

*An investigation of how gender moderates the impact of Leader-Member Exchange  
(LMX) on front-line employees' work outcomes in the hospitality industry*

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**A thesis submitted to Auckland University of Technology in fulfilment of the  
requirements for the degree of Master of Philosophy**

**2014**

**School of Hospitality and Tourism**

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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: \_\_\_\_\_

Pola Qi Wang

April 2014

## ACKNOWLEDGEMENTS

Above all, I would like to thank AUT University for bringing me into this challenging but rewarding journey. I would never have appreciated my life and my job this much without the support I have received from AUT.

To Dr. BeomCheol (Peter) Kim, your encouragement, your ideas, and your inspiring guidance have helped to solve all my problems during this research project. You are the person I need to thank most of all for helping me to complete this thesis. Professor Simon Milne, my second supervisor, thanks for your trust in my abilities to accomplish this journey. Your vision and guidance have taught me how to think outside the square. I am so lucky to have had you both as my supervisors.

A lot of ups and downs happened during my study and I wouldn't have made it without the support of my School of Hospitality and Tourism. To Daphne Flett, the associate head of the school, millions of thanks for giving me your unconditional love and care, like a mum. You made it possible for me to finish my study in time and have been such an emotional backup for me. To Ben Nemeschansky, I am so glad to have shared an office with you and please accept my sincere gratitude for being a great mentor. I wouldn't have finished my thesis on time without your super efficient study progress setting me an example. To David Williamson, I am so blessed to have you around at work: union rep, head of department, colleague and "big brother," you are genuinely a leader and I am so much indebted to you for everything you have done to keep me out of trouble. Monique Brocx, you have been such a good sister and I wish you all the best with your PhD study.

Finally, I would like to thank all the hotels and restaurants that participated into my research. I didn't realise how hard collecting quantitative data was before this project. Phone calls, emails and site visits frustrated me with a lot of rejections. I couldn't have done it without your support and participation and I hope you can benefit from my research findings.

This research was approved by the Auckland University of Technology Ethics Committee on 25<sup>th</sup> June 2013. AUTEK Reference Number: 13/82.

## ABSTRACT

Originating from social exchange and reciprocity theories, Leader-Member Exchange (LMX) describes the dyadic relationship between employees and their managers in organisations (Graen & Uhl-Bien, 1995; Graen & Cashman, 1975; Northouse, 2010). The impact of LMX on work outcomes has been studied by a number of researchers since 1975 (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2011; Graen & Cashman, 1975; Graen & Uhl-Bien, 1995). A variety of conceptual models of LMX has been presented in the literature along with mediators and moderators to improve the models' generalisability.

This research focused on two major outcomes in the hospitality industry: front-line employees' turnover intentions and their exhibitions of organisational citizenship behaviour (OCB). Businesses in the hospitality industry have been experiencing consistently high staff turnover rates worldwide, leading to a number of problems affecting both businesses and customers (Dalton, Todor, & Krackhardt, 1982; Powell & York, 1992). OCB has been one of the most popular work outcome variables associated with LMX (Ilies, Nahrgang, & Morgeson, 2007). Given the high importance of customer service in the hospitality industry, OCB is a critical criterion to assess employees' work performances (Kim, O'Neill, & Cho, 2010; Nadiri & Tanova, 2010; Ravichandran, Gilmore, & Strohbehn, 2007). LMX, between front-line employees and their immediate supervisor/manager, has attracted the attention of both researchers and practitioners in the hospitality industry as a potential factor to improve service quality. Some researchers have applied the existing LMX framework to hospitality businesses, but there is still a lack of empirical studies in the hospitality literature to address the importance of LMX.

*The Economist* magazine (2013) ranked New Zealand the top country in the world in providing the best working lives for women, including equality, wages, proportion of management positions, and childcare costs compared to wages. This may cause people to think that gender issues in New Zealand are not as serious as in many developing countries where women have less social power and limited working options. A number of researchers have investigated gender as a predictor for a variety of organisational factors (Adebayo & Udegbe, 2004; Bhal, Ansari, & Aafaqi, 2007; Rai, 2009; Varma & Stroh, 2001), but their findings have failed to build any direct and consistent association between gender and those organisational factors.

This research examined the moderating role of gender in the LMX framework with theoretical support from cognitive learning theory. The research hypotheses were developed to link theories from social science to leadership studies in general management. In this way, leadership can be better explained and applied considering the moderating effect of gender. The findings have presented practitioners greater insight into understanding how different work attitudes and performances are caused by gender so that smarter strategies can be adopted to enhance the overall work performance and to ease the high employee turnover rate that characterises the hospitality industry.

## CHAPTER 1 - INTRODUCTION

### *1.1 Background to the study*

Leader-Member Exchange (LMX) captures the quality of the work relationship between subordinates and their supervisors and has attracted growing attention from researchers of both the hospitality industry (Dulebohn et al., 2011) and general management (Northouse, 2010). In the hospitality industry, where service quality is crucial to a business' performance, it is vital for managers to build up quality work relationships with their front-line subordinates who deliver customer service and hence have a significant influence on customers' perceptions of service quality (Kim & George, 2005). Studies in the literature of LMX have highlighted its positive impact on employees' job satisfaction, work performance, and other work-related outcomes (Bauer, Erdogan, Liden, & Wayne, 2006; Cogliser, Schriesheim, Scandura, & Gardner, 2009; Harris, Wheeler, & Kacmar, 2009; Lagace, Castleberry, & Ridnour, 1993). Studies have also revealed LMX's negative impact on staff members' turnover intentions (Bauer et al., 2006; Harris et al., 2009; Kim, Lee, & Carlson, 2010).

Employee turnover has been a pervasive issue in the hospitality industry globally for many years (Iverson & Deery, 1997; Kim et al., 2010; Nadiri & Tanova, 2010). The job turnover rate in the accommodation and food service sector in 2011 was 26 per cent in comparison with the national average for all NZ industries of 15 per cent (Statistics New Zealand, 2012). The average turnover rate specifically for restaurants and cafes was even higher (Restaurant Association of New Zealand, 2013). The current situation in the hospitality industry has created a culture of high turnover since employees incline to assume that their career development and promotional opportunities are limited if they remain in one workplace (Iverson & Deery, 1997). The poor quality of LMX relationship,

or the dissatisfaction with management, has been classified as one of the top reasons that people leave their jobs in the field of general management (Ansari et al., 2007; Han & Jekel, 2011; Venkataramani, Green, & Schleicher, 2010) and in the hospitality industry (Kim et al., 2010; Williamson, Harris, & Parker, 2008).

Organisational citizenship behaviour (OCB) has been accepted by both academics and practitioners as the key criterion in measuring employees' work performances (Ravichandran et al., 2007; Scott, Craven, & Green, 2011). In the meta-analysis conducted by Podsakoff, MacKenzie, Paine, and Bachrach (2000), OCB accounted for 42.9 per cent of work performance variances. Since OCB is neither part of a job description nor recognised by any formal reward system (Organ, 1988), the exhibition of OCB from individuals indicates positive work attitudes, such as job satisfaction, which can improve the overall organisational performance (Nadiri & Tanova, 2010; Organ, 1988; Ravichandran et al., 2007).

Over 200 studies have been conducted in the last 30 years on OCB, but it is only recently that the concept has been applied to the sector of hospitality (Podsakoff et al., 2000; Ravichandran et al., 2007). Only a few segments have been sampled, including restaurants, travel agencies, and resorts (Ravichandran et al., 2007). Walz and Niehoff (1996) examined the relationship between OCB and food costs, operating efficiency, and customer satisfaction. Staff satisfaction and organisational justice were researched as antecedents to OCB (Evens, 2001; Koys, 2001, 2003; Nadiri & Tanova, 2010). LMX and trust in supervisors were also argued by researchers to have a significant impact on staff's exhibitions of OCB (Kim et al., 2010; Lester & Brower, 2003; Sun, Chow, Chiu, & Pan, 2013; Yoon & Suh, 2003). Stamper and Dyne (2003) investigated the influence of restaurant culture and bureaucracy and concluded less bureaucratic cultures in

restaurants could encourage a higher level of OCB from employees. Organisational justice was used as an antecedent to OCB, but the findings were inconsistent (Alsini, 2011; Yen & Teng, 2012). Although some studies used hotel employees as samples (Kim et al., 2010), the hotel sector is still a relatively unknown area in the literature of OCB. More empirical research is required to clarify the antecedents of OCB in the hospitality industry so that practitioners can adopt relevant strategies to improve employees' work performances in order to provide good quality customer service.

Organisational justice has been well documented in the field of general management and attracted increasing attention in LMX studies after the factor of interpersonal justice was added to the concept (Bies & Moag, 1986; Scandura, 1999). A number of studies have also been conducted in the hospitality industry. Chan and Jepsen (2011) analysed the impact of organisational justice on LMX, perceived organisational support, and job satisfaction in employees working at clubs, but reported inconsistent findings among the clubs. Since interactional justice associates with LMX in a conceptual way (Scandura, 1999), organisational justice has been also analysed in the recent LMX literature as a mediator between LMX and various work outcome variables. Ansari et al. (2007) discovered partial to moderate mediation of procedural justice between LMX and employees' attitudinal outcomes. Lee, Murrmann, Murrmann, and Kim (2010) used both procedural and distributional justice as mediators between LMX and employees' turnover intentions and discovered a negative mediating effect from distributive justice but a positive impact from procedural justice on turnover intentions. Most of the studies in the literature used procedural and distributional justice to represent the overall organisational justice perceived by employees. As discussed by Ansari et al. (2007), all the perspectives of organisational justice should be covered and studied to provide a better understanding of its impact on employees' work outcomes. This research

integrated all the four factors embedded in organisational justice as one composite variable so that all the perspectives of organisational justice can be analysed.

Gender diversity has attracted increasing attention from both practitioners and academics with more women moving into management positions in recent years (Pinar, McCuddy, Birkan, & Kozak, 2011). Although there are signs that the gender gap in managerial positions is getting smaller, it is still very hard for women to be successful due to the so-called “patterns of employment ghettos” where managerial positions are predominantly filled by men (Pinar et al., 2011), and the “glass ceiling” concept, coined by Morrison, White, and Van Velsor (1987) where women face huge difficulties climbing up the top of the organisational ladder. Mooney and Ryan (2009) investigated women managers in the hospitality industry and discovered that the lack of a shared background with male managers hindered women in furthering their career development. Some studies have found significant gender differences in thinking and behaving in a corporate environment (Adebayo & Udegbe, 2004; Bauer & Green, 1996; Liden, Wayne, & Stilwell, 1993; Wheelless & Berryman-Fink, 1985). This research has recognised the difference in thinking and behaving between genders and adopted the cognitive learning theory from social science to analyse the moderating role of gender in the impact of LMX on employees’ perceived organisational justice, exhibitions of OCB, and their turnover intentions.

### **1.2 Research objectives**

To understand how the impact of LMX on front-line employees’ work outcomes is moderated by gender, the following research objectives have been set to examine:

1. How LMX is related to front-line employees' work outcomes using a sample from the hospitality industry.
2. How organisational justice mediates the relationship between LMX and employees' OCB and turnover intentions using a composite measurement covering all dimensions of organisational justice.
3. How gender moderates the relationship between LMX and front-line employees' work outcomes in the hospitality industry.

### **1.3 Significance of the study**

It is critically important for managers to understand the complexity of work relationships and how the quality of relationships can influence their employees' work outcomes. This study has been developed to contribute to the literature and the industry in the following ways:

1. The hospitality industry in New Zealand has not been frequently researched. The findings from this research can enrich both LMX and gender analysis literature by providing a New Zealand hospitality perspective.
2. Instead of using gender to predict thinking and behaviour in workplaces, this research has developed gender's moderating hypotheses on each path of the LMX framework through analysing cognitive learning theory. This approach has rarely been used before in either LMX or social science literature.
3. Employees' high turnover rate and poor work performances have been recognised as the most crucial challenges to human resources in the hospitality industry and therefore been selected as a focus of this project. The findings may indicate how social science theories should be applied to help with staff management in the hospitality industry.

4. The findings should provide further evidence of the impact of LMX on staff turnover intentions and work performances in the hospitality industry. Hospitality practitioners can then understand how their relationships with subordinates influence work performance, which, in turn, has a great impact on service quality.
5. With increasing competition in the hospitality industry, human resources play an important role in encouraging front-line employees to show extra-role behaviour to increase work performance. The findings can offer insight into how the impact of work relationships on work performances is mediated by organisational justice. This may help human resource practitioners understand employees' work attitudes as well as performances so that job designs and analyses can be performed better.
6. The findings from this research may help practitioners comprehend how gender moderates the impact of LMX on work outcomes. Even with equal quality of LMX, different genders perform in different ways, which leads to different work outcomes.

#### **1.4 Definitions of key terms**

##### *Leader-Member Exchange (LMX)*

Leader-Member Exchange (LMX) describes the one-on-one or dyadic relationship that a leader forms with each one of his or her subordinates in organisations (Graen & Cashman, 1975; Graen & Uhl-Bien, 1995; Northouse, 2010) based on social exchange and reciprocity theories (Schriesheim, Castro, & Cogliser, 1999; Graen, 1976).

##### *Turnover intentions*

Turnover intentions in this research refers to the conscious and deliberate wilfulness to leave a job, resulting from company policies, labour market characteristics and employee

perceptions (Gaertner & Nollen, 1992; Tett & Meyer, 1993), which is the last cognitive step in processing the decision to leave an organisation ( Steel & Ovalle, 1984).

### *Organisational Citizenship Behaviour (OCB)*

Organisational citizenship behaviour is discretionary workplace behaviour from individual employees which is not part of the job description nor recognised by any formal reward system (Organ, 1988). Employees will not be punished for not showing OCB as it is not written in the contract (Organ, 1988).

### *Organisational Justice*

Organisational justice is the fairness of employment-related issues as perceived by employees (Greenberg, 1990). It originates from social justice theories but with a focus on explaining the role of fairness in organisations (Greenberg, 1990).

## **1.5 Structure of the thesis**

Chapter 2 firstly reviews the current literature on LMX, turnover intentions, OCB, and organisational justice. The relationship between these subjects is also analysed and hypothesised for the hospitality work environment. Gender issues in the workplace are then discussed and gender studies, especially in the hospitality industry, are reviewed and summarised. Cognitive learning theory from social science is presented next to support the hypotheses using gender as a focal moderator. At the end of the chapter, an integrated model for the research, with hypotheses, is presented. Chapter 3 begins with the justification of the research paradigm. The method is discussed next, including samples, measurements, data collection and analysis, and ethics considerations. Chapter 4 presents the data collected, assesses the reliability of the measurements, and tests hypotheses with SPSS version 20. Chapter 5 presents a summary of key findings, and

then discusses their implications for researchers as well as practitioners in the hospitality industry, along with recommendations for future research.

## CHAPTER 2 – LITERATURE REVIEW

### **2.1 Introduction**

The objective of this literature review is to identify the impact of LMX on work outcomes in the hospitality industry and discuss how this influence can be moderated by gender, from a cognitive social learning perspective.

The review starts with an outline of the unique characteristics of the hospitality industry followed by a background overview of the early stage of leadership theories and how the LMX theory has developed in the last half century. The key issues and findings in the LMX literature are then reviewed and compared between general management and the hospitality industry. The major work outcomes, including turnover intentions, OCB, and organisational justice, are then reviewed and their relations with LMX are also summarised. Lastly, the literature on gender issues in leadership is reviewed and cognitive learning theory is introduced and elaborated to provide theoretical support for the moderating hypotheses. An integrated model is presented at the end of the literature review, outlining the relationships between the variables hypothesised.

### **2.2 Defining the hospitality industry**

Brotherton (1999, p. 168) defines hospitality as “a contemporaneous human exchange, which is voluntarily entered into, and designed to enhance the mutual wellbeing of the parties concerned through the provision of accommodation, and/or food, and/or drink”. There are a variety of settings in the field of hospitality from private bed and breakfasts to social and commercial organisations, such as central hospitals and hotel chains. This research explores two main commercial domains in the hospitality industry: hotels and restaurants.

One of the major differences between the hospitality industry and other industries is that service is considered as a major commodity provided to customers (Brotherton, 1999). With the increasing demand for high-quality service, frontline employees' work performance has become a popular topic among academics in the hospitality industry (Kim et al., 2010; Nadiri & Tanova, 2010; Raub, 2008; Ravichandran et al., 2007). Over the past two decades, despite research conducted in the hospitality industry to help improve front-line employees' work performances, there is still a lack of samples and a big gap remains in applying existing models from the field of general management to the hospitality industry. There has been an increasing demand for human resources to increase employees' work performances. As suggested by Podsakoff et al. (2000), OCB is the most popular research subject in work performance: the exhibition of OCB can improve overall organisational performance (Nadiri & Tanova, 2010; Organ, 1988; Ravichandran et al., 2007).

One of the major characteristics in the hospitality industry is labour intensive (Barrows, 2012). A big New Zealand hotel with 400 rooms can easily hire over 1000 employees. Staff management in the hospitality industry is always a challenging topic due to the difficulties of staff retention and the high demand for good-quality service. The continuously high staff turnover rate in the hospitality industry can greatly increase costs, such as hiring and training, and can disrupt communications and the productivity of the business (Dalton et al., 1982). According to Hinkin and Tracey (2000), when a staff member resigns, 70 per cent of his/her annual salary is needed to recruit and train a new employee. According to Griffeth, Hom, and Gaertner, (2000), organisational factors have a strong association with employee turnover. Instead of accepting turnover as one of the characteristics of the hospitality industry, practitioners should make more effort to understand the negative effect of organisational factors on staff turnover, such as the

quality of LMX or perceived organisational justice. It is also critically important for researchers in the hospitality industry to analyse these issues and their practical implications.

The next part of the chapter starts with the development of leadership studies and then moves on to discuss how leadership can assert a greater influence on employees' work attitudes (turnover intentions) and work performances (OCB), as well as what role gender plays in the associations.

### **2.3 Early theories of leadership**

Documented leadership studies in the general management literature began in the early 1940s (Northouse, 2010). Early research focused on extracting universal traits by separating successful leaders from unsuccessful leaders (Stogdill, 1974). Stogdill (1948) reviewed 124 studies on trait theories conducted before 1948 and suggested a pattern containing six factors for successful leaders including capacity, achievement, responsibility, participation, status, and situation. Each of these six factors contained a number of traits such as intelligence and judgment as components of capacity, and popularity and socio-economic position within the status category (Stogdill, 1948).

Longitudinal research was also carried out by assessment centres to examine the predictive power of certain traits and skills to advance trait theory (Bray, Campbell, & Grant, 1974). The Centre for Creative Leadership (CCL) was established in the 1970s as a non-profit research centre to analyse and compare the traits and behaviours of both successful and failed leaders. Research from CCL interpreted some important insights on the traits of successful and derailed managers and suggested specific traits and skills, such as lack of emotional stability, integrity, and interpersonal skills, or excessive

defensiveness, as the main factors that led managers to failure (McCall & Lombardo, 1983).

Between 1949 and 1970, researchers identified more traits and skills characterising successful leaders, including tolerance of stress, assertiveness, creativity, and social skills (Stogdill, 1974). A small number of meta-constructs were developed to simplify the development of trait theory, known as the Big Five Personality Traits. These traits were classified as surgency, conscientiousness, agreeableness, adjustment, and intellectance (Yukl, 2010). Each category incorporated more detailed traits which were likely to make leadership successful or unsuccessful.

Most of the early studies were limited to personal traits like motives and personality which could not be incorporated into training and achieved as desired outcomes (Bass, 1990; McClelland, 1965). Due to the difficulty of applying trait theory in different contexts or cultures, researchers began to investigate behaviours which differentiated successful leadership from failed leadership in various situations and contexts. Leader behaviour became part of leadership studies from the 1950s (Yukl, 2010). A lot of research on leader behaviour followed models from pioneering research programmes at Ohio State University and the University of Michigan, assuming that the effectiveness of leadership could be measured and analysed by subordinates and peer leaders (Northouse, 2010). Michigan leadership studies produced three categories in which effective managers showed different behaviours from ineffective managers: task-oriented behaviour, relations-oriented behaviour, and participative leadership.

