THE MODERATING ROLES OF CONFUCIAN VALUES AND GENDER ON LEADER–MEMBER

RELATIONSHIPS: A MULTILEVEL ANALYSIS IN THE CHINESE HOTEL CONTEXT

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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.

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ABSTRACT

Inspired by one of the oldest Chinese philosophies, Confucianism, this thesis investigates a well-established concept of leader–member exchange (LMX) in Chinese workplaces from an indigenous perspective, defined as leader–member guanxi (LMG). This study adopts LMX and LMG as two parallel concepts and explores their differences by comparing and contrasting their effect on three key performance indicators that are critical for organisational success and future sustainability in the Chinese hotel industry. To fill in the current gap in the literature of LMX, the research framework is designed to examine how LMX and LMG function in different ways, Confucian values and gender are integrated in the research model as two focal moderators at both individual and group levels. At the individual level, the moderating influences of Confucian values and gender on the causal effects of LMX, LMG and work outcomes are investigated and compared. At the multilevel, LMX differentiation and LMG differentiation in each work group are analysed as group-level LMX/LMG variables. In addition, their effects on employees' work outcomes are investigated and compared with Confucian values and gender as two cross-level moderators.

This thesis adopts a quantitative approach and is based on a sample of 483 employees and 75 managers from 14 hotels in three cosmopolitan cities in China. Social cognitive learning theory and Confucian philosophy are applied to provide theoretical support for the hypotheses. The findings identify that LMX and LMG have different effects on employees' work outcomes across multiple levels in the Chinese hotel industry. The findings also offer valuable insights into the way human cognitive learning processes can be affected by gender and collective values, with both theoretical and practical implications.

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List of Abbreviations

AUT	Auckland University of Technology
AUTEC	Auckland University of Technology Ethics Committee
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CNTA	China National Tourism Administration
COR	Conservation of Resources
EFA	Exploratory Factor Analysis
GFI	Goodness of Fit Index
GLS	Generalised Least Squares
HLM	Hierarchical Linear Modelling
LMG	Leader–Member Guanxi
LMGD	LMG Differentiation
LMX	Leader–Member Exchange
LMXD	LMX Differentiation
LMXSC	LMX Social Comparison
ML	Maximum Likelihood
NBS	National Bureau of Statistics of the People's Republic of China
NFI	Normed Fit Index
OCB	Organisational Citizenship Behaviour
OLS	Ordinary Least Squares
RLMX	Relative LMX
RMSEA	Root Mean Square Error of Approximation
TLI	Tucker-Lewis Index
TMX	Team–Member Exchange
UWES	Utrecht Work Engagement Scale
VDL	Vertical Dyad Linkage

CHAPTER 1 INTRODUCTION

1.1 Chapter preview

This chapter introduces the constructs of leader–member relationships and demonstrates the need for an integrated framework of different types of leader–member relationships in the Chinese cultural context, especially from an indigenous perspective. To begin with, the chapter summarises the extant studies in the field of leader–member relationships and identifies the key issues in the literature. The need to call for an integrated model comparing and contrasting both work-related and personal relationships between leaders and members in the Chinese workplace is explained. The rationale of this study is discussed, with the research questions and objectives outlined. Key terms, including all the constructs examined in this thesis, are defined at the end of this chapter.

1.2 Background and problem statement

With the fast development of the Chinese hotel industry, hoteliers in China have been challenged with an increasing number of human resource issues such as high staff turnover and poor performance of employees (He, Lai, & Lu, 2011; Li, Duverger, & Yu, 2018; Hung, 2013; Luo, Marnburg, & Law, 2017). Since employees are the centre of customer service and service provision is vital to customer-perceived value and long-term business sustainability (Kandampully, Keating, Kim, Mattila, & Solnet, 2014), theoretical understandings and practical guidance on efficient staff management are needed to improve the overall performance of the industry. Recent research has pointed out the significant role of leader–member relationships in controlling staff performance in the hotel industry (Wang, Kim, & Milne, 2017). To exemplify a Chinese indigenous perspective on leader–member relationships, this study compares and contrasts two types of the relationships that co-exist between leaders and members: leader–member exchange (LMX) and leader–member guanxi (LMG).

Based on social exchange theory, LMX theory was developed in the 1970s in the United States (Graen & Uhl-Bien, 1995). Along with the development of leadership and organisational behavioural studies, the theory of LMX has undergone an explosive growth among researchers during the last two decades owing to its important

influence on employees' work performance (Bauer & Erdogan, 2016). LMX denotes the dyadic relationship between a leader and his or her team members (Graen & Uhl-Bien, 1995). Supported by the theory of social exchange, LMX often has a significant effect on employees' work attitudes and behaviour, and this has attracted attention from both academic researchers and human resources practitioners across a wide range of industries.

Since LMX theory was developed, a substantial number of studies have been conducted in the United States and in other Western countries. In addition, a number of research projects have been conducted in non-Western cultures, with Liden and Maslyn (1998) arguing that the findings of LMX studies can vary considerably across cultures. A recent meta-analysis of LMX claims different correlation strengths between LMX and work outcomes across 23 countries (Rockstuhl, Dulebohn, Ang, & Shore, 2012). According to Rockstuhl et al. (2012), the correlations between LMX and organisational citizenship behaviour (OCB), justice perceptions, job satisfaction, turnover intentions and leader trust are stronger in Western cultures, which feature horizontal-individualistic contexts, than they are in Asian cultures, which are characterised by vertical-collectivistic contexts.

Although LMX scholars assume the differences are caused mostly by cultural differences (Rockstuhl et al., 2012), there has been little research that provides in-depth explanation of the reasons that LMX functions differently in Western and Asian cultures. To bridge the gap, this thesis uses Chinese culture as an example and develops an integrated theoretical framework to compare and contrast the construct of LMX to an indigenous construct that is similar to LMX but originates from Confucianism: leader–member guanxi. Guanxi means relation or relationship in Chinese (Bian, 1997) and has been acknowledged as a trademark of Chinese culture and a must-know cultural norm for expatriate managers working in China. There has been an increasing interest in guanxi studies among Western scholars because of the commercial and political advantages of establishing guanxi with Chinese people, Chinese organisations and the Chinese government.

A number of studies have explored the social bases of guanxi in the field of management and social psychology. However, the complexity of guanxi matches that of Chinese language and can be understood only as a social phenomenon supported by Chinese philosophies. Guanxi not only exists between family members but also functions in workplaces between colleagues and between leaders and members. Since guanxi determines the way people treat one another, the guanxi between leaders and members can provide an indigenous knowledge base for understanding leader–member relationships in a Chinese cultural context. In this study, LMX is used to describe work-related relationship between leaders and members, while LMG refers to non-work-related personal relationships between leaders and members in an organisation. This study investigates LMX and LMG as two parallel concepts for comparisons in order to provide further understandings of the way in which leader–member relations function in Chinese workplaces.

To investigate the LMG construct that is meaningful to Chinese culture, Confucian values are adopted as moderators when analysing the effects of leader–member relationships on employees' work outcomes. The core values in Confucianism include benevolence (仁), righteousness (义), propriety (礼), wisdom (智) and trust (信). Western ideologies began to flow into Chinese society during the New Culture movement of the early 20th century and the wide acceptance of Confucianism has been declining ever since. However, China is still considered a Confucian society and many studies have pointed out the important role of Confucian culture in Chinese workplaces (Davies, 1997); an example of this is LMG. Contributing to a more comprehensive understanding of the functioning of guanxi between leaders and members in Chinese workplaces, this thesis adopts the set of core Confucian values as a focal moderator in the construct and provides empirical examination of its moderating effect.

Another gap in the extant literature stems from the recent multilevel studies of LMX in organisations. Some leaders may prefer to maintain high-quality relationships with only a few members in their teams, while some leaders may aim to maintain high-quality relationships with every member. In some cultures, leaders sustain low-quality LMX with everyone in the team, to preserve the power distance (Choi & Pate, 2018).

Against this background, the concept of LMX differentiation (LMXD) has arisen from the core assumption of LMX theory: leaders may develop different exchange relationships with different members in the same group (Graen & Uhl-Bien, 1995). Although there has been a growing interest among researchers in investigating the consequences of LMXD in recent years, there have been only a small number of empirical studies completed to date and the majority of these have examined the effect of LMXD on group-level outcomes only, such as team potency and conflict (Boies & Howell, 2006).

The lack of multilevel studies addressing LMXD reflects the complexity of designing a multilevel framework; it requires both theoretical foundations to explain the role of LMXD from different levels and a good research design with proper tools to analyse the multilevel data. This thesis takes on all the challenges and criticisms related to the construct of LMXD and aims to develop a multilevel theoretical framework and to examine this framework with an empirical study. In contrast, LMG differentiation (LMGD) is still a very new concept and has not been studied a great deal because Chinese guanxi is not well understood, which makes it difficult to measure LMG. This thesis is a pioneering study on LMGD, aiming to explore the role of LMG from a multilevel perspective. Confucian philosophy is analysed in this study to provide theoretical support for the LMGD framework and a set of core values embedded in Confucianism is adopted as a focal moderator, to elaborate further on the relationship between LMGD and employees' work outcomes.

Gender has been closely related to the LMX literature but the findings of these studies have been inconsistent and limited to individual-level analysis (Wang et al., 2017). To add extra value to this multilevel study, gender is carefully designed into the conceptual framework as a second moderator. Since gender refers to social and cultural differences between men and women, rather than biological differences (Eagly, 1987), this study analyses both social and cultural factors when exploring the role of gender in the framework. Considering first the social aspect, the movement for gender equality during the last century in China is analysed to provide an explanation of certain psychological processes of different genders in workplaces. With regard to the cultural aspect, Confucian culture is examined to understand the social status and

behavioural norms between genders in Chinese society. Bandura's social cognitive learning theory (1986) is investigated, step by step, to provide a theoretical foundation when hypothesising about the role of gender in the framework. According to Bandura, human behaviour is not completely self-directed but is affected by various social and personal factors through cognitive learning. Bandura's social cognitive learning model has provided a mechanism for diffusing ideas, values and behaviour in society and therefore, it was adopted by this thesis to model people's observational learning processes in workplaces.

Although a number of LMX studies have been conducted in the Chinese context, many have used samples from a wide range of organisations across different industries (Chen, Yu, & Son, 2014; Ding, Tian, Yang, & Gong, 2012). Because of this, it is very difficult to apply the findings directly to any one industry in particular. Set against this rationale, this study confines the research sample to the Chinese hotel industry so that industry-oriented staff management advice can be provided to guide hotel practitioners and academia.

