzes, & Schmidt, 1985), perceived and actual job attributes (e.g. Dawis & Lofquist, 1984) and job demands and work abilities

(e.g. French, Caplan, & Harrison, 1982). The difference score works on the principle of computing a variable generated from the absolute or algebraic differences between the two congruent variables. As a result this technique collapses two variables into one (Tisak & Smith, 1994). For generating the agreement variable, this research used the “compute variable” option in SPSS.

### **3.8.1.1 Criticism of the Difference Score Method**

Despite the common usage of this method, the credibility of difference scores for predicting agreement or disagreement between the variables is a source of much debate. Some critiques have advised the difference scores to be problematic and to be discontinued (e.g. Cronbach & Furby, 1970). A major criticism of the difference score method has been related to its reliability and validity. The reliability of a difference score is “the proportion of the true score variance to the observed score variance” (Tisak & Smith, 1994, p. 677). Some researchers believe that the reliability of the difference score would be less than the individual scores themselves (e.g. Edwards, 1994; Minsky, 2002). The cause of this unreliability may be because correlations between the linked variables are usually higher than those of the independent observations. The problems relating to validity of the difference score methods is that they cannot be unambiguously interpreted (Minsky, 2002). The reason observed is that, as the difference scores suppress individual item values, the relative contribution of these items is not known. Further the difference scores do not explain the variance beyond that of its individual components (Edwards, 1994). Numerous alternative methods such as multivariate multiple regression and polynomial regression are suggested and practised (Edwards, 1994; Minsky, 2002).

### **3.8.1.2 Support for the Difference Score Method**

Although the difference scores have met with some criticism, numerous researchers still support this method (e.g. Rogosa, Brandt, & Zimowski, 1982; Rogosa & Willett, 1983; Tisak & Smith, 1994). These researchers accept that the reliability of a difference score may be less than the average reliability of its components, if these components are positively correlated and equal if the correlation is zero. Tisak and Smith (1994) observe that the presumed unreliability has arisen because the component variables are predominantly positively correlated and that, if the components are reliable but not highly positively correlated, then their difference score reliability could be accepted. Their study concludes that the difference scores are not completely unreliable and reliability may be increased by increasing the number of items. Their research further states that the issues concerned with the validity of difference scores should be viewed in the context of the study questions. Some researchers believe that the difference score techniques could be used if the study questions focus on only the differences and not on the relative effects of its component variables (e.g. Rogosa et al., 1982; Rogosa & Willett, 1983; Tisak & Smith, 1994).

From this discussion it is perceived that there are two schools of thought regarding the use of the difference scores. While one school contrasts a simple model against a greater response surface model, the other suggests that alternate models to difference scores first need to be evaluated (Tisak & Smith, 1994). This research focuses on the relationship of the LMX agreement to the employee's organisational attitudes and not on the individual contribution of the supervisor and the subordinate (component variables) to the agreement. As a result this research uses the difference score technique to convert and collapse both supervisor and subordinate LMX variables into

a LMX agreement variable. The algebraic difference between supervisor mean LMX score and the subordinate mean LMX score for each dyad was calculated. These values were entered as the LMX agreement score of each dyad.

### **3.8.2 Statistical Analysis Procedures**

First, frequency analyses were undertaken of the descriptive details gathered, to examine the demographic characteristics of the participants.

Second, principal component factor analysis with varimax rotation (orthogonal rotation to maximise the variance of a factor on all variables) was used with the supervisor and subordinate LMX-7 measures (Graen & Uhl-Bien, 1995; Minsky, 2002) along with 5-item Organisational Commitment (Lee et. al., 2001), 3-item Turnover Intent measures (Hom and Griffeth, 1991) and 7-item supervisor LMX (Minsky, 2002). These measures were tested in this study, even though they have a history of acceptable reliability (e.g. Kim et al., 2010a; Minsky, 2002). Principal component factor analysis is a type of analysis that uses linear combination of the variance to extract maximum variance between observed variables (Bartholomew, Steele, Galbraith, & Moustaki, 2008). Munro (2000) believed that factor analysis might be an important step for confirming or creating a measurement tool because factor analysis searches for joint variations in the observed variables and thereby establishes a common factor. As a result, a principal component factor analysis was performed to check a factor structure of all the research measures.

Finally bivariate correlation analyses were used to examine the correlations between LMX agreement and the outcome variables. Bivariate correlation is a statistical procedure that explores the relationship between two variables, which are mutually

dependent or independent (Székely et al., 2007). Correlation analyses were conducted by employing Pearson product-moment tests where the correlation between two variables is given a value between -1 and +1 (both inclusive).

### **3.9 Ethical Considerations**

The data for this research were collected from human participants by the use of survey questionnaires. This research therefore obtained ethical approval from the AUT Ethics Committee on 8<sup>th</sup> December, 2011. The distribution and collection of these questionnaires was undertaken by the researcher. Though the researcher established contacts with the participants, there was only a minimum level of interaction.

The research protocol was explained to each of the participants using a Participant Information Sheet (See Appendix 3 and Appendix 5). This was attached along with the survey questionnaire (See Appendix 1 and Appendix 2), to enable each participant to understand the aim of the research. The participant information sheet further had contact details of the researcher, the primary supervisor and AUTEK to answer any concern that the participants may have about this research. The research also considered the three main principles of the Treaty of Waitangi; as a result participation in this research was voluntary and consent for participation was obtained from each of the participants before distributing the survey questionnaire.

The research procedures involved participants' responses between two different hierarchical groups, so there was a risk of supervisors' influence on their subordinates' responses in their favour. Further this research focused on supervisor-subordinate relationships, so there was also a possibility of embarrassment and employment risks arising from interpersonal relationships. But the adopted protocols for data collection

in this research managed these ethical risks. The researcher first approached employee participants and asked them to complete their questionnaires and identify their supervisors. The researcher then approached the respective supervisors for participation in the research. Thus, by starting the procedures from the bottom of the hierarchy and moving up the ladder, this research minimised the potential risks related to power differences.

The research procedures allowed participants to disclose their names, but the responses of participants were held confidentially by the researcher and not disclosed to other participants or elsewhere. Further, since this research was across various hospitality institutions, only an aggregated summary of results is presented, so there is no possibility of individual identification. Thus, all possible risks were mitigated.

## CHAPTER 4 - RESULTS

The research instruments and the data collection procedures were explained in the previous chapter. In the first sections of this chapter, a summary of the research protocol is provided. This chapter then presents the results of the research analyses in a tabulated manner. Though observations from the tables are highlighted in this chapter, a detailed discussion of the same along with research implications are explained in the next chapter.

The study was carried out among Indian hospitality employees, using sixteen hospitality establishments. The questionnaires had items pertaining to LMX, organisational commitment and turnover intent. Data were first collected from the subordinates before their respective supervisors were approached for the research purposes. The data collected from the two groups were matched by the researcher with the names of the subordinates and supervisors written in their respective consent forms.

The response rate for the present study among the subordinates was 85.36 % and that among the supervisors was 100 %. This response rate was higher than predominant LMX agreement and other LMX research which uses mailing techniques for data collection. (e.g. Cogliser et al., 2009; Kacmar, Harris, Carlson, & Zivnuska, 2009; Kim et al., 2010a; Wilhelm et al., 1993).

From the data collected, after omitting those with larger missing fields, a total of 315 meaningful dyads were obtained. An analysis of the participants shows that 37.5 % of

the participants were from takeaway businesses and 23.8 % from medium-sized hotels.

The remaining participants were from the other establishments (See Table 5)

**Table 5: Organisation Types**

	<b># of Subordinates</b>	<b>Percentage (%)</b>
Bed and Breakfast	27	08.6
Fine Dining Restaurant	36	11.4
Takeaway Business	118	37.5
Small Sized Hotels	59	18.7
Medium Sized Hotels	75	23.8
Total	315	100.0

#### **4.1 Descriptive Statistics**

The study focussed on data from two groups of participants – the subordinates and their supervisors. The descriptive statistics of these two groups are presented individually at this stage. Specifically, the attributes of the participating subordinates and their supervisors are described in terms of gender, age, organisational and industry experience, position, hospitality education and general education. To facilitate a better understanding of the participants, the groups were further divided into dining and lodging groups. The participants from the fine dining restaurants and the takeaway businesses were analysed under *dining group* and those from the Bed and Breakfast and other hotel properties were grouped under *lodging group*.

##### **4.1.1 Subordinates**

Out of the 315 subordinates who participated for the current study, 161 were from the lodging group and the remaining from the dining group.

## 1. Gender:

*Lodging:* All of the 161 subordinates from the lodging group who participated in the current study specified their gender. 80.7 % were men and 19.3 % were women.

*Dining:* All of the 161 subordinates from the dining group who participated in the current study specified their gender. 94.8 % were men and the remaining subordinates were women (See Table 6). These data are consistent with previous studies that found that the Indian hospitality industry is traditionally male-dominated and women in the workforce are minimum (Chhokar, 2007; Pellegrini et al., 2010).

**Table 6: Gender of Subordinates**

	<b># of Subordinates</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Male	130	80.7
Female	31	19.3
<b>Total</b>	161	100.0
<b><i>Dining:</i></b>		
Male	146	94.8
Female	8	5.2
<b>Total</b>	154	100.0
<b><i>All responses:</i></b>		
Male	276	87.6
Female	39	12.4
<b>Total</b>	315	100

## 2. Age:

*Lodging:* The average age among these participating subordinates was 30.96 years old and the standard deviation (measure of spread of a set of observations) of the age was 9.06 (See Table 7).

*Dining:* The average age in this sector of the subordinates was 27.2 years and the standard deviation of the age was 5.93 (See Table 7). From the data it is evident that the dining group has a younger workforce compared with the lodging group.

**Table 7: Age of Subordinates**

	<b># of Subordinates</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Between 20 and 29 years old	86	53.4
Between 30 and 39 years old	44	27.3
Between 40 and 49 years old	22	13.7
50 years old and above	9	5.6
<b>Total</b>	<b>161</b>	<b>100</b>
Mean – 30.96, Std. Deviation – 9.06, Min – 20, Max – 59		
<b><i>Dining:</i></b>		
Between 20 and 29 years old	114	74.0
Between 30 and 39 years old	31	20.1
Between 40 and 49 years old	7	4.5
50 years old and above	2	1.3
<b>Total</b>	<b>154</b>	<b>100</b>
Mean – 27.2, Std. Deviation – 5.93, Min – 20, Max – 50		
<b><i>All Responses:</i></b>		
Between 20 and 29 years old	200	66.67
Between 30 and 39 years old	75	23.80
Between 40 and 49 years old	29	9.20
50 years old and above	11	3.49
<b>Total</b>	<b>315</b>	<b>100</b>
Mean – 29.13, Std. Deviation – 7.899, Min – 20, Max – 29.13		

### 3. Tenure:

Subordinates across both the groups answered tenure questions related to their current organisation. From the results it is evident that the subordinates in the lodging group

are marginally more experienced with their current organisation, compared with those of the dining group (See Table 8).