Studies on leadership behaviour collected valuable quantitative data and identified various effective and successful leadership behavioural patterns. But the behaviour

description questionnaires used in these studies were then criticized by some researchers in the field. The first source of error was seen in the questionnaire items, while the second came from biased responses (Yukl, 2010). Both sources of error were unavoidable due to the characteristics of quantitative data analysis, even though researchers had tried to modify the questions and conduct interviews following the questionnaires to support the quantitative findings. In the meantime, the taxonomies derived from observation were so diverse and abstract that there were no absolute right or wrong behaviours to define the characteristics of successful or unsuccessful leaders. In other words, findings from these case-study research projects couldn't be duplicated or applied easily by practitioners due to the complexity of contextual or environmental factors (Yukl, 2010).

Findings from behavioural studies suggested that situational variables such as the type of organisation and the nature of the work should also be considered in leadership research so that practitioners could apply different behaviours under different situations (Stogdill, 1974). Katz (1974) discovered that the requirement for effectiveness of leadership varied with different management levels in the hierarchy of organisations. Yukl (2010) analysed studies on the situational relevance of skills and argued that the higher the position a leader took in the hierarchy of an organisation, the greater the complexity of conceptual skills required, while the demand for the leader to be an expert in technical skills reduced (see Figure 1).

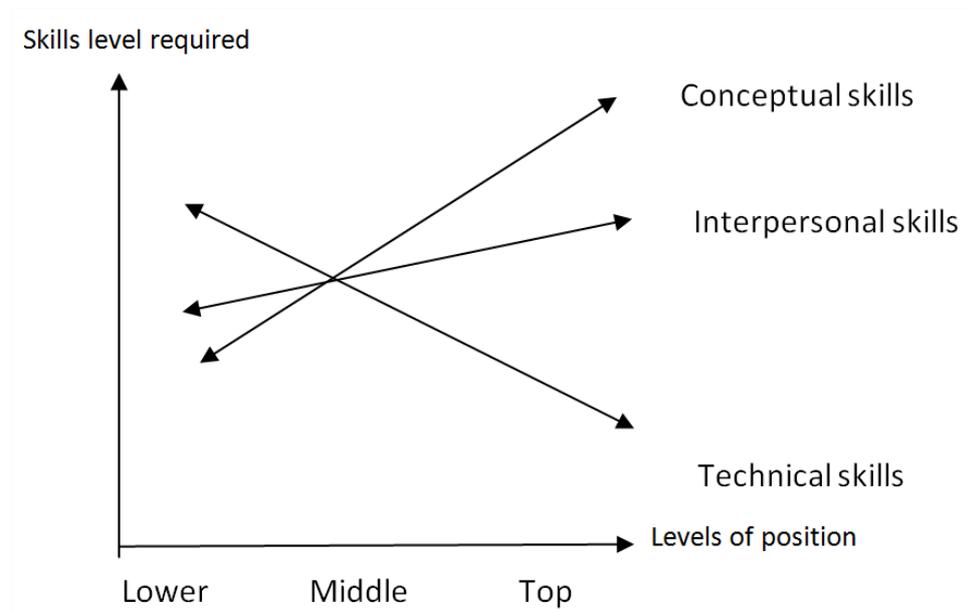


Figure 1. The skills required for different levels of management (Yukl, 2010, p. 69)

Situational theory had a focus on analysing leadership in different settings, especially through laboratory experimentation such as continuity of leadership with various tasks and group structures (Carter, 1951). Results from these experiments highlighted the importance of the nature of the tasks rather than personality traits in making leadership efficient. In the 1960s, with an increasing awareness of social processes emphasising the interaction and exchange relationships between leaders and followers, the applicability as well as the philosophical underpinning of trait and situational theory were questioned by many researchers (Hollander & Julian, 1969).

In 1969, Hollander and Julian reviewed the trends in leadership processes and suggested that a two-way influence process between leaders and followers needed to be recognised as an implicit exchange relationship. In the early 1970s, a new approach was introduced by researchers in contrast to the traditional theories in leadership studies, namely Leader-Member Exchange theory.

#### **2.4 Leader-Member Exchange theory**

With social exchange and reciprocity theories as foundations (Blau, 1964; Castro & Cogliser, 1999; Graen, 1976), Leader-Member Exchange (LMX) theory describes the one-on-one or dyadic relationship that a leader forms with each one of his or her subordinates in an organisation (Graen & Cashman, 1975; Graen & Uhl-Bien, 1995; Northouse, 2010).

LMX theory was also called the vertical dyad linkage theory in the early stages of its development, with a focus on analysing leaders who had direct authority over their subordinates (Yukl, 2010). Graen and Cashman (1975) suggested that the basis of the dyadic relationship formed between leaders and subordinates was the compatibility of leaders' and subordinates' competence and dependability.

According to LMX theory, the quality of the exchange relationship ranges from low to high. Leaders usually develop high-quality relationships with a small number of subordinates who are trusted by the leaders and function as assistants or advisors. This small number of subordinates is defined by LMX theory as the "in group" of staff members (Graen, 1976). "In group" subordinates usually receive more responsibilities, opportunities, special attention, and preferential treatment from their leaders than the "out group" subordinates, who have low-quality relationships with their leaders. "Out group" staff members receive standard benefits defined in the job description and contract and usually operate strictly within their prescribed organisational roles (Northouse, 2010). Graen and Uhl-Bien (1995) advocated leaders to create a special relationship with each subordinate to ensure that all subordinates had the opportunity to take on responsibilities and new roles.

Twenty years after the foundation of LMX, a “life cycle model” was added to the theory with three stages to analyse the development of good-quality LMX relationships (Graen & Uhl-Bien, 1991). The first stage is the initial testing and evaluating stage between leaders and subordinates. Motives, attitudes, and compatibility are exchanged and evaluated by both parties. If the exchange relationship is refined, trust, motivation, and loyalty are then developed, which is the second stage. The third stage, also labeled as “mature”, advances the exchange relationship into mutual commitment, a higher level of mutual trust, and spontaneous motivation to missions and objectives (Graen & Uhl-Bien, 1991). According to Graen and Uhl-Bien (1991), the first stage corresponds with the concept of transactional leadership and the third stage corresponds with the concept of transformational leadership.

Various scholars have reviewed the research on LMX and three major categories have been identified (Dulebohn, et al., 2011; Gerstner & Day, 1997; Ilies, et al., 2007; Schriesheim et al., 1999). The first category of LMX studies is the examination of factors that are critical for deciding on the quality of LMX relationship for a dyad. When a subordinate is perceived as reliable and competent by the leader, especially when the subordinate also shares similar values, attitudes, and background with the leader, a high-quality exchange relationship is more likely to be built.

The second category explores the patterns of behaviour under different qualities of LMX relationship. The behaviours of “in group” subordinates and “out group” subordinates are usually different. “In group” subordinates, who have high-quality LMX relationships with their leader, usually show more support for their leader, have more open communication with their leader, and demonstrate a higher level of OCB. On the other hand, “out group” subordinates only need to comply with the role requirement in the

contract, show less support to their leader, and demonstrate a lower level of OCB (Yukl, 2010).

The third category of LMX research, which was the most popular category in the 1990s and 2000s, focuses on the relationship between LMX and other variables in the organisational context, such as staff satisfaction, performance, and turnover intentions. It has been empirically proven that the quality of LMX has a positive effect on subordinates' job satisfaction and work performance (Bauer et al., 2006; Breukelen, Schyns, & Blanc, 2006; Cogliser et al., 2009; Harris et al., 2009) and a negative impact on staff members' turnover intentions (Kim et al., 2010). Variables such as group (Erdogan & Bauer, 2010) and organisational context (Tangirala, Green, & Ramanujam, 2007) have also been introduced and considered to have an impact on the quality of LMX as well as on subordinates' work-related outcomes. The quality of LMX also correlates with subordinates' trust in a positive way (Dirks & Ferrin, 2002). Dulebohn et al. (2011) analysed 247 empirical studies on LMX over the past 40 years and presented the following figure covering all the antecedents, contextual variables, and outcome variables that had been adopted (see Figure 2).

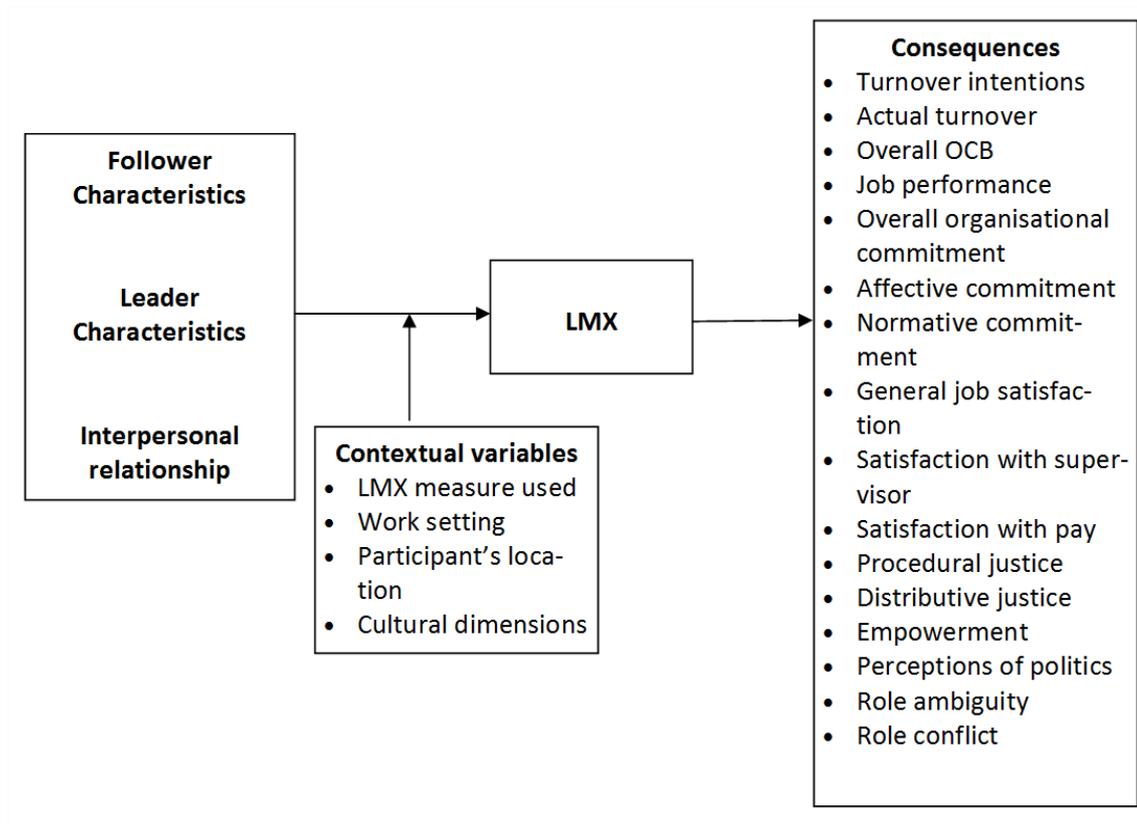


Figure 2. Antecedents, conceptual variables and consequences analysed in LMX studies (Dulebohn et al., 2011, p.3)

Since the concept of LMX was first developed in the 1960s, several measurements have been designed by researchers for quantitative data collection. Leader Behaviour Description Questionnaires (LBDQ), with 40 items developed by the staff at Ohio State University as part of Ohio State Leadership studies, were firstly used to assess the quality of the dyadic exchange relationship between leaders and members. The Role Orientation Index (ROI) was then added to the LBDQ as a supplementary measure (Graen, Liden, & Hoel, 1972). In 1973, Graen, Orris, and Johnson designed an eight-faceted Supervisory Attention Questionnaire to measure the quality of LMX relationship. Both new employees and supervisors were asked to rate the attention given/received and their preferences on the same items. The Supervisory Attention Questionnaire was also

referred to by other researchers as the Leadership Attention, Leader Attention and Support, or Supervisor Treatment measure (Schriesheim et al., 1999).

In the 1970s, negotiating latitude was added to the measure as a core element by Dansereau, Graen, and Haga (1975). Negotiating latitude was used to measure the extent to which a manager/supervisor was willing to consider requests from a subordinate concerning role development (Dansereau et al., 1975). Low negotiating latitude suggests unwillingness from a superior to consider allowing a staff member to influence his role, while high negotiating latitude suggests willingness from a superior to not only allow but also help a staff member concerning role development (Dansereau et al., 1975). Two questions employed to test negotiating latitude were “How flexible do you believe your supervisor is about evolving changes in your job activity structure? ” and “Regardless of how much formal authority your supervisor has built into his position, what are the chances that he would be personally inclined to use his power to help you solve problems in your work? ” (Dansereau et al., 1975, p.52).

In the 1980s, the measure was expanded and more items and content were added by researchers to facilitate subordinates’ role development (Keller & Dansereau, 2001). Graen, et al. (1982) asked subordinates to rate their overall working relationship with supervisors to provide more information on the influence and support provided by supervisors beyond their job descriptions.

Various measures were used in LMX studies ranging from two to twenty-five items, among which LMX-7 has been the most commonly used measure in recent LMX studies (Schriesheim et al., 1999). Adapted from the scale used by Scandura and Graen (1984), LMX-7 focuses on different perspectives of the exchange relationship between members

and leaders. It covers three main dimensions of the LMX relationship, including respect, trust, and obligation. Although the same version of LMX-7 was used by many researchers in the 1980s and the 1990s, Keller and Dansereau (2001) argued that there was a lack of consistency in the findings using LMX-7 and previous versions of the questionnaire on LMX.

Significant associations have been discovered in the general management literature between LMX and turnover intentions and OCB (Gerstner & Day, 1997). With the boost in the tourism economy in the last two decades, the development of the hospitality industry has created some problematic issues, such as a consistently higher staff turnover rate than other industries (Iverson & Deery, 1997). The high turnover rate and low job morale, especially in hotels, have attracted more researchers from general management to use hotel employees as samples in LMX studies. However, a few samples do not satisfy research needs in the hospitality industry and most of the studies mentioned above only tested LMX's impact on one or two of the work-related issues. There is still a great need to conduct LMX studies in the hospitality industry using an integrated model so that the impact of LMX on work performance can be better understood and predicted. The next three sections of this chapter present the current findings on the impact of LMX on front-line employees' turnover intentions, exhibitions of OCB, and perceived organisational justice.

### **2.5 Turnover intentions in LMX studies**

Although the job turnover rate has declined over the past five years (Figure 3), statistics released by the New Zealand government show that the job turnover rate in the accommodation and food service sector was double the national average for all industries in 2011 (Statistics New Zealand, 2012). Mean earnings from the first half of 2011 for

hospitality workers were \$12,820 NZD which was half that of all industries combined (\$25,040 NZD) (Statistics New Zealand, 2012). The current situation in the hospitality industry has created a turnover culture as employees assume that career development is limited and promotional opportunities are small (Iverson & Deery, 1997).

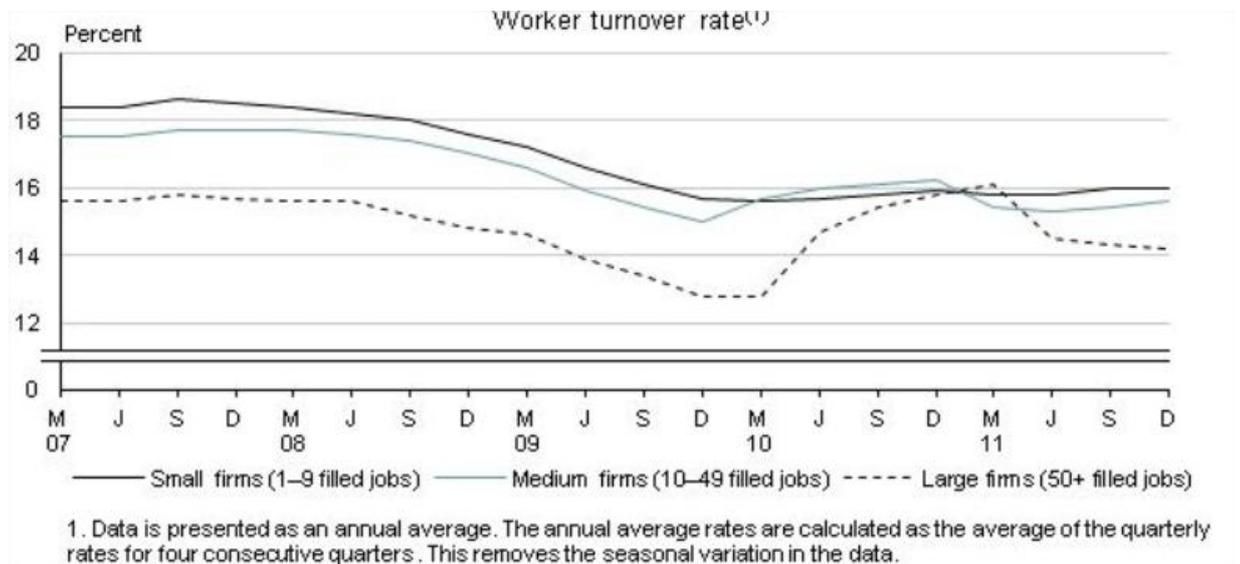


Figure 3. Annual worker turnover rate 2007 to 2011 in New Zealand (Statistics New Zealand, 2012, Labour market dynamics slowed during the recession, para. 9)

A high turnover rate has also been reported in the hospitality industries of other countries (Birdir, 2002; Lam, Lo, & Chan, 2002). This excessive turnover rate can greatly increase costs such as hiring and training and can disrupt communication and productivity in the hospitality businesses (Dalton et al., 1982). In addition, the high staff turnover rate, especially of front-line employees, can cause a lot of service failures, which can destroy the image of a business and decrease customer loyalty dramatically due to new staff members' lack of experience or training (Powell & York, 1992).

Turnover has been much studied in the field of human resource management over the past half century (Griffeth et al., 2000; Porter & Steers, 1973). From the job tenure

statistics in New Zealand during the 2011 tax year shown in Figure 4 (Statistics NZ, 2012), nearly 17 per cent of workers left their jobs within three months of their employment and around 40 per cent of workers left their jobs in under a year. According to Statistics New Zealand (2012), young workers, aged between 15 and 24 years, have the highest turnover rate while mature workers, aged 40 years and over, have the lowest turnover rate. Women also have a marginally higher turnover rate than men, which will be discussed later in this chapter (Statistics New Zealand, 2012).