1.3 Research questions, objectives and anticipated contributions

Set against the gaps identified above from the extant literature, this study was developed to answer the following research questions:

1. *Is the construct of LMG different from the construct of LMX and which has a larger effect on employees' work outcomes in the Chinese hotel industry?*
2. *How do LMXD and LMGD in a work group affect employees' work outcomes and which has a larger effect on employees' work outcomes in the Chinese hotel industry?*
3. *Does gender moderate the effect of LMX/LMG/LMXD/LMGD on employees' work outcomes in the Chinese hotel industry?*
4. *Do Confucian values moderate the effect of LMX/LMG/LMXD/LMGD on employees' work outcomes in the Chinese hotel industry?*

In line with these proposed research questions, the objectives of this study were as follows:

a. *To substantiate and distinguish the construct of LMG from that of LMX theoretically.*

b. *To develop an integrated theoretical framework and to examine empirically the role of LMX and LMG in the workplaces of the Chinese hotel industry.*

c. *To examine the direct effect of LMX on employees' work outcomes and compare it to that of LMG at both individual and multiple levels in the Chinese hotel industry.*

d. *To analyse theoretically and examine empirically the moderating effects of gender and Confucian values on LMX/LMG/LMXD/LMGD and employees' work outcomes in the Chinese hotel industry.*

By achieving the above objectives, this study makes several contributions to both the academic literature and the hotel industry. First, LMG was investigated in the model as an independent, multilevel construct to provide an indigenous knowledge base for understanding leader–member relationships in Chinese workplaces. Further, LMX and LMG were used as a pair of parallel concepts in the theoretical framework for consistent comparisons, in order to analyse whether the two constructs function differently at different levels. The research framework presented in this study can guide academics to differentiate between the two constructs and justify the need to investigate the indigenous origins of any work behaviour when applying Western theories to non-Western cultures. In addition, the findings have demonstrated the need for human resources practitioners in the Chinese hotel industry to acknowledge the existence of both constructs and adjust the balance of LMX and LMG for better operational and policy-making decisions. Third, since relevant theories from the disciplines of social psychology have been investigated to provide theoretical support for the conceptual framework, more subtle and systematic explanations of human behaviour at work have been demonstrated. In return, both academia and industry practitioners can gain a better understanding of the phenomena of leader–member relationships so that more insightful research can be designed and policies that are more meaningful can be implemented for improved staff performance.

To elaborate on the ways that leader–member relationships function in the Chinese cultural context, two moderators were carefully designed into the multilevel framework: gender and Confucian values. This study aimed to challenge two aspects of the existing gender studies in LMX literature. First, instead of confirming the existence of a '*glass ceiling*' in Chinese workplaces, this study aimed to provide practical recommendations to solve workplace gender issues though analysing the variation in gender behaviour in the four processes of social cognitive learning. Second, unlike many of the gender studies searching for evidence to prove the existence of gender differences at work, this study aimed to explain gender variations from the perspective of the cultural context and the social environment. The movement towards gender equality in China in the last century is considered a key social factor affecting the work behaviour of both genders. Human resources in the Chinese hotel industry can take note of the findings regarding gender's moderating effect and develop policies to motivate staff towards achieving improved work outcomes.

The other moderator integrated into the framework was the set of core Confucian values: benevolence, righteousness, propriety, wisdom and trust. In addition, these five widely acknowledged core values in Confucianism have been analysed in terms of people's cognitive learning processes. Meanwhile, since LMX has been studied as an imported Western element of leader–member relationships in Chinese culture, the set of Confucian values was also tested as a moderator between LMX and employees' work outcomes, to understand the way LMX is synthesised into Confucian culture. With the consideration of both moderators in the conceptual framework, the findings of this study have presented a unique view in leadership studies.

In addition, this thesis aimed to tackle the current criticisms of the extant studies of LMXD and to use LMGD as a parallel concept for comparisons. Owing to the lack of empirical studies, some LMX scholars have criticised the existing research on LMXD for its inconsistent methodology and its lack of theoretical justifications (Harris, Li, & Kirkman, 2014). The findings of this study can guide future research by presenting a multilevel research design with theoretical support from the field of social psychology and from indigenous cultural philosophies. Finally, this thesis examined some key staffing issues, including work engagement, task performance and OCB in the Chinese

hotel industry. The findings present practical solutions to help with hotel business management and operations and to improve the efficiency of staff management.

1.4 Key terms in the study

Several key concepts and definitions in this thesis need to be explained here:

- **Guanxi** is a sophisticated phenomenon that is deeply rooted in the core of Confucianism. Guanxi literally means relation or relationship (Bian, 1997). In this thesis, guanxi has been defined as "a dyadic, particular and sentimental tie that has potential of facilitating favour exchanges between the parties connected by the tie" (Bian, 2006, p. 312).

- **LMX** describes the one-on-one or dyadic relationship that a leader forms with each of his or her subordinates in an organisation (Graen & Cashman, 1975). LMX is based on social exchange and reciprocity theories (Graen, 1976). Depending on the compatibility of leaders' and members' competence and dependability, LMX theory places members into in-group and out-group categories (Graen & Cashman, 1975).

- **LMG** refers to the non-work-related personal relationships between a leader and his or her subordinates in an organisation (Bian, 1997). LMG can be developed through family or social networks, the exchange of favours or gifts, after-work social activities and other non-work-related activities.

- **LMXD** is "a process by which a leader, through engaging in differing types of exchange patterns with subordinates, forms different quality exchange relationship (ranging from low to high) with them" (Henderson, Liden, Glibkowski, & Chaudhry, 2009, p. 519).

- **LMG** refers to the different guanxi a leader forms with his or her subordinates, according to personal bias and particularistic ties (Chen et al., 2014).

- **Confucianism** is "a philosophy of reason and common sense, of tolerance and virtue – a proof that morality is fundamentally independent of theology" (Ching & Oxtoby, 1992, p. xxv). Confucianism was founded by Confucius (551–479 BC) and is characterised by analogy and intuition (Hansen, 1983). The core interest in Confucianism is human social life and the core virtue in Confucianism is benevolence.

- **Confucian values** are the key virtues that guide the morality and behaviour declared in Confucianism. Confucian scholars originally identified three core values: benevolence, righteousness and propriety. Two more elements were added by Zhongshu, Dong in the Western Han Dynasty: wisdom and trust. All five core values can be traced back to the book of *The Analects of Confucius* and are commonly accepted as the Confucian values in Chinese literature.

- **Work engagement** is "a positive, fulfilling work-related state of mind that is characterized by vigor, dedication, and absorption" (Schaufeli, Bakker, & Salanova, 2006, p. 702) and is the antithesis of work burnout.

- **Task performance** refers to "the level of productivity of an individual employee, relative to his or her peers, on several job-related behaviour and outcomes" (Babin & Boles, 1998, p. 82).

- **OCB** describes the discretionary workplace behaviour of individual employees that is neither part of the job description nor recognised by any formal reward system (Organ, 1988).

1.5 Thesis structure

Chapter 2 presents a literature review for the study and proposes the research framework, with 14 hypotheses justified via theories in social psychology and Confucian philosophy. The literature review starts with an overview of the background of the Chinese hotel industry. The current studies in LMX, LMG, LMXD and LMGD are then elaborated. The two moderators, gender and Confucian values, are introduced next to distinguish between the unique gender roles and the social norms outlined by Confucian culture. Two integrated models from both individual and multiple levels are presented, with 14 hypotheses at the end of Chapter 2. Chapter 3 demonstrates the rationale of the research methods selected to examine the hypotheses. This chapter posits the research paradigm and the adopted ontology, epistemology and axiology of this study. The research methodology is explicated from the sample selected, pre-test and data-collection procedures, measures established, data analytical techniques and ethical considerations of this study. Chapter 4 presents the findings of the data analysis and the hypothesis test results. The validity and reliability of the measures used in the questionnaires are first examined with a confirmatory factor analysis (CFA) in Amos 23. The descriptive statistics and correlation test results are reported next in SPSS 24. The

hypothesis test results are illustrated in two stages: the individual-level analysis in SPSS 24 and the multilevel analysis in hierarchical linear modelling (HLM) 7. Chapter 5 reflects critically on the results from the data analysis against the background of the literature presented in Chapter 2. In light of the research questions and objectives identified at the beginning of the thesis, the concluding chapter (5) offers both theoretical and practical implications for academia and industry practitioners. The limitations of this study are discussed at the end of the thesis to inform future research on similar topics.

CHAPTER 2 LITERATURE REVIEW

2.1 Chapter preview

This chapter outlines the background of the Chinese hotel industry, explores the extant studies in the literature of leader–member relationships and develops a conceptual framework that addresses the research questions defined in Chapter 1. A brief introduction to the Chinese hotel industry and its workforce is presented, to identify key staffing issues for including in the framework as work outcomes. The concepts of LMX and LMG and their influence on employees' work outcomes are compared and contrasted to differentiate between the two constructs. Based on the extant findings and the theoretical support from social exchange theory and the exchange of favour in Confucian philosophy, three sets of hypotheses are proposed among LMX, LMG and work outcomes. Thereafter, the background, extant findings and criticisms in the literature of LMXD and LMGD are summarised and discussed. Three more hypotheses are then proposed in the light of the theories of organisational justice, social comparison, relative deprivation and Confucian philosophy.

After the multilevel framework has been established, two focal moderators, gender and Confucian values, are integrated to provide a comprehensive understanding of the leader–member relationships in the Chinese cultural context. Adopted as a given moderator, the gender role of women in Chinese society and the social status of women in the Confucian culture are introduced to demonstrate the uniqueness of gender issues in China. A brief history of the movement for gender equality and a summary of contemporary employment conditions for women in China are presented next. As a social identity, gender is then analysed as a moderator between LMX/LMG and LMXD/LMGD and work outcomes, supported by social cognitive learning theory and Confucian philosophy. The other moderator of this study is the set of core Confucian values that were developed in the Confucian culture. The epistemology and methodology of Confucianism are explained first, followed by the social norms defined in Confucianism, such as relationships and values. The influence of Confucian ideology on Chinese society, especially in Chinese workplaces, is then elaborated, to establish the unique features of Chinese culture in comparison to Western cultures. Hypotheses are then proposed, using the set of core Confucian values as a moderator in the

LMX/LMG/LMXD/LMGD framework established earlier. The integrated conceptual framework is presented at both the individual level and the multilevel, with a list of all the hypotheses to provide clear guidelines for the rest of the thesis. The theoretical orientation is discussed at the end of this chapter. A summary of the content of this chapter is presented in Figure 1.1.

2.2 The development of Chinese hotel industry

2.3 Staff management issues in Chinese hotel industry

2.4 LMX and LMG
2.4.1 LMX
2.4.2 LMG
2.4.3 Differences between LMX and LMG
2.4.4 LMX/LMG and work outcomes
2.4.5 Hypothesis development (H1,H2,H3)

2.5 LMXD and LMGD
2.5.1 LMXD and work outcomes
2.5.2 LMGD and work outcomes
2.5.3 Hypothesis development (H4,H5,H6)

2.6 The moderating role of gender
2.6.1 Gender role of women in traditional Chinese culture
2.6.2 Gender equality and employment conditions of women in China
2.6.3 Moderation hypothesis development (H7,H8,H9,H10)

2.7 The moderating role of Confucian values
2.7.1 Social relations and core values defined in Confucianism
2.7.2 Confucianism in modern Chinese society
2.7.3 Moderation hypothesis development (H11,H12,H13,H14)

2.8 Research model

Figure 1.1. Preview of Chapter 2

2.2 The development of the Chinese hotel industry

China's huge domestic tourism market, the largest in the world, has developed rapidly since the 1980s, driven by continuous economic growth and the support of the government (Yu, 1992). Changes in people's consumption patterns and improvements in public transport and accommodation facilities have made travelling easier and more affordable. From 1985 to 2015, the number of domestic tourists increased from 240 million to 4 billion (China National Tourism Administration [CNTA], 2017). To promote the domestic tourism market, the Chinese State Council increased the number of public holidays and reduced the working week from six to five days in 1995, with two weeks' paid holiday granted annually (Zhang, Pine, & Lam, 2005).