**Table 8: Organisational Tenure of Subordinates**

	<b># of Subordinates</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Less than 1 year	20	12.4
Between 1 and 5 years	98	60.9
Between 6 and 10 years	32	19.9
More than 10 years	11	6.8
<b>Total</b>	<b>161</b>	<b>100</b>
Mean – 4.57, Std. Deviation – 4.53, Min – 0.8, Max – 25		
<b><i>Dining:</i></b>		
Less than 1 year	29	18.8
Between 1 and 5 years	77	50
Between 6 and 10 years	45	29.2
More than 10 years	3	2
<b>Total</b>	<b>154</b>	<b>100</b>
Mean – 4.17, Std. Deviation – 3.21, Min – 0.8, Max – 15		
<b><i>All Responses:</i></b>		
Less than 1 year	49	15.56
Between 1 and 5 years	175	55.56
Between 6 and 10 years	77	24.44
More than 10 years	14	4.44
<b>Total</b>	<b>315</b>	<b>100</b>
Mean – 4.38, Std. Deviation – 3.95, Min – 0.8, Max – 25		

**4. Industry experience:**

*Lodging:* All of the 161 subordinates from the lodging group specified their collective experience in the hospitality industry. The range of the subordinates' hospitality experience varied from a minimum of 9 months to 30 years. The average collective

hospitality experience of the subordinates among the lodging group was 6.12 years with the standard deviation for this group being 5.53.

*Dining:* In the dining group, 153 out of the 154 subordinates mentioned their collective experience in the hospitality industry. The range of their experience was from 9 months to 25 years with the average being 4.17 years and the standard deviation for this group being 3.21 (See Table 9).

From the results it could be observed that subordinates among the lodging group tend to have marginally more industry experience than those in the dining group.

**Table 9: Industry Experience of Subordinates**

	# of Subordinates	Percentage (%)
<b><i>Lodging:</i></b>		
Less than 1 year	13	8.1
Between 1 and 5 years	84	52.2
Between 6 and 10 years	39	24.2
Between 11 and 15 years	14	8.7
Above 15 years	11	6.8
Total	161	100
Mean – 6.12, Std. Deviation – 5.53, Min – 0.8, Max – 30		
<b><i>Dining:</i></b>		
Less than 1 year	25	16.3
Between 1 and 5 years	65	42.5
Between 6 and 10 years	41	26.8
Between 11 and 15 years	16	10.5
Above 15 years	6	3.9
No Response	1	
Total	154	100
Mean – 5.62, Std. Deviation – 4.88, Min – 0.8, Max – 25		
<b><i>All Response:</i></b>		
Less than 1 year	38	12.06
Between 1 and 5 years	149	47.45
Between 6 and 10 years	80	15.60
Between 11 and 15 years	30	9.55
Above 15 years	17	5.41
No Response	1	
Total	315	100
Mean – 5.88, Std. Deviation – 5.22 Min – 0.8, Max – 30		

**5. Job function:**

*Lodging:* Out of the 161 subordinates from the lodging group who participated for this survey, 159 subordinates specified their job position. Though they were informed to respond by circling any one of the choices, most of the subordinates responded in more than one field. This shows that the staff were trained to undertake different job

functions. Among the 159 subordinates who specified their job function, 33.3 % were housemen and 32.3 % were cooks in the restaurant of the hotels. All the receptionists were women and 17 % of the total respondents were waiters (See Table 10).

*Dining:* Among the subordinates in this group, most of them were either a cook or a waiter as the properties were restaurants or takeaway businesses (See Table 10).

**Table 10: Job Function of Subordinates**

	<b># of Subordinates</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Cashier	3	1.9
Server/Waiter	27	17
Cook	52	32.7
Receptionist	11	06.9
Coordinator	2	1.3
Housemen	53	33.3
Others	11	6.9
No Response	2	
<b>Total</b>	<b>161</b>	<b>100</b>
<b><i>Dining:</i></b>		
Cashier	4	02.7
Server/Waiter	95	63.3
Cook	48	32
Coordinator	2	1.3
Others	1	0.7
No Response	4	
<b>Total</b>	<b>154</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Cashier	7	2.3
Server/Waiter	122	39.5
Cook	100	32.4
Receptionist	11	3.6
Coordinator	4	1.3
Housemen	53	17.2
Others	12	3.9
No Response	6	
<b>Total</b>	<b>315</b>	<b>100</b>

## 6. Hospitality education:

*Lodging:* Out of the 161 subordinates in the lodging group, 157 specified whether they had received any formal education pertaining to the hospitality industry. Most of the subordinates in this group had either not received any formal education pertaining to the hospitality industry or had completed hospitality certificate courses.

*Dining:* Out 154 subordinates in the dining group, 151 subordinates specified whether they had received any formal education pertaining to the hospitality industry. Sixty five percent of the respondents from this group had not received any formal hospitality education and 30.5 % have received hospitality education as part of their diploma or graduate programmes (See Table 11).

**Table 11: Hospitality Education of Subordinates**

	# of Subordinates	Percentage (%)
<b><i>Lodging:</i></b>		
Not at all	120	76.4
Short-term Professional Programmes	34	21.7
Diploma / Graduate Programmes	2	1.3
Master / Post-Graduate Programme	1	0.6
No Response	4	
<b>Total</b>	<b>161</b>	<b>100</b>
<b><i>Dining:</i></b>		
Not at all	98	64.9
Short-term Professional Programmes	7	4.6
Diploma / Graduate Programmes	46	30.5
Master / Post-Graduate Programme	0	0
No Response	3	
<b>Total</b>	<b>154</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Not at all	218	70.8
Short-term Professional Programmes	41	13.3
Diploma / Graduate Programmes	48	15.6
Master / Post-Graduate Programme	1	.3
No Response	7	
<b>Total</b>	<b>315</b>	<b>100</b>

7. Education qualification: Among both the groups of the subordinates who participated in this study, two subordinates from the dining group did not specify the level of education. An analysis across both the groups shows that half of the subordinates had only an intermediate or a high school level of education and only one subordinate from the lodging group was a master's degree holder (See Table 12).

**Table 12: Education Qualification of Subordinates**

	# of Subordinates	Percentage (%)
<b><i>Lodging:</i></b>		
Intermediate school	83	51.6
High school	35	21.7
Short-term Professional Programme	35	21.7
Diploma or bachelor's degree	5	3.1
Master's degree	1	0.6
Others	2	1.2
No Response	0	
<b>Total</b>	<b>161</b>	<b>100</b>
<b><i>Dining:</i></b>		
Intermediate school	18	11.8
High school	60	39.5
Short-term Professional Programmes	15	9.9
Diploma or bachelor's degree	56	36.8
Master's degree	0	
Others	03	2.0
No Response	2	
<b>Total</b>	<b>154</b>	<b>100</b>
<b><i>All responses:</i></b>		
Intermediate school	101	32.3
High school	95	30.4
Short-term Professional Programmes	50	16.0
Diploma or bachelor's degree	61	19.5
Master's degree	1	.3
Others	5	1.6
No Response	2	
<b>Total</b>	<b>315</b>	<b>100</b>

### 4.1.2 Supervisors

The supervisors were also grouped according to their organisations as lodging group and dining group. There were a total of 43 supervisors who participated in this study. Out of the 43 supervisors, 32 were from the lodging group and the remaining from the dining group.

1. Gender: As is evident in Indian organisations (Chhokar, 2007), the organisations in both the groups were male dominated. While 100 % of the supervisors in the dining group were males, 87.5 % of the supervisors in the lodging group were males (See Table 13).

**Table 13: Gender of Supervisors**

	# of Supervisors	Percentage (%)
<b><i>Lodging:</i></b>		
Male	28	87.5
Female	4	12.5
<b>Total</b>	<b>32</b>	<b>100</b>
<b><i>Dining:</i></b>		
Male	11	100
Female	0	0
<b>Total</b>	<b>11</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Male	39	90.7
Female	4	9.3
<b>Total</b>	<b>43</b>	<b>100</b>

### 2. Age:

*Lodging:* All of the 32 supervisors from the lodging group who participated in this study specified their age. The range of the supervisor's age in the lodging group was

from 21 years old to 61 years old. The average age among these supervisors was 40.5 years old and the standard deviation of the age was 10.46.

*Dining:* All the 11 supervisors from the dining group specified their age. The range of the supervisor's age in the dining group was from 26 years old to 56 years old, with the average age being 41.36 and the standard deviation of the age was 10.38 (See Table 14). It is evident that there is a wide spread of subordinates from all age group among both groups.

**Table 14: Age of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Between 21 and 30 years old	8	25
Between 31 and 40 years old	9	28.1
Between 41 and 50 years old	10	31.3
More than 50 years old	5	15.6
<b>Total</b>	<b>32</b>	<b>100</b>
Mean – 40.5, Std. Deviation – 10.46, Min – 21, Max – 61		
<b><i>Dining:</i></b>		
Between 21 and 30 years old	2	18.2
Between 31 and 40 years old	4	36.4
Between 41 and 50 years old	2	18.2
More than 50 years old	3	27.3
<b>Total</b>	<b>11</b>	<b>100</b>
Mean – 41.36, Std. Deviation – 10.38, Min – 26, Max – 56		
<b><i>Dining:</i></b>		
Between 21 and 30 years old	10	23.25
Between 31 and 40 years old	13	30.23
Between 41 and 50 years old	12	27.91
More than 50 years old	8	18.60
<b>Total</b>	<b>43</b>	<b>100</b>
Mean – 40.72, Std. Deviation – 10.32, Min – 21, Max – 61		

### 3. Tenure:

All supervisors from both the groups mentioned their tenure with their current organisation. From the results, it is found the supervisors in the dining group are better experienced workers in their current organisation than those in the lodging group. It is further evident that this phenomenon is opposite to that observed among subordinates (See Table 15).