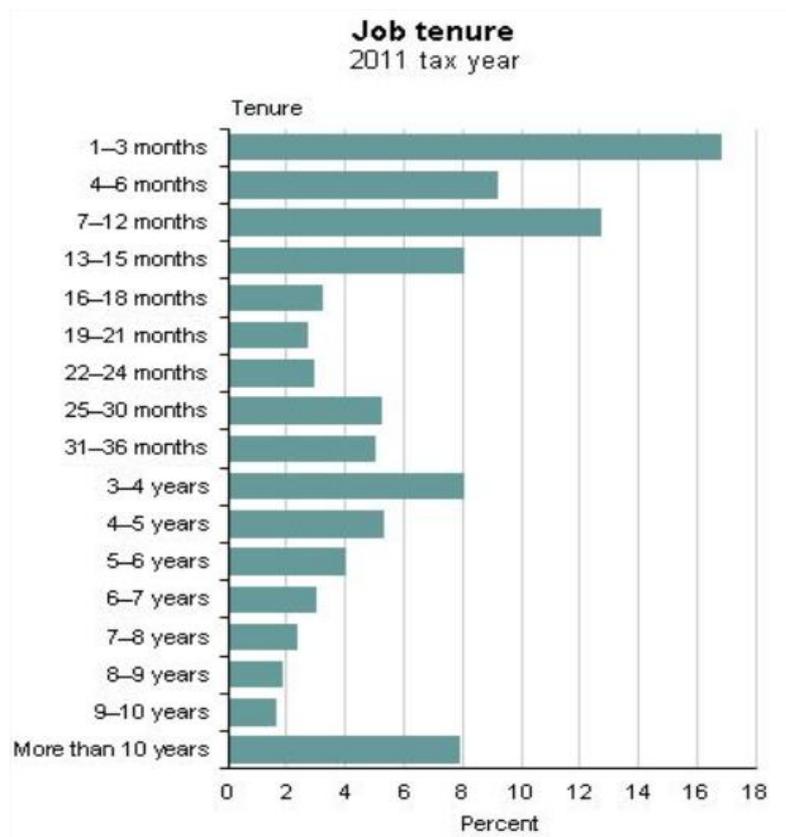


Figure 4. Job tenure in New Zealand (Statistics NZ, 2012)

Demographic, organisational, and cultural factors have been associated with staff turnover. Griffeth et al. (2000), and Boxall, Macky and Rasmussen (2003) conducted meta-analyses and highlighted a few themes that could cause staff turnover, such as employment instability, unemployment rates in society, job satisfaction, congruence

between employees and employers on work-related matters, and employees' perceptions of how much their contributions are valued by their employers. According to Griffeth et al. (2000), organisational factors such as job commitment and satisfaction have a stronger association with turnover than demographic predictors such as age and gender.

Mobley (1977) analysed the psychological process involved in an employee's quitting or staying decision and presented a model of the decision process (see Figure 5). Turnover intentions are different from actual turnover, but a number of researchers have examined turnover intentions instead of actual turnover due to the convenience of data collection and the low turnover base rate problem reported by previous studies (Bluedorn, 1982). Gaertner and Nollen (1992, p.448) defined turnover intention as "a behavioural intention resulting from company policies, labour market characteristics and employee perceptions", while Tett and Meyer (1993, p.261) described turnover intention as "a conscious and deliberate wilfulness to leave". Steel and Ovalle (1984) argued that employees' intentions to quit or stay was the final cognitive step in processing decision-making. Therefore, to be consistent with the previous studies in the field of LMX and organisational research, turnover intention instead of actual turnover is used as an outcome variable in this study.

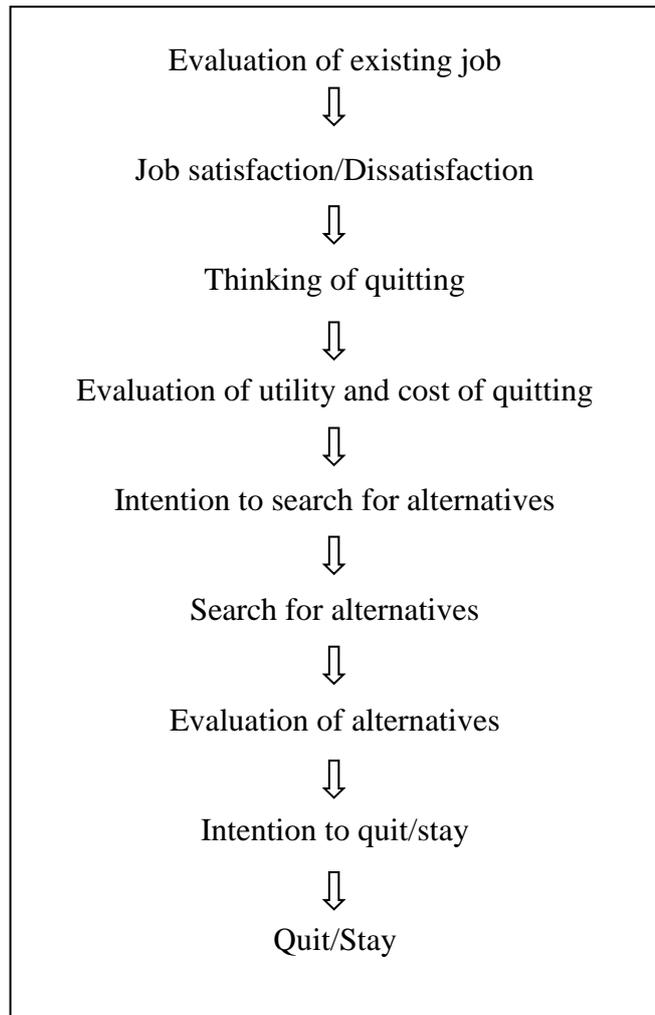


Figure 5. Adapted from Mobley's model of turnover decision process (1977, p.238)

Turnover issues have been associated with LMX since the 1990s. According to Graen et al. (1982), the poor quality of LMX relationships increases employees' turnover intentions voluntarily. The negative associations between LMX and turnover intentions have been mostly consistent for employees in multinational companies (Ansari et al., 2007), executives (Bauer et al., 2006), blue-collar employees (Erdogan, 2002), and government employees (Shirley, 2003). However, some studies found either a non-significant relationship (Vecchio, 1985), or curvilinear associations between LMX and turnover intentions. Kim et al. (2010) surveyed non-supervisory employees and

supervisory employees at different organisational levels in South Korean hotels and discovered curvilinear relationships between LMX and turnover intentions (see Figure 6). Kim et al. (2010) discussed how those hotel employees who had very low or very high LMX relationships with their supervisors tended to have high levels of turnover intentions.

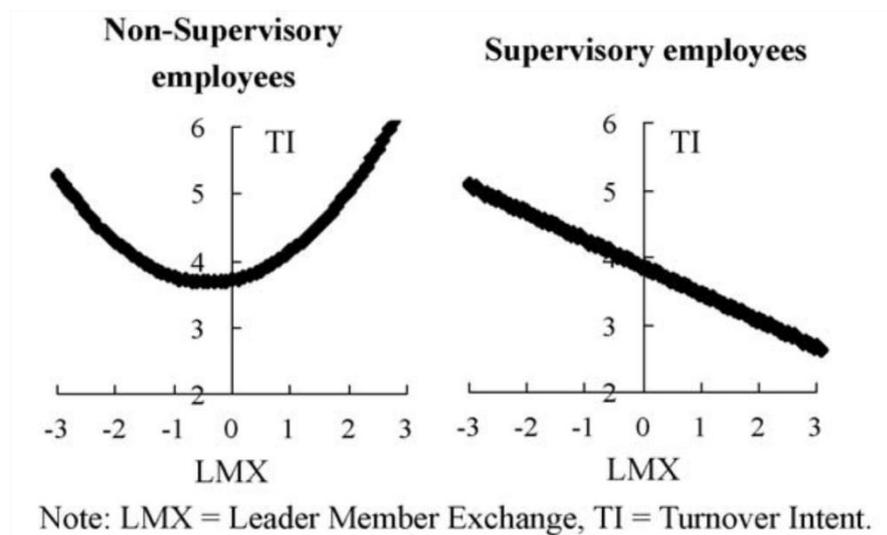


Figure 6. The relationship between LMX and turnover intentions (Kim et al., 2010, p.595)

The impact of LMX on turnover intentions has been a popular research topic in the sector of health and manufacturing, mainly due to their high employee turnover rate, especially among nurses (Ansari et al., 2007; Han & Jekel, 2011; Venkataramani et al., 2010). With a notorious reputation for continuously high employee turnover rates, the hospitality industry hasn't paid enough attention to one of the most important reasons for the problem, LMX (Kim et al., 2010). Based on the consistently negative associations between LMX and staff turnover in the literature, Hypothesis 1 is proposed:

***Hypothesis 1: LMX is negatively related to front-line employees' turnover intentions.***

Not much research has clarified the concerns expressed by Vecchio, Griffeth, and Hom (1986) that the LMX-turnover relationship should be examined by adding mediators or moderators to the process. Only recently were mediating variables, such as job satisfaction and distributional justice, included in the turnover studies. Han and Jekel (2011) used job satisfaction as a mediating variable between LMX and turnover intentions and reported a positive association between job satisfaction and LMX, and a negative mediating effect between LMX and turnover intentions. This research integrates some crucial organisational factors into staff turnover studies so that the findings can give further insights into the employees' psychological process of quitting, and managers can better predict and avoid the actual turnover from happening.

### **2.5 Organisational citizenship behaviour (OCB)**

OCB has been recognised and accepted by both academia and practitioners as the key criterion for measuring employees' work performances. Various antecedents of OCB have been identified and empirically tested by researchers over the past two decades, such as job satisfaction and organisational justice (Podsakoff et al., 2000). The most-recognised definition of OCB is from Organ (1988) as "the discretionary workplace behaviour from individual employees which is not part of the job description nor recognised by any formal reward system. Employees cannot be punished for not showing OCB as it is not written in the contract" (p.4).

Organ (1988) discussed five dimensions of OCB: altruism, sportsmanship, civic virtue, courtesy, and conscientiousness. Altruism is helping colleagues with work-related problems; sportsmanship is tolerating inconveniences at work; civic virtue includes positive involvement in the concerns of the organisation; courtesy is treating others with

respect; and conscientiousness means to go well beyond the minimum requirements of the job.

OCB has been well linked to LMX with theoretical support from social exchange theory (Deluga, 1994; Masterson, Lewis, Goldman, & Taylor, 2000; Turnley, Bolino, Lester, & Bloodgood, 2003; Wayne, Shore, Bommer, & Tetrick, 2002). According to social exchange theory, good-quality LMX perceived by employees can encourage a higher level of OCB through engaging in extra-role behaviours on the basis of a fair social exchange (Turnley et al., 2003). Although the positive association between LMX and OCB has been quite consistent in the LMX literature (Sun et al., 2013), some studies concluded no significant relationship between the two variables (Wayne et al., 2002). The strength of the correlation also varied vastly from  $r=.20$  to  $r=.52$  (Hackett, Farh, Song, & Lapierre, 2003). Hackett et al. (2003) suggested that the variability in correlation could be a consequence of sampling errors and differential reliability.

A number of studies have been conducted in the last 30 years on OCB but it was only recently that scholars started to apply the concept to the hospitality sector (Ravichandran et al., 2007). Nadiri and Tanova (2010) surveyed five-star hotel employees in North Cyprus and discovered a positive impact of organisational justice on OCB and job satisfaction. Raub (2008) analysed front-line employees' perceptions of the centralisation of organisational structure and discovered it negatively affected employees' exhibition of OCB. Yen and Teng (2012) replicated Raub's study and discovered a partial mediating effect of procedural justice between centralisation and OCB. LMX has also been associated with OCB in the hospitality industry but only in a few studies. Kim et al. (2010) sampled front-line employees in hotels and studied the mediating effect of employee envy between LMX and OCB.

Based on the current findings in the literature, the positive correlation between LMX and OCB is supported by both empirical findings and social exchange theory. This research also examines the strength of the association so that the findings can be compared to previous studies from a hospitality perspective. Hypothesis 2 is proposed as follows:

***Hypothesis 2: LMX is positively related to front-line employees' exhibitions of OCB.***

Since the data on employees' OCB has mostly been collected from supervisors, Duarte, Goodson, and Klich (1994) claim that higher OCB could be a halo effect of high-quality LMX, because supervisors could possibly provide high rankings for any of the performance dimensions to socially reciprocate the loyalty and support received from their subordinates. Therefore, this research collects data on OCB from frontline employees so that the potential halo effect can be addressed (Duarte et al., 1994). House and Aditya (1997) suggested more mediators to be analysed between LMX and OCB since current studies in this area over-emphasised the direct relationship between LMX and OCB. In order to further explain how the impact of LMX occurs on OCB, the mediator, organisational justice, is introduced in the next section.

### **2.6 Organisational justice in LMX studies**

Organisational justice originated from social justice theories but with a focus on explaining the role of fairness in organisations (Greenberg, 1990). Organisational justice is employees' perceived fairness of employment-related issues (Greenberg, 1990). Sheppard, Lewicki, and Minton (1992) suggest that balance and correctness are the two main principles in judging the justice of a decision. The evaluation of the outcomes gives the comparison of balance while the evaluation of the quality of decisions provides the

judgment of correctness. Thus fairness can only be perceived when both outcome and quality of decisions are satisfactory (Sheppard et al., 1992).

According to Greenberg (1990), perceived organisational fairness can be classified into three perspectives: distributive justice, procedural justice, and interactional justice. Distributive justice is the fairness of outcomes received by the employees, such as pay and material incentives in the same team (Adams, 1965). Employees compare their own contribution or input with other colleagues in similar positions and make judgments on the fairness. Distributive justice can be traced back to equity theory (Adams, 1965) and the justice judgment model (Leventhal, 1976). Equity theory emphasises the reaction to inequities while the justice judgment model discusses the conditions under which people employ different justice norms. According to Adams (1965), people's perceptions of equity at work are mainly affected by their beliefs about the allocation of rewards within the group they are in, which makes it possible to judge equity and make comparisons in a relatively objective way. On the other hand, the justice judgment model provides both objective and subjective perceptions by highlighting the importance of the conditions under which fairness is judged (Leventhal, 1980).

Procedural justice is identified as the fairness of organisational policies and procedures for decision-making (Greenberg, 1990). It is the fairness of how decisions are made, as perceived by employees, such as promotions or performance reviews. Perceived procedural justice is critical and central for employees in developing trust in their leaders because from the employees' point of view, to a very high degree, the leaders actually represent the organisation (Konovsky & Pugh 1994). Therefore, perceived procedural justice is also closely related to the quality of the exchange relationship and is mainly

based on individual experience through a procedure (Greenberg, 1987; Kickul, Lester, & Finkl, 2002).

Interactional justice is the fairness perceived by employees concerning how they are treated by their leaders or decision-makers (Chan & Jepsen, 2011). Greenberg (1990) argues that the quality of interpersonal treatment can be a major determinant in people's judgment of fairness. Bies and Moag (1986) explored the communication criteria in fairness and discovered that the way and the manner the outcome was communicated affected the perceived fairness by job candidates. Colquitt (2001) argued that interactional justice should be separated into two perspectives: interpersonal justice and informational justice, to cover two different angles of the interaction. Interpersonal justice discusses the interpersonal treatment between employees and decision-makers, and informational justice relates to how employees are informed of the decision-making and the adequacy of information provided to employees (Colquitt, 2001).

The association between LMX and organisational justice has not been well researched due to the important theoretical overlap between the two concepts (Scandura, 1999). Piccolo, Bardes, Mayer, and Judge (2008) claimed that some of the core elements in LMX theories could be well reflected in the organisational justice dimensions. For example, a high level of personal consideration could be reflected in the high levels of perceived fairness in treatment and communications (Piccolo et al., 2008). Wayne et al. (2002) also suggested a highly conceptual overlap between interactional justice and LMX. According to LMX theory, "in group" employees receive more resources from their supervisor/manager which, in turn, promotes their perceptions of distributive justice and interactional justice (Fein, Tziner, Lusky, & Palachy, 2013). Therefore the association between LMX and organisational justice is hypothesised as follows:

***Hypothesis 3: LMX positively associates with organisational justice.***

Organisational justice has been popularly analysed in recent LMX literature as a mediator between LMX and various work outcome variables, such as OCB (Sun et al., 2013), job performance (Scandura, 1999), organisational identification (Sluss, Klimchak, & Holmes, 2008), organisational commitment (Chan & Jepsen, 2011), and turnover intentions (Ansari et al., 2007; Lee et al., 2010). The relations between LMX, organisational justice, and OCB are based on social exchange theory where employees exhibit OCB to reciprocate their perceived organisational justice or quality of relationship with their supervisor for fair treatment (Dyne, Graham, & Dienesch, 1994). The positive mediating effect between LMX and organisational citizenship behaviour, job performance, organisational identification, and organisational commitment has been quite consistent in the literature (Chan & Jepsen, 2011; Chernyak-Hai & Tziner, 2013; Scandura, 1999; Sluss et al., 2008; Sun et al., 2013). Therefore the higher quality of LMX may result in a higher level of OCB performance and a higher level of perceived fairness. Hypothesis 4 is then proposed:

***Hypothesis 4: Organisational justice mediates the impact of LMX on front-line employees' exhibitions of OCB.***

Over the past two decades, a number of studies on organisational justice have been conducted in education (Masterson et al., 2000) and the manufacturing industry (Colquitt, 2001; Erdongan & Liden, 2002; Wayne et al., 2002). Since most of the studies on organisational justice sampled employees with stable working hours, Greenberg (2006) argued that more research should be done with employees working in shifts or on rosters, such as front-line employees in the hospitality industry. According to Statistics New

Zealand (2013), the mean tenure of accommodation, cafes, and restaurants was the lowest among all the industries in New Zealand regardless of job levels. Therefore, this research sampled two different types of hospitality businesses so that the literature in organisational justice studies can be expanded.

A few recent studies on the hospitality industry have related organisational justice to staff turnover intentions due to the high turnover rate. Findings from these studies have been relatively consistent in that perceived organisational justice had a negative impact on staff turnover (Chan & Jepsen, 2011; Lee et al., 2010) but varied among different cultural contexts and industries (Ansari et al., 2007; Lee et al., 2010). Lee et al. (2010) tested the mediating effects of two organisational justice factors between LMX and employees' turnover intentions in two hotels and discovered a direct positive impact of procedural justice on employees' turnover intentions, contradicting previous findings in general management literature. Lee et al. (2010) discussed that their research was only based on employees from two hotels and could also possibly suffer from translation issues between English and Spanish. The hypothesis proposed for this research is consistent with the mainstream findings in the literature, regardless of the few studies with contradictory or non-significant results:

***Hypothesis 5: Organisational justice mediates the impact of LMX on front-line employees' turnover intentions.***

In the current literature of LMX studies, procedural justice and distributional justice have been often analysed either as attitudinal outcomes of LMX or as mediators between LMX and work outcomes (Ansari et al., 2007; Fein et al., 2013; Lee, et al., 2010; Piccolo et al., 2008; Scandura, 1999). Scandura (1999) notes that when employees develop

perceptions of organisational justice, it is very important to consider not only whether procedures followed and distributions of the outcomes are fair but also whether the way decisions are communicated to members is fair. Therefore, all factors should be analysed to provide a rich theoretical framework and better understandings of how employees react to the distribution of benefits. Therefore all four dimensions of organisational justice, including distributional justice, procedural justice, interactional justice, and informational justice, are analysed in this research as one composite attitudinal variable between LMX and work outcomes.

## **2.7 Gender's moderating role in LMX studies**

### 2.7.1 Gender issues in the hospitality industry

According to the New Zealand Department of Labour, at the end of 2012 (see Table 1), approximately 7 per cent of working females in New Zealand were in the accommodation and food services sector.

Table 1. Female employment by industry for the year ended 2012 (Department of Labour New Zealand, 2012)

	<b>Dec-12</b>
<b>Industry</b>	<b>(000)</b>
Agriculture, Forestry, Fishing & Mining	46.9
Manufacturing	69.1
Utilities and Construction	25.5
Wholesale & Retail	149.7
Accommodation & Food Services	73.2
Transport, Warehousing & Communications	47.7
Financial and Insurance	39.9
Other Business Services	129.2
Public Admin and Safety	57.8
Education & Training	140.9
Health Care & Social Assistance	189.2
Other Services	67.8
<b>Total Employed (including Not Specified)</b>	<b>1039.9</b>

Gender differences have been a popular subject as more and more women have moved to senior level management positions over the past two decades (Kent & Moss, 1994; Mooney & Ryan, 2009). Across all industries in New Zealand, approximately 12.3 per cent of working females are in management positions (see Table 2.). Alvesson and Billing (2009) examined the difference between male and female managers and found their ways of thinking, their values, and their behaviours were all different, both in their lives and their workplaces. Researchers have attempted to stereotype genders and to find out who would make better managers but with varying results (Wilkins & Andersen, 1991). Women are generally considered as emotional, nurturing, and empathetic, while men are more dominant, aggressive, and unemotional (Allen, Rybczyk, & Judd, 2011; Ashforth & Mael, 1989; Burlison, Hanasono, Bodie, Holmstrom, McCullough, Rack, & Rosier, 2011). Mooney and Ryan (2009) explored the influence of the “old boys’ network” on women managers in the hospitality industry and discovered that the most mentioned barriers to women being successful were the lack of shared background with their male managers, and the lack of female role models in the industry.