With the rapid growth of domestic tourism and the ever-increasing influx of international tourists to China since the introduction of the open-door policy in 1978,

the underdevelopment of the Chinese hotel industry has created a severe bottleneck in meeting the continuously escalating demand in the accommodation market (Tsang & Qu, 2000). With support from the Chinese government, the hotel industry in China has experienced an intensive expansion since the early 1980s and has now grown to become one of the most important economic sectors in China (Gu, Ryan, & Yu, 2012; Tan, Wan, & Qiu, 2017). During the period from 1978 to 2015, the total number of hotels in China increased from 137 hotels with 15,539 rooms to 12,327 star-rated hotels with 1,463,000 rooms (see Table 1.1). In the financial year of 2015, the hotel sector contributed more than 13 billion Chinese Yuan (approximately 2.9 billion NZD) in sales tax to the government with a total turnover of 200.7 billion Chinese Yuan (approximately 45 billion NZD) and an average occupancy rate of 54.2 per cent (CNTA, 2017). There was a slight drop between 2008 and 2015 in the total number of star-rated hotels as well as international arrivals in China, possibly because of the global economic recession and the high level of construction for the Beijing Olympics in 2008. However, domestic tourism continues to increase steadily among both urban and rural residents, with per capita expenses of 857 Chinese Yuan in 2015 (CNTA, 2017).

Table 1.1. Total number of star-rated hotels in China from 1978 to 2015 (CNTA, 2017)

Year	Hotels	Hotel rooms	Hotel beds
1978	137	15,539	30,740
1988	1,496	220,165	478,321
1998	5,782	764,797	1,524,224
2008	14,099	1,591,440	2,934,800
2013	13,293	1,539,100	2,705,000
2015	12,327	1,463,000	2,594,000

Before 1978, very few accommodation facilities in China met international standards or satisfied the significant demands of overseas tourists (Zhao, 1989). Although both the industry and the Chinese government dedicated themselves to constructing and renovating hotels to match the demand, in 1990, there was still a serious shortage of good-quality hotels that meet international star-rating standards and the demands of international tourists (Pine, Zhang, & Qi, 2000). Service problems, the lack of a uniform operating standard, inexperienced hotel employees and a wide variation in hotel facilities contributed to the chaotic management in the Chinese hotel industry during that period. To be aligned with international hotel service standards, the star-rating

system was introduced to the Chinese hotel industry in 1990 by CNTA, with the intention of improving hotel services and guest hotel evaluations (Liu & Liu, 1993). Adapted from international standards, the system applied six criteria for assessing a hotel's overall quality: hygiene, service quality, guest satisfaction, architecture, levels of service and facilities and maintenance. The star-rating system provided evidence-based standards and professionalism for all the hotels and it was quickly adopted at a national scale. By the year 2000, 6,029 hotels, which made up 57.53 per cent of all hotels in China, had applied for star ratings. A breakdown summary of the number of star-rated hotels is presented in Table 1.2. Although only 6 per cent of the hotels achieved five-star ratings in 2013, these five-star hotels contributed one-third of the total revenue of the hotel industry (CNTA, 2015).

Table 1.2. Summary of star-rated hotels in China in 2013 (CNTA, 2015)

Hotel rating	Number of hotels	Number of rooms	Number of beds	Occupancy rate (%)	Revenue (billion CNY)
Five-star	739	261,100	394,900	56.06	76.15
Four-star	2,361	462,800	840,800	57.21	77.66
Three-star	5,631	620,800	1,108,900	55.64	63.08
Two-star	2,831	188,600	349,700	54.05	12.10
One-star	125	5,800	10,700	51.53	0.30
Total	11,687	1,539,100	2,705,000	55.97	229.29

The distribution of the hotels, especially those in the four- and five-star categories, was not geographically even. Some provinces and cities, especially in the regions along the East Coast, benefited more from international tourism than did other areas. In the 2013 financial year, Guangdong province received 16.28 billion USD from international tourism and was ranked in first place among all provinces and direct-controlled municipalities. Zhejiang province came second, with Shanghai and Beijing following.

The ownership of hotels in China has changed a great deal since 1978. State ownership used to dominate the industry, especially in the early years of its development. Driven by its transformation from a closed to a market economy, China has attracted a great deal of foreign investment and become 'heaven' for international hotel management groups since the early 1990s (Guillet, Zhang, & Gao, 2011). With foreign capital flowing

into the country and the expansion of international hotel chains, state ownership of total star-rated hotels dropped to 28.5 per cent in 2014 (CNTA, 2015).

2.3 Staff management issues in the Chinese hotel industry

The unique features of the hospitality industry have made staff management difficult and different from many other industries. Services are intangible and are produced and consumed simultaneously at the service provider's location. In addition, customers contribute to the creation of service experience by interacting with the employees. For these reasons, few people would disagree with the proposition that the people element in the hotel industry is critical for service quality, customer satisfaction, competitive advantage and organisational performance (Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010). Service quality is critical if a hotel is to differentiate itself from others and to survive increasing competitive pressures in the market. The successful delivery of service largely depends on the hotel employees' work attitudes and behaviour (Baum, 2007), which makes it critical to retain dedicated employees. The way employees are managed determines the quality of service and customer satisfaction, as well as a hotel's performance and success (Schneider et al., 2003).

As pointed out by Baum (2007), employees are a critical dimension for ensuring the successful delivery of service. During the rapid development of the Chinese hotel industry, human resource managers have been confronted with critical staff management issues such as poor quality of employees, lack of suitable candidates in the job market, high employee turnover and low salaries in comparison to other industries (He et al., 2011; Luo et al., 2017; Zhang et al., 2005). Hung (2013) operated focus groups with hotel managers at different levels and concluded that three critical issues needed to be addressed across the entire industry: insufficient hotel professional education and training (mean = 6.38/7), low salaries and benefits (mean = 6.12/7) and high staff turnover rates (mean = 5.9/7).

Although these issues are not unique to the Chinese hotel industry, the reasons for these problems are very different from those in other countries because of hierarchical salary scales, staff retention systems and traditional perceptions regarding hospitality professionals. The prevalent salary and wages system in China features a hierarchical

method of determining staff compensation. According to the system, senior employees receive higher payments than do junior ones, regardless of performance or years of service, and a person's position in an organisation determines their salary. This hierarchical compensation system lacks flexibility and does not allow managers to give bonuses to good performers. Correspondingly, the system has been criticised by managers as damaging to employees' productivity and morale and causing employees to leave in favour of industries that provide higher incentives and benefits (Zhang et al., 2005). The low average salaries and the hierarchical pay system have made it very difficult to recruit and retain staff in the Chinese hotel industry. The concept of the 'iron rice bowl', which guarantees a job and a stable income, is not as popular and attractive to the younger generation as it has been to the older ones and the rigid pay system can accelerate employees' intentions to quit their jobs or to leave the industry. The traditional perception regarding hospitality professionals is not very positive, owing to the poor work environment, low pay, limited career development and low social status as servants. Since Chinese parents can influence their children's career choice to a significant degree, some parents, especially those in rural areas, do not encourage their children to choose hospitality and tourism as a career (Wong & Liu, 2010).

The complex cultural, political and economic environment in China makes it very difficult to find a simple solution to these human resource issues. However, a number of studies have pointed out that employees' attitudes and behaviour can significantly affect customer satisfaction and loyalty, as well as organisational outcomes such as competitive advantage, profitability, productivity, market share and so on (Kusluvan, 2003). Employees' job attitudes and behaviour (e.g. staff turnover, job satisfaction, motivation and organisational commitment) have been widely researched in the hospitality industry (He et al., 2011; Luo et al., 2017). With the aim of improving service quality and overall performance in the Chinese hotel industry, this study identified three critical criteria with regard to employees' work attitudes and behaviour: work engagement, task performance and OCB. These are discussed next.

2.3.1 Work engagement

The issue of employees' work engagement has gained a lot of attention in the service industry (Leiter & Bakker, 2010). Hotels need to inspire employees to feel energetic and dedicated so that they can apply their full capabilities to work (Demerouti & Cropanzano, 2010). "Work engagement can make a true difference for employees and may offer organizations a competitive advantage" (Leiter & Bakker, 2010, p. 1). The concept of work engagement originated by Kahn (1990), who pointed out that engaged employees were physically, cognitively and emotionally engaged in their work roles, with a high level of psychological safety. In 2001, Rothbard took a slightly different perspective and defined engagement as a two-dimensional motivational construct that incorporates attention and absorption. Maslach, Schaufeli and Leiter (2001) considered that work engagement was a positive, work-related state of well-being and the antithesis of job burnout. As noted earlier, in the field of organisational behaviour, Schaufeli and Bakker's (2004) widely accepted definition of work engagement involves having a positive state of mind that includes vigour, dedication and absorption.

Warr (1990) described two dimensions of an employee's state of mind in work engagement: anxiety-contentment and depression-enthusiasm. Schaufeli and Bakker (2004) demonstrated three dimensions that affect a person's affective-cognitive state at work: vigour, dedication and absorption. Vigour describes an employee's willingness to contribute to his or her work with high levels of energy and mental resilience. Dedication refers to a sense of enthusiasm, inspiration, pride and challenge. Absorption measures an employee's state of optimal experience at work, such as focused attention, loss of self-consciousness and intrinsic enjoyment.

Based on the concepts discussed above, various instruments have been proposed and applied in work engagement studies. Gallup's Workplace Audit (or Q12) was designed in 1998 from a manager's perspective and had been used as a management tool to facilitate changes in workplaces. Some researchers have used a reversed version of Maslach et al.'s (2001) burnout inventory and some have used the Shirom-Melamed Vigor Measure (Halbesleben, 2010). Based on Schaufeli and Bakker's (2004) three dimensions (vigour, dedication and absorption), a three-dimensional questionnaire

known as the Utrecht Work Engagement Scale (UWES) was created by Schaufeli, Martínez, Pinto, Salanova and Bakker (2002). UWES is the most commonly used measure and is available in 21 languages (Schaufeli & Bakker, 2010).