**Table 15: Organisational Tenure of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Less than 1 year	2	6.3
Between 1 and 5 years	12	37.5
Between 6 and 10 years	11	34.4
More than 10 years	7	21.9
<b>Total</b>	<b>32</b>	<b>100</b>
Mean – 8.20, Std. Deviation – 6.45, Min – 0.17, Max – 25		
<b><i>Dining:</i></b>		
Less than 1 year	0	0
Between 1 and 5 years	4	36.4
Between 6 and 10 years	3	27.3
More than 10 years	4	36.4
<b>Total</b>	<b>11</b>	<b>100</b>
Mean – 11.91, Std. Deviation – 9.36, Min – 3, Max – 30		
<b><i>All responses:</i></b>		
Less than 1 year	2	4.65
Between 1 and 5 years	16	37.21
Between 6 and 10 years	14	32.55
More than 10 years	11	25.58
<b>Total</b>	<b>43</b>	<b>100</b>
Mean – 9.14, Std. Deviation – 7.36, Min – 0.17, Max – 30		

4. Industry experience: All of the 43 supervisors across both the groups who participated in this study specified their collective experience in the hospitality industry. The range of the industry experience among the supervisors in the lodging group was from 1 year to 33 years and among the dining group was from 6 years to 30 years. The average industrial experience among these supervisors in the lodging group was 13.53 years and the standard deviation of the industrial experience was 9.27. The average industrial experience among the supervisors in the dining group was 19.18 years and the standard deviation was 9.23. It is evident from the data that supervisors in the dining properties had more industrial experience than their counterparts in the lodging properties (See Table 16).

**Table 16: Industrial Experience of Supervisors**

	# of Supervisors	Percentage (%)
<b><i>Lodging:</i></b>		
Between 1 and 5 years	9	28.1
Between 6 and 10 years	4	12.5
Between 11 and 15 years	10	31.3
Between 16 and 20 years	2	6.3
Between 21 and 25 years	4	12.5
Above 25 years	3	9.4
<b>Total</b>	<b>32</b>	<b>100</b>
Mean – 13.53, Std. Deviation – 9.27, Min – 1, Max – 33		
<b><i>Dining:</i></b>		
Between 1 and 5 years	0	0
Between 6 and 10 years	4	36.4
Between 11 and 15 years	0	0
Between 16 and 20 years	0	0
Between 21 and 25 years	6	54.5
Above 25 years	1	9.1
<b>Total</b>	<b>11</b>	<b>100</b>
Mean – 19.18, Std. Deviation – 9.23, Min – 6 Max – 30		
<b><i>All Responses:</i></b>		
Between 1 and 5 years	9	20.93
Between 6 and 10 years	8	18.60
Between 11 and 15 years	10	23.26
Between 16 and 20 years	2	4.65
Between 21 and 25 years	10	23.26
Above 25 years	4	9.30
<b>Total</b>	<b>43</b>	<b>100</b>
Mean – 14.98 Std. Deviation – 9.41, Min – 1 Max – 33		

**5. Job function:**

*Lodging:* All the 32 supervisors who participated in this study specified the job function. The supervisors were trained and expected to supervise in all departments.

Though most of the participants in this group were supervisors of subordinates, the sample also consisted of two owners to whom the frontline staff directly reported.

*Dining:* Among the 11 supervisors in the dining group, they were either managers or chefs to whom the subordinates directly reported (See Table 17).

**Table 17: Job Function of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Manager	7	21.9
Supervisor	23	71.9
Owner	2	6.3
<b>Total</b>	<b>32</b>	<b>100</b>
<b><i>Dining :</i></b>		
Manager	7	63.6
Chef	4	36.4
<b>Total</b>	<b>11</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Manager	14	32.6
Supervisor	23	53.5
Owner	2	4.7
Chef	4	9.3
<b>Total</b>	<b>43</b>	<b>100</b>

6. Job-role experience: All of the 43 supervisors across both the groups who participated in this study specified their collective experience in their position. The range of this experience among the supervisors in the lodging group was two months to 33 years and among the dining group it was three years to 25 years. The average experience among these supervisors in the lodging group was 13.53 years and the standard deviation of the industrial experience was 9.27. The average job - role

experience among the supervisors in the dining group was 12 years and the standard deviation was 7.00 (See Table 18).

**Table 18: Job-Role Experience of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Less than 1 year	2	6.3
Between 1 and 5 years	10	31.3
Between 6 and 10 years	14	43.8
Between 10 and 15 years	1	03.1
Between 16 and 20 years	2	6.3
Between 21 and 25 years	2	6.3
Above 25 years	1	3.1
<b>Total</b>	<b>32</b>	<b>100</b>
Mean – 9.06, Std. Deviation – 7.34, Min – 0.17, Max – 33		
<b><i>Dining:</i></b>		
Less than 1 year	0	0
Between 1 and 5 years	2	18.2
Between 6 and 10 years	5	45.5
Between 10 and 15 years	0	0
Between 16 and 20 years	3	27.3
Between 21 and 25 years	1	9.1
Above 25 years	0	0
<b>Total</b>	<b>11</b>	<b>100</b>
Mean – 12, Std. Deviation – 7, Min – 3, Max – 25		
<b><i>All Responses:</i></b>		
Less than 1 year	2	4.65
Between 1 and 5 years	12	27.91
Between 6 and 10 years	19	44.19
Between 10 and 15 years	1	2.33
Between 16 and 20 years	5	11.63
Between 21 and 25 years	3	6.98
Above 25 years	1	2.33
<b>Total</b>	<b>43</b>	<b>100</b>
Mean – 9.84, Std. Deviation – 7.3, Min – .17, Max – 33		

7. Hospitality education: All of the 43 supervisors across both the groups answered whether they had received any formal hospitality education. Among the 32 supervisors in the lodging group, 26 of them did not receive any formal hospitality education. The results were similar in the dining group where 10 of the total 11 supervisors did not receive any formal hospitality education. Only one supervisor in the dining group reported that he had received hospitality education as part of certificate courses and four (4) supervisors in the lodging group have attended hospitality education during the diploma or graduate programmes (See Table 19).

**Table 19: Hospitality Education of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Not at all	26	81.3
Short-term Professional Programmes	1	3.1
Diploma / Graduate Programmes	4	12.5
Others	1	3.1
<b>Total</b>	<b>32</b>	<b>100</b>
<b><i>Dining:</i></b>		
Not at all	10	90.9
Diploma / Graduate Programmes	1	9.1
<b>Total</b>	<b>11</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Not at all	36	83.7
Short-term Professional Programmes	1	2.3
Diploma / Graduate Programmes	5	11.6
Others	1	2.3
<b>Total</b>	<b>43</b>	<b>100</b>

8. Education qualification: All the 43 supervisors across both the groups who participated in this study specified the level of education. The level of education

among these supervisors ranged from intermediate school to post-graduate education. The data shows that most of the supervisors were diploma or degree holders (31.3 % in the lodging group, 54.5 % in the dining group). 21.9 % of supervisors in the lodging group and 9.1 % of the supervisors in the dining group have only attended to intermediate school level but have become supervisors due to their significant experience. This assumption is similar to that of Poulston (2005) where these supervisors are assumed to have moved to the supervisor role not because of their knowledge of their work but because those who had a higher organisational tenure are those promoted to supervisor's role (See Table 20).

**Table 20: Education Qualification of Supervisors**

	<b># of Supervisors</b>	<b>Percentage (%)</b>
<b><i>Lodging:</i></b>		
Intermediate school	7	21.9
High school	5	15.6
Short-term Professional Programme	6	18.8
Diploma or bachelor's degree	10	31.3
Master's degree	3	9.4
Others	1	3.1
<b>Total</b>	<b>32</b>	<b>100</b>
<b><i>Dining:</i></b>		
Intermediate school	1	9.1
High school	1	9.1
Short-term Professional Programme	2	18.2
Diploma or bachelor's degree	6	54.5
Master's degree	1	9.1
Others	0	
<b>Total</b>	<b>11</b>	<b>100</b>
<b><i>All Responses:</i></b>		
Intermediate school	8	18.6
High school	6	14.0
Short-term Professional Programme	8	18.6
Diploma or bachelor's degree	16	37.2
Master's degree	4	9.3
Others	1	2.3
<b>Total</b>	<b>43</b>	<b>100</b>

It is evident from the results that the typical subordinate is a male, 29 years old, working in the current organisation for the past 4 years and has hospitality industry experience of 5.5 years. This hypothetical employee will have no hospitality education and will have joined the industry upon completing intermediate school.

Among the supervisors, the typical one is a male, 41 years old, working in the current organisation for the past 10 years and has hospitality industry experience of 16 years.

This hypothetical supervisor will have no hospitality education, would have completed his/her bachelor degree and will have a position experience of 13 years. Further, from the results it is evident that the supervisors from the dining group are older and have longer organisational and industrial experience but fewer jobs - role experience than their counterparts in the lodging group. Furthermore, these demographic details of the participants were similar to other studies on Indian hospitality industry (e.g. Chand & Kapoor, 2010; Namasivayam & Zhao, 2007). Therefore, the findings of this study can be compared to similar studies undertaken in Indian hospitality industry.

#### 4.2 Factor Analysis and Reliability Test

A principal component factor analysis with the items of all the four measures asked from the subordinates and the supervisors respectively was performed. The assumptions of factor analysis were tested. A significant Barlett test of sphericity ( $p < .01$ , chi-square 4506.36) indicated a significant correlation among the variables. Furthermore, the measure of sampling adequacy (0.877) indicated significant correlations among the variables (See Table 21).

Kaiser criterion (extracting factors for which Eigenvalues are greater than one) revealed a total of four factors with an Eigenvalue greater than one (See Table 22).