Table 2. Female employment by occupation for the year ended 2012 (Department of Labour New Zealand, 2012)

	<b>Dec-12</b>
<b>Occupation</b>	<b>(000)</b>
Managers	127.8
Professionals	284.1
Technicians & trades workers	52.4
Community & personal service workers	146.4
Clerical & administrative workers	202.8
Sales workers	115.9
Machinery operators & drivers	15.9
Labourers	91.1
<b>Total Employed</b>	<b>1039.9</b>

The journey to successful leadership for women has been long, with obstacles due to various social and historical reasons. The occupational and vertical segregation of women has been an obvious problem in the hospitality industry for years (Maxwell, 1997). In the 1960s, Megaree (1969) examined the effect of gender on leader emergence using the California Personality Inventory and discovered that more men than women emerged as leaders in the mixed-sex dyad with both gender-neutral tasks and masculine tasks. Fifteen years later, Wentworth and Anderson (1984) replicated Megaree's study (1969) and found that men emerged as leaders in masculine and neutral tasks while women emerged as leaders in feminine tasks. A few studies in the 1980s showed that it was more likely for women to emerge as leaders in the 1980s than in the 1960s but women needed to be the experts as expected in their feminine roles to be perceived as leaders (Wentworth & Anderson, 1984; Fleischer & Chertkoff, 1986).

Women and men are also different in decision-making. Dube and Morgan (1996) claim that males make decisions using general information and intend to disguise their weaknesses, while females are influenced by more specific information when making decisions and are more prepared to discuss their weaknesses as well as their personal issues. Burleson et al. (2011) studied gender differences in processing information on support situations and messages and confirmed the existence of gender differences in processing messages. The results from their study were consistent with the previous study on the similar topic conducted by MacGeorge, Gillihan, Samter, and Clark (2003) and have provided further evidence that psychosocial factors underlie and thus explain the observation that women have greater capability and motivation than men in processing supportive messages (Burleson et al., 2011).

### 2.7.2 Gender issues in LMX studies

In the past two decades, the study of gender in leadership has been expanded beyond general management to fields like human resources and social sciences. Gender has also been used to monitor LMX relationships by a number of researchers, but the findings have been inconsistent. Wheelless and Berryman-Fink (1985) surveyed 178 respondents (98 males and 80 females) from various types of organisations in the United States and discovered that men and women hold different attitudes toward women as managers. In general, female employees have more positive attitudes towards female managers while male employees tend to have negative attitudes towards women as managers (Wheelless & Berryman-Fink, 1985). Not only did attitudes vary according to the gender of subordinates, but female managers also received higher esteem and evaluation from their female subordinates than their male subordinates (Wheelless & Berryman-Fink, 1985). According to Wheelless and Berryman-Fink (1985), familiarity with female managers can be a very important factor that affects the evaluation of and attitudes towards female managers, implying that different cultures may hold different attitudes towards female managers.

Liden et al., (1993) conducted a longitudinal study on LMX in the early stages of employment (at two weeks and six weeks) and discovered that perceived similarities and likeability were the most important factors in developing a good-quality LMX relationship. But demographic similarity, such as gender similarity, was not significantly related to LMX quality and shouldn't be used as a predictor of LMX (Liden et al., 1993). Bauer and Green (1996) proposed that gender similarity between a leader and a member should be positively related to member performance ratings and leader delegation. But when longitudinal data were collected on new graduates and their first job supervisors, it was discovered that gender similarity was unrelated to either LMX or performance

ratings and leader delegation (Bauer & Green, 1996). Adebayo and Udegbe (2004) suggested that gender in LMX studies should be researched in a non-Western culture such as Nigeria where age was used to determine seniority before the country was colonised. Social learning theory was then firstly introduced to provide theoretical support to gender issues in LMX studies.

### 2.7.3 Cognitive learning theory

Human actions are based on learning, except for elementary reflexes (Bandura, 1977). Bandura (1977) comments that learning can be processed either by response consequences or through modelling. Learning by response consequences is to learn from direct experience and the results that previous actions produced— a rudimentary mode of learning (Bandura, 1977). In a complex work environment or a new environment with no direct past experience to learn from, it is more important to analyse people’s learning processes through “modelling” since most human behaviour is learned observationally through modelling (Bandura, 1977). As demonstrated in Figure 7, Bandura (1977) explains *attentional*, *retention*, *motor reproduction*, and *motivational* as four components, or processes, governing people’s observational learning.

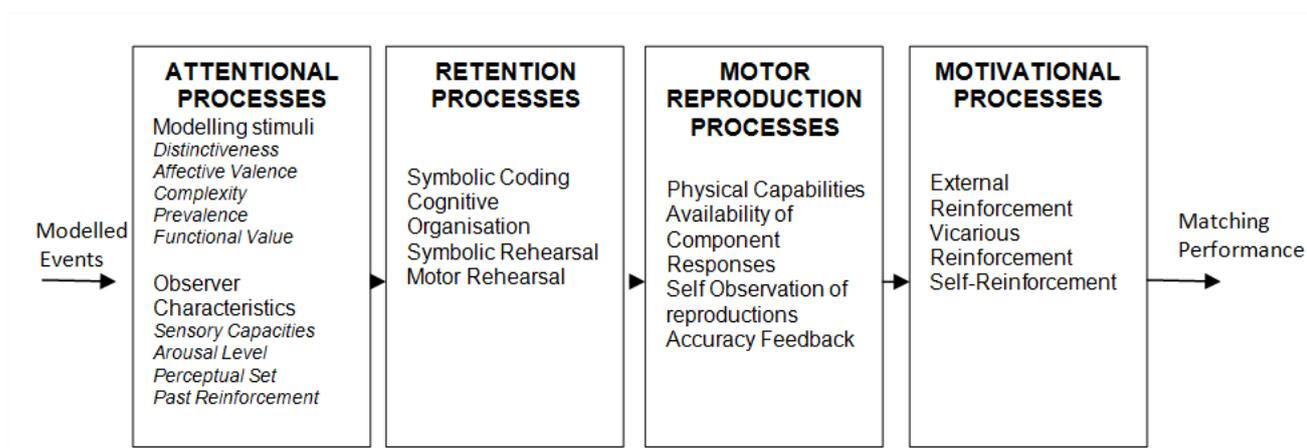


Figure 7. Component processes governing observational learning in the social learning analysis (Bandura, 1977, p.28).

*Attentional* processes determine what to observe and vary with different observers' characteristics and social contexts (Bandura, 1977). *Retention* processes discuss the retention of the activities that have been modeled. *Retention* is usually maintained through symbols which will then be converted into action during the next phase of the modeling, *motor reproduction* processes. The final component of social learning is *motivational* processes which discuss what types of modelled behavior will be preferred and adopted by people. According to Bandura (1977, p.28), "those behaviours that seem to be effective for others are favoured over behaviours that are seen to have negative consequences".

#### 2.7.4 Hypotheses on gender's moderating role in the LMX framework

This research analyses and hypothesises the moderating impact of gender between LMX and employees' work outcomes by applying the four main component processes in the cognitive learning theory considering current findings from the gender studies. The characteristics of the hospitality industry discussed in the early sessions of the chapter, as well as the history of the industry in New Zealand, are considered as the main references in analysing *attentional* processes. Since *Retention* and *motor reproduction* processes are usually processed through either imagery or verbal symbols by observing and talking to other people, organisational justice perceived by front-line employees is considered as the main factor when analysing these two processes. *Motivational* processes are often reinforced by the benefits distributed to staff such as promotional opportunities to advance future careers. Therefore, organisational justice is also considered by this research as a significant element in analysing employees' *motivational* processes in social learning.

According to cognitive learning theory, gender development at the institutional level should integrate both psychological and socio-structural factors within a unified conceptual framework (Bandura, 1986; Bussey & Bandura, 1999). “Gender conceptions and role behaviour are the products of a broad network of social influences operating both familiarly and in the many societal systems encountered in everyday life” (Bussey & Bandura, 1999, p. 676). From the viewpoint of cognitive learning theory, the dominance of male managers and the lack of successful female role models in the hospitality industry can create a relatively negative work environment for women. Consequently, women will follow the four content processes models differently in comparison to men. The lack of role models can limit their observation of the work environment through attentional processes. Retention processes and motor reproduction processes will also be limited due to the dominance of male managers. As a result, motivational processes tend to be kept at low levels and the cycle will continue, leading to feelings of poor opportunities for career advancement and high turnover rates.

Based on previous gender studies in the general field of leadership, women are generally considered more emotional than men (Allen et al., 2011; Burleson et al., 2011) and have a higher capability in processing supportive messages (Burleson et al., 2011; MacGeorge et al., 2003). When a high quality of LMX is experienced, women perceive a much higher level of fairness in both interactions with their supervisor/manager and the distribution of benefits. Therefore, the moderating effect of gender between LMX and organisational justice is hypothesised below:

***Hypothesis 6: Gender moderates the relationship between LMX and organisational justice. The impact of LMX on organisational justice is higher with female employees and lower with male employees.***

Bandura (1977) discusses how people often behave properly without either personal experience or consideration of possible consequences on the basis of subtle social cues. As discussed previously, there are a number of negative factors restricting women in the workplace, such as the “glass ceiling”, the “old boys’ network” and a lack of role models (Maxwell, 1997; Mooney & Ryan, 2009). Being disadvantaged by working circumstances, when women perceive a high quality of LMX relationship, they perceive a greater level of organisational justice, and, in return, they will perform at a much higher level of OCB than male employees. In other words, male employees take advantage of current work conditions where most of the management positions are occupied by men, and interpret positive messages such as good quality LMX as social cues. As a consequence, men take a good-quality LMX for granted and show a lower level of OCB than women. Therefore the moderating effect of gender between LMX and OCB is proposed below:

***Hypothesis 7: Gender moderates the relationship between LMX and OCB. The impact of LMX on OCB is higher with women and lower with men.***

When a higher level of organisational justice is perceived, women process positive messages in a much more capable way and tend to show a higher level of OCB than men. Therefore the same moderating effect of gender is proposed between organisational justice and OCB:

***Hypothesis 8: Gender moderates the relationship between organisational justice and OCB. The impact of organisational justice on OCB is higher with female employees and lower with male employees.***

With the assumption from cognitive learning theory that “the negative sanctions for cross-sex behavior are generally more severe for males than for females” (p. 94, Bandura, 1986), women should have a much higher level of endurance of negative messages, such as bad quality of LMX relationships with their supervisor/manager or a low level of perceived organisational justice. Therefore, even when being treated in a bad way by their supervisor/manager, women can still hold a relatively lower level of turnover intention than men. The hypothesis of gender’s moderating effect between LMX and turnover intentions is presented below:

***Hypothesis 9: Gender moderates the relationship between LMX and turnover intentions. The impact of LMX on turnover intentions is higher with men and lower with women.***

Similarly, when women perceive a lower level of organisational justice, their turnover intentions are still not as high as those of male employees following social cues that their working conditions are not as good as men’s. Furthermore, when a low level of organisational justice is recognised, women won’t process negative messages to as high a level as men do. Therefore Hypothesis 10 is proposed:

***Hypothesis 10: Gender moderates the relationship between organisational justice and turnover intentions. The impact of organisational justice on turnover intentions is higher with men and lower with women.***

### **2.8 Conceptual framework**

After reviewing the literature, the following framework is proposed presenting the associations between all the variables discussed in the chapter :

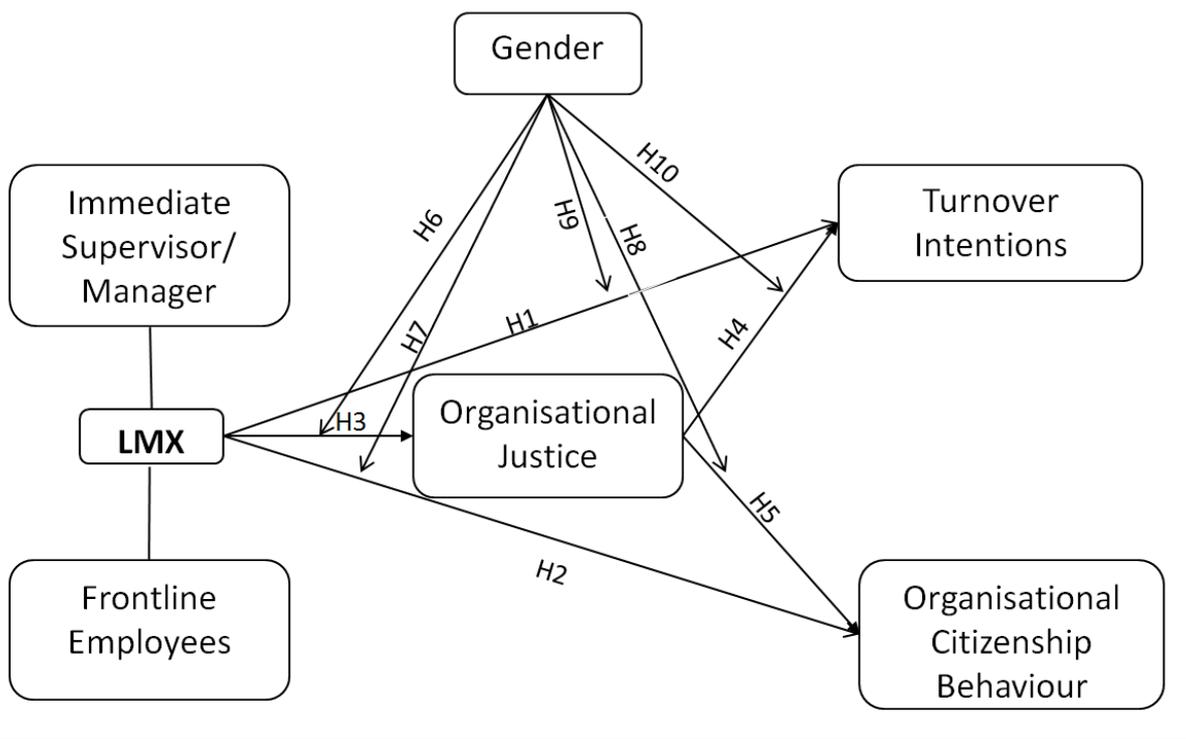


Figure 8. Proposed research framework

## CHAPTER 3 – METHODS

### **3.1 Introduction**

This chapter explains the methodology this research employs. Firstly, the research paradigm is discussed. The sample and the instruments selected for data collection are then explained and justified. The chapter goes on to discuss the methods adopted for data analysis using SPSS version 20. Finally, ethical considerations are addressed.

### **3.2 Research paradigms**

A paradigm is “a basic set of beliefs that guides action, whether of the everyday garden variety or action taken in connection with a disciplined enquiry” (Guba, 1990, p.17). A research paradigm provides an “implicit body of intertwined theoretical and methodological belief that permits selection, evaluation, and criticism” (Kuhn, 1970, p.17) and incorporates the researcher’s ontology as well as epistemology. Grant and Giddings (2002) outlined paradigm frameworks into four categories: positivist, interpretive, radical, and poststructuralist, which explained researchers’ different beliefs in ontology and epistemology, along with different preferred research methodologies.

The main purpose of this research is to investigate how front-line employees’ work outcomes are affected by the exchange relationships with their supervisor/manager, and how the impact is then moderated by gender. Therefore objectivity and generalisation are the targets for this study. Secondly, since there is a rich body of data and findings in the field of LMX studies, it is logical to adopt the same paradigm as for previous studies so that comparisons can be made and gaps can be filled. Thirdly, methodological issues with LMX studies have been well researched. The most commonly-used measurements with the highest validity are selected and the most recognised methods to analyse

mediating and moderating effects are adopted by this research so that objectivity and generalisability can be achieved. It is therefore clear that this study is best conducted with a positivist approach.

Deeply embedded in Western thinking, positivism has been regarded as a very objective doctrine well backed up by scientific methods (Sarantakos, 1998). From the early 1900s to the 1960s, positivists integrated hypotheses rigorously with mathematics to test their confirmability (Grant & Giddings, 2002) so that objectivity was emphasised. Positivists believe that “there is a knowable reality that exists independent of research process... Accordingly, causal relationships between variables exist and can even be identified, proven and explained” (Hesse-Biber & Leavy, 2006, p.13). However, the positivist paradigm was challenged in the 1970s by scholars who were later categorised as postpositivists. Postpositivists argued that although statistical methodology was well supported by natural science, the researchers couldn't be value-free as claimed previously. Therefore their epistemology was reframed by defining knowledge as “the best understanding that we have been able to produce thus far, not a statement of what is ultimately real” (Polkinghorne, 1983, p.2). The postpositivists also claimed that there were multiple views of science as well as truths.

Quantitative research is designed with a positivist epistemology and ontology as foundations. Quantitative research enables a positivist researcher to test a hypothesis statistically with accurate results indicating the cause and effect of a problem (Grant & Giddings, 2002). Reliability and validity of the data are considered before testing the statistical significance of the hypothesis. As the major concern to a lot of researchers in the field of general management, generalisability is critical to making a difference. A lack of generalisability means a theory also lacks usefulness (Lee & Baskerville, 2003).

To establish a significant relationship between cause and effect, the  $p$  value needs to be smaller than 0.05, which implies a high generalisability (>95%) as close as possible to truth. A variety of methods can be used in quantitative research for sampling and data analysis. Before collecting data, a positivist researcher chooses the methods carefully and designs the whole process of research with a detailed protocol of all the steps involved (Grant & Giddings, 2002). Instruments of measurement need to be either chosen from the relevant literature or developed with high reliability and validity.

This research adopted quantitative research methodology from a positivist perspective. A survey was conducted on a sample selected to represent the entire population. All the instruments were replicated from previous studies where high reliability and validity were already established. The entire process was carefully designed and multiple tests were conducted on the data to ensure the generalisability of the findings.

### **3.3 Sample**

The target population of this research was front-line employees in the hospitality industry in Western culture. Front-line employees are those who have direct contact with customers and represent the hospitality establishments' image to a large extent. They are critically significant when customers make judgements on perceived service quality. With little empowerment due to operational risk-control issues, front-line employees often report to and communicate with their immediate supervisor/manager about difficult situations experienced (Adler-Milstein, Singer, & Toffel, 2010).

Bryman and Bell (2003) described a suitable sample size as the appropriate number of participants required to achieve desired research results. But there has been disagreement among scholars as to what the appropriate number is. "A larger sample is better, but only

up to a point” (Veal, 2006, p.220). According to Hoyle (1995), 100–200 cases should be sufficient and optimal for probability sampling. Hair, Anderson, Tatham, and Black (1995) claimed that a larger sample was not always better since with a big sample of over 400 responses, the probability test would be too complex and difficult to generate significant results. According to Hair et al., (1995), two hundred cases can yield the necessary accuracy. The minimum sample size can also be determined by multiplying the number of items in the instrument by five (Veal, 2006). For example, there are 34 items on the survey proposed for this project; therefore the minimum sample size should be 170. Bryman and Bell (2003) suggested that the cost and time of the study must also be balanced when sampling. Considering all the possibilities, as well as the limited resources and time for this research, the target sample size was determined to be between 100 and 200 cases.