Work engagement received increasing attention in the past decades, reflecting its important association with employee well-being and performance (Knight, Patterson, & Dawson, 2017). A number of researchers have provided evidence that work engagement is significantly associated with job performance and productivity, since engaged employees are more energetic and positively connected to their work and are likely to work harder (Bakker, 2011; Burke, Koyuncu, Jing, & Fiksenbaum, 2009; Karatepe, 2013). As explained by Leiter and Bakker (2010), since work engagement is a motivational concept, engaged employees feel more compelled to achieve a challenging goal. Work engagement is particularly important in the hotel industry, since the willingness to 'go the extra mile' can encourage employees to demonstrate more proactive and responsible behaviour for delivering quality services to customers (Bakker & Demerouti, 2008; Li, Sanders, & Frenkel, 2012, p. 1,059).

2.3.2 Job performance: Task performance and OCB

The other key criterion in assessing the efficiency of staff management is job performance, since it determines the degree to which an employee helps the organisation reach its goals (Campbell, 1990). As employee job performance determines the service quality provided to the guests, hotels rely on their employees' job performance to achieve their business goals and maintain their competitive advantage. Owing to its direct effect on organisational performance efficiency, job performance has been one of the most studied subjects among organisational researchers.

Borman and Motowidlo (1993) separated job performance into two different classifications: task performance and contextual performance. According to the explanation by Motowidlo, Borman and Schmit (1997), task performance involves activities that either "transform raw materials into the goods and services that are the organization's products" or "service and maintain the technical core by replenishing its supply of raw materials; distributing its finished products; or providing important

planning, coordination, supervising, or staff functions that enable it to function effectively and efficiently" (p. 75). Categorised as the lower level of job performance, task performance incorporates eight dimensions: job-specific task proficiency, non-job-specific task proficiency, written and oral communication proficiency, demonstrating effort, maintaining personal discipline, facilitating peer and team performance, supervision and leadership, and management skills (Campbell, 1990). In organisational studies, task performance is often referred to as in-role performance. The expectations from task performance are often written into the employment contract, viewed as fundamental responsibilities for employees to perform (Rousseau & Parks, 1993). The construct to evaluate task performance has also evolved from being a single-dimension measure (Cascio, 1990) to a multidimensional measure reported by either the employees or their managers (Babin & Boles, 1998; Haynie, Cullen, Lester, Winter & Svyantek, 2014; Kim, 2010).

Contextual performance helps to "shape the organizational, social, and psychological context that serves as the catalyst for task activities and process" but it is not written into employment contracts nor recognised by any formal reward system in organisations (Borman & Motowidlo, 1997, p.100). Contextual performance is also known as OCB (Organ, 1988), prosocial organisational behaviour (Brief & Motowidlo, 1986), extra-role behaviour (Van Dyne, Cummings, & Parks, 1995) and organisational spontaneity (George & Jones, 1997). All of these concepts are very similar to each other and are often referred to as 'citizenship performance' (Borman, Penner, Allen, & Motowidlo, 2001; Coleman & Borman, 2000; Organ, 1988). Since OCB has been recognised and accepted by both academia and practitioners as the key criterion for measuring employees' work performance in the hospitality industry, this study adopted OCB as a key criterion for assessing employees' work outcomes.

OCB was first discussed by 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 noted that OCB could be categorised in five dimensions: 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 is going well beyond the minimum requirements of the job (Wang, Kim, & Milne, 2014, p. 37). Williams and Anderson (1990) noted that two different aspects of OCB should be studied: OCB-individual (OCBI) and OCB-organisational (OCBO). Podsakoff, Whiting, Podsakoff and Blume (2009) also suggested that the conceptualisation of OCBI and OCBO incorporated most other OCB constructs in the literature. Since this study aimed to identify the impact of leader–member relations on individual work outcomes in a team environment, only OCBI is used to measure employees' extra-role behaviour.

Although task performance and OCB can be used as two completely different stand-alone performance indicators, this study aimed to study both, since employees in the hotel industry not only need to perform in-role responsibilities but also to 'go the extra mile' and exceed customer expectations. In summary, it is very important to monitor employee work attitude and job performance in order to achieve organisational goals. Some scholars have claimed that manager–employee relationships can be studied to help improve employees' work attitude and performance. To help with staff management in the Chinese hotel industry, the next section of the literature review investigates the leader–member relationships from two perspectives: a Western perspective, defined as LMX; and a Chinese perspective, defined as LMG.

2.4 LMX and LMG

The central concepts of this thesis lie in the two different forms of relationship between leaders and members: LMX and LMG. LMX refers to the leader–member work-related relationship theorised from Western cultures and LMG refers to the leader–member, non-work-related relationship originating from the Confucian culture. While there have been many studies across different cultures on LMX, the literature on LMG is very limited and lacks empirical depth. This part of the literature review presents a comprehensive comparison of the two phenomena, from their origins to their effects on employees and work groups. Based on the analysis of social exchange theory and the exchange of favour in guanxi studies, hypotheses are then developed regarding the relationships between LMX/LMG and work outcomes.

2.4.1 LMX

"Leader–member exchange is the foremost dyadic, relational approach to leadership" (Bauer & Erdogan, 2016, p. 3). With social exchange and reciprocity theories as foundations (Blau, 1964; Graen, 1976), 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). Unlike other contemporary leadership theories such as servant, transformational and authentic leadership theories, which focus on the role of leaders, LMX does not assume that followers are passive recipients of the leadership but claims that the dyadic relationship between leaders and members is the key to understanding the effectiveness of leadership (Yukl, 2010). LMX theory is developed from the vertical dyad linkage (VDL) theory, which recognises the importance of the dyadic relationship between leaders and members but assumes leaders have direct authority over their subordinates (Yukl, 2010). VDL theory emphasises the notion of differentiated relationships between a leader and his or her members, while LMX primarily investigates the relational domains of job outcomes.

The findings from previous studies have shown that leaders are more inclusive and communicative with some team members than with others. Graen and Cashman (1975) suggested that the basis of the dyadic relationships formed between leaders and subordinates should be the compatibility of the leaders' and subordinates' competence and dependability: good compatibility leads to a high-quality exchange relationship between leaders and members while poor compatibility leads to a low-quality LMX. Leaders usually develop high-quality relationships with a small number of subordinates, who function as assistants or advisors to the leaders and are defined in LMX theory as the 'in-group' staff members (Graen, 1976). The in-group members usually receive more responsibility, opportunities, special attention and preferential treatment from their leaders than do the 'out-group' members. By comparison, the out-group staff members maintain only low-quality relationships with their leaders and receive the standard benefits that are defined in the job description or the contract; in addition, they usually operate strictly within their prescribed organisational roles (Northouse, 2010). As a result, the out-group members have less favourable business relationships

with their leaders than do the others and they are normally perceived by their leaders as being less trustworthy than their in-group colleagues.

The division of the team into in-group and out-group members can be explained by the two-stage attribution model developed by Green and Mitchell (1979). The attribution model describes the reaction of a leader to poor performance over a two-stage process: determination of the cause of the problem and the response to correct it. When poor performance is detected, a manager attributes the major cause to be either 'subordinate related', such as incapability and lack of effort, or external forces that are out of the subordinate's control, such as insufficient information and resources. The determination of the cause influences the second stage of attribution. If a subordinate is perceived as incapable, the manager is likely to provide closer supervision and coaching, set easier goals or assign an easier job to that subordinate. Unfortunately, many managers are more likely to make internal attributions, rather than external ones, regarding poor performance and this indicates a bias towards blaming subordinates rather than attributing causes to external factors (Martinko & Gardner, 1987). These biases can result in the manager's use of punitive actions, which are resented by all subordinates; this has a further negative effect on the quality of the LMX relationship.

Although the concept of LMX was developed in the United States, a substantial body of work has been conducted in non-Western cultures. Liden and Maslyn (1998) pointed out the significance of cross-cultural research regarding LMX and claimed that findings can vary considerably across cultures. Anand, Hu, Liden and Vidyarthi (2011) compared the findings from Western and non-Western cultures and suggested that the dynamics of LMX operate differently in non-Western cultures. Waismel-Manor, Tziner, Berger and Dikstein (2010) compared the effects of LMX on OCB between Ashkenazi Jews and Mizrahi Jews in Israel and discovered a stronger effect of LMX on OCB among one group. Loi and Ngo (2009) discovered an insignificant correlation between LMX and OCB in China. Mehta (2009) argued that LMX did not affect employees' turnover intentions in India. Although a small amount of research in Western cultures has contributed to the inconsistency of LMX findings, Rockstuhl et al. (2012) believed that the underlying mechanisms of LMX functioned differently across cultures and that this

variation in construct meaning across cultures could lead to attenuated relationships between LMX and work outcomes.

Rockstuhl et al. (2012) conducted a meta-analysis on LMX across 23 countries. Their findings showed that the correlations between LMX and work outcomes were consistently stronger among Western cultures, which feature horizontal-individualistic contexts, than in Asian cultures, which are characterised by vertical-collectivistic contexts. Rockstuhl et al. (2012) argued that, although LMX could be applied to various cultures, its effect on work performance varied from context to context and in additional, it was influenced by collective interests and role-based obligations. According to Rockstuhl et al. (2012), guanxi could be a very important predictor of LMX in Chinese culture, since vertical-collectivistic cultures were characterised by unique political, historical and cultural perspectives where additional dimensions were needed to complement the meaning of LMX. However, from the perspective of social cognitive learning theory, when investigating a Western concept in a non-Western culture, both indigenous and imported factors should be considered in order to understand the synthesised patterns of human behaviour (Bandura, 1986). Subsequently, the 'guanxi' between a leader and a member, which denotes the Chinese concept of the leader–member relationship, should be analysed as well.

2.4.2 LMG

Guanxi is a sophisticated phenomenon that is deeply rooted in the core of Confucianism. The complexity of the Chinese language means that the definition of guanxi has challenged researchers in guanxi studies and many researchers have adopted the term untranslated. Guanxi is defined as relation or relationship (Bian, 1997) to facilitate exchanges of favour between people (Hwang, 1987) or between two or more entities (Chen, Chen, & Huang, 2013). However, Hui and Graen (1997) argued that guanxi denotes the relationship between only two people, not between three or more entities, which should then be recognised as interpersonal relationships. As pointed out by Tsui and Gutek (1999), there is no clear boundary for the meaning of guanxi in the Chinese language and the concept simply covers two core meanings: connections and relationships. Jacobs (1979) defined guanxi as connectedness or particularistic ties. Redding, Norman and Schlander (1994) studied guanxi as a network

of reciprocal bonds. Alston (1989) insisted that guanxi is a type of societal relationship that people form with each other in order to exchange favours. Some scholars in the West have expanded the meaning of guanxi and studied 'the use of guanxi' or 'the process of guanxi'. Cunningham (1995) discussed guanxi as an intensive use of a network, such as trusted relatives and associates. Davies, Leung, Luk and Wong (1995) suggested that guanxi denoted the social interactions in a network where the members knew each other. In this thesis, guanxi is used as a noun and defined as "a dyadic, particular and sentimental tie that has the potential of facilitating favour exchanges between the parties connected by the tie" (Bian, 2006, p. 312).