**Table 21: KMO and Bartlett's Test**

KMO		.877
Bartlett's Test	Approx Chi-Square	4506.36
	df	210
	Sig.	.001

**Table 22: Eigenvalue and Total Variance Explained**

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	<b><u>7.462</u></b>	33.920	33.920
2	<b><u>4.104</u></b>	18.657	52.577
3	<b><u>2.204</u></b>	10.019	62.596
4	<b><u>1.499</u></b>	6.812	69.409
5	.924	4.200	73.608
6	.757	3.443	77.051
7	.597	2.714	79.765

Note: Principal Component Analysis extraction method

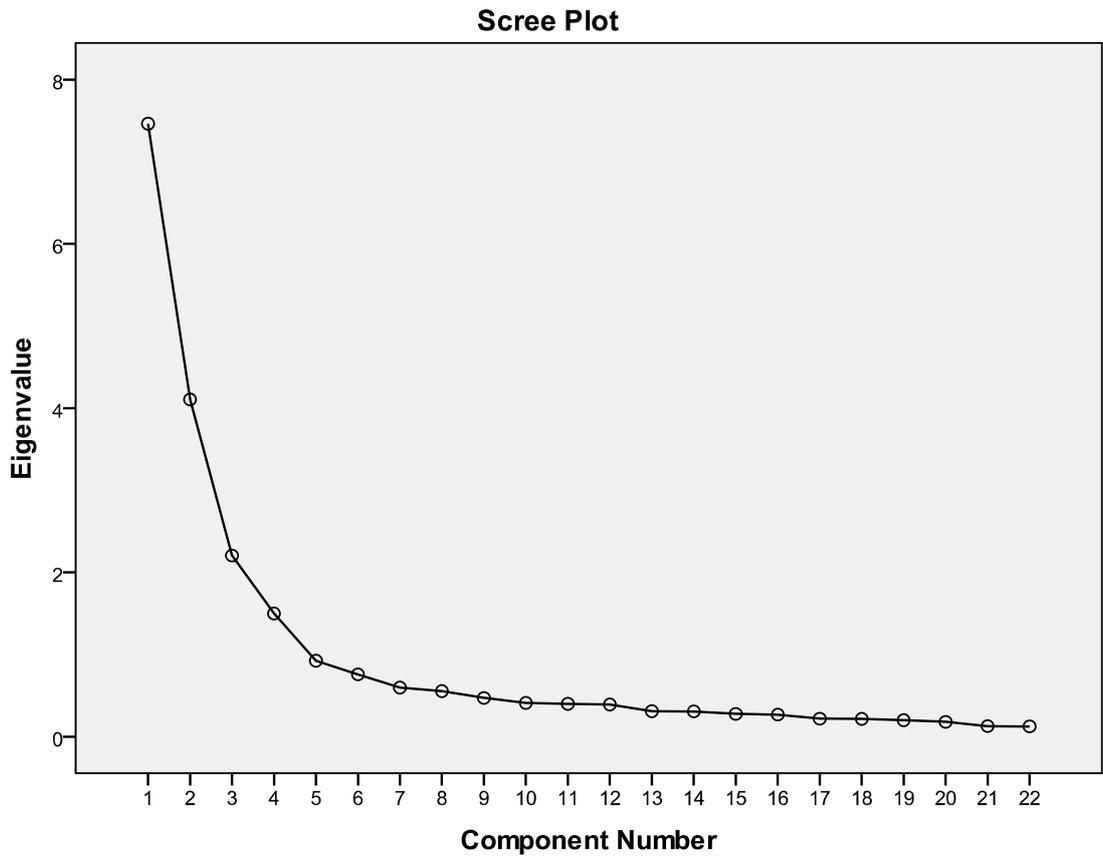
Further, the graphical scree plot analysis as in Figure 2 (below) shows only four sharp slopes (curves) denoting the four distinct factors. This indicates that each scale used in this research denotes to one unique factor. Finally, consistent with findings in other studies, the scales used in the present study had a high internal consistency (measure based on the correlations between different items on the same test) (See Table 23).

**Table 23: Reliability Scores**

	SCALE	$\alpha$ VALUE
1	LMX	.89
2	AOC	.93
3	TI	.89
4	Supervisor LMX	.89

The rotated component matrix of all the measures is presented in Table 24.

**Figure 2: Scree Plot**



**Table 24: Rotated Component Matrix**

	<b>Component</b>			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
LMX_1	.049	<b>.586</b>	.370	-.069
LMX_2	.197	<b>.814</b>	.146	-.127
LMX_3	.061	<b>.781</b>	.203	-.061
LMX_4	.018	<b>.791</b>	.219	-.052
LMX_5	.053	<b>.804</b>	.166	-.027
LMX_6	.003	<b>.642</b>	.342	-.157
LMX_7	.097	<b>.635</b>	.398	-.064
AOC1	-.021	.362	<b>.780</b>	-.037
AOC2	-.008	.294	<b>.860</b>	-.088
AOC3	.069	.271	<b>.825</b>	-.159
AOC4	.059	.323	<b>.789</b>	-.215
AOC5	.148	.262	<b>.807</b>	-.152
TI_1	-.054	-.082	-.224	<b>.861</b>
TI_2	-.053	-.079	-.171	<b>.904</b>
TI_3	-.008	-.190	-.056	<b>.863</b>
SLMX1	<b>.580</b>	.045	-.114	.267
SLMX2	<b>.799</b>	.088	.038	-.012
SLMX3	<b>.843</b>	.098	.034	.022
SLMX4	<b>.825</b>	-.017	.165	-.164
SLMX5	<b>.830</b>	.064	.142	-.108
SLMX6	<b>.788</b>	.034	-.031	-.115
SLMX7	<b>.815</b>	.089	.039	.010

### 4.3 Hypothesis Test and Further Analysis

The level of agreement between the supervisor LMX and subordinate LMX was computed as an output variable and was assessed with the subordinate's organisational commitment and turnover intent to identify the relationship of LMX agreement with these organisational outcomes. A variable was generated by subtracting the mean

supervisor LMX score of each participant from their respective mean subordinate LMX score. This variable was called LMX difference. Greater LMX agreement is found, when the value of LMX difference is near to zero. Bivariate correlations (Pearson's correlation analysis) were employed to analyse the relationship among variables.

**Table 25: Correlations Analysis**

	LMX Difference	AOC	TI	LMX	SLMX
LMX Difference	1				
AOC	-.402**	1			
TI	.165**	-.360**	1		
LMX	-.629**	.652**	-.286**	1	
Supervisor LMX	.671**	.111	-.063	.154**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed), n = 315

Table 25 shows a moderate negative relationship (-.402) between the scores of LMX difference and organisational commitment (AOC) among the 315 respondents. A moderate correlation lies between 0.30 and 0.49 (Hopkins, 2006). The association (-.402) was significant at less than 0.001 level (two-tailed). A two-tailed test is a statistical test in which the correlation values are either greater than or less than a certain value (Bartholomew et al., 2008). Further, the coefficient of determination, R Square ( $R^2$ ) was .161 which implies that LMX difference accounts for 16.1 % of the variance of the subordinate's organisational commitment.

It is evident from these results that the higher the difference between the mean scores of supervisor and subordinate LMX, the lower the subordinate's affective organisational score. In other words, the greater the agreement between the mean LMX

scores of supervisor and subordinate, the greater the subordinate's organisational commitment score. Therefore Hypothesis 1, "*Strong LMX agreements among the supervisors and the subordinates are positively related to the subordinates' organisational commitment*" was supported.

Table 25 also demonstrates a small positive correlation (.165) between the scores of LMX difference and turnover intent (TI). Though it is a small correlation, it is significant at less than 0.01 (two-tailed).

Similarly, results indicate that LMX difference is positively related to turnover intent. This denotes the higher difference between the mean scores of supervisor and subordinate LMX the greater the subordinate's turnover intent scores. This indicates that the greater the agreement between the mean LMX scores of supervisor and subordinate, the lower the subordinate's turnover intent score will be. Therefore Hypothesis 2, "*Strong LMX agreements among the supervisors and the subordinates are negatively related to the subordinates' turnover intent*" was supported.

Data in Table 25 further reveal a strong negative correlation (-.629) between the staff LMX and the LMX difference, and the correlation is significant at less than 0.01 (two-tailed). This implies that strong staff LMX scores are positively related to higher LMX agreement. It is also evident from table 26 that there is a strong positive correlation (.652) between staff LMX and staff organisational commitment and a small negative correlation (-.286) between staff LMX and staff turnover intent. This implies that the staff who perceive high LMX quality are more committed to the organisations and seldom think of quitting their job.

On the other hand, supervisor LMX is not significantly related to staff organisation commitment and turnover intent. This implies that supervisor-perceived LMX does not have much influence on the staff's commitment to the organisation and intention to quit the organisation. Further, there was only a small correlation between supervisor LMX and staff LMX ( $r = .154$ , significant at less than the 0.01 level). Therefore, it is clear that employee-LMX is different from supervisor-LMX and both shouldn't be used interchangeably. .

When computing the LMX difference variable, two situations developed. They were supervisor's LMX scores higher than the respective subordinate LMX scores, and subordinate's LMX scores higher than the respective supervisor LMX scores. Therefore, the research conducted further correlation analysis by separating and examining the data under the above mentioned situations. This further analysis was carried out to find if there are any differences in the results. Table 26 and Table 27 show the bivariate correlation results of LMX difference with the organisational outcomes among the two separate groups. Though the results are not substantial but low, it is significant at less than 0.01. Further, the direction of correlation of these scores is similar to the overall correlation scores mentioned in Table 25.

However data in Table 26 and Table 27 show significant differences in the results of the staff and the supervisor LMX scores and their correlation with the organisational outcomes. In the situation when subordinates rate higher than the supervisor, the level of correlation between the staff LMX and the LMX difference reduces and that between the supervisor LMX and the LMX difference increases. Further in this situation, the significant level of correlation between supervisor LMX and organisation

commitment increases. Finally the level of correlation between staff and supervisor LMX ratings also increases.

When supervisors rate higher than the staff, there is no significant correlation between supervisor LMX and the LMX difference. But in this situation the level of correlation between staff LMX and LMX difference increases. There is further an increase in the significant level of correlation between staff LMX and supervisor LMX in this situation.

**Table 26: Correlation Results when Subordinates rate higher than Supervisors**

	LMX Difference	AOC	TI	LMX	SLMX
LMX Difference	1				
AOC	-.243**	1			
TI	.167*	-.423**	1		
LMX	-.342**	.638**	-.299**	1	
SLMX	.711**	.243**	-.063	.417**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed),  
 \* Correlation is significant at the 0.05 level (2-tailed), n = 208

**Table 27: Correlation Results when Supervisors rate higher than Subordinates**

	LMX Difference	AOC	TI	LMX	SLMX
LMX Difference	1				
AOC	-.237**	1			
TI	.211*	-.223*	1		
LMX	-.702**	.479**	-.258**	1	
SLMX	.105	.412**	-.132	.635**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed),  
 \* Correlation is significant at the 0.05 level (2-tailed), n = 126

Further analyses in terms of the demographic sub-groups were undertaken to examine whether there were any statistically significant differences. Table 28 through to Table 35 presents the data revealing the bivariate correlations among the LMX difference, the organisation commitment and the turnover intent in the different sub-groups.

**Table 28: Subordinate Age**

	LMX Difference	AOC	TI
<b>Fewer than 27 years old:</b>			
LMX Difference	1		
AOC	-.346**	1	
TI	.057	-.298**	1
<b>28 years old and more:</b>			
LMX Difference	1		
AOC	-.411**	1	
TI	.159	-.350**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed),  
Below 27 years: n=167, 28 years and above: n=148

The results of the bivariate correlation analysis conducted in the sub-group where subordinates' age is fewer than 27 years are compared with those in which the subordinates' age is 28 years old and more. The results presented in Table 28 reveal that in both the sub-groups the LMX difference is moderately correlated to subordinates' organisational commitment, and there are no significant differences in the results. This implies that differences in subordinates' age did not have any influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further displayed that LMX difference is not correlated to subordinates' turnover intent among both the sub-groups.