Two major types of establishments in the hospitality industry were selected to improve the generalisability of this research. Hotels with four-star or higher ratings in the Auckland region and restaurants with A grading in Central Auckland were selected as the sample for this research. Qualmark ratings were referred to when selecting hotel samples since Qualmark is the official quality assurance organisation appointed by the Ministry of Tourism in New Zealand and is recognised and accepted both locally and internationally. Auckland City Council’s food premises gradings were used when selecting restaurants for this research.

Qualmark’s website, [www.qualmark.co.nz](http://www.qualmark.co.nz), was used to compile a list of hotels to contact. According to the website, there were 6 five-star hotels and 25 hotels with rankings of 4 or 4.5 in Auckland. All 31 hotels were approached by phone, email, or site visits and 10 hotels were willing to participate in the study. Questionnaires were then sent to either the

operations manager or the human resource manager to distribute to front-line employees to complete. According to Auckland City Council's food premises gradings (under its licences and regulations from [www.aucklandcouncil.govt.nz](http://www.aucklandcouncil.govt.nz)), there were 912 restaurants in Central Auckland that had A gradings. Thirty eight restaurants located close to AUT University including fastfood chains, franchised cafes, fine dining, and ethnic restaurants were approached by phone and eight restaurants were willing to participate. Questionnaires were then sent to the restaurant manager to pass on to the wait-staff to complete.

### **3.4 Pre-test**

The questionnaire for a quantitative study should always be pretested to avoid "misunderstanding stemming from vague wording, problems with leading questions, and potential bias in the sequence of the questions" (Zikmund, 2003, p.229). Despite the fact that LMX-7 has been used by a number of researchers in the past two decades, since the wording was changed slightly, two pre-tests were run for this research before the main survey. The proposed questionnaires were firstly given to research professionals working in the School of Hospitality and Tourism at AUT University. Secondly, a pre-test was run in a small-scale A-grade restaurant on the North Shore, Auckland.

### **3.5. Measurements**

In order to ensure the validity and the quality of the data collected, only measures that had been already established and widely used in published empirical studies were chosen for this research. All the items in the questionnaire used a five-point Likert scale, where 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5=strongly agree.

**LMX:** The most commonly and contemporarily used LMX-7 member version (Erdogan & Enders, 2007; Tangirala et al., 2007; Venkataramani et al., 2010) initiated by Scandura and Graen (1984) was employed to measure the quality of the exchange relationship perceived by front-line employees with their immediate supervisor/manager. Previous studies have proven the psychometric validity of this measure. The seven items cover aspects of effectiveness of the LMX relationship, the willingness to support, leader’s satisfaction with followers, understanding of job needs, recognition of capabilities, confidence in leaders, and the overall quality of LMX relationships presented in Table 3.

Table 3. Measurement of LMX

No.	Part 1. Supervisor-Subordinate relationship	←Strongly Disagree Strongly Agree→				
1.	I usually know how satisfied my supervisor is with what I do.	1	2	3	4	5
2.	I know where I stand with my supervisor.	1	2	3	4	5
3.	My supervisor recognises my potential.	1	2	3	4	5
4.	Regardless of how much formal authority my supervisor has built into his/her position, he/she would use his/her power to help me solve problems in my work.	1	2	3	4	5
5.	Regardless of the amount of formal authority my supervisor has, my supervisor would bail me out at his/her expense.	1	2	3	4	5
6.	I would defend and justify my supervisor's decision if he/she was not present to do so.	1	2	3	4	5
7.	I have an effective working relationship with my supervisor.	1	2	3	4	5

**Organisational Justice:** As discussed in chapter 2, most of the studies in the field of LMX literature only adopted one or two factors in organisational justice as mediators. As claimed by Preacher and Hayes (2008), the possibility of multiple mediators should always be entertained by researchers since it is highly unlikely that the effect between an independent variable and its outcome variables is mediated by only one factor. Therefore, unlike most previous studies in LMX literature, all four perspectives defining organisational justice were examined. The four dimensions were analysed as one set of composite mediating variables. The 20-item measure recommended and revised by

Colquitt (2001) was used for this research. To be consistent with LMX questions, all of the items used a five-point scale (1=strongly disagree to 5=strongly agree). Procedural justice was measured by seven items, such as “*I have had influence over the outcome arrived at by those procedures*” and “*Those procedures have been free of bias*”. Distributive justice was measured by four items such as “*My outcome reflects the effort I have put into my work*” and “*My outcome is justified given my performance*”. Four items were used to measure interpersonal justice, such as “*He/she has treated me in a polite manner*”. Informational justice was measured by five items, such as “*He/she has been candid in his/her communication with me*”. All items on organisational justice are listed in table 4.

Table 4. Measurement of organisational justice

No.	Part 2. Organisational Justice	←Strongly Disagree Strongly Agree→				
1.	I have been able to express my views and feelings during those procedures.	1	2	3	4	5
2.	I have had influence over the outcome arrived at by those procedures.	1	2	3	4	5
3.	Those procedures have been applied consistently.	1	2	3	4	5
4.	Those procedures have been free of bias.	1	2	3	4	5
5.	Those procedures have been based on accurate information.	1	2	3	4	5
6.	I can appeal the outcome arrived at by those procedures if I want to.	1	2	3	4	5
7.	Those procedures have upheld ethical and moral standards.	1	2	3	4	5
8.	My outcome reflects the effort I have put into my work.	1	2	3	4	5
9.	My outcome is appropriate for the work I have completed.	1	2	3	4	5
10.	My outcome reflects what I have contributed to the organisation.	1	2	3	4	5
11.	My outcome is justified given my performance.	1	2	3	4	5
12.	He/She has treated me in a polite manner.	1	2	3	4	5
13.	He/She has treated me with dignity.	1	2	3	4	5
14.	He/She has treated me with respect.	1	2	3	4	5
15.	He/She has refrained from improper remarks or comments.	1	2	3	4	5
16.	He/She has been candid in his/her communications with me.	1	2	3	4	5
17.	He/She has explained the procedures thoroughly.	1	2	3	4	5
18.	His/Her explanations regarding the procedures were reasonable.	1	2	3	4	5
19.	He/She has communicated details in a timely manner.	1	2	3	4	5
20.	He/She has seemed to tailor his/her communications to individual's specific needs.	1	2	3	4	5

**Turnover intentions:** Turnover intention defines the strength of an employee’s intent to quit. Included in the Michigan Organisation Assessment Questionnaire discussed previously in the leadership literature, Hom and Griffeth (1991) developed a scale to measure employees’ turnover intentions by three indicators: thinking of quitting, intention to quit, and intention to get another job (see Table 5). The reason for selecting this measure was because the alpha reliability for this scale was higher than other measures, such as the four-item scale used by Collins (2007) with  $\alpha=.76$  and three-item constructed by Harris et al. (2009) with  $\alpha=.85$ .

Table 5. Measurement of turnover intentions

No.	Part 3. Turnover intentions	←Strongly Disagree Strongly Agree→				
1.	I often think about quitting.	1	2	3	4	5
2.	I will probably looking for a new job in the next year.	1	2	3	4	5
3.	It is likely that I will actively look for a new job in the next year.	1	2	3	4	5

**OCB:** Ravichandran et al. (2007) reviewed studies on OCB in the hospitality industry from 1999 to 2007 and discovered that all the researchers conducted surveys to measure OCB. Although the measurement of OCB has been revised into various versions to fit different cultural contexts, there has been no instrument specifically designed for the hospitality industry (Ravichandran et al., 2007). Considering the length of the questionnaire and aiming at minimum intervention into the operations of the sampled hotels and restaurants, the four-item scale developed by Bommer, Dierdorff, and Rubin (2007) was used for this study. This measure has a very high reliability ( $\alpha=.87$ ) and has also been used by a number of researchers in the hospitality industry (Lee, Magnini, & Kim, 2011). The four items are shown in Table 6.

Table 6. Measurement of OCB

No.	Part 4. Organisational citizenship behaviour	←Strongly Disagree Strongly Agree→				
1.	I help others who have been absent	1	2	3	4	5
2.	I help others who have heavy work loads	1	2	3	4	5
3.	I go out of my way to help new employees	1	2	3	4	5
4.	I pass along information to co-workers	1	2	3	4	5

**Demographic information:** Demographic information was also investigated. The respondents were asked to indicate their gender, age, tenure, educational background, and their accumulated length of work experience in the hospitality industry. The respondents were also asked to specify the type of business they were working at to separate restaurants from hotels.

### 3.6 Data collection procedures

This study adopted the survey method for data collection and the survey was conducted between early August 2013 and early October 2013. All 31 hotels were initially contacted via email then followed up with phone calls to the Human Resources manager to explain the purpose and the nature of the research. Only three hotels were willing to participate. The researcher then paid a series of visits to the hotels with no confirmative responses in the list and managed to persuade another seven hotels to join the research. Thirty eight restaurants close to AUT University in the CBD area with A grading searched from Auckland City Council's website were selected. Eight restaurants were contacted by phone calls but little positive feedback was received. In order to provide better understanding of the research to the restaurateurs, the remaining thirty restaurants were visited. However, only eight in total were willing to participate, including ethnic restaurants, fast food chains, and franchised cafes. To protect respondents as well as the businesses' confidentiality, details of the participating businesses are not disclosed. The questionnaires were given to either front-office managers or operations managers at

hotels and duty managers at restaurants to pass on to their employees with prepaid envelopes enclosed.

During data collection, 261 surveys in total were handed out to the hospitality businesses who agreed to participate in the study, out of which 120 surveys were posted back. Two questionnaires were left blank therefore were taken out of the data set, leaving an overall response rate of 45.21 per cent.

### **3.7 Data analyses**

The Statistical Package for Social Science (SPSS 20th version) was used for data analysis. All the items on the questionnaire were entered into the SPSS. Gender was dummy-coded with 0 for female and 1 for male. Respondents' ages, tenure, and years of hospitality experience were entered as years.

Before testing the hypotheses, demographic data were firstly analysed by running frequency analyses. Reliability tests were then conducted on all the instruments with Cronbach's Alpha for the scale if item deleted. This is to test the consistency of the instruments' reliabilities with previous studies. To search for joint variations in the organisational justice measures, principal component factor analysis with varimax rotation was used next on all the 20 variables in the organisational justice scale.

The means of the main variables including LMX, organisational justice, OCB, and turnover intentions were computed next so that the bivariate correlation could be conducted to test hypotheses 1, 2, and 3.

Hypotheses 4 and 5 were proposed using organisational justice as a mediator. Baron and Kenney's approach of mediation analysis using SPSS (1986) was used to test the mediating effect of organisational justice between LMX and OCB/turnover intentions following the four steps below:

*Step 1: The regression of outcome variables on the independent variable is significant.*

*Step 2: The regression of the mediator on the independent variable is significant.*

*Step 3: The regression of the outcome variables on the mediator is significant.*

*Step 4: The regression of the outcome variable on the mediator controlling for the independent variable is significant, but the regression of outcome variable on the independent variable, controlling for the mediator is non-significant and nearly zero.*

Moderation tests were then conducted on hypotheses 6 to 10 following the moderation steps suggested by Baron and Kenney (1986) using SPSS. According to Baron and Kenny's approach (1986) to the moderator test shown in Figure 9 (1986, p. 1174), the moderator hypothesis is supported as long as path c is significant.

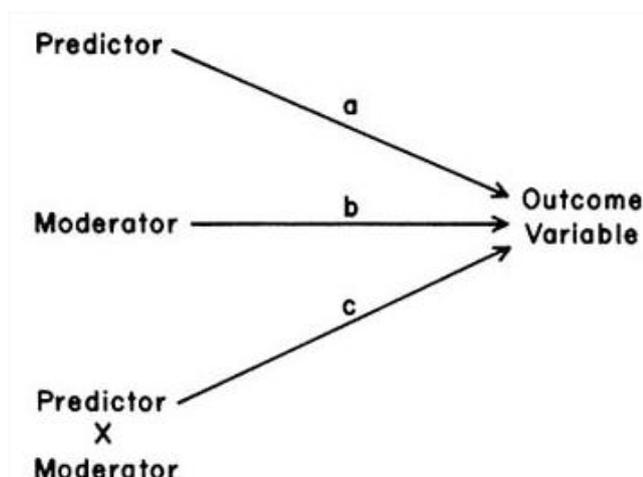


Figure 9. The moderator model (Baron & Kenny, 1986, p. 1174)

To test gender's moderating effect between each pair of variables in the framework, LMX, organisational justice, and gender were firstly mean centered. Then interaction variables were then created using mean-centred LMX multiplied by mean-centred gender, mean-centred organisational justice multiplied by mean-centred gender. A linear regression model was analysed using SPSS with the following models:

Model 1: Regress outcome variables on the demographic control variables

Model 2: Regress outcome variables on the mean-centred predictor and the mean-centred moderator.

Model 3: Regress outcome variables on the mean-centred predictor times mean-centred moderator.

### **3.8 Ethical considerations**

Since the data collection for this research involved human contact, ethical issues had to be considered and ethical application was gained from the AUTEK (AUT Ethics Committee) on 25 June 2013 with AUTEK Reference Number: 13/82 (see Appendix 3). The researcher kept the interaction with the participants to a minimum level, since the questionnaire was bundled with a cover letter and a participant's information sheet. All the questionnaires, with enclosed prepaid return envelopes, were handed out to employees by their duty manager, front desk manager, or operations manager.

The research protocol was briefly explained in the cover letter and then presented fully in the Participant Information Sheet (see Appendix 2). The purpose of the research, the potential discomforts and risks, the benefits and costs of the research, and the contact details of both the researcher and the primary supervisor were all included in the participant information sheet, as required by AUTEK. The participants agreed to give

their full consent by completing the questionnaire and the data were entered into SPSS anonymously. Therefore, the risks were minimised and respondents' confidentiality was protected.

## CHAPTER 4 - RESULTS

### **4.1 Introduction**

This chapter provides the key findings from the data analysis using selected samples from the hospitality industry in Auckland. Demographic characteristics are firstly presented in Tables 7 to 12, including gender, tenure, age, and years of experience in the hospitality industry. Reliability tests and principal component factor analysis are explained for the measures used. Ten hypotheses from the research framework presented at the end of chapter 2 are then examined and discussed.

### **4.2 Descriptive statistics**

#### 4.2.1 Gender

As presented in Table 7, of 118 respondents, 62.70 per cent were female, which was very similar to the gender information provided by Statistics New Zealand (2013) with female employees representing 62.50 per cent of the overall work force in the accommodation and food services sector. The proportion of female respondents from the sampled restaurants was 63.5 per cent, which was higher than the Statistics New Zealand average (Statistics New Zealand, 2012). Of the respondents, 41.51 per cent indicated they worked at hotels and 58.5 per cent ticked restaurants as the type of business they worked at. However, it was possible that food and beverage staff working at hotels also selected restaurant as their workplaces.

Table 7. Gender of the respondents and types of hospitality business

	# of respondents	Percentage (%)
<b><i>Hotels:</i></b>		
Female	27	55.10
Male	22	44.90
Total	49	100.00
<b><i>Restaurants:</i></b>		
Female	47	68.10
Male	22	31.90
Total	69	100.00
<b><i>All responses:</i></b>		
Female	74	62.70
Male	44	37.30
Total	118	100.00

#### 4.2.2 Tenure

Of all the respondents, 39.1 per cent were employed full-time and 49.6 per cent were part-time staff (see Table 8). According to the latest data released by Statistics New Zealand (2013), 36.11 per cent of the accommodation and food service sector workforce were employed full-time and 47.38 per cent worked part-time. Casual, fixed-term contractors, and others made up the other 11.31 per cent of respondents. Of the respondents from hotels, 59.18 per cent were employed full-time. Only 24.24 per cent of the respondents from restaurants were employed full-time. The majority of the restaurant staff worked part-time (62.12 per cent).

Table 8. Job tenure of respondents

	# of respondents	Percentage (%)
<b><i>Hotels:</i></b>		
Full-time	29	59.18
Part-time	16	32.65
Casual	3	6.12
Fixed-term contractor	0	0
Others	1	2.04
Total	49	100.00
	Std. Deviation – .79	
<b><i>Restaurants:</i></b>		
Full-time	16	24.24
Part-time	41	62.12
Casual	7	10.61
Fixed-term contractor	1	1.52
Others	1	1.52
Total	66	100.00
	Std. Deviation – .74	
<b><i>All Responses:</i></b>		
Full-time	45	39.13
Part-time	57	49.57
Casual	10	8.70
Fixed-term contractor	1	0.87
Others	2	1.74
Total	115	100.00
	Std. Deviation – .79	

#### 4.2.3 Age

The mean age of respondents from hotels was 27.92 years with a standard deviation of 7.05 (see Table 9). The oldest respondent was 45 years old and the youngest was 19 years old. Over 65 per cent of respondents from hotels were under 30 years old.

The mean age of respondents from restaurants was 22.81 years. The standard deviation was 4.08. The oldest respondent was 45 years old and the youngest was 18 years old. Over 95 per cent of the respondents from restaurants were under 30 years old.

Table 9. Age of respondents

	<b># of Respondents</b>	<b>Percentage (%)</b>
<b><i>Hotels:</i></b>		
Under 20	2	4.08
Between 20 and 29 years old	30	61.22
Between 30 and 39 years old	11	22.45
Between 40 and 49 years old	6	12.24
Total	49	100.00
Mean – 27.92, Std. Deviation – 7.05, Min – 19, Max – 45		
<b><i>Restaurants:</i></b>		
Under 20	7	10.45
Between 20 and 29 years old	57	85.07
Between 30 and 39 years old	2	2.99
Between 40 and 49 years old	1	1.49
Total	67	100.00
Mean – 22.81, Std. Deviation – 4.08, Min – 18, Max – 45		
<b><i>All Responses:</i></b>		
Under 20	9	7.76
Between 20 and 29 years old	87	75.00
Between 30 and 39 years old	13	11.21
Between 40 and 49 years old	7	6.03
Total	116	100.00
Mean – 24.97, Std. Deviation – 6.06, Min – 18, Max – 45		

The age patterns of the workforces were very different between restaurants and hotels. The mean age of the hotel respondents was more than 5 years older than the restaurant respondents. According to Statistics New Zealand (2013), the employees in the industry of accommodation, cafes, and restaurants were evenly spread across 20s, 30s, 40s, and 50s (under 20s = 9.89 per cent, 20s = 29.18 per cent, 30s = 20.63 per cent, 40s = 20.25 per cent and over 50s = 20.05 per cent). But the biggest age group in this research fell between 20 and 29 years old.

#### 4.2.4 Industry experience

Of 118 respondents, 109 specified the length of employment with their current employer (see Table 10). Most of the hotels respondents (77.55 per cent) had worked for their current employer for less than three years. Only 22.44 per cent of respondents had worked at the hotel for more than three years.

Nearly half the respondents (48.33 per cent) from restaurant businesses had the length of employment with their current employer for less than one year. Eighty per cent of the restaurant respondents had worked for their employers for less than three years.

Table 10. Length of employment with current employer

	# of respondents	Percentage (%)
<b><i>Hotels:</i></b>		
Less than 1 year	16	32.65
Between 1 and 3 years	22	44.90
Between 3 and 5 years	6	12.24
More than 5 years	5	10.20
Total	49	100.00

Mean – 2.01, Std. Deviation – 2.18, Min – 0.08, Max – 12

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***Restaurants:***

Less than 1 year	29	48.33
Between 1 and 3 years	19	31.67
Between 3 and 5 years	10	16.67
More than 5 years	2	3.33
Total	60	100.00

Mean – 1.50, Std. Deviation – 1.70, Min – 0.08, Max – 8.08

***All Responses:***

Less than 1 year	45	41.28
Between 1 and 3 years	41	37.61
Between 3 and 5 years	16	14.68
More than 5 years	7	6.42
Total	109	100.00

Mean – 1.73, Std. Deviation – 1.94, Min – 0.08, Max – 12

---

The data on total experience in the hospitality industry generated different patterns from the previous question on the length of employment with the current employer. Only one respondent from the hotel sector had been in the hospitality industry for less than one year (see Table 11). Nearly a quarter of the hotel respondents had been working in the industry for between one and three years. One fifth had industry experience between three and five years, and over half of the hotel respondents (53.06 per cent) had been in the hospitality industry for more than five years. Among restaurant participants, 22.22 per cent had experience of under a year; 26.98 per cent had slightly longer experience, between one and three years in the industry; and the other half of respondents had longer work experience of between three and eight years in the industry.