The guanxi between a leader and a member is based mainly on the locality of the workplace and is a reciprocal exchange for a specific purpose (Fan, 2002). As pointed out by Law, Wong, Wang and Wang (2000), guanxi is a very important factor contributing to the effectiveness of staff management in addition to power distance and individualism. In this study, the guanxi between a leader and his or her members is identified as LMG and refers to the non-work-related personal relationship between a leader and each of the members in the same group. LMG can be developed through family or social networks, after-work social activities, the exchange of favours or gifts and so on: all characterised by personal-life inclusion (Bian, 1997; Chen, et al., 2014).

Explained with the theory of planned behaviour, Ren and Chen (2018) identified three antecedents of LMG that motivate employees to engage in building guanxi with their leaders: guanxi orientation, individual perception of group-level guanxi and leader–member fit perception. By using motivation theories and comparisons between LMX and LMG, Zhang, Deng, Zhang and Hu (2016) identified four motives for employees to build LMG: career advancement, team concern, personal life and impression management (see Figure 2.1). According to Zhang, Li and Harris (2015), career advancement and team concern are work-related motives and the other two are personal motives.

Focus

Concern for career
e.g., concern for job
security, pay rise, job
promotion, etc.

self

Concern for personal life
e.g., concern for work-life
balance, personal life,
family issues, etc.

exchange ———————————— relationship — **Strategic orientation**

Concern for in-group
e.g., concern for
wellbeing of the
supervisor, team
performance,
organizational
development, etc.

other

Concern for social desirability
e.g., concern for impression
management, compliance with
the norms, etc.

Figure 2.1. Motives to build LMG from an employee's perspective (Zhang et al., 2015, p. 622)

Because of the commercial and political advantages of establishing guanxi in Chinese society, Western scholars have exhibited an extensive interest in the social bases of guanxi. There are different types of guanxi, such as family and non-family, socio-affective and instrumental, and informal and contractual (Bian, 1997). As one of the first scholars to study guanxi in China, Jacobs (1979) classified its bases into locality, kinship, co-worker, classmate, sworn brotherhood, surname, teacher-student, economic and public. In addition, Jacobs (1979) compared the levels of importance of these typologies and believed that some were more important than others, depending on communities and circumstances. Fan (2002) shortened the list of typologies to three categories: relationship by birth, relationship by nature and relationship acquired. Relationship by birth is largely predetermined through family, kinship and marriage. Relationship by nature covers locality, classmates, teachers-students, neighbours and workplaces. Relationship acquired includes acquaintances, intermediaries, friends and sworn brotherhoods. Although the typologies of guanxi bases are commonly shared and agreed among researchers, none of these necessarily or automatically create guanxi between parties. In addition, it is not impossible for two strangers to establish guanxi. Bian (1997) claimed that exchanging favours for guanxi is

a reciprocal obligation between people. People will lose face if they do not reciprocate and this signifies the intensity of guanxi through the moral and expressive dimensions emphasised in Confucian traditions (Hu, 1944).

In the early stages of LMG studies, researchers emphasised the particularistic ties between leaders and members. Farh, Tsui, Xin and Cheng (1998) explored the presence of guanxi in the leader–member dyad, assuming there were eight fundamental ties: former classmate, former colleague, former teacher, former boss or subordinate, former neighbour, same family name, same city of origin and being a relative. However, Chen, Friedman, Yu, Fang and Lu (2009) argued that, even where there were particularistic ties between leaders and members, the ties could not be used as measures to assess LMG quality directly, since LMG goes beyond the particularistic ties. Chen et al. (2009) explored family-like guanxi in the leader–member dyad and presented three key dimensions in LMG: affective attachment, personal-life inclusion and deference to supervisor.

2.4.3 Differences between LMX and LMG

There are some major differences between LMX and LMG. First, they are conceptually different, with LMX referring to work-related exchange relationships between leaders and members and LMG concerned only with non-work-related exchange relationships. The measure of LMX examines specifically the work-related relationships between leaders and members by asking questions regarding concepts such as, "My supervisor defends my work actions to a superior" or "I admire my supervisor's professional skills". In contrast, the measurement of LMG targets non-work-related exchange relationships in the dyad, such as personal-life inclusion and affective attachment. Reflecting the social basis of LMG, the measure of LMG contains questions about family, social network, after-work social activities and the exchange of favours between leaders and members, such as, "I am familiar with the family members of my supervisor and have personal contact with these members" or "If my supervisor has problems with his/her personal life, I will do my best to help him/her out".

The second difference exists in the ways that LMX and LMG are developed. As is suggested by the definitions, LMX is developed at the workplace during work hours

while LMG is developed outside the normal workplace during non-work hours (Song, Wu, Hao, Lu, Zhang, & Liu, 2017). The attribution model explains the development of LMX in a two-stage process (Green & Mitchell, 1979), while the establishment of LMG is often based on a typology of guanxi such as family, classmate or some sort of societal relationship.

The third difference stems from the theoretical foundation of the two concepts. LMX is founded upon the theory of social exchange, which describes the voluntary actions that one provides to another or a group, based on returns that are expected to be received (Blau, 1964). Social exchange entails a give-and-take relationship between individuals. In contrast, LMG is theorised from the perspective of a collectivistic culture, based on a unique set of Confucian ideologies and social identification processes such as hierarchy and rationalism (Farh et al., 1998). Unlike LMX, which is developed in a work environment, LMG is developed through family and social ties, shared geographical backgrounds or other similar traits (Chen et al., 2014). To a certain degree, LMG is also related to social exchange, theoretical but non-equivalent (Hui & Graen, 1997). Considering the components of the informal ties between leaders and members, Hwang (1987) argued that LMG promotes social exchange through both expressive and instrumental mechanisms. Guanxi works through the expressive mechanism since it is very stable and oriented to the long-term while being based on both leaders' and members' feelings of affection, attachment and loyalty. Guanxi also functions through the instrumental mechanism because good-quality LMG brings employees an alternative to formal institutional support (Xin & Pearce, 1996) and helps employees to achieve their career goals (Law et al., 2000).

The last difference between LMX and LMG is the currency of the exchange. Social exchange in workplaces often involves resources for exchange. The exchange currencies of LMX are normally work related, such as commitment, contributions and loyalty (Dienesch & Liden, 1986). In contrast, LMG results in more personal and private exchanges, such as sentiment and obligation, between leaders and members (Lin, 1998) and allows mutual access to each party's personal life. Where there is LMG of a high quality, an employee generally feels more obliged to their leader, especially in collectivistic cultures. Conversely, an employee earns higher levels of trust at work and

has more access to organisational resources when he or she maintains LMX of a high quality with their manager.

In summary, guanxi studies in the Chinese context are mostly conducted from the perspective of business-to-business relationships or business-to-government relations. Research on guanxi in workplaces is very limited and is lacking both systematic analysis and empirical evidence to provide further understanding of its functions. The next section discusses a few key outcome variables that have been examined in the LMX literature and that are critical to the Chinese hotel industry. Hypotheses are presented comparing the role of LMX to that of LMG so that a better understanding can be provided about their different functions in workplaces.

2.4.4 LMX/LMG and work outcomes

There has been an explosive growth in research attention and activity with regard to LMX, especially in the past decade, and it has become a well-established research subject (see Figure 2.2). Scholars have been trying different ways to integrate LMX with other constructs, theories and processes in organisational studies, such as attribution theory (Dasborough & Ashkanasy, 2002), social network perspectives (Sparrowe & Liden, 2005) and trust building (Brower, Schoorman, & Tan, 2000). Job-related variables are still of great interest to LMX researchers. Various scholars have reviewed the existing research on LMX and three major categories have been identified (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2011; Gerstner & Day, 1997; Ilies, Nahrgang, & Morgeson, 2007; Schriesheim, Castro, & Cogliser, 1999). Some LMX researchers have explored the antecedents that are critical for deciding on the quality of an LMX relationship in a dyad; for example, when a subordinate shares similar values, attitudes and background with the leader and is perceived as reliable and competent by the leader, a high-quality exchange relationship is mostly likely to be developed. Some LMX researchers have investigated the patterns of behaviour under different qualities of LMX relationship; for example, within a high-quality LMX relationship, in-group subordinates usually have communication with their leader that is more open, show more support for their leader and demonstrate more OCB. In contrast, out-group subordinates show less support for their leader, comply only with the job descriptions in the contract and demonstrate less OCB (Yukl, 2010). The majority of LMX studies in

the 1990s and 2000s have examined the relationship between LMX and other variables in the organisational context, such as job satisfaction, task performance and turnover intentions.
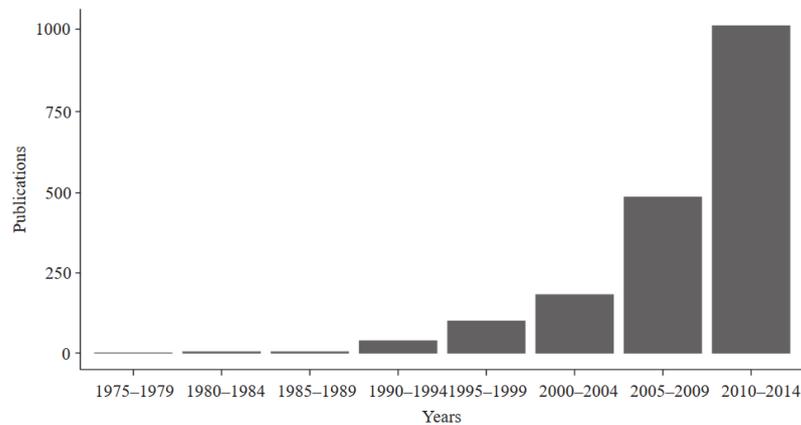
Figure 2.2. Frequency count of LMX articles from 1975 to 2014 (Bauer & Erdogan, 2016, p. 4)

The development of an LMX relationship is not a simple process that can be predicted easily. Apart from the two parties in the dyad (leaders and members), the interaction between the two and the environment of the group, as well as the organisation and the cultural context, all need to be considered before a conclusion can be drawn. Because of the complexity of building up LMX, it is impossible for leaders to have the same quality of LMX with each member in the group. Consequently, differentiated LMX develops over time and many empirical studies have examined the effect of LMX on individuals and work groups in organisations. The individual work outcomes in LMX studies can be summarised into three categories: work attitudes, work behaviour and career-related issues.