**Table 29: Subordinate Tenure**

	LMX Difference	AOC	TI
<b>Fewer than 4 years:</b>			
LMX Difference	1		
AOC	-.399**	1	
TI	.035	-.268**	1
<b>4 years or more:</b>			
LMX Difference	1		
AOC	-.400**	1	
TI	.345**	-.477**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Below 4 years: n= 195, 4.1 years and above: n = 120

The results of the bivariate correlation analysis conducted in the sub-group where subordinates' organisational tenure are fewer than four years are compared with those where the subordinates' organisational tenure are four years or more. The results presented in Table 29 reveal that in both the sub-groups the LMX difference is moderately correlated to subordinates' organisational commitment, and there are no significant differences in the results. This suggests that differences in subordinates' organisational tenure did not have any influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further indicate that LMX difference is not correlated to subordinate turnover intent among the subordinates who have worked fewer than four years in the present organisation. Furthermore, there is a moderate correlation (.345) between LMX difference and

turnover intent in the group whose subordinates' organisational tenure was four years or more. This correlation is significant at the 0.01 level (two-tailed).

**Table 30: Subordinate Industry Experience**

	LMX Difference	AOC	TI
<b>Fewer than 5.4 years:</b>			
LMX Difference	1		
AOC	-.417**	1	
TI	.067	-.282**	1
<b>5.4 years or more:</b>			
LMX Difference	1		
AOC	-.389**	1	
TI	.322**	-.423**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Below 5.4 years: n = 187, 5.4 years and above: n = 127

The result of the bivariate correlation analysis of the sub-group where the subordinates' hospitality industry experience is fewer than 5.4 years is compared with those where the subordinates' hospitality industry experience is 5.4 years and more. The results presented in Table 30 reveal that the LMX difference is moderately correlated to subordinates' organisational commitment, and there are no significant differences in the results. Therefore differences in subordinates' industry experience do not have any significant influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further indicate that LMX difference is not correlated to subordinate turnover intent among the subordinates who have worked fewer than 5.4 years collective industry experience. Furthermore, there is

a moderate correlation (.322) between the LMX difference and the turnover intent in the group whose subordinates' hospitality industry experience is 4.1 years or more. This correlation is significant at the 0.01 level (two-tailed).

**Table 31: Supervisors' Age**

	LMX Difference	AOC	TI
<b>Fewer than 41 years old:</b>			
LMX Difference	1		
AOC	-.393**	1	
TI	.026	-.234**	1
<b>41 years old and more:</b>			
LMX Difference	1		
AOC	-.399**	1	
TI	.254**	-.426**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Below 41 years: n = 165, 41 years and above n = 150

The bivariate correlation analysis results of the sub-groups in which supervisors' age are fewer than 41 years old is compared with those where the supervisors' age are 41 years old and more. The results presented in Table 31 displays that LMX difference is moderately correlated to subordinates' organisational commitment, and there are no significant differences in the results. As a result, the differences in supervisors' age do not have any influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further reveal that LMX difference is not correlated to subordinate turnover intent among the group in which supervisors' age is fewer than 41 years. Furthermore, there is a small correlation (.254) between LMX

difference and turnover intent in the group in which supervisors are 41 years old and more. This correlation is significant at the 0.01 level (two-tailed).

**Table 32: Supervisor Tenure**

	LMX Difference	AOC	TI
<b>Fewer than 10.4 years:</b>			
LMX Difference	1		
AOC	-.429**	1	
TI	.127	-.262**	1
<b>10.4 years and more:</b>			
LMX Difference	1		
AOC	-.274**	1	
TI	.211*	-.609**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

\* Correlation is significant at the 0.05 level (2-tailed)

Below 10.4 years: n = 213, 10.4 years and above: n = 102

The bivariate correlation analysis results of the sub-groups in which supervisors' organisational tenure are fewer than 10.4 years is compared with those where supervisors' organisational tenure was 10.4 years and more. Data on Table 32 indicates that, among the sub-groups there is a significant reduction in the significance of LMX difference with subordinates' organisational commitment. While it is moderately correlated (.429) in the sub-group where supervisors' organisational tenure is fewer than 10.4 years, there is only a small correlation (.274) between these variables in the sub-group where supervisors' organisational tenure is 10.4 years and more. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further displayed that there is no significant difference in the correlation value between LMX difference and subordinates' turnover intent among these sub-groups.

**Table 33: Supervisor Industry Experience**

	LMX Difference	AOC	TI
<b>Fewer than 17.5 years:</b>			
LMX Difference	1		
AOC	-.420**	1	
TI	.119	-.148	1
<b>17.5 years and more</b>			
LMX Difference	1		
AOC	-.475**	1	
TI	.156*	-.301**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Below 17.5 years n = 162, 17.5 years and above n = 197

The bivariate correlation analysis results of the sub-groups in which supervisors' collective hospitality industry experience are fewer than 17.5 years, is compared with those where the supervisors' industry experience are 17.5 years and more. The results presented in Table 33 indicate that LMX difference is moderately correlated to subordinates' organisational commitment, and there are no significant differences in the results. As a result, the differences in supervisors' industry experience do not have any influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further reveal that LMX difference is not correlated to subordinate turnover intent among the group in which supervisors' industry experience is fewer than 17.5 years. Furthermore, there is a small correlation (.156) between LMX difference and turnover intent in the group in which the

supervisors' industry experience is 17.5 years and more. This correlation is significant at the 0.05 level (two-tailed).

**Table 34: Supervisor Job-Role Experience**

	LMX Difference	AOC	TI
<b>Fewer than 12 years:</b>			
LMX Difference	1		
AOC	-.390**	1	
TI	.211**	-.529**	1
<b>12 years and more:</b>			
LMX Difference	1		
AOC	-.298**	1	
TI	.170	-.415**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Below 12 years: n = 153, 12 years and above: n = 118

The bivariate correlation analysis results of the sub-groups in which supervisors' job-role experience are fewer than 12 years, is compared with those where the supervisors' job-role experience are 12 years and more. The results presented in Table 34 indicate that LMX difference is correlated to subordinates' organisational commitment, and there are no significant differences in the results. This implies that the differences in supervisor's job - role experience do not have any influence on the relationship between LMX agreement and subordinates' organisational commitment. The correlations in both the sub-groups are significant at the 0.01 level (two-tailed). The results further reveals that there is a small correlation (.211) between LMX difference and the subordinate's turnover intent among the group in which supervisors' job - role experience is fewer than 17.5 years. This correlation is significant at the 0.01 level (two-tailed).

From the results presented in Table 28 through to Table 34, it is evident that subordinates' organisational commitment is moderately correlated to the LMX difference among all the sub-groups. The LMX difference variable is highly correlated with organisation commitment when the supervisors have lesser tenure with the organisation (-.429) and in sub-groups where the supervisors have vast industry experience (-.475). Furthermore, the direction of correlation remains unchanged and is similar to the overall correlation results established in Table 25. As a result there are no statistically significant differences in the correlation between LMX agreement and subordinates' organisation commitment among the sub-groups.

It is further observed that, when bivariate correlation is performed individually among the sub-groups, the correlation significance level of subordinates' turnover intent with the LMX difference variable is drastically reduced. The analyses show that the correlation among the LMX difference variable and the turnover intent variable is comparatively high in the sub-groups of older managers (.254) and those managers who have less position experience (.211). Nevertheless, though level of correlation between the LMX difference and the turnover intent was low, it was predominantly similar to the overall correlation level of LMX difference and turnover intent. As a result there are only marginal statistically significant differences in the correlation between LMX agreement and subordinates' turnover intent among the sub-groups.

Finally, bivariate correlation analyses were conducted individually with the responses from the lodging group and the dining group. Table 35 indicate the bivariate correlation among the lodging group and the dining group respectively.

**Table 35: Correlation Results of Lodging and Dining groups**

	LMX Difference	AOC	TI
<b>Lodging:</b>			
LMX Difference	1		
AOC	-.438**	1	
TI	.177	-.255**	1
<b>Dining:</b>			
LMX Difference	1		
AOC	-.315**	1	
TI	.048	-.415**	1

Note: \*\* Correlation is significant at the 0.01 level (2-tailed)

Lodging: n = 161, dining: n = 154

The bivariate correlation analysis results of the lodging sector were compared with that of the dining sector. The results presented in Table 35 indicate that LMX difference is correlated to subordinate's organisational commitment and turnover intent, and there are no significant differences in the results with the overall results furnished in Table 25. Further the direction of correlation is also similar to the overall correlation results displayed in Table 25. This implies that, the differences in the hospitality sectors do not have any influence on the relationship of LMX agreement with subordinates' organisational commitment and turnover intent.

In the next chapter, the summary of these findings along with the theoretical and practical implications of the study will be discussed. Further in the next chapter, the limitations of this research will be identified and the areas for future research will be suggested.

## CHAPTER 5 - DISCUSSION

### 5.1 Introduction

This research examined the relationship of LMX agreement to organisational commitment and turnover intent in the hospitality industry context. A total of 315 meaningful employee-supervisor dyads were established from the responses obtained from Indian hospitality industry workers. In summary, the overall response rate for the study was 85.36 % for the employees and 100 % for the supervisors respectively.

This research employed a difference score technique to compute LMX agreement between the subordinate and supervisor LMX. Absolute differences between supervisor and subordinate LMX scores were calculated and these values were used to conduct correlation analyses.

After reviewing the literature, the research hypothesised that LMX agreement is related to a subordinate's organisational commitment such that stronger LMX agreement predicts strong organisational commitment. Results supported the first research hypothesis, signifying that LMX agreement has a significant positive relationship with the subordinate's organisational commitment. The relationship between LMX agreement and organisational commitment was positive and moderate ( $r = .402, p < .01$ ).

It was also hypothesised that LMX agreement is related to subordinate's turnover intent such that stronger LMX agreement predicts lower levels of turnover intentions among the subordinates. According to the results, LMX agreement's relationship with

turnover intent was not substantial but low ( $r = -.165$ ,  $p < .01$ ). However the relationship between these factors was statistically significant at less than the 0.001 level (two-tailed). As a result, the second hypothesis, “LMX agreement between supervisors and subordinates is negatively related to the subordinates’ turnover intent”, was also supported.