Table 11. Industry experience

	<b># of Respondents</b>	<b>Percentage (%)</b>
<b><i>Hotels:</i></b>		
Less than 1 year	1	2.04
Between 1 and 3 years	12	24.49
Between 3 and 5 years	10	20.41
More than 5 years	26	53.06
Total	49	100.00
Mean – 6.31, Std. Deviation – 5.41, Min – 0.17, Max – 23.67		
<b><i>Restaurants:</i></b>		
Less than 1 year	14	22.22
Between 1 and 3 years	17	26.98
Between 3 and 5 years	18	28.57
More than 5 years	14	22.22
Total	63	100.00
Mean – 3.10, Std. Deviation – 2.33, Min – 0.08, Max – 8.08		
<b><i>All Response:</i></b>		
Less than 1 year	15	13.39
Between 1 and 3 years	29	25.89
Between 3 and 5 years	28	25.00
More than 5 years	40	35.71
Total	112	100.00
Mean – 4.50, Std. Deviation – 4.27, Min – 0.8, Max – 23.67		

The mean length of employment with the current employer was 2.01 years for hotel participants (standard deviation=2.18) and 1.5 years for restaurant participants (standard deviation=1.70). The mean score for the total experience in the hospitality industry was 6.31 years among hotel respondents (standard deviation = 5.41) and 3.10 years for restaurants respondents (standard deviation=2.33). On average employees working in hotels had more experienced in the industry than restaurant employees.

#### 4.2.5 Educational background

All 118 respondents indicated their highest qualifications. In Table 12, 20.41 per cent of hotel respondents had only completed high school. Nearly half (42.86 per cent) of hotel respondents had tertiary undergraduate qualifications and 22.45 per cent had tertiary postgraduate qualifications.

Most of the restaurant participants (85.51 per cent) had tertiary undergraduate qualifications, 4.35 percent had completed high school only, and 1.45 per cent had tertiary postgraduate qualifications. Nearly 10 per cent of the respondents indicated that they had other forms of qualifications, such as a trade certificate.

Overall, around two thirds of the respondents had some form of tertiary undergraduate qualifications, such as certificates, diplomas, and bachelor's degrees. Around 10 per cent of respondents had only finished high school, 10 per cent had higher tertiary qualifications and 10 per cent indicated they received other education which was not further defined.

Table 12. Overall educational level

	<b># of Respondents</b>	<b>Percentage (%)</b>
<b><i>Hotels:</i></b>		
High School	10	20.41
Tertiary undergraduate	21	42.86
Tertiary postgraduate	11	22.45
Others	7	14.29
<b>Total</b>	<b>49</b>	<b>100.00</b>

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<b>Restaurants:</b>		
High School	3	4.35
Tertiary undergraduate	59	85.51
Tertiary postgraduate	1	1.45
Others	6	8.70
<b>Total</b>	<b>69</b>	<b>100.00</b>
 <i>All Responses:</i>		
High School	13	11.02
Tertiary undergraduate	80	67.80
Tertiary postgraduate	12	10.17
Others	13	11.02
<b>Total</b>	<b>118</b>	<b>100.00</b>

---

#### **4.3 Reliability of measurements**

The alphas of all four measures were close to 1 (see Table 13), indicating high internal consistency of the scales used. Organisational justice has the highest alpha (.95) and all other measurements obtained alphas higher than .80 which reflected consistent reliability with previous studies.

Table 13. Reliability scores of the instruments

	<b>SCALE</b>	<b>Cronbach's Alpha</b>
1	LMX	.80
2	OJ	.95
3	OCB	.84
4	TI	.85

---

Principal component analysis with eigenvalue greater than 1 for extraction was conducted on the independent variable, LMX, and two outcome variables: OCB and turnover intentions. The three factors' eigenvalues were greater than 1 (see Table 14). One factor had a high eigenvalue and was quite distinct from the other components. The other three factors also had eigenvalues greater than 1 and were thus retained as well.

Table 14. Eigenvalue and total variance

Component	Initial eigenvalues		
	Total	% of Variance	Cumulative %
<b>1</b>	<b>4.856</b>	<b>34.687</b>	<b>34.687</b>
<b>2</b>	<b>2.514</b>	<b>17.957</b>	<b>52.644</b>
<b>3</b>	<b>1.439</b>	<b>10.278</b>	<b>62.922</b>
4	.955	6.819	69.741
5	.838	5.985	75.726
6	.676	4.826	80.552
7	.522	3.725	84.277
8	.470	3.357	87.634
9	.452	3.227	90.861
10	.360	2.570	93.431
11	.331	2.363	95.795
12	.275	1.963	97.757
13	.205	1.463	99.220
14	.109	.780	100.000
15	.20	1.01	96.47
16	.18	.90	97.37
17	.16	.83	98.21
18	.14	.71	98.92
19	.11	.55	99.47
20	.10	.52	100.00

Extraction Method: Principal Component Analysis.

From the graphical scree plot below in Figure 10, three distinct factors formed a descending line. From the factor analysis, the three principal factors indicated the measures used had a high internal consistency.

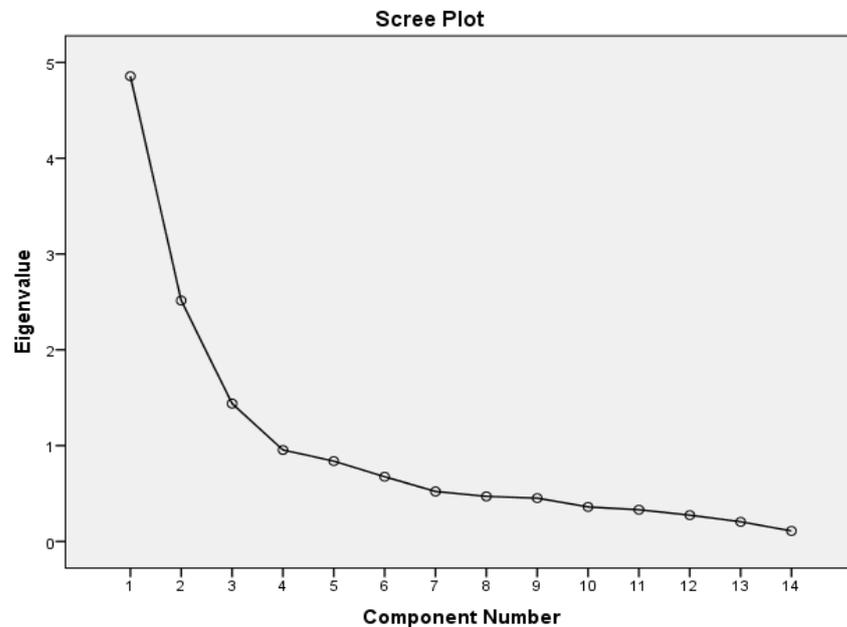


Figure 10. Scree plot on factor analysis of LMX, OCB, and turnover intentions

Unlike previous studies, this project adopted all the four dimensions in organisational justice as one composite variable. To examine the accuracy and precision of the organisational justice measurement with 20 items, principal component factor analysis with an eigenvalue greater than 1 for extraction was conducted on organisational justice. Four factors' Eigenvalue were greater than 1 (see Table 15). One factor had a high eigenvalue and was quite distinct from the other components. The other three factors also had very close eigenvalues greater than 1 and were therefore retained.

Table 15. Eigenvalue and total variance

Component	Initial Eigenvalues		
	Total	% of Variance	Cumulative %
1	<b><u>10.59</u></b>	52.98	52.98
2	<b><u>1.55</u></b>	7.78	60.76
3	<b><u>1.31</u></b>	6.57	67.34
4	<b><u>1.15</u></b>	5.77	73.12
5	.82	4.11	77.23
6	.69	3.45	80.69
7	.56	2.81	83.51
8	.47	2.36	85.88
9	.44	2.24	88.12
10	.37	1.87	90.00
11	.32	1.60	91.60
12	.28	1.42	93.02
13	.26	1.31	94.34
14	.22	1.10	95.45
15	.20	1.01	96.47
16	.18	.90	97.37
17	.16	.83	98.21
18	.14	.71	98.92
19	.11	.55	99.47
20	.10	.52	100.00

Extraction Method: Principal Component Analysis.

The graphical scree plot (see Figure 11) showed a sharp slope representing one to two distinct factors of organisational justice.

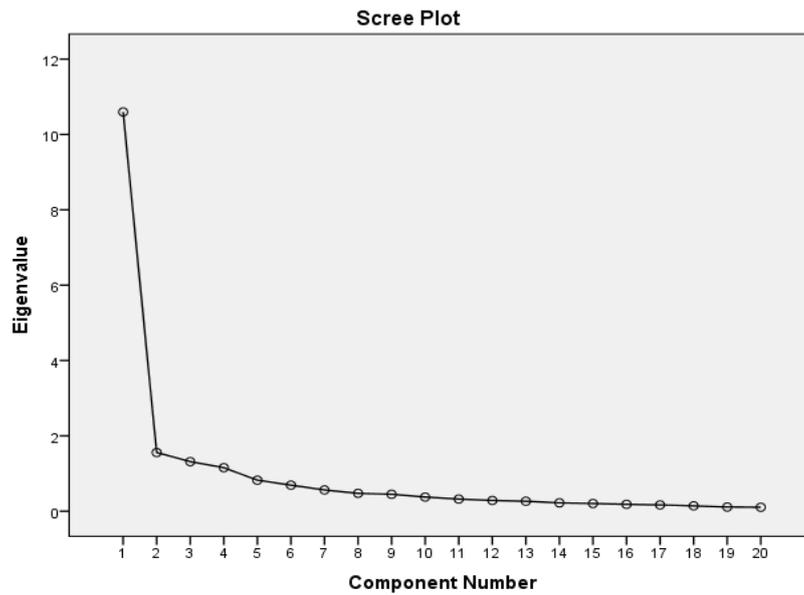


Figure 11. Scree plot on factor analysis of organisational justice

Table 16. Rotated component matrix

	Component			
	1	2	3	4
OJD1	<b>.59</b>	.13	.30	.27
OJD2	<b>.67</b>	.19	.16	.30
OJD3	<b>.72</b>	.20	.29	.18
OJD4	<b>.61</b>	.36	.25	.14
OJIF1	<b>.66</b>	.32	.22	.32
OJIF2	<b>.78</b>	.25	.18	.17
OJIF3	<b>.67</b>	.41	.17	.27
OJIF4	.18	<b>.77</b>	.17	.26
OJIF5	.27	<b>.80</b>	.12	.31
OJIT1	.31	<b>.76</b>	.25	.13
OJIT2	.35	<b>.80</b>	.22	.12
OJIT3	.18	.30	.25	<b>.81</b>
OJIT4	.32	.13	.22	<b>.83</b>
OJP1	.34	.16	.22	<b>.79</b>
OJP2	.24	.33	.28	<b>.66</b>
OJP3	.15	.14	<b>.79</b>	.29
OJP4	.21	.28	<b>.72</b>	.31
OJP5	.28	.15	<b>.79</b>	.23
OJP6	.29	.21	<b>.77</b>	.10
OJP7	.48	.11	<b>.51</b>	.11

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

The rotated component matrix of organisational justice (Varimax with Kaiser Normalisation) is presented in Table 16. The rotated component matrix also showed four major factors representing the four dimensions of organisational justice.

#### **4.4 Hypothesis tests**

##### 4.4.1 Hypothesis 1–3

###### ***Hypothesis 1: LMX is negatively related to front-line employees' turnover intentions.***

The relationship between LMX and turnover intention is negative and significant ( $r=-.29$ ,  $p=.00$ ) (see Table 17). When front-line employees perceived a good-quality relationship with their immediate supervisor/manager, their turnover intentions were low; when they perceived a poor-quality relationship with their immediate supervisor/manager, they showed higher intentions to quit. Therefore Hypothesis 1 is supported.

###### ***Hypothesis 2: LMX is positively related to front-line employees' exhibitions of OCB.***

As shown in Table 17, the correlation between LMX and OCB was highly significant and moderately positive ( $r=.39$ ,  $p=.00$ ). The higher the quality of LMX relationships perceived by front-line employees, the higher the level of OCB they exhibited. Hypothesis 2 is supported.

###### ***Hypothesis 3: LMX positively associates with organisational justice.***

From the bivariate correlations (two-tailed) in Table 17, the correlation between LMX and organisational justice was moderate and highly significant ( $r=.57$ ,  $p=.00$ ). Front-line employees' perceived organisational justice was higher when they perceived their relationship with their supervisor/manager was of good quality. Therefore Hypothesis 3 is supported.

Table 17. Correlation analysis

	LMX	OJ	OCB	TI
LMX	1			
OJ	.57**	1		
OCB	.39**	.53**	1	
TI	-.29**	-.30**	-.084	1

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

\*Correlation is significant at the 0.05 level (2-tailed), n = 118

4.4.2 Testing the mediating effect of organisational justice between LMX and turnover intentions/OCB

***Hypothesis 4: Organisational justice mediates the impact of LMX on front-line employees' turnover intentions.***

Baron and Kenney's (1986) approach to mediation analysis was adopted to test the mediating effect of organisational justice between LMX and turnover intentions following the four steps discussed in the chapter of methodology:

*Step 1: The regression of outcome variables (turnover intentions) on the independent variable (LMX) is significant.* The regression of turnover intentions on LMX ignoring the mediator was significant (see Table 18), ( $b = -.29$ ,  $t(118) = -3.28$ ,  $p = .00$ ). These results were consistent with the mainstream findings in the literature (Ansari et al., 2007; Han & Jekel, 2011; Kim et al., 2010; Nadiri & Tanova, 2010; Organ, 1988; Ravichandran et al., 2007; Venkataramani et al., 2010).

*Step 2: The regression of the mediator (organisational justice) on the independent variable (LMX) is significant.* As shown in Table 18, the regression of organisational justice on LMX was significant ( $b = .57$ ,  $t(118) = 7.48$ ,  $p = .00$ ).

*Step 3: The regression of the outcome variables (turnover intentions) on the mediator (organisational justice) is significant. The simple regression of turnover intentions on organisational justice was significant ( $b = -.31, t(118) = -3.46, p = .00$ ).*

*Step 4: The regression of the outcome variable (turnover intentions) on the mediator (organisational justice) controlling for the independent variable (LMX) is significant but the regression of outcome variable (turnover intentions) on the independent variable (LMX), controlling for the mediator (organisational justice) is non-significant and nearly zero. Regression of turnover intentions on LMX controlling organisational justice was non-significant ( $b = -.17, t(118) = -1.60, p = .11$ ).*

Since the regression of turnover intentions on organisational justice controlling for LMX was nearly significant ( $b = -.20, t(118) = -1.93, p = .05$ ), this research could not conclude any significant mediation of organisational justice between LMX and turnover intentions. Since the  $p$  value was very close to a .05 significance, this could have been caused by a small sample with only 118 respondents. A potentially partial mediating effect could be supported with a larger sample size. Therefore Hypothesis 4 was not supported.

Table 18. Organisational justice's mediation analysis between LMX and turnover intentions

Model		Standardized Coefficients Beta	t	Sig.
1	Regressing turnover intentions on LMX	-.29	-3.28	.00
2	Regressing organisational justice on LMX	.57	7.48	.00
3	Regressing TI on ORGANISATIONAL JUSTICE	-.308	-3.46	.00
4	Regressing TI on organisational justice controlling for LMX	-.20	-1.93	.05
	Regressing TI on LMX controlling for organisational justice	-.17	-1.60	.11

***Hypothesis 5. Organisational justice mediates the impact of LMX on front-line employees' exhibitions of OCB.***

*Step 1: The regression of outcome variables (OCB) on the independent variable (LMX) is significant. Regression of OCB on LMX ignoring the mediator was significant (see Table 19), ( $b=.39$ ,  $t(118)=4.64$ ,  $p=.00$ ). These results were consistent with the mainstream findings in the literature (Ansari et al., 2007; Han & Jekel, 2011; Kim et al., 2010; Nadiri & Tanova, 2010; Organ, 1988; Ravichandran et al., 2007; Venkataramani et al., 2010).*

*Step 2: The regression of the mediator (OJ) on the independent variable (LMX) is significant. As shown in Table 19, the regression of organisational justice on LMX was*

significant ( $b = .57, t(118) = 7.48, p = .00$ ).

*Step 3: The regression of the outcome variables (OCB) on the mediator (OJ) is significant. The simple regression of OCB on organisational justice was significant ( $b = .53, t(118) = 6.85, p = .00$ ).*

*Step 4: The regression of the outcome variable (OCB) on the mediator (OJ) controlling for the independent variable (LMX) is significant, but the regression of the outcome variable on the independent variable (LMX), controlling for the mediator (OJ) is non-significant and nearly zero. Regression of OCB on organisational justice controlling for LMX was significant:  $b = .46, t(118) = 4.85, p = .00$ . Regression of OCB on LMX controlling for organisational justice was non-significant:  $b = .13, t(118) = 1.39, p = .16$ . The value of  $b$  increased from .39 to .46 ( $.46 - .39 = .07$ ). Therefore a full mediation of organisational justice was supported and Hypothesis 5 was supported.*

Table 19. Organisational justice's mediation analysis between LMX and OCB

Model		Standardized Coefficients Beta	t	Sig.
1	Regressing OCB on LMX	.39	4.64	.00
2	Regressing OJ on LMX	.57	7.48	.00
3	Regressing OCB on OJ	.53	6.85	.00
4	Regressing OCB on OJ controlling for LMX	.46	4.85	.00
	Regressing OCB on LMX controlling for OJ	.13	1.39	.16

#### 4.4.3 Testing the moderating impact of gender in the LMX framework

As mentioned in the previous chapter, gender was dummy coded into 0 for female and 1 for male. First of all, means were compared between the two genders on all the variables (see Table 20). Males showed higher mean scores on all the variables than female respondents.

Table 20. Mean comparisons on all the variables between genders

		LMX	OJ	OCB	TI
Female	Mean	3.72	3.69	3.93	3.22
	Std. Deviation	.72	.69	.84	1.24
Male	Mean	4.06	3.82	4.07	3.31
	Std. Deviation	1.00	.61	.64	1.04

Bivariate correlations were also conducted using SPSS with the data file split by gender (see Table 21). The correlation strength between LMX and organisational justice was very different between genders. The female group showed a significantly higher correlation ( $r=.72, p=.00$ ) than the male group ( $r=.38, p=.01$ ). The female group also showed a much higher correlation between LMX and OCB ( $r=.53, p=.00$ ) than the male group ( $r=.20, p=.18$ ). The correlation between LMX and OCB was not very significant with the male group. Male respondents showed a stronger correlation between LMX and turnover intentions ( $r=-.36, p=.01$ ) than females ( $r=-.27, p=.01$ ). The correlation was stronger between organisational justice and OCB in the female group ( $r=.65, p=.00$ ) than the male group ( $r=.24, p=.11$ ). The correlation between organisational justice and turnover intentions was stronger with the male group ( $r=-.41, p=.00$ ) than with the female group ( $r=-.27, p=.02$ ). The correlations table by gender showed a significant moderation of gender between two pairs of variables, LMX and

organisational justice/OCB/turnover intentions as well as organisational justice and OCB/turnover intentions.