Work attitudes such as job satisfaction and organisational commitment have been studied by a large number of LMX scholars and the findings have been largely consistent. Martin, Guillaume, Thomas, Lee and Epitropaki (2015) claimed that nearly 40 per cent of LMX studies used either job satisfaction or organisational commitment as an outcome variable. The endorsement of a positive effect of LMX on job satisfaction has been very consistent in the literature (Aryee & Chen, 2006; van Breukelen, Schyns,

& Le Blanc, 2006; Cogliser, Schriesheim, Scandura, & Gardner, 2009; Epitropaki & Martin, 2005; Harris, Wheeler, & Kacmar, 2009; Liden, Wayne, & Sparrowe, 2000). In their meta-analysis, Gerstner and Day (1997) reported a significant correlation of .46 between LMX and job satisfaction. Similarly, Dulebohn et al. (2011) reported a positive correlation of .49 between LMX and job satisfaction. In addition, with the broad definition of job satisfaction, LMX has been proven to have a positive effect on employees' satisfaction with supervisors (Dulebohn et al., 2011; Graen, Novak & Sommerkamp, 1982) and with pay (Sparrowe, 1994; Stephina, Perrewe, Hassell, Harris, & Mayfield, 1991). Committed employees are more likely to exhibit OCB, creativity, innovation at work (Mathieu & Zajac, 1990), lower levels of turnover and absenteeism and better performance (Griffin & Bateman, 1986).

With its high predictive power regarding staff performance, organisational commitment has also been well studied in the LMX literature. As is the case for job satisfaction, higher LMX can lead to a higher level of organisational commitment (Duchon, Green, Taber, 1986; Green, Anderson, & Shivers, 1996; Kinicki & Vecchio, 1994; Wayne et al., 2009). Gerstner and Day (1997) conducted a meta-analysis of LMX studies and reported a correlation of .35 between LMX and organisational commitment. A more recent meta-analysis from Dulebohn et al. (2011) indicated a correlation of .47 between LMX and organisational commitment.

As explained by Fishbein and Ajzen (1975), in the field of social psychology, behaviour is the consequence of attitude. Many LMX scholars have adopted job performance as an outcome variable for assessing the degree to which a staff member meets the expectations and requirements of the role (Campbell, McCloy, Oppler, & Sager, 1993). The concept of job performance has evolved significantly during recent decades. Rotundo and Sackett (2002) presented a three-component model of performance that includes task, citizenship and counterproductive performance. Based on the theory of social exchange and reciprocity, it is logical to assume that high-quality LMX can lead to good task performance. Dansereau, Graen and Haga (1975) and Liden and Graen (1980) demonstrated that LMX was positively related to supervisor-rated performance. Graen et al. (1982) discovered a positive relationship between LMX and objective task performance, which was measured and recorded using data from weekly output

records in a field experiment. Vecchio and Gobdel (1984) claimed that LMX positively affects both subjective and objective task performance. The two meta-analyses from Gerstner and Day (1997) and Dulebohn et al. (2011) sustained the notion of a positive effect of LMX on both subjective and objective task performance.

Meta-analysis in recent years has confirmed the consistency of findings between LMX and employees' citizenship behaviour (Dulebohn et al., 2011; Ilies, et al., 2007). Wayne and Green (1993) concluded that the positive relationship between LMX and altruism was one dimension in OCB. Basu and Green (1995) noted that LMX was related to employees' OCB at both the individual and organisational levels. Bettencourt (2004) proved that the quality of LMX enhanced employees' change-oriented citizenship behaviour. Although findings in the past have been very consistent regarding the effect of LMX on job performance, Martin et al. (2015) argued that more studies should be conducted to examine employees' counterproductive performances. Tepper, Uhl-Bien, Kohut, Rogelberg, Lockhart and Ensley (2006) examined the effect of LMX on employees' resistance behaviour and discovered that a dysfunctional model could be applied to lower-quality LMX employees and a multifunctional perspective could be used to justify the resistance behaviour of high-quality LMX employees.

There has been increasing interest among LMX and social psychological scholars in the study of the influence of LMX on employees' well-being. Atwater and Carmeli (2009) found that LMX influenced employees' feelings of energy positively. Graves and Luciano (2013) indicated that high LMX enhanced employees' feelings of competence and autonomy, which, in turn, affected their subjective vitality. In a longitudinal study conducted by Bakker and Bal (2010), LMX affected employees' work engagement positively and work engagement strengthened employees' work performances. Xanthopoulou, Bakker, Demerouti and Schaufeli (2009) discovered a positive association between LMX and employees' work engagement and positive emotions. In addition, LMX can lead to negative effects on employees' well-being, such as burnout and stress. Thomas and Lankau (2009) collected data from hospital employees in the United States and argued that LMX had a negative effect on employee burnout. Using a sample of call-centre employees, Huang, Chan, Lam and Nan (2010) made similar findings and claimed that LMX negatively associated with staff burnout. Harris and

Kacmar (2006) suggested that extremely high LMX might lead to a higher level of stress among employees because of their strong feelings of obligation to meet their leaders' expectations. Other career-related work outcomes that have been examined in the LMX literature include creativity (Basu & Green, 1997; Liao, Liu, & Loi, 2010; Martinaityte & Sacramento, 2012; Tierney, 2008; Volmer, Spurk, & Niessen, 2012), innovation climate perceptions (Scott & Bruce, 1994), employees' mastery orientation (Janssen & Van Yperen, 2004), career success (Wayne, Liden, Kraimer, & Graf, 1999) and career mentoring (Byrne, Dik, & Chiaburu, 2008; Scandura & Schriesheim, 1994). In addition, turnover has been included as an important work outcome but the findings have been inconsistent (Bauer, Erdogan, Liden, & Wayne, 2006; DeConinck, 2009; Dulebohn et al, 2011; Gerstner & Day, 1997; Harris et al., 2009; Nishii & Mayer, 2009; Sherman, Kennedy, Woodard, & McComb, 2012).

In contrast, since LMG is closely related to Confucian cultures, only a small number of empirical studies have appeared in the LMG literature. Although more attention has been given to understanding the phenomenon of guanxi in the Chinese cultural context, most of the studies on guanxi have been limited to marketing and negotiations from the perspectives of business and government. Chen et al. (2013) reviewed 180 studies published in the past two decades and categorised the research on guanxi into three streams: the individual level, the organisational level and the social and moral dilemmas of guanxi. The individual-level studies focused on the domains of guanxi studies, such as the measurement, the antecedents and the outcomes of guanxi. The organisational-level studies investigated firm-to-firm and firm-to-government guanxi practices and the ways they affected firm performances or other relevant financial outcomes. The social and moral dilemma of guanxi was mainly concerned with the tension between traditional and modern ethics and has been the most recent and emerging stream of guanxi studies.

Unlike the rich literature in the LMX framework, LMG is still under-researched. A small number of empirical studies conducted in Chinese workplaces have implied the important role of LMG in both individual and organisational outcomes. Chen and Tjosvold (2006) suggested that building personal guanxi between leaders and members was a foundation for effective leadership and both LMX and LMG positively

affected employees' job assignments and promotions through encouraging constructive controversy. Weng (2014) discovered the mediating role of LMG between ethical leadership and employees' in-role and extra-role performances. Zhang et al. (2015) claimed that both LMG and LMX mediated the effect of proactive personality on affiliative OCB. Zhang and Deng (2016) discovered the correlation between poor LMG and counterproductive work behaviour, with job satisfaction as a mediator. Ren and Chadee (2017) found an inverted U-shaped relationship between LMG and employee self-development; this implied that too much guanxi was not necessarily good for employees' self-development. Wu, Liu and Shang (2018) claimed that the 'social loafing tendency' mediated the relationship between LMG and customer service performance in the Chinese hospitality industry.

Song et al. (2017) concluded that there were positive effects of LMG on employees' voice behaviour through psychological meaningfulness and psychological safety. Cheung, Wu, Chan and Wong (2009) found a correlation between positive LMG and employee job satisfaction, participatory management and organisational commitment. Davidson, Van Dyne and Lin (2017) demonstrated that the dimension of affective attachment in LMG facilitated employees' upward constructive voice when the job control was low in organisations. Mejia, Wang and Zhao (2018) examined the effect of LMG on job satisfaction, organisational commitment and turnover intention in the Chinese hotel industry but no significant correlations were concluded. Li et al. (2018) found a partial moderating effect of LMG between perceived organisational support and pre-quitting behaviour. They advised hoteliers to make better use of LMG, especially among younger generations, to prevent employee turnover in the Chinese hotel industry.

In summary, although LMX and LMG denote different concepts and function in different ways, they are both important indicators of staff performance and the effectiveness of leadership. Considering the staffing issues in the Chinese hotel industry discussed at the beginning of this chapter, employees' work engagement, task performance and OCB have been selected to present employees' affective-cognitive states of mind, in-role behaviour and extra-role behaviour, respectively. Based on the theoretical foundations of LMX and LMG discussed earlier, the next section of the thesis presents justifications

for some hypotheses regarding the relationships between LMX, LMG and work outcomes.

2.4.5 Hypothesis development

After reviewing the characteristics of the hotel industry and staffing issues in China, three outcome variables were selected for hypothesis development: work engagement, task performance and OCB. Work engagement was selected to measure an employee's affective-cognitive state of mind at work and as a subjective aspect of well-being. In the hotel industry, a positive state of mind is crucial for providing quality service and often outweighs work attitudes, such as organisational commitment or job satisfaction (Epitropaki & Martin, 2015). Anxiety, depression and work-related stress have attracted increasing attention from scholars from different disciplines all over the world (Bakker & Bal, 2010). To identify these psychological issues at work, work engagement was selected as the first outcome variable for this project. Since work engagement represents an employee's subjective well-being, this variable was designed as an employee-rated variable.

In addition, task performance and OCB were included in the conceptual model to represent two dimensions in job performance. "Job performance is the most widely studied criterion variable in the organizational behaviour and human resource management literatures" (Bommer, Johnson, Rich, Podsakoff, & MacKenzie, 1995, p. 587). Owing to the lack of appropriate qualifications and staff training in the hotel industry (CNTA, 2015; Kong & Baum, 2006), job performance has risen over all other work outcomes to become the most critical issue in the Chinese hotel industry. Task performance and OCB were chosen to measure the in-role and extra-role behaviour of employees.

2.4.5.1 LMX/LMG → Work engagement

Work engagement has been investigated by a number of social-psychological scholars and in LMX literature, it is closely linked to employees' well-being. A small number of studies have provided empirical evidence and concluded that having a consistent relationship between positive LMX and work engagement offers a solution for strengthening employees' work performances and increasing employees' positive

emotions (Bakker & Bal, 2010; Xanthopoulou et al., 2009). Included with an affective-cognitive state of mind, work engagement has been studied as a mediator that intervenes in the LMX–performance link. Agarwal, Datta, Blake-Beard and Bhargava (2012) used work engagement as a mediator between LMX and innovative work behaviour and turnover intentions. Bakker and Bal (2010) studied the mediating effect of work engagement between LMX and work performance. Li et al. (2012) discovered the mediating role of work engagement between LMX and human resource management consistency and job performance in luxury hotels in China.

The direct relationship between LMX and work engagement can be explained through conservation of resources (COR) theory (Hobfoll, 1989), job demands-resources (JD-R) theory (Demerouti, Bakker, Nachreiner, & Schaufeli, 2001) and social exchange theory (Blau, 1964). COR theory was originally proposed by Hobfoll (1989) as a stress model in contemporary psychology, assuming stress as a loss of resources in the workplace. COR suggests that, "individuals are motivated to gain resources. This motivation drives people to invest resources in order to enrich their resource pool. This serves both to shelter them from future losses and contributes to enhanced status, love, possessions, or self-esteem, depending on individuals' goals and the direction of their investment" (Hobfoll, 1989, p. 520). Since LMX theory bestows in-group members with more power and resources and out-group members with insufficient information and resources, theoretically, employees should be more engaged in their job when they have high-quality LMX, which indicates they have more power and resources to use.