## **5.2 Interpretation of Results**

The research further analysed the hypotheses across various demographic sub-groups to detect potential confounding effects on the research results. Overall, the findings of the analyses suggest that demographic factors of the participants do not seem to have a significant effect on the correlation values between LMX agreement, organisation commitment and turnover intent. However, the relationship between LMX agreement and organisation commitment is significantly higher in the groups of older subordinates who have worked for a considerably longer period of time with the current organisation but have less experience in the hospitality industry. This relationship is also stronger in groups of young subordinates who are new to the current organisation with less experience in their current position of being a supervisor or a manager but with more collective experience in the hospitality industry. The findings suggest a unique perspective: that subordinates with longer organisational tenure tend to impress their supervisors who are comparatively new to the organisation, by accepting their work demands more readily. This may be performed to gain recognition of their new supervisor and thereby become in-group members of their supervisors. It is evident that subordinates in higher LMX groups have greater job security than those in lower LMX groups (Graen & Uhl-Bien, 1995). As a result, the

findings suggest that behaviours relating to the impressing of the new supervisors are more prevalent in subordinates who do not have much hospitality industry experience.

However, as these subordinates do not have much industry experience, they are possibly nervous about being dismissed and having to find a new job. This is because of the tight labour market in India. For example, studies on Indian management (e.g. Varma, Pichler, Srinivas, & Albarillo, 2007; Vikramaditya, 2005) found Indian labour situation was demanding, and finding jobs difficult. As a result, these subordinates, since they do not have enough industry experience, could foster a feeling of being secure in the present organisation rather than find new jobs. Therefore, they try to “flatter” by working amicably with the demands of the supervisor. By this process, the subordinates gain the confidence of their supervisors who themselves are new to their position and who are possibly trying to gain the confidence of subordinates. As a result there is artificial job security for both.

Furthermore, this setting is consistent with impression management theory, which is defined as a process conducted consciously or unconsciously by a person to influence other people (Aronson, Wilson, & Akert, 2009). Impressions are created to garner personal identity, and one of the most followed impression management tactics is “flattery”. This tactic is used to gain trust or false recognition among other people (Herman, Roth, & Polivy, 2003). Hofstede (2001) found Indian management practised greater power distance. Khilji and his colleagues (Khilji, Zeidman, Drory, Tirmizi, & Srinivas, 2010) found that the act of impression management and flattering is higher in Indian and Pakistani organisations, which practise greater power distance.

A hypothetical situation was considered to address this concept: this was where a supervisor joins an Indian organisation with a couple of subordinate employees. These subordinates do not have much industry experience, are not task oriented, but have been working with the current organisation for a long time. In the situation when the new supervisor joins the organisation, these subordinates feel insecure about their job because they feel that this supervisor might expel them. They are confronted by the psychological situation of finding a new job. Since these subordinates do not have credible industry experience, they prefer to remain and work with the demands of the supervisor rather than confronting a difficult situation. This is done to impress the supervisor and thereby gaining false recognition.

This situation was personally experienced by the researcher during his tenure in India. The researcher worked at a middle management level in the Indian hospitality industry, and has experienced subordinates influencing and creating false impression without being task- oriented.

It should be noted that this situation of subordinates working to the needs of the supervisor may not be permanent once they have won the confidence of the supervisor. There is further a possibility that the subordinate perceives that the supervisor would accept his/her desires. As a result, this leads to a negative work environment.

This research analysed the relationship between LMX agreement with organisational commitment and turnover intent in two different situations. These are situations when subordinates rated their LMX higher than their respective supervisors, and when supervisors rated their LMX higher than their respective subordinates. It is evident from the results that there was no significant difference in the relationship of the LMX

agreement with the organisational commitment and turnover intent across these groups.

The results show that, though the staff and their supervisors have presented moderately high scores for their LMX (mean staff LMX = 5.8 and mean supervisor LMX = 5.34), the level of agreement is low ( $r = 0.154$ ,  $p < 0.01$ ). This may indicate a communication gap between staff and supervisors. Due to a lack of communication, staff may perceive that the supervisors rate their LMX similar to their rating. Similarly, supervisors may also perceive that their staff rate their LMX similar to their rating. The findings are similar to those of other LMX agreement studies where the importance of communication is highlighted. For example, Minsky (2002) suggested that communication feedback in LMX agreement is similar to same-way rating standards established in performance appraisal. The study further suggests that structured feedback would provide specific information to subordinates and supervisors regarding their expectation in the supervisor-subordinate relationship.

Furthermore, the poor level of agreement may be attributed to supervisors and subordinates' assumptions created by their previous experiences. These findings are similar to studies into cognitive leaderships and relationship schemas. For example, Ritter and Lord (2007) found that subordinates' previous incidents and experiences play an important role in characterising their assumptions of present supervisors. Further, Huang et al. (2008) found higher LMX agreement, when similar levels of schematic assessments between supervisors and subordinates were established. Therefore, it can be perceived that low levels of LMX agreement may be due to lower levels of schematic assessments between supervisors and subordinates.

Finally, as suggested in the literature, egocentric bias may be a reason for this poor level of LMX agreement. There is a possibility that, while subordinates attribute good performance of the organisation to them and blame supervisors for failure, supervisors may do it the other way around, leading to different LMX perceptions. This situation is similar to those found in attribution theory (e.g. Zhou & Schriesheim, 2009). Since there is a difference in LMX perceptions between supervisors and subordinates, there are greater possibilities of differences in their LMX scores, leading to poor LMX agreement.

### **5.3 Research Implications**

It is expected that the results of this research will assist in further understanding the supervisor-subordinate relationship in a hospitality industry perspective. The current study aids in providing theoretical and practical advantages to both the hospitality practitioners and academics.

#### **5.3.1 Theoretical Implication**

This research explicitly presents the relationship between LMX agreement, subordinates' organisational commitment and turnover intent. Though some previous research (e.g. Cogliser et al., 2009; Minsky, 2002) discussed their association, there has been little effort to meticulously assess the relationship between these theories. Further, this research is the first to establish the relationship between the LMX agreement and the turnover intentions of the subordinate. Therefore this research adds to the growing literature on the relationship between LMX agreement and the organisational outcomes.

In addition, the research used two sources of information (supervisor and subordinate), which reduced the effect of common method variance. Academics understand that common method variance is a problem that needs to be addressed (Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003; Podsakoff & Organ, 1986). Further, previous studies have analysed LMX either on the leader perspective or on the follower perspective. By analysing the results from two different sources, this research greatly minimises the problem of common method variance and establishes reliable findings.

This research is the first to present LMX study in an Indian hospitality industry context. Indian industries are found to follow a paternalistic management approach, where greater power distance between the different hierarchies is exercised (Aycan et al., 2000; Mathur, Aycan, & Kanungo, 1996; Pellegrini, Scandura, & Jayaraman, 2010). Further, Sinha (1990) believes that supervisors in Indian industries are benevolent and authoritative, similar to a traditional Indian father, who is caring yet demanding and disciplinarian. A paternalistic leadership approach is harmonious with collectivistic cultures where individuals accommodate into strong in-groups that protect them in exchange for their loyalty. Though such an approach is appreciated in India, it is perceived as a violation of privacy in individualistic cultures like the United States (Aycan, 2006). Furthermore, paternalistic relationships are based on power inequality between the leader and the subordinates. Evidences to support power inequality among Indian employees can be found in Hofstede (2001), who established differences between Western cultures and Indian cultures. The study theorised Indian cultures to be similar to Latin-American organisations, where greater power distance is

practised. Thus by studying the supervisor-subordinate levels of agreement in a collectivistic culture, this research advances the leadership literature.

Finally, the research is a frontier study to advance the theoretical knowledge of understanding LMX agreement in two different situations, when supervisors rate higher than their subordinates and when subordinates rate higher than their supervisors. Furthermore, this research advances the theoretical understanding of Indian hospitality industry and the act of ‘impressing’ practised by subordinates.

### **5.3.2 Managerial Implications**

This research is the first to find results of LMX agreement and its relationship with organisational outcomes in the hospitality industry. Based on the findings, this study provides the following managerial implications:

First, by explicitly expressing LMX agreement relationship in different demographic sub-groups, this research further assists managers to understand the supervisor-subordinate relationship in these different demographic groups that exist in the organisation. The results presented shows that, though the LMX scores of both the groups are high, the level of similarity is low, which suggests there is a lack of communication between the groups. There is also a possibility of relationship schemas and egocentric bias contributing to these low levels of LMX agreement. Therefore, this study would enhance management in planning training sessions for supervisors and subordinates, focussing on methods of better supervisor-subordinate relationships, such as better communication, conducting community get-togethers and after-work parties among the employees. This would establish better LMX agreement between supervisors and subordinates, which would lead to an increase in subordinates’ job

commitment. It is evident that committed employees increase the profit of the business (Kamakura et al., 2002).

Second, since higher LMX agreement predicts greater supervisor-subordinate relationship, management could use LMX agreement scores as a criterion, as part of supervisor's performance appraisal. LMX agreement could provide details to the management in terms of supervisors' team building capabilities. It could be established that, since LMX agreement fosters better supervisor-subordinate relationship, it enhances better team atmosphere in the organisation, which is important in the hospitality industry. For example, Brotherton and Wood (2008) believe that day to day hospitality operations are accomplished in teams.

Third, LMX agreement scores could be perceived by the management as a form of feedback, since it gathers information from multiple sources (supervisors and subordinates) similar to 360° degree feedback. Atkins and Wood(2002) describe 360° feedback as a multi-source feedback gathered from individuals of the employee's immediate circle (e.g. supervisors, subordinates and colleagues). As a result LMX agreement scores may help management in planning and executing organisational tasks constructively.

Fourth, LMX agreement can assist management to reduce supervisors diluting information. Since LMX agreement focuses on LMX perceptions of both supervisors and subordinates, there is a possibility of the management directly approaching subordinates. Therefore this enhances better communication levels between subordinates and management, thereby reducing the power of middle managers or supervisors.

Fifth, this research examined the nature of workers in a hospitality perspective. Subordinates and supervisors in a hospitality organisation are expected to share a close relationship with each other, while performing operational tasks, to garner better team results. The research predicted higher levels of communication, to foster greater LMX agreement. Minsky (2002) found communication as a predictor for LMX agreement. As a result, subordinates, who understand the importance of LMX agreement, can strive for better communication with their supervisors. This results in an amicable work atmosphere for subordinates, resulting in a psychological sense of job security for subordinates.