Table 21. Bivariate correlations by gender

		LMX	OJ	OCB	TI
Female	LMX	1			
	OJ	.72**	1		
	OCB	.53**	.65**	1	
	TI	-.27*	-.27*	-.13	1
Male	LMX	1			
	OJ	.38*	1		
	OCB	.20	.24	1	
	TI	-.36*	-.41**	.04	1

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

\*Correlation is significant at the 0.05 level (2-tailed), n = 118

From the analysis above, gender potentially moderates both paths between LMX and organisational justice, and between organisational justice and turnover intentions/OCB. Moderation tests were then conducted following the moderation steps suggested by Baron and Kenney (1986). Regression analysis was performed to test the moderation effect on both paths. In order to avoid any misinterpretation of the results due to “the lack of familiarity of many with the subtleties of how variable scaling affects the interpretation of regression models with products of variables as predictors (Hayes, 2013, p.372), LMX, organisational justice, and gender were all mean-centred especially with dummy coded gender. Then two intentional variables were created using mean-centred LMX multiplied by mean-centred gender and mean-centred organisational justice multiplied by mean-centred gender.

***Hypothesis 6: Gender moderates the relationship between LMX and organisational justice. The impact of LMX on organisational justice is higher with women and lower with men.***

A multiple regression model was analysed to investigate whether gender played a moderating role between LMX and organisational justice.

Model 1: Regress outcome variables on control variables.

Model 2: Regress outcome variables on the mean-centred predictor and the mean-centred moderator.

Model 3: Regress outcome variables on mean-centred predictor multiplied by mean-centred moderator.

Age, length of employment, and years of industry experience were used as control variables but all the three coefficients were not significant (Age,  $b = -.02$ ,  $p = .87$ ; Length of employment,  $b = -.19$ ,  $p = .07$ ; Years of industry experience,  $b = .21$ ,  $p = .09$ ).

Table 22. Regression analysis of gender between LMX and organisational justice

	Model 1	Model 2	Model 3
Age	-.02	.04	.02
Length of employment	-.19	-.09	-.09
Years of industry experience	.21	.06	.03
LMX		.57**	.67**
Gender		-.01	.00
LMX*Gender			-.30**
R <sup>2</sup>	.02	.33	.41
R <sup>2</sup> Δ	.05	.33	.08
F change	1.75	27.77**	15.67**

N=118. . Standardised parameter estimates are reported. \* $p < .05$ , \*\* $p < .01$

As shown in Table 22, the  $R^2$  of Model 2 was 0.33 and the  $R^2$  of Model 3 was 0.41, which was 0.08 higher than Model 1 ( $R^2\Delta=.08$ ,  $p=.00$ ). Regression of organisational justice on the intention variable LMX\*Gender was of great significance which supported the moderator hypothesis of gender between LMX and organisational justice ( $b=-.30$ ,  $t(118)=-3.96$ ,  $p=.00$ ). The negative  $t$  value of -3.96 indicated that the correlation of LMX on organisational justice was higher with female group and lower with a male group. Female employees perceived higher levels of organisational justice when they believed that their relationships with their supervisor/manager were of good quality. In contrast, although the correlation between LMX and organisational justice was positively significant with male employees, the impact of LMX on organisational justice among male employees was much smaller than female employees. Therefore Hypothesis 6 was supported.

***Hypothesis 7. Gender moderates the relationship between LMX and OCB. The impact of LMX on OCB is higher with women and lower with men.***

Age, length of employment, and years of industry experience were again used as control variables and all the three coefficients were not significant (Age,  $b=.06$ ,  $p=.62$ ; Length of employment,  $b=.01$ ,  $p=.96$ ; Years of industry experience,  $b=-.04$ ,  $p=.75$ ).

As shown in Table 23, the  $R^2$  of Model 2 was 0.16 and the  $R^2$  of Model 3 was 0.29, which was 0.13 higher than Model 1 ( $R^2\Delta=.13$ ,  $p=.00$ ). The regression of OCB on the intentional variable LMX\*Gender was of great significance which supported the moderator hypothesis of gender between LMX and OCB ( $b=-.28$ ,  $t(118)=-3.20$ ,  $p=.00$ ). The negative  $t$  value of -3.20 indicated that the correlation of LMX on OCB was higher with the female group and lower with the male group. Female employees exhibited a higher level of OCB when they perceived a higher level of LMX relationship with their

supervisor/manager. For male respondents, although the correlation between LMX and OCB was positively significant, the impact of LMX on organisational justice was much smaller than female employees. Therefore Hypothesis 7 was supported.

Table 23. Regression coefficients of gender between LMX and OCB

	Model 1	Model 2	Model 3
Age	.06	.11	.09
Length of employment	.01	.09	.09
Years of industry exerience	-.04	-.16	-.19
LMX		.39**	.48**
Gender		.00	.01
LMX*Gender			-.28**
R <sup>2</sup>	-.02	.16	.29
R <sup>2</sup> Δ	.00	.16	.13
F change	.08	10.86**	10.20**

N=118. . Standardised parameter estimates are reported. \*p < .05, \*\*p < .01

***Hypothesis 8. Gender moderates the relationship between organisational justice and OCB. The impact of organisational justice on OCB is higher with women and lower with men.***

The same method was used to test the moderating impact of gender between organisational justice and OCB. Age, length of employment, and exerience in the industry were used as control variables and all the three coefficients were not significant (Age,  $b = .06$ ,  $p = .63$ ; Length of employment,  $b = .01$ ,  $p = .94$ ; Years of industry experience,  $b = -.04$ ,  $p = .77$ ).

The R<sup>2</sup> change from model 2 to model 3 was .05 (see Table 24) and was significant ( $p=.00$ ). The regression of OCB on the intentional variable of OJ\*gender was of great significance, which supported the moderator hypothesis of gender between organisational justice and OCB ( $b=-.21$ ,  $t(118)=-2.77$ ,  $p=.00$ ). With a negative  $t$  value, the impact of organisational justice on OCB was higher with the female group and lower with the male group. When female respondents perceived a high level of organisational justice, they exhibited a much higher level of OCB. On the other hand, male respondents' OCB performances were not as much affected by organisational justice as female respondents. Therefore Hypothesis 8 was supported.

Table 24. Regression coefficients of Gender between organisational justice and OCB

	Model 1	Model 2	Model 3
Age	.06	.07	.06
Length of employment	.01	.12	.12
Years of industry experience	-.04	-.16	-.17
Organisational justice		.53**	.51**
Gender		.02	.04
OJ*Gender			-.21**
R <sup>2</sup>	-.02	.29	.34
R <sup>2</sup> Δ	.00	.29	.05
F change	.08	23.39**	7.65**

N=118. . Standardised parameter estimates are reported. \* $p < .05$ , \*\* $p < .01$

***Hypothesis 9. Gender moderates the relationship between LMX and turnover intentions. The impact of LMX on turnover intentions is higher with men and lower with women.***

As shown in Table 25, since there was hardly any R<sup>2</sup> change and the  $p$  value was not significant ( $R^2\Delta = .00$ ,  $p = .70$ ), Hypothesis 9 was not supported.

Table 25. Regression coefficients of gender between LMX and turnover intentions

	Model 1	Model 2	Model 3
Age	.01	-.01	-.01
Length of employment	.14	.08	.07
Years of industry experience	-.07	.00	.00
LMX		-.42**	-.44**
Gender		.22	.22
LMX*Gender			.09
R <sup>2</sup>	-.01	.09	.09
R <sup>2</sup> Δ	.01	.09	.00
F change	.64	5.93**	.15

N=118. . Standardised parameter estimates are reported. \*p < .05, \*\*p < .01

***Hypothesis 10. Gender moderates the relationship between organisational justice and turnover intentions. The impact of LMX on turnover intentions is higher with men and lower with women.***

As shown in Table 26, since there was hardly any R<sup>2</sup> change and the *p* value was not significant (R<sup>2</sup> Δ =.00, *p* =.44), Hypothesis 10 was not supported.

Table 26. Regression coefficients of Gender between organisational justice and turnover intentions

	Model 1	Model 2	Model 3
Age	.01	-.01	-.01
Length of employment	.14	.07	.07
Years of industry experience	-.07	.00	-.00
Organisational justice		-.55**	-.56**
Gender		.15	.16
OJ*Gender			-.21
R <sup>2</sup>	-.01	.09	.10
R <sup>2</sup> Δ	.02	.09	.00
F change	.64	6.22**	.40

N=118. . Standardised parameter estimates are reported. \*p < .05, \*\*p < .01

Table 27. Summary of hypotheses

Hypothesis	Supported	Unsupported	Notes
<i>H1</i> : LMX → TI	√		Negative correlation (see Table 17)
<i>H2</i> : LMX → OCB	√		Positive correlation (see Table 17)
<i>H3</i> : LMX → OJ	√		Positive correlation (see Table 17)
<i>H4</i> : LMX → OJ → TI		√	Nearly significant mediation ( $p=.05$ ) (see Table 18)
<i>H5</i> : LMX → OJ → OCB	√		Supported mediation (see Table 19)
<i>H6</i> : LMX → Gen → OJ	√		Supported moderation (see Table 22)
<i>H7</i> : LMX → Gen → OCB	√		Supported moderation (see Table 23)
<i>H8</i> : OJ → Gen → OCB	√		Supported moderation (see Table 24)
<i>H9</i> : LMX → Gen → TI		√	Not supported (see Table 25)
<i>H10</i> : OJ → Gen → TI		√	Not supported (see Table 26)

## CHAPTER 5 - DISCUSSION

### **5.1 Introduction**

This chapter integrates the data analysis back into the literature by drawing on themes to address the research objectives presented in Chapter 1:

1. How LMX is related to front-line employees' work outcomes using a sample from the hospitality industry.
2. How organisational justice mediates the relationship between LMX and employees' OCB and turnover intentions using a composite measurement covering all dimensions of organisational justice.
3. How gender moderates the relationship between LMX and front-line employees' work outcomes in the hospitality industry.

Research and practical implications are then presented for both researchers and practitioners in the hospitality industry. Finally, conclusions are drawn and limitations of the research are discussed with suggestions provided for future research on the topic.

### **5.2 Discussion on the key findings**

#### 5.2.1 The sample

Two hundred and sixty-one questionnaires were sent out during the data collection and one hundred and eighteen were returned, giving a response rate of 45.21 per cent. The research has successfully provided a sample from the hospitality industry in New Zealand although the sample size was not very big. Out of 118 respondents, 62.7 per cent of the respondents were female and 37.3 per cent were male. Employment status of respondents also suggested a similar pattern to the national average for the

accommodation and food service sector (Statistics New Zealand, 2013). Overall nearly half the respondents worked part-time. The percentage of full-time workers was much higher in hotels (59.18 per cent) than in restaurants (24.24 per cent).

Out of the 118 respondents, 49 were from hotels and 69 from restaurants. Comparing the demographic information between the two business groups, the age patterns were very different. The mean age of respondents from hotels (Mean = 27.92) was five years older than the mean age from restaurants (Mean = 22.81). But with all the restaurants surveyed in the Auckland CBD where two major universities are located, this could be a potential reason for the young age of restaurant employees. Although young age has been identified by some researchers in the past to correlate with labour turnover (Boxall et al., 2003; Hom & Griffeth, 1991), the correlation between age and turnover intentions from this research was very little and non-significant ( $r=.00$ ;  $p=.97$ ). However, the findings have shown a significant association between age and tenure in that younger people tend to work part-time and casually, while older people tend to work full-time.

### 5.2.2 Relationship between LMX and work outcomes

The research findings have once again testified the importance of LMX due to its significant impact on employees' work performances. From the correlation tests in the previous chapter, the impact of LMX on organisational justice, OCB, and turnover intentions was highly significant (see Figure 12). Therefore, research objective 1 was achieved and the findings were consistent with LMX literature using a sample from the hospitality industry in New Zealand.

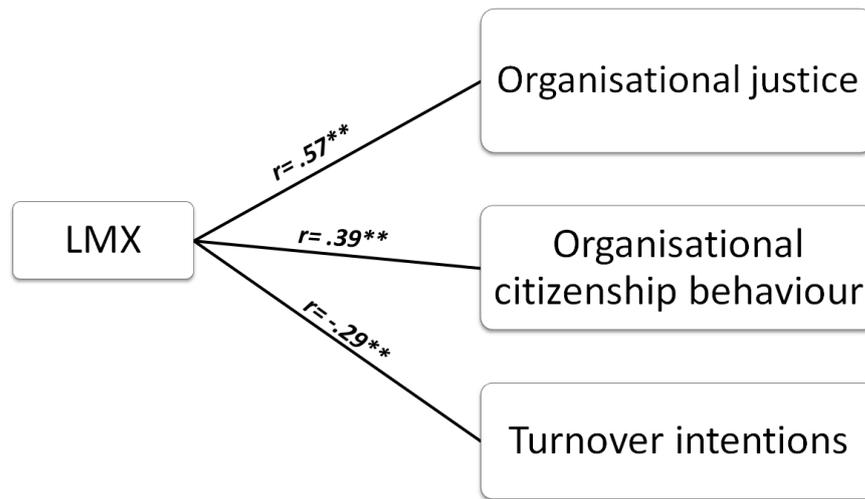


Figure 12. The relationship between LMX and work outcomes

As claimed by Scandura (1999), all the dimensions of organisational justice were important when employees made a judgement on organisational justice. LMX was positively correlated with all the four dimensions of organisational justice to a high level (see Table 28). Among the four dimensions, procedural justice had the highest correlation with LMX ( $r=.53, p=.00$ ) and informational justice had the lowest correlation with LMX ( $r=.43, p=.00$ ) (see Table 28). This research has integrated all the four factors into one composite variable and the findings have shown that all factors are important and highly associated with LMX in hospitality businesses in New Zealand.

Table 28. Correlations analysis between the four dimensions of organisational justice and LMX

	LMX
OJP	.53**
OJD	.50**
OJIT	.47**
OJIF	.43**

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

\*Correlation is significant at the 0.05 level (2-tailed), n = 118

The correlation between LMX and OCB was positive and highly significant ( $r=.39$ ,  $p=.00$ ). With strong theoretical support from social exchange theory (Deluga, 1994; Masterson et al., 2000; Turnley et al., 2003; Wayne et al., 2002), front-line employees' good-quality relationships with their supervisor/manager have been confirmed again to encourage them to show a higher level of OCB through engaging in extra-role behaviours. Since this research collected data on OCB from the front-line employees instead of their supervisors, the halo effect of favourability from their supervisors and managers on their ranking of employees' OCB claimed by Duarte et al. (1994) was successfully avoided.

The correlation discovered by this research between LMX and turnover intentions was similar to the mainstream findings in the literature (Ansari et al., 2007; Han & Jekel, 2011; Venkataramani et al., 2010). Therefore, good-quality LMX can help reduce front-line employees' turnover intentions. As discussed by Griffeth et al. (2000) and Boxall et al. (2003), demographic, organisational, and cultural factors may also be associated with staff turnover. The correlation analysis from this research did not show any significant association between age and turnover intentions, but the correlation between LMX and turnover intentions was vastly different between the two business groups. The impact of LMX on turnover intentions in hotels was negative and very significant ( $r=-.41$ ,  $p=.00$ ) while the correlation in restaurants was little and non-significant ( $r=-.18$ ,  $p=.15$ ). Since previous meta analyses claimed employment instability as one of the most important reasons causing actual staff turnovers (Boxall et al., 2000; Griffeth et al., 2000), the high percentage of restaurant respondents reported as part-time or casual staff (75 per cent) could have been an important reason for lowering the significance of the impact between LMX and turnover intentions. The findings in this study, therefore, suggest that

LMX has a great impact on turnover intentions in big organisations like hotels and the impact is higher for full-time than part-time and casual employees.

### 5.2.3 The mediating role of organisational justice

According to Organ (1988), if employees perceive exchanges with their employer as fair, they will show a higher level of OCB, often exceeding their job responsibilities and benefitting the organisation. As discussed earlier, the correlation between organisational justice and OCB was positive and significant ( $r=.53, p=.00$ ). The correlation was slightly stronger among hotel respondents ( $r=.58, p=.00$ ) than restaurant respondents ( $r=.51, p=.00$ ).

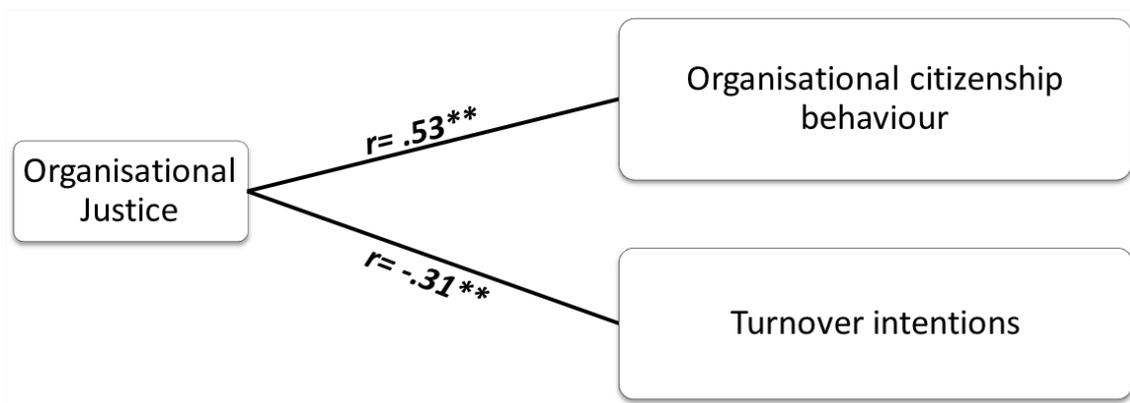


Figure 13. The relationship between organisational justice and outcome variables.

The correlation between organisational justice and turnover intentions from this research was negative and significant ( $r=-.31, p=.00$ ). Although the overall correlation was negative and significant using the whole sample of 118 respondents, the correlation among restaurant employees only was much lower and non-significant ( $r=-.19, p=.12$ ). As discussed by Nadiri and Tanova (2010), organisational justice is especially important for businesses with more institutionalised policies and procedures. Since

hotels with 4-star or higher ratings normally operate with more complex structures and institutionalised policies than the restaurants in Auckland, the findings from the mediating tests of organisational justice can possibly be more useful to hotel practitioners than restaurateurs.

Originating from social justice theories, organisational justice has been used as a mediator between LMX and various work attitudes and outcome factors (Scandura, 1999; Sun et al., 2013). Similar to findings by Sun et al. (2013), the full mediating effect of organisational justice between LMX and OCB was supported by this research. The standardised coefficient beta regressing OCB on LMX decreased from 0.39 to 0.13 when having organisational justice as a mediating variable, and the correlation was no longer significant ( $p=.16$ ).

The mediating effect of organisational justice between LMX and turnover intentions was not supported by the data analysis, but considering the weak and non-significant correlation between organisational justice and turnover intentions among restaurant respondents, the mediating test was conducted again with hotel employees only. When using organisational justice as a control variable between LMX and turnover intentions, the standardised coefficient beta between LMX and turnover intentions dropped from -0.41 to -0.20 and was no longer significant. Therefore a full mediation was supported, using the hotel respondents, at .05 significance level.

#### 5.2.4 The moderating effect of gender

Instead of using gender as a predictor (Bauer & Green, 1996; Fleischer & Chertkoff, 1986; Liden et al., 1993; Megaree, 1969; Wentworth & Anderson, 1984), this research has adopted gender as a focal moderator, based on cognitive learning theory. According

to cognitive learning theory, when female employees process their learnings in the workplace, all four components discussed in Chapter 2 are affected by the work conditions around them. Considering the history and the development of the female workforce in the New Zealand hospitality industry, the feeling of being disadvantaged as a woman in the workplace can lead to a higher level of OCB when treated well.