The JD-R model (Demerouti et al., 2001) explains the way burnout (the opposite to work engagement) develops in employees. In the second process of the JD-R model, "a lack of resources complicates the meeting of job demands, which further leads to withdrawal behavior. The long-term consequence of this withdrawal is disengagement from work" (Demerouti et al., 2001, p. 502). When LMX is low, indicating a lack of resources, an employee is likely to be less engaged at work. From a social exchange perspective, high-quality LMX facilitates the exchange between leaders and members to a much higher level in resources and power and thus, employees are more motivated and become more engaged in their work. Conversely, employees with low-quality LMX with their manager are more likely to be disengaged and unmotivated at

work. Based on the findings from the literature and the COR, JD-R and social exchange theories discussed above, a high LMX can be associated with a high level of work engagement. Therefore, Hypothesis 1a was proposed:

Hypothesis 1a: LMX affects work engagement positively. When LMX is high, employees show high levels of work engagement; when LMX is low, employees show low levels of work engagement.

Unfortunately, no studies have been conducted regarding the link between LMG and work engagement. However, as the exchange of favour in guanxi studies is very similar to social exchange theory (but with different resources to exchange), that can be used to support the hypothesised relationship between LMG and work engagement. In LMX theory, leaders and members exchange similar types of resources such as commitment, contributions or other organisational resources (Blau, 1964; Dienesch, & Liden, 1986), while in LMG theory, leaders and members exchange more personal and private resources such as sentiment and obligation (Lin, 1998). The exchange of favour in Chinese culture implies that employees with high LMG should return the favour back to the leader by showing more gratitude and motivation at work. It is then logical to hypothesise that high-quality LMG must be returned with a high level of sentiment and obligation from employees. Work engagement is composed of three dimensions: vigour, dedication and absorption; these are closely related to the employee's sentiment and obligation to work. Therefore, a high LMG should be returned by employees with a high level of work engagement. Therefore, Hypothesis 1b was proposed:

Hypothesis 1b: LMG affects work engagement positively. When LMG is high, employees show high levels of work engagement; when LMG is low, employees show low levels of work engagement.

LMX and LMG have rarely been compared as parallel concepts in the extant literature. Although Song et al. (2017) conducted an individual-level study using both LMX and LMG, no comparisons were made between their effects on employees' psychological states. While Chen et al. (2014) investigated both LMX and LMG and their effects on

employees' work outcomes, no comparisons were made between the two concepts. However, their results showed a slightly different strength of LMX and LMG in the framework: LMG had a greater effect on employee job satisfaction ($r = .63$) than LMX ($r = .54$) but a smaller effect on turnover intentions ($r = -.22$) than LMX ($r = -.35$) (Chen et al., 2014, p. 619). Zhang, Lam and Deng (2017) argued that leaders represent more of the organisation in LMX relationship and more of themselves in LMG. Davidson, Van Dyne and Lin (2017) explored LMX and LMG from a dimensional perspective but some of their test results were insignificant; thus, no comparisons could be made.

Since LMX and LMG are different in both their theoretical foundations and the currency of the exchange, their effect on work engagement must also be different. LMX theory is based on social exchange theory, which identifies the voluntary exchange between parties to maintain relationships (Blau, 1964). Dienesch and Liden (1986) discussed the notion that loyalty and commitment are the main basis of the exchange process. In contrast, guanxi originated from the doctrines of Confucius and the exchange of favour has been a social norm in China for thousands of years. Unlike LMX, which is developed in workplaces, guanxi is developed through family and social bonds or other similar traits. LMX normally involves the exchange of similar types of resources, while LMG results in exchanges that are more personal, such as sentiment and obligation.

LMG is characterised by Confucian ideologies and prevails in collectivistic cultures, while LMX assumes the give-and-take equity between people that is based on individualism. LMX implies an equivalent give-and-take exchange but LMG suggests that one should take less but give more. Favours must be returned in Confucian cultures and bigger favours are expected in return, reflecting the old Chinese saying that "the favour of a drop of water must be rewarded with the gratitude of a fountain of water". This attitude was also recorded in one of oldest collections of poems in Chinese history, *The Book of Songs* (11th–7th century B.C.): "Give me a melon, I'll repay you with jade". According to this line of reasoning, the positive correlation between LMG and work engagement should be stronger than the correlation between LMX and work engagement. Hence, LMG should have a stronger impact on work engagement than that of LMX.

Hypothesis 1c: In comparison to LMX, LMG has a larger effect on employees' work engagement. The correlation coefficient between LMG and work engagement is higher than the correlation coefficient between LMX and work engagement.

2.4.5.2 LMX/LMG → Task performance

The effect of positive LMX on an employee's task performance has been quite consistently reported in the LMX literature. The first study comparing LMX and task performance was from Dansereau et al. (1975), who discovered the positive relationship between LMX and supervisor-appraised performance. However, some scholars claimed that supervisor-appraised performance was subjective performance; thus, other operationalisations of performance should be considered as well (Dienesch & Liden, 1986). Graen et al. (1982) conducted a longitudinal study and claimed that LMX affected objective performance positively. Vecchio and Gobdel (1984) measured both subjective and objective performance and once again, concluded a positive link between LMX and task performance. The meta-analysis from Dulebohn et al. (2011) concluded an overall correlation coefficient of .30 between LMX and job performance.

Most of the studies in the literature explained the direct effect of LMX on task performance through social exchange theory. Social exchange theory suggests that the behaviour of one person can lead to the expectation that the other person will reciprocate with the amount of exchange that is perceived as equitable (Blau, 1964). In this line of reasoning, favourable treatment from the leader can lead to the employee's feelings of obligation to pay back by working hard, which is one means of reciprocation. In addition, high-quality LMX can increase the employees' feelings of affect towards the leader, which can motivate the employee to work harder to meet the leader's demands; conversely, unfavourable treatment from the leader can lead to the employee's feeling of being disliked and lack of motivation to work hard. Based on the findings from the literature and the theoretical support from social exchange theory, a high-quality LMX should be associated with a high-level performance from employees. Therefore, Hypothesis 2a was proposed:

Hypothesis 2a: LMX affects task performance positively. When LMX is high, employees show high levels of task performance; when LMX is low, employees show low levels of task performance.

A great deal of research on a link between guanxi and performance has focused on business guanxi and organisational performance (Luo, Huang, & Wang, 2012). Only a small number of studies have explored the effect of LMG on employees' work performance. Ouyang (2011) sampled employees from financial services organisations in Taiwan and concluded that employer–employee guanxi had a positive effect on subjective job performance as rated by employees ($r = .47$). Chen, Eberly, Chiang, Farh and Cheng (2014) discovered a positive relationship between paternalistic leadership and employees' in-role performance ($r = .23$). Law et al. (2000) used employees' performance rated by supervisors as a mediating variable between LMG and job assignment but failed to find any significant effect of LMG on performance ratings.

To be consistent with the extant studies in the LMG literature, social exchange theory was adopted for this study to provide the overarching framework for the effect of LMG on task performance. As one way of reciprocity between leaders and members, high-quality LMG can encourage positive sentiment and obligations from the employees, which can lead to their demonstration of a high level of task performance.

Hypothesis 2b: LMG affects task performance positively. When LMG is high, employees show high levels of task performance; when LMG is low, employees show low levels of task performance.

From the perspective of social exchange theory, both LMX and LMG should affect employees' task performance positively but the strength should be different because of the value or the amount of the exchange. LMX would lead to an equitable exchange of resources between leaders and members, while LMG suggests that a bigger favour should be returned to the leader as a token of appreciation or gratitude for the high-quality LMG. In Chinese society, it is generally accepted that people should return any favour with a bigger favour. Since personal favour must be returned at a higher scale but work-related exchange is often equivalent, the correlation between LMG and task

performance should be stronger than the correlation between LMX and task performance. Therefore, Hypothesis 2c was proposed:

Hypothesis 2c: In comparison to LMX, LMG has a larger effect on employees' task performance. The correlation coefficient between LMG and task performance is higher than the correlation coefficient between LMX and task performance.

2.4.5.3 LMX/LMG → OCB

With an increasing interest among LMX researchers to investigate the LMX–OCB link, a number of empirical studies have been conducted in the last two decades and have concluded a consistently positive relationship between LMX and OCB (Basu & Green, 1995; Dulebohn et al, 2011; Ilies et al., 2007; Kraimer, Wayne, & Jaworski, 2001; Wang et al., 2017; Wayne & Green, 1993). However, the strength of the effect has been found to differ from case to case. Tekleab and Taylor (2003) concluded that there was a strong correlation between LMX and OCB (r = .52), while Wayne, Shore, Bommer and Tetrick (2002) found only a weak relationship (r = .20). In the meta-analysis by Ilies et al. (2007, p. 269) with 50 independent samples, the overall relationship between LMX and OCB was moderately strong and positive (r = .37).

The foundation of the LMX–OCB link lies in social exchange theory (Hackett & Lapierre, 2004; Ilies et al., 2007). Since high-quality LMX is characterised by high levels of trust, support and interaction (Dienesch & Liden, 1986), the exchange between leaders and members often involves resources that extend beyond what is specified in the formal job description (Hackett & Lapierre, 2004; Ilies et al., 2007; Liden & Graen, 1980). Thus, from a social exchange perspective, "subordinates may engage in OCB and perform at a high level to reciprocate for rewards and support provided by the supervisor, thus maintaining a balanced or equitable social exchange with the supervisor" (Wayne et al., 2002, p. 593). Conversely, low-quality LMX can lead to the employees to feel disliked and thus, they are reluctant to demonstrate OCB, especially as it is not written in the contract. Consistent with the extant findings in the LMX literature and theoretical support from social exchange theory, the relationship between LMX and OCB should be positive. Therefore, Hypothesis 3a was proposed:

Hypothesis 3a: LMX has a positive effect on OCB. When LMX is high, employees show high levels of OCB; when LMX is low, employees show low levels of OCB.

Although few empirical studies have been conducted to examine the LMG–OCB link, the extant findings on this topic have been very consistent. In the study conducted by Ouyang (2011), LMG had a positive effect on employees' demonstration of OCB ($r = .54$). Chen et al. (2014) also found a positive correlation between paternalistic leadership and employees' OCB ($r = .24$) and a positive effect of LMG on employees' helping behaviour ($r = .27$). Rhee, Zhao, Jun, & Kim (2017) found a positive correlation between guanxi perception and Chinese OCB ($r = .53$), which is a cultural-specific OCB construct. While Wu et al. (2018) detected a positive association between LMG and co-worker service-oriented OCB ($r = .09$) in the Chinese hospitality industry, the association was not statistically significant.