Finally, supervisors could use the importance of LMX agreement for quicker task accomplishment of subordinates. Furthermore, studies on relationship schemas show supervisors to rate subordinates on the latter's task accomplishment (e.g. Huang et al., 2008). Minsky (2002) found better levels of communication to be established with higher LMX agreement. Therefore, in situations when greater LMX agreement is established, there is a possibility of subordinates obeying supervisor's demands and accomplishing the occupational tasks favourably.

#### **5.4 Limitations**

As in any study, the present research has certain limitations. First, since all the information used in this study was on the basis of the participants' self-report, there is a possibility of self-report bias affecting the results of this research. The items of the questionnaires could have been rated on the scores the participants considered desirable. Therefore this could have masked the true perception of participants and could have contaminated the research results. However, this is the norm of any social

science study, where perceptions of participants are considered as reality (Anderson, 2009).

Second, the research setting was based on Indian hospitality industries. Hofstede (2001) suggest that Indian organisations have greater power-distance between hierarchies. Although the subordinates were assured confidentiality, there is a possibility that subordinates may have rated scores considered desirable by their supervisors, rather than real scores. The reason for this assumption is because subordinates may have developed a fear of being reprimanded by their supervisors. Therefore, this might have affected the responses of the subordinate participants.

Finally, complete anonymity from the participants was not established in the current research. This was due to the conditions mentioned in the ethical norms of this research (see section 3.9). This requirement could have manipulated the rating scores completed by the participants. The cause of this assumption is that, since the names of the participants are known to the researcher, the participants might have assumed their responses may be revealed to other participants or to the management. In fear of being confronted with an embarrassing situation, the results of the present study could have been rated on socially desirable scores rather than those indicating the true perceptions of the participants.

## **5.5 Future Research**

Based on the findings and limitations of this research, a variety of future studies are recommended. First, replication of this research should be carried out to reveal similarities and differences in the present findings. Further similar study could be

conducted in a different demographic and cultural setting. A comparative study between different cultures could also be administered.

The current research was conducted on LMX agreement, organisation commitment and turnover intention theories and the relationship between these theories was established. Future research could be conducted by considering other organisational outcomes such as subordinate work performance, job satisfaction, empowerment and job flexibility. Their relationship with LMX agreement could be used to understand managers' understanding of employees.

The research used difference score techniques to generate the LMX agreement. Values were calculated by computing the absolute difference between the supervisor and subordinate LMX scores. Though difference score techniques are widely used in research involving agreement theories, future research could be conducted by using other techniques such as multivariate multiple regression analysis. The results could be compared with the current research to reveal similarities and differences between these two analytical methods.

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## Appendix 1: Subordinate Questionnaire



Dear Participants,

This voluntary survey is a part of the thesis by Amrit C Sankaran, Master Candidate in the School of Hospitality and Tourism at AUT University. The purpose of this survey is to investigate the relationship between agreements in the perception of supervisor – subordinate relationships with staff’s work attitude. You will be asked to complete a survey about your relationship with your immediate supervisor and your work attitude along with your demographic information.

Your responses are very important to accomplish this project. Please complete in an honest and open manner. All information you provide will be strictly held **confidential** and will be used only in a combined statistical form. Kindly note that only your name will be disclosed to your supervisors in facilitating him/her to complete his/her survey, and your responses are held confidential and will never be disclosed to other.

Please answer the following questions completely. It will take approximately 10 minutes for you to complete this survey. After completion, kindly place it in the enclosed envelope and seal it for confidentiality. **Please note, your completion of the attached consent form will be considered as authorising consent for participation and upon your completion your supervisor will be given his/her set of questionnaire and will be asked to evaluate you.** Kindly mention the supervisor’s name in the consent form. If you have any questions about this survey, please do not hesitate to contact me at 0211008852 or via email [tth6197@aut.ac.nz](mailto:tth6197@aut.ac.nz). Thank you for your time and participation.

Sincerely,  
Amrit C Sankaran  
School of Hospitality and Tourism  
Faculty of Applied Humanities  
AUT University

PRIMARY SUPERVISOR:  
Dr Peter Kim  
School of Hospitality and Tourism  
AUT University

**Kindly complete the following questions by choosing from the range from 1 to 7**  
**(1 = Strongly Disagree 2 = Disagree 3 = Slightly Disagree 4 = Neutral 5 = Slightly Agree 6 = Agree 7 = Strongly Agree)**

<b><u>PART 1: SUPERVISOR-SUBORDINATE RELATIONSHIP:</u></b> The following questions focus on your relationship with your Supervisor/Manager		<b>←Strongly Disagree      Strongly Agree→</b>						
1.	Do you usually know how satisfied your supervisor is with what you do?	1	2	3	4	5	6	7
2.	How well does your Supervisor understand your job problems and needs?	1	2	3	4	5	6	7
3.	How well does your supervisor recognize your potential?	1	2	3	4	5	6	7
4.	Regardless of how much formal authority he/she has built into his/her position, what are the chances that he/she would use his/her power to help you solve problems in your work?	1	2	3	4	5	6	7
5.	Again, regardless of the amount of formal authority he/she has, what are the chances that he/she would “bail you out,” at his/her expense?	1	2	3	4	5	6	7
6.	Do you have enough confidence in your Supervisor that you would defend and justify his/her decision if he/she were not present to do so.	1	2	3	4	5	6	7
7.	Your overall relationship with your manager is excellent	1	2	3	4	5	6	7
<b><u>PART 2: ORGANISATIONAL COMMITMENT:</u></b> The following questions focus on your commitment to the organisation		<b>←Strongly Disagree      Strongly Agree→</b>						
1.	I really feel as if this organisation’s problems are my own	1	2	3	4	5	6	7
2.	I do feel like “part of the family” at my organisation	1	2	3	4	5	6	7
3.	I do feel “emotionally attached” to this organisation	1	2	3	4	5	6	7
4.	This organisation has a great deal of personal meaning for me	1	2	3	4	5	6	7
5.	I do feel a strong sense of belonging to my organisation	1	2	3	4	5	6	7
<b><u>PART 3: TURNOVER INTENT:</u></b> The following questions focus on your intentions to leave the organisation (if any)		<b>←Strongly Disagree      Strongly Agree→</b>						
1.	I often think about quitting	1	2	3	4	5	6	7
2.	I will probably look for a new job in the next year	1	2	3	4	5	6	7
3.	It is likely that I will actively look for a new job in the next year	1	2	3	4	5	6	7

#### **PART 4: DEMOGRAPHIC QUESTIONS:**

Kindly answer the following demographic questions that briefly describe you

1. Your date of birth: \_\_\_\_\_ (e.g.: March / 1990)
2. Please select your gender:  
a) Male                      b) Female
3. How many years have you been in this organisation? (        ) years
4. How many years have you been in the hospitality industry? (        ) years
5. Did you receive any education in the hospitality?  
(a) Not at all        (b) High School        (c) Short-term professional programmes (Certificate Courses)  
(d) Diploma / Graduate        (e) Master / Post-Graduate        (f) others (        )
6. Kindly mention your job title: ( e.g. Cashier, Waiter, Kitchen hand, etc)
7. What is the department you work for? \_\_\_\_\_
8. What is your education level?  
(a) Intermediates        (b) High School        (c) Short-term professional programmes (Certificate Courses)  
(d) Diploma/Graduate        (e) Master / Post-Graduate        (f) Others (        )

***Thank you for your participation!!!***

## Appendix 2: Supervisor Questionnaire



Dear Managers,

This voluntary survey is a part of the thesis by Amrit C Sankaran, Master Candidate in the School of Hospitality and Tourism at AUT University. The purpose of this survey is to investigate the relationship between agreements in the perception of supervisor – subordinate relationships with staff’s work attitude. You will be asked to complete a survey about your relationship with your subordinates along your demographic information.

Your responses are very important to accomplish this project. Please complete in an honest and open manner. All information you provide will be strictly held **confidential** and will be used only in a combined statistical form. Kindly note that you have been identified by your subordinate and your participation is voluntary. No other person will have access to the information and all information will be used for academic purpose only.

Please answer the following questions completely. It will take approximately 2 minutes for you to complete this survey per subordinate. For example, if you have 5 subordinates, it will take 10 minutes for you to complete. You are entitled to complete the demographic information only once and not required to repeat it for all the surveys. After completion, kindly place it in the enclosed envelope and seal it for confidentiality. **Please note that your completion of the enclosed consent form is considered as you authorising your participation to this research.**

If you have any questions about this survey, please do not hesitate to contact me at 0211008852 or via email [tth6197@aut.ac.nz](mailto:tth6197@aut.ac.nz). Thank you for your time and participation.

Sincerely,  
Amrit C Sankaran  
School of Hospitality and Tourism  
Faculty of Applied Humanities  
AUT University

PRIMARY SUPERVISOR:  
Dr Peter Kim  
School of Hospitality and Tourism  
AUT University

**Kindly complete the following questions by choosing from the range from 1 to 7**  
**(1 = Strongly Disagree 2 = Disagree 3 = Slightly Disagree 4 = Neutral 5 = Slightly Agree 6 = Agree 7 = Strongly Agree)**

<b>PART 1: SUPERVISOR-SUBORDINATE RELATIONSHIP:</b> The following questions focus on your relationship with your staff		<b>← Strongly Disagree      Strongly Agree →</b>						
1.	Do you usually know how satisfied he/she is with what you do?	1	2	3	4	5	6	7
2.	How well do you understand this staff member's job problems and needs?	1	2	3	4	5	6	7
3.	How well do you recognize this staff member's potential?	1	2	3	4	5	6	7
4.	Regardless of how much formal authority you have built into your position, what are the chances that you would use your power to help this Staff solve problems in his work?	1	2	3	4	5	6	7
5.	Again, regardless of the amount of formal authority you have, what are the chances that you would "bail out this staff member" at your expense?	1	2	3	4	5	6	7
6.	Does this staff member have enough confidence in you that he/she would defend and justify your decision if you were not present to do so?	1	2	3	4	5	6	7
7.	My overall working relationship with this staff is excellent.	1	2	3	4	5	6	7

**PART 2: DEMOGRAPHIC QUESTIONS:**

Kindly answer the following demographic questions that briefly describe you.