Out of the five moderating hypotheses, three were supported. The findings have indicated a significant moderation impact of gender between the three pairs of variables illustrated in figure 14. From the regression analysis using gender as a moderator, the coefficients beta and the *t* value were all negative for the three pairs of relationships tested, which indicated a higher level of impact on the lower value group and a lower impact on the higher value group. Since females were coded as 0 and males as 1 when entering data, all the correlations between the three pairs of variables were higher with the female group than the male group. Therefore, with a higher quality of LMX relationships, female respondents perceived greater levels of organisational justice and exhibited more OCB. Although the correlations between LMX, organisational justice, and OCB were positive and significant for men as well, men were not as much affected by the quality of LMX with their supervisor/manager in terms of their perceptions of organisational justice and exhibitions of OCB. When male respondents processed the four social learning components, their decisions as well as perceptions were also influenced by the working norms in the society. However, men showed more indifference in their responses to good-quality LMX in workplaces.

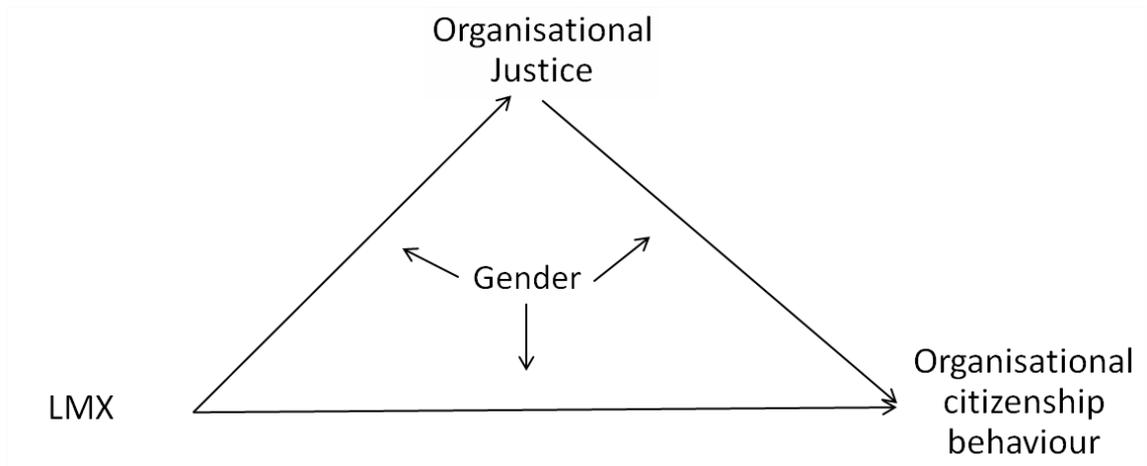


Figure 14. Gender as a focal moderator

The moderating effects of gender on LMX-TI and OJ-TI were quite noticeable from both mean comparisons and bivariate correlation tests. The correlation beta between LMX and turnover intentions was  $-.27$  for the female group ( $p=.01$ ) and  $-.36$  ( $p=.01$ ) for the male group. The correlation beta between organisational justice and turnover intentions was  $-.27$  ( $p=.02$ ) from the female group and  $-0.41$  ( $p=.00$ ) from the male group. From the strength of correlations between the two gender groups, it was very noticeable that the impact of LMX on organisational justice and the impact of organisational justice on turnover intentions were both higher on men and lower on women. However, moderation tests (Baron & Kenny, 1986) showed no significantly moderating impact of gender between both pairs of variables.

### **5.3 Research implications**

There has been little research in the hospitality industry in New Zealand in the fields of LMX and gender studies. This research has provided a sample from hotels and restaurants in Auckland although the sample size is not large enough to make a significant contribution to the literature. The findings from this research have confirmed the important effect of LMX on employees' work attitudes and performances from a hospitality perspective. Although the correlations between organisational justice and the

outcome variables were very strong, the mediating role of organisational justice was only supported between LMX and OCB but not between LMX and turnover intentions ( $p=.05$ ).

Secondly, this research has discovered that gender can be used as a moderator in LMX studies with theoretical support from cognitive learning theory. The highly significant moderating impact of gender on LMX-OCB, LMX-OJ, and OJ-OCB relationships has rarely been studied in either general management or hospitality management. Gender's significant moderation impact on employees' perceptions and behaviours, as discovered by this research, should be replicated in different cultures and industries so that comparisons can be made using contextual variables to improve the generalisability.

Thirdly, as discussed by Nadiri and Tanova (2010), organisational justice is especially important for businesses with more institutionalised policies and procedures. This research has indicated that it is crucial for hospitality businesses that are more structured with institutionalised policy to investigate the importance of organisational justice on work outcomes.

Lastly, all four factors, including distributional, procedural, interactional, and informational justice, were used in the research as one composite variable to test the perceived organisational justice by employees. Although the reliability score was satisfactorily high ( $\alpha =.95$ ), principal component analysis showed that one variable's eigenvalue was much higher than other variables and explained 52.98 per cent of the variance alone. Therefore, there may be some multicollinearity issues with the four factors in organisational justice.

#### **5.4 Managerial implications**

This project has presented some insight into staff management, with a few implications for practitioners in the hospitality industry. The quality of the relationship that a manager forms with each subordinate can help improve front-line employees' work performances so that good-quality service can be delivered to customers. The quality of LMX relationships between front-line employees and their immediate supervisor/manager can be used by human resource practitioners in the hospitality industry as a highly significant predictor of front-line employees' exhibition of OCB. Good-quality LMX with subordinates can improve work performance, especially among women. A little improvement to LMX can encourage female subordinates to show a much higher level of OCB. Male subordinates also show a higher level of OCB when they perceive their relationships with their supervisor/manager to be of good quality, but the impact of LMX on OCB among male employees is not as great as for female employees. To make sure that good-quality service is delivered by front-line staff, supervisors and managers must try to establish good-quality relationships with each of their subordinates.

Perceived organisational justice, especially for big hospitality organisations with more complex structures and institutionalised policies, like hotels, can be used by hospitality practitioners as a significant factor in improving front-line employees' work performances and staff retention. The findings of this research have shown that perceived organisational justice is not only a predictor of OCB but also can explain the impact of LMX on OCB. The fairness of an organisation's decision making, in areas such as promotions and pay rises, processing of decisions, the way that management interacts with its employees, and the amount of information that is passed on to employees, exerts a big and positive influence on front-line employees' exhibition of

OCB. Senior management must ensure that fairness is adhered to on company policies and in decision making. Lower-level managers can then pass adequate information on to subordinates and also communicate information fairly to their subordinates. When front-line employees perceive a high level of organisational justice, they exhibit greater levels of OCB and show lower intentions to quit. There has been evidence from this research that this association is stronger for female subordinates than for male subordinates. With a lack of successful role models and most of the management positions taken by men in the hospitality industry, women tend to accept the fact that their supervisors and managers do not treat them as fairly as they treat male employees. Therefore, a small treat, like an improvement in LMX or an increase in organisational justice, can lead to a higher level of OCB from women. Men also show more OCB when they are happy with the organisational justice but the effect is not as strong as it is for women.

The relationship between LMX and organisational justice can be applied to staff management by hospitality practitioners. Front-line supervisors and managers should devote time and effort to improve their relationships with each of their subordinates so that higher levels of organisational justice can be perceived and work performance can be improved.

### **5.5 Limitations and recommendations for future research**

The major limitation of this research is the small sample size. Given the limited resources and support from the industry, only 118 responses were analysed for this study. Both mean comparisons on turnover intentions and the correlations on LMX-TI and OJ-TI indicated significant differences between the two gender groups. But the moderation tests (Baron & Kenny, 1986) did not conclude any significant impact of

gender. This could have been the result of the small sample size. For a quantitative research project, a sample of 118 respondents cannot normally generate considerable statistical significance, especially when the moderating effect is analysed using sub-groups. Future studies could replicate this research design but recruit a bigger sample so that higher statistical significance can be extracted.

With significant differences discovered by this research between restaurant and hotel respondents, samples for future research could be balanced between the sub-categories in the hospitality industry such as restaurants, cafes, fine dining, and hotels so that findings could be compared and contrasted between types of business.

The data collection from this research also revealed a common misunderstanding on the concept of “front-line employees”. During data collection, human resources in hotels only considered front-desk employees as front-line employees and were reluctant to participate in the study because they wanted to avoid disruptions of their normal operations. Future researchers need to clearly explain the term of “front-line employees” in questionnaires so that unnecessary confusion about the targeted population could be minimised.

The method and the hypotheses of this research could be replicated in different cultures, industries, and societies. Since all the hypotheses on gender’s moderating impact are based on cognitive learning theory, the cultural background, social status, and work environment in a society could result in different strengths of gender’s moderating impact between LMX, turnover intentions, OCB, and organisational justice. Researchers in gender studies could further explore which components in the cognitive

learning theory model are the crucial factors causing different work attitudes and behaviours between genders.

Future researchers could also use structured modelling techniques (e.g., Structural Equation Modelling) to analyse their findings so that the structured relationships discussed by this research could be examined with two-step modelling. The moderating role of gender between LMX and turnover intentions might also be examined using different methods. This research only analysed the linear relationships with regression analyses using SPSS.

### **5.6 Conclusions**

Hospitality businesses in New Zealand are very important to New Zealand's economy but very few studies have been undertaken on the industry. This research has expanded the cultural scope of the LMX literature by providing a sample from the hospitality industry in New Zealand. Despite the limited generalisability of the findings from this study due to a small sample size, the findings could surely inspire researchers in the fields of both LMX and gender studies in terms of future research projects.

The findings of the study have provided initial evidence that gender moderates the association between LMX, organisational justice, and OCB. Despite the fact that gender differences are noticeable in workplaces, the differences are hard to generalise about. This research has given an example of using gender as a moderator instead of a predictor and the data analyses have generated some significant ideas for future studies in the field.

Social cognitive learning theory was carefully applied when proposing the moderating hypotheses and turned out to be very successful in analysing employees' psychological processes in terms of social learning in the workplace. This research has linked social science to general management, and may encourage more researchers to attempt to integrate different theoretical fields in order to increase understanding of important phenomena in management and leadership.

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## Appendix 1. Questionnaire

Dear participants:

This voluntary survey is a part of the Master of Philosophy thesis by Pola Wang from the School of Hospitality and Tourism at AUT University. The purpose of this survey is to investigate the work relationship between you and your immediate supervisor/manager and its impact on your perceived fairness of your company and your job outcomes.

Your responses are very important to accomplish this research. All information you provide will be strictly **anonymous** and will be used only in a combined statistics form. No other person will have the access to the data. All information will be only used for academic purpose.

Please answer **ALL** the questions. It will take approximately 2-5 minutes of your time. After completion, kindly place it in the enclosed envelope, seal it for anonymity, and send it back to me by post (envelopes are prepaid with my postal address printed). Please note, your completion of the survey will be taken as indicating **FULL CONSENT** to participate.

If you have any questions about this research, please do not hesitate to contact me at (09)-9219999 ext 6544 or via email [pola.wang@aut.ac.nz](mailto:pola.wang@aut.ac.nz). Thank you for your time and participation.

Sincerely,

Pola Wang  
Lecturer  
School of Hospitality and Tourism  
Faculty of Culture and Society  
AUT University  
[Pola.wang@aut.ac.nz](mailto:Pola.wang@aut.ac.nz)  
09-9219999 ext 6544

**\*\*\* Please circle your level of agreement as to the following statements \*\*\***  
**[1=Strongly Disagree; 2=Disagree; 3=Neutral; 4= Agree; 5=Strongly Agree]**

No.	Part 1. Supervisor-Subordinate relationship	←Strongly Disagree Strongly Agree→				
1.	I usually know how satisfied my supervisor is with what I do.	1	2	3	4	5
2.	I know where I stand with my supervisor.	1	2	3	4	5
3.	My supervisor recognizes my potential.	1	2	3	4	5
4.	Regardless of how much formal authority my supervisor has built into his/her position, he/she would use his/her power to help me solve problems in my work.	1	2	3	4	5
5.	Regardless of the amount of formal authority my supervisor has, my supervisor would bail me out at his/her expense.	1	2	3	4	5
6.	I would defend and justify my supervisor's decision if he/she were not present to do so.	1	2	3	4	5
7.	I have an effective working relationship with my supervisor	1	2	3	4	5

No.	Part 2. Organisational Justice	←Strongly Disagree Strongly Agree→				
The following items refer to the organisational procedures used to arrive at your (outcome).						
1.	I have been able to express my views and feelings during those procedures.	1	2	3	4	5
2.	I have had influence over the outcome arrived at by those procedures.	1	2	3	4	5
3.	Those procedures have been applied consistently.	1	2	3	4	5
4.	Those procedures have been free of bias.	1	2	3	4	5
5.	Those procedures have been based on accurate information.	1	2	3	4	5
6.	I can appeal the outcome arrived at by those procedures if I want to.	1	2	3	4	5
7.	Those procedures have upheld ethical and moral standards.	1	2	3	4	5
8.	My outcome reflects the effort I have put into my work.	1	2	3	4	5
9.	My outcome is appropriate for the work I have completed.	1	2	3	4	5
10.	My outcome reflects what I have contributed to the organisation.	1	2	3	4	5
11.	My outcome is justified given my performance.	1	2	3	4	5
12.	He/She has treated me in a polite manner.	1	2	3	4	5
13.	He/she has treated me with dignity.	1	2	3	4	5
14.	He/she has treated me with respect.	1	2	3	4	5
15.	He/she has refrained from improper remarks or comments.	1	2	3	4	5
16.	He/She has been candid in his/her communications with me.	1	2	3	4	5
17.	He/she has explained the procedures thoroughly.	1	2	3	4	5
18.	His/her explanations regarding the procedures were reasonable.	1	2	3	4	5
19.	He/she has communicated details in a timely manner.	1	2	3	4	5
20.	He/she has seemed to tailor his/her communications to individual's specific needs.	1	2	3	4	5
No.	Part 3. Turnover intentions	←Strongly Disagree Strongly Agree→				
1.	I often think about quitting.	1	2	3	4	5
2.	I will probably look for a new job in the next year.	1	2	3	4	5
3.	It is likely that I will actively look for a new job in the next year.	1	2	3	4	5

No.	Part 4. Organisational citizenship behaviour	←Strongly Disagree Strongly Agree→				
1.	I help others who have been absent	1	2	3	4	5
2.	I help others who have heavy work loads	1	2	3	4	5
3.	I go out of way to help new employees	1	2	3	4	5
4.	I pass along information to co-workers	1	2	3	4	5

Part 6. General Information
<p>1. What is your gender? (1) Female (2) Male</p> <p>2. When were you born? ( ) year</p> <p>3. How many years have you been working for this Hotel? ( ) years ( ) months Or this Restaurant? ( ) years ( ) months</p> <p>4. How many years have you been working in the hospitality industry? ( ) years ( ) months</p> <p>5. Have you ever attended school to receive an education in hospitality? (1) Not at all (2) Short-term professional programs (3) 2 years' Diploma (4) Bachelor Degree (5) Others ( )</p> <p>6. What is your education level? (1) High School (2) Tertiary undergraduate qualification (3) Tertiary postgraduate qualification (4) Others ( )</p> <p>7. What is your employment status? (1) full-time (2) Part-time (3) Casual (4) fixed term contractor (5) other ( )</p>

**I really appreciate your participation!**

## Appendix 2. Participant information sheet

# Participant Information Sheet



### **Date Information Sheet Produced:**

9<sup>th</sup> April 2013

### **Project Title**

An investigation of how gender moderates the impact of LMX on frontline employees' work outcomes in the hospitality industry.

### **An Invitation**

My name is Pola Wang. I am a lecturer at AUT University. I am writing to invite you to participate in this study of work relationship in hotel industry. Participation in this research is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. I would like to assure you that participation or non-participation will neither advantage nor disadvantage you in any way and that participation in the study will be completely confidential.

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

Work relationships have attracted increasing attention recently in the field of general management due to their significant impact on employees' work attitudes and performances. This study will measure and analyse the work relationship in a hotel/restaurant environment and its impact on front-line employees' exhibitions of organisational citizenship behaviour as well as their turnover intentions. This study uses gender as a focal moderator so that different work attitudes and behaviours can be compared between genders. This project integrates theories from both general management and social science and the findings will fill in a few gaps in the current literature. People working in the hospitality industry will benefit the most by understanding the consistency and the impact of work relationship on the employees' work outcomes.

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

You are identified and invited to participate in this research with the support from your operations manager.

### **What will happen in this research?**

You will be distributed the survey by your manager for you to fill out. Once you've completed the survey, please place it in the enclosed envelope and post it to me. Upon receiving the envelope, I will encode your response and use it only in a combined statistical form.

## **What are the discomforts and risks?**

There are no anticipated discomforts or risks. Your identity is anonymous to this research. The questions in this research focus on your relationship with your supervisor along with general demographic information.

## **How will these discomforts and risks be alleviated?**

Participation in this research is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. I would like to assure you that participation or non-participation will neither advantage nor disadvantage you in any way and that participation in the study will be completely confidential.

## **What are the benefits?**

This research is conducted as part of my Master of Philosophy thesis and may also contribute to other academic publications and presentations as part of the qualification. This study will contribute to a better understanding of the work relationship in hotel industry and its impact on frontline employees' work outcomes.

## **How will my privacy be protected?**

Your response will remain confidential and anonymous. No one but me will have access to your responses and that will be securely locked up and then shredded.

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

The only cost to you is your time. Each survey will take you approximately 2-5 minutes to complete.

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

By completing this survey, you give the full consent for participating in this research. Kindly note that your identity will remain anonymous to me and your completed survey will be held with upmost confidentiality.

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

Individual feedback will not be available as your participation is anonymous but the summary of findings will be available from AUT Scholarly Commons. The link is provided here: <http://aut.researchgateway.ac.nz>

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

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, *Dr. Peter Kim*, [pkim@aut.ac.nz](mailto:pkim@aut.ac.nz), 09-9219999 ext 6105.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTECH, 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?**

### ***Researcher Contact Details:***

Pola Wang

[Pola.wang@aut.ac.nz](mailto:Pola.wang@aut.ac.nz)

09-9219999 ext 6544

WH515 School of Hospitality and Tourism

Faculty of Culture and Society

AUT University Private Bag 92006

***Project Supervisor Contact Details:***

Dr. Peter Kim

[pkim@aut.ac.nz](mailto:pkim@aut.ac.nz)

09-9219999 ext 6105

AUTUniversity

**Approved by the Auckland University of Technology Ethics Committee on *type the date final ethics approval was granted*,  
AUTEC Reference number *type the reference number*.**

## Appendix 3. Ethics Approval from AUTE C



A U T E C  
S E C R E T A R I A T

10 July 2013

BeomCheol Peter Kim  
Faculty of Culture and Society

Dear BeomCheol Peter

Re: Ethics Application: **13/82 Hospitality work relationships impact on job outcomes with gender as a focal moderator.**

Thank you for your request for approval of an amendment to your ethics application.

I have approved a minor amendment to your ethics application allowing changes to the research methodology and note the change of title.

I remind you that as part of the ethics approval process, you are required to submit the following to AUTE C:

- A brief annual progress report using form EA2, which is available online through <http://www.aut.ac.nz/researchethics>. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 24 June 2016;
- A brief report on the status of the project using form EA3, which is available online through <http://www.aut.ac.nz/researchethics>. This report is to be submitted either when the approval expires on 24 June 2016 or on completion of the project.

It is a condition of approval that AUTE C is notified of any adverse events or if the research does not commence. AUTE C approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTE C grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this. If your research is undertaken within a jurisdiction outside New Zealand, you will need to make the arrangements necessary to meet the legal and ethical requirements that apply there.

To enable us to provide you with efficient service, please use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at [ethics@aut.ac.nz](mailto:ethics@aut.ac.nz).

All the very best with your research,

Kate O'Connor  
Executive Secretary  
**Auckland University of Technology Ethics Committee**  
Cc: Pola Qi Wang [pola.wang@aut.ac.nz](mailto:pola.wang@aut.ac.nz)