Overall, social exchange theory has been adopted by most of the LMG studies to support the LMG–OCB link. Since Blau (1964) argued that people not only exchange personal physical interests but also psychological support in the social exchange process, employees with high-quality LMG will demonstrate extra-role behaviour or OCB, which provides open-ended and psychological support to the leader (Luo, Cheng, & Zhang, 2016). Conversely, because employees with low LMG are often excluded from favour-exchange networks (Luo et al., 2016), little demonstration of OCB is expected from them. This generated Hypothesis 3b:

Hypothesis 3b. LMG has a positive effect on OCB. When LMG is high, employees show high levels of OCB; when LMG is low, employees show low levels of OCB.

Zhang et al. (2015) provided empirical evidence that LMG was stronger than LMX in the correlation with OCB. As with the observations made in the previous discussion regarding H2c, the degree of the effect of LMX on OCB should be different from that of LMG on OCB. As noted earlier, social exchange theory implies an equivalent exchange between leaders and members, while the return of favour suggests a higher level of return for the favour. As a result, the correlation between LMG and OCB should be

higher than the correlation between LMX and OCB. Hence, Hypothesis 3c was proposed:

Hypothesis 3c: In comparison to LMX, LMG has a larger effect on employees' exhibition of OCB. The correlation coefficient between LMG and OCB is higher than the correlation coefficient between LMX and OCB.

Although LMX theory has received continued attention in the past decades, there is now a growing interest in exploring how the differentiation of LMX or LMG affects followers' work outcomes, especially in a work group environment. While some leaders may prefer having high LMX/LMG with a small group of members, some leaders may tend to develop high LMX/LMG with every member in the group. Chinese culture features high levels of collectivism and power distance (Hofstede, 2001); consequently, some leaders may prefer to maintain low-quality LMX/LMG with everyone in the team in order to preserve the power distance (Day & Miscenko, 2015). Since members from the same work group are often aware of differentiated treatment from the leader (Duchon et al., 1986), the differentiated LMX/LMG may well have a significant effect on members' work performance. To demonstrate an integrated framework of LMX and LMG and present further understanding of leader–member relationships from different angles, two group-level variables, LMXD and LMGD were adopted for this study. The next section begins by explaining the concepts of LMXD and LMGD and then summarises the existing findings in the literature. The theoretical foundations are then discussed and some hypotheses are presented regarding LMXD, LMGD and the outcome variables considered above.

2.5 LMXD and LMGD

A leader may develop different types of LMX with different subordinates (Bauer & Green, 1996). This differentiation of LMX lies at the centre of LMX theory and both leaders and members are very aware of it (Anand, Vidyarthi, & Park, 2015). Because of the differentiated relationships between the leader and the members, leaders are more likely to assign challenging tasks to those in-group members with higher expectations, while tending to assign mundane tasks to out-group members with low expectations. To a degree, the differentiated LMX may improve the efficiency of

leadership (Graen & Uhl-Bien, 1995). As suggested by Erdogan and Bauer (2010), instead of maintaining a high-quality LMX with each subordinate, leaders can use their limited time and resources more effectively by accepting the existence of LMXD and making the best use of it to achieve higher group performance. Based on the particularistic ties and personal bias, the quality of LMG between leaders and members often varies as well. To a degree, differentiated LMG can be even more valuable as a subject of study, especially in Confucian cultures. This section explores and summarises the extant studies in the field of LMXD and LMGD and presents multilevel hypotheses between LMXD/LMGD and the three work outcomes: work engagement, task performance and OCB.

2.5.1 LMXD and work outcomes

The existence of LMXD lies in the core assumption of LMX theory that leaders may develop different exchange relationships with individual members in the same work group (Liden & Graen, 1980). According to Henderson et al. (2009), LMXD is "a process by which a leader, through engaging in differing types of exchange patterns with subordinates, forms different quality exchange relationships (ranging from low to high) with them" (p. 519). The development of the concept of LMXD can be traced back to 1995, when Sias and Jablin operated a qualitative study on LMXD and the perception of fairness. According to Anand et al. (2015), 31 empirical and conceptual studies with an explicit focus on LMXD have been conducted from 1995 to 2014. Owing to the lack of empirical studies, the understanding of how the LMXD framework functions in workplaces is very limited.

The antecedents of LMXD have seldom been identified in the literature. Ma and Qu (2010) explored the antecedents of LMXD from a value perspective and argued that universalism and particularism should be incorporated into LMXD studies. They found that leaders' universalistic values prevented leaders from developing LMXD with their members because there was a broad set of rules and policies behind these values. Therefore, universalistic values were likely to account for the similar decisions, judgements and behaviour of the leaders, which, in turn, minimised LMXD; and conversely, it was the particularistic values of the leaders that resulted in increased

LMXD. Anand et al. (2015) argued that LMXD was affected by leaders' personal values and differential treatment on socio-emotional issues.

Based on the extant findings, the effect of LMXD on work outcomes can be summarised into three categories: individual level, group level and multilevel. At the individual level, LMXD has been mostly used as a moderator in the LMX framework, rather than as an independent variable. Mayer (2004) demonstrated that after controlling for LMX, LMXD had both a direct and a joint effect on members' perceptions of interactional justice. Nishii and Mayer (2009) reported no correlation between LMXD and staff turnover but a partial moderating role of LMXD between demographic diversity and staff turnover. Ma and Qu (2010) argued that the quality of LMX boosted leaders' performance evaluations for the subordinates and these were moderated by LMXD. They suggested that, among the groups with high levels of LMXD, the objective performance ratings would be further differentiated. Harris et al. (2014) discovered a moderating role of LMXD between LMX and employees' OCB and turnover intentions. According to Harris et al. (2014), the effect of individual LMX was stronger on employees' OCB and turnover intentions when in-group LMXD was low. Gooty and Yammarino (2016) investigated the relationship between LMX and multisource performance ratings and used LMXD as a moderator.

At the group level, LMXD has attracted researchers to investigate how the entire group is affected, rather than individual work outcomes. Boies and Howell (2006) studied LMXD as a moderator and discovered the mean LMX in a team had a stronger effect on team potency and conflict when LMXD was high; the mean LMX was detrimental to team outcomes when LMXD was low. In a similar study, Ford and Seers (2006) implied that group-mean LMX associated positively with the within-group agreement on team climate, while LMXD correlated negatively with the within-group agreement on team climate. With the LMX multidimensional measure (LMX-MDM), Schyns (2006) discovered that LMXD in the contribution dimension was negatively related to employees' job satisfaction and commitment at the group level; LMXD in the loyalty dimension positively correlated with group goal fulfilment when the work value was high and the correlation was negative when the work value was low. Liden, Erdogan, Wayne and Sparrowe (2006) employed a contingency perspective and studied the

effect of LMXD on group performance but did not discover any significant findings. Chen, He and Weng (2018) identified employee task performance and OCB as two main bases of LMXD and argued that these two bases moderated the influence of LMXD on group outcomes such as intragroup relationship and group proactivity.

Researchers began to realise that the lack of multilevel studies has limited the power of LMX theory (House & Aditya, 1997). Beyond individual and group-level outcomes, some researchers have applied multilevel frameworks to examine the role of LMXD at different levels to provide a more integrated understanding of the way in which LMXD functions in organisations. However, given the complexity of multilevel research design, only a small number of studies have examined the direct effect of LMXD on employees' work outcomes. Since the existence of LMXD has broken the principles of equality and the consistency of justice theory, the differentiated LMX often leads to negative outcomes, such as reduced job satisfaction or decreased creativity of subgroups.

Through qualitative interviews, Sias and Jablin (1995) found that differentiated LMX was perceived as unfair by employees when there was no clear evidence of competence. Members in the group reduced communication with the favoured person and the group was split, which could lead to intragroup relational problems. Hooper and Martin (2008) discovered that LMXD created feelings of relational conflict among members, which reduced staff well-being and job satisfaction. Erdogan and Bauer (2010) claimed that LMXD led to negative work outcomes when justice was seen as being compromised. Liden et al. (2006) found that LMX partially moderated the relationship between LMXD and individual performance. Their findings showed that among the groups with high LMXD, individual members with low LMX were inclined to improve their performance to increase their LMX relationships with their supervisors but no change was detected among the members with high LMX. At the group level, LMXD improved group performance only when the members' tasks involved high levels of interdependence.

Erdogan and Bauer (2010) tested the effect of LMXD on staff attitudes and co-worker behaviour upon the level of the procedural and distributive justice climate in the work

group. According to their findings, LMXD was positively related to work outcomes when the distributive justice climate was good and a lack of justice would invoke a negative effect of LMXD on work outcomes. Liao et al. (2010) combined LMX and team–member exchange (TMX) and developed a cross-level contingent process model on staff creativity and self-efficacy. According to Liao et al. (2010), LMX had a positive effect on employees' self-efficacy and creativity when LMXD was low, while TMX had a positive effect on self-efficacy and creativity only when TMX differentiation was high. TMX provided a horizontal exchange perspective and LMX provided a vertical exchange perspective. The combination of the two explained further how LMXD worked in two opposite ways in workplaces.

Stewart and Johnson (2009) studied LMXD from the perspective of gender and argued that LMXD was more influential in diverse work groups. They suggested that gender diversity moderated the relationship between LMXD and team performance positively among those groups with high LMX means. However, in gender-homogeneous groups, LMXD did not correlate significantly to team performance. In 2011, Naidoo, Scherbaum, Goldstein and Graen conducted a longitudinal examination of the effect of LMX and LMXD on team performance. Considering the life cycle of a team's development, their findings showed that LMXD had a higher effect on team performance in later stages, rather than in early stages. However, their findings were quite limited since the teams investigated were very small, with some only containing two followers. Le Blanc and González-Romá (2012) adopted the contingency theory in their study and discovered that LMXD could enhance team commitment and team performance only when the group median of LMX was low.

LMXD is a critical issue for organisations because of its significant effect on both individual and group performance. However, some methodological and theoretical issues in LMXD studies still need to be solved. Harris et al. (2014) pointed out two major limitations that necessitate further investigation. One stems from the lack of multilevel analysis of LMXD, especially on individual-level outcomes, since most of the LMXD studies are limited to group-level results. The other lies in the theoretical foundations explaining the role of LMXD in multilevel frameworks. Some scholars have advocated for the positive effect of LMXD, supported by psychological contract theory

or emotion contagion theory (Anand et al., 2015). Others have implied the negative role of LMXD on both individual- and group-level outcomes, since the existence of differentiation has violated the principles of equality and consistency of justice (Scandura, 1999).

With regard to the measurement of LMXD, there has been no consensus on how it should be evaluated. A number of scholars used standard deviation in LMX across members in the same group (Ford & Seers, 2006; Gooty & Yammarino, 2016; Henderson, Wayne, Shore, Bommer, & Tetrick, 2008; Le Blanc & González-Romá, 2012; Ma & Qu, 2010; Nishii & Mayer, 2009; Schyns, 2