1. Your date of birth: \_\_\_\_\_ (e.g.: March / 1990)
2. Please select your gender:  
 a) Male                                      b) Female
3. How many years have you been in this organisation? (        ) years
4. How many years have you been in the hospitality industry? (        ) years
5. How many years have you been a supervisor?        (        ) years
6. Did you receive any education in the hospitality?  
 (a) Not at all    (b) High School    (c) Short-term professional programmes (Certificate Courses)  
 (d) Diploma / Graduate    (e) Master / Post-Graduate    (f) others (        )
7. Kindly mention your job title:    ( e.g. Manager, Supervisor, Asst Manager, etc)
8. What is the department you work for? \_\_\_\_\_
9. What is your education level?  
 (a) Intermediates (b) High School    (c) Short-term professional programmes (Certificate Courses)  
 (d) Diploma / Graduate    (e) Master/Post-Graduate (f) Others (        )



## Participant Information Sheet

**Date Information Sheet Produced:**

13<sup>th</sup> September, 2011

**Project Title**

An examination of the relationship between Leader Member Exchange (LMX) Agreement and the work attitudes of the hotel employees.

**An Invitation**

My name is Amrit Chandrasekaran Sankaran, a Master's student at AUT University. I invite you to participate in a study of the people working in the hospitality industry. Your participation in this project is voluntary, and if you wish, you can withdraw from this research at any stage with no adverse consequences to you.

**What is the purpose of this research?**

I am interested in examining the relationship between the congruence in the supervisors and the subordinates' perspective of Leader-Member-Exchange and the subordinates' work outcomes such as organisational commitment and turnover intent. This study aims at deriving the results required for completing my Masters in International Hospitality Management. The information I collect is likely to be used to develop further studies.

**How was I identified and why am I being invited to participate in this research?**

After obtaining permission from your senior management for conducting my project in your organisation, I am inviting you for explaining about this project. I had approached you directly and your senior management does not know about your participation. Though your immediate supervisor would come to know your name, I can assure you that your responses would be kept confidential and would never be exposed to him/her. I am inviting you to participate in this project because you are a staff of an

organisation working under a supervisor. Since my study focuses on supervisor-subordinate relationship, I will recruit you if you volunteer to participate in this project.

**What will happen in this research?**

If you are willing to participate, please complete the consent form. Please mention the name of the supervisor you are evaluating in your survey. Once you complete the questionnaire, please place it in this enclosed envelope and return it directly to me. Upon receiving, I will encode your responses along with your supervisor's inputs regarding your work behaviours, and use the results only in a combined statistical form. Please note that though your supervisor will come to know that you have given your responses about him/her, your results (scores) will be kept confidential and will never be exposed.

**What are the discomforts and risks?**

There might be slight discomfort pertaining to your supervisors influencing your responses in their favour using their power. However, I have minimised this by approaching you first and then asking your supervisors to complete their survey. Further, though they will know your name, I can assure that your responses will never be disclosed to them.

**What are the benefits?**

Your participation will contribute to an understanding of the relationship between LMX agreement and the work outcomes in the hospitality industry. This study is expected to stimulate further research and assist me in obtaining my Masters qualification at AUT University.

**How will my privacy be protected?**

Your responses will remain confidential with me. No one but me will have access to the responses. Your responses will be securely locked up for six years, and then shredded. Please note that though your name is revealed between each participant, individual responses will never be disclosed to anybody.

**What are the costs of participating in this research?**

The only cost to you is your time: it will consume approximately 10 minutes for you to complete the survey.

**How do I agree to participate in this research?**

If you are willing to participate in this study, you can fill the attached consent form and hand it back directly to me. Please mention the supervisor’s name on the consent form as this would facilitate me to match your responses with that of your supervisor. This pairing is done for my academic purposes only. Please note that only participants who authorise to participate by signing on the consent form are included in this research.

**Will I receive feedback on the results of this research?**

If you would wish to have copy of the final report, you can mail a request to [tth6197@aut.ac.nz](mailto:tth6197@aut.ac.nz). Upon receiving the request, I will be glad to share an aggregated summary of the results with you. Kindly note that only summarised results will be published and your individual identity would never be disclosed.

**What do I do if I have concerns about this research?**

Any concerns regarding this project should be notified in the first instance to the Project Supervisor, Dr Peter Kim, [bc.peter.kim@aut.ac.nz](mailto:bc.peter.kim@aut.ac.nz), 9219999 ext 6105.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Dr Rosemary Godbold, [rosemary.godbold@aut.ac.nz](mailto:rosemary.godbold@aut.ac.nz) , 921 9999 ext 6902.

Whom do I contact for further information about this research?

<b>Researcher Contact Details</b>	<b>Supervisor Contact Details</b>
Amrit Chandrasekaran Sankaran <a href="mailto:tth6197@aut.ac.nz">tth6197@aut.ac.nz</a> School of Hospitality and Tourism Faculty of Applied Humanities AUT University Private Bag: 92006 Ph: 0211008852	Dr Peter Kim <a href="mailto:bc.peter.kim@aut.ac.nz">bc.peter.kim@aut.ac.nz</a> Ph: 09 9219999 ext: 6105 AUT University

**Approved by the Auckland University of Technology Ethics Committee on 8  
December 2011**

**AUTEK Reference number: 11/256**

**Appendix 4: Subordinate Consent Form**

# Consent Form



**Project title:** An examination of the relationship between Leader-Member-Exchange (LMX) Agreement and the work attitudes of the hotel employees

**Project Supervisor:** *Dr Peter Kim*

**Researcher:** *Amrit C Sankaran*

- I have read and understood the information provided about this research project in the Information Sheet dated 13<sup>th</sup> September, 2011.
- I am 20 years or older.
- I have had an opportunity to ask questions and to have them answered.
- I understand that I may withdraw myself, or any other information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information will be destroyed.
- I understand that the information collected will be used for academic purposes only and will not be published in any form outside of this project without my written permission.
- I give consent to the researcher for contacting my supervisor and I understand that my responses to the survey will not be disclosed to the supervisor.
- I agree to take part in this research.

Participants signature:.....

Participant's name: .....

Supervisor's name:.....

Date:

***Approved by the Auckland University of Technology Ethics Committee on 8 December 2011***

***AUTEC Reference number: 11/256***

*Note: The Participant should retain a copy of this form.*



## **Participant Information Sheet**

**Date Information Sheet Produced:**

13<sup>th</sup>September, 2011

**Project Title**

An examination of the relationship between Leader Member Exchange (LMX) Agreement and the work attitudes of the hotel employees.

**An Invitation**

My name is Amrit Chandrasekaran Sankaran, a Master's student at AUT University. I invite you to participate in a study of the people working in the hospitality industry. Your participation is voluntary, and if you wish, you can withdraw from this research at any stage with no adverse consequences to you.

**What is the purpose of this research?**

I am interested in examining the relationship between the congruence in the supervisors and the subordinates' perspective of Leader-Member-Exchange and the subordinates' work outcomes such as organisational commitment and turnover intent. This study aims at deriving the results required for completing my Masters in International Hospitality Management. The information I collect is likely to be used to develop further studies.

**How was I identified and why am I being invited to participate in this research?**

After obtaining permission from your senior management for conducting my project in your organisation, I am inviting you for explaining about this project. You are invited for participating in this project because your subordinates mentioned your name in their consent form. I can assure you that your responses would be kept confidential and

would never be exposed to any other participants. I will recruit you if you volunteer to participate in this project.

**What will happen in this research?**

Once you complete the questionnaire, please place it in this enclosed enveloped and hand it back directly to me. I will analyse your responses along with the responses collected from your subordinates. You might be required to fill individual survey forms more than once depending on the number of subordinates who have mentioned your name. You can fill in your demographic information only once and need not repeat it in the survey form.

**What are the discomforts and risks?**

There are no anticipated risks or discomforts to you. Your participation in the study is voluntary and you can withdraw at any stage from this research without any adverse consequences to you.

**What are the benefits?**

Your participation will contribute to an understanding of the relationship between LMX agreement and the work outcomes in the hospitality industry. This study is expected to stimulate further research and assist me in obtaining my Masters qualification at AUT University.

**How will my privacy be protected?**

Your responses will remain confidential and no one but me will have access to your responses. It will be securely locked up for six years and then shredded.

**What are the costs of participating in this research?**

The only cost to you is your time: completing the questionnaire for each of your subordinates consume only 2-3 minutes. For example, if you have five subordinates, it will take around 10-15 minutes for you to complete the questionnaires.

**How do I agree to participate in this research?**

If you are willing to participate in this study, please fill the attached consent form and hand it back directly to me. It is noted that only participants who authorise to participate by signing on the consent form are included in this research.

**Will I receive feedback on the results of this research?**

If you would wish to have copy of the final report, you can mail a request to [tth6197@aut.ac.nz](mailto:tth6197@aut.ac.nz). Upon receiving the request, I will be glad to share an aggregated summary of the results with you. Kindly note that only summarised results will be published and your individual identity would never be disclosed.

**What do I do if I have concerns about this research?**

Any concerns regarding this project should be notified in the first instance to the Project Supervisor, Dr Peter Kim, [bc.peter.kim@aut.ac.nz](mailto:bc.peter.kim@aut.ac.nz), 9219999 ext 6105.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEK, Dr Rosemary Godbold, [rosemary.godbold@aut.ac.nz](mailto:rosemary.godbold@aut.ac.nz) , 921 9999 ext 6902.

Whom do I contact for further information about this research?

<b>Researcher Contact Details</b>	<b>Supervisor Contact Details</b>
Amrit Chandrasekaran Sankaran <a href="mailto:tth6197@aut.ac.nz">tth6197@aut.ac.nz</a> School of Hospitality and Tourism Faculty of Applied Humanities AUT University Private Bag: 92006 Ph: 0211008852	Dr Peter Kim <a href="mailto:bc.peter.kim@aut.ac.nz">bc.peter.kim@aut.ac.nz</a> Ph: 09 9219999 ext: 6105 AUT University

**Approved by the Auckland University of Technology Ethics Committee on 8  
December 2011**

**AUTEK Reference number: 11/256**

# Consent Form



**Project title:** An examination of the relationship between Leader-Member-Exchange (LMX) Agreement and the work attitudes of the hotel employees

**Project Supervisor:** *Dr Peter Kim*

**Researcher:** *Amrit C Sankaran*

- I have read and understood the information provided about this research project in the Information Sheet dated 13<sup>th</sup> September, 2011.
- I am 20 years or older.
- I have had an opportunity to ask questions and to have them answered.
- I understand that I may withdraw myself, or any other information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.
- If I withdraw, I understand that all relevant information will be destroyed.
- I understand that the information collected will be used for academic purposes only and will not be published in any form outside of this project without my written permission.
- I give consent to the researcher for contacting my supervisor and I understand that my responses to the survey will not be disclosed to the supervisor.
- I agree to take part in this research.

Supervisor's signature:.....

Supervisor's name:.....

Date:

***Approved by the Auckland University of Technology Ethics Committee on 8***

***December 2011***

***AUTEC Reference number: 11/256***

*Note: The Participant should retain a copy of this form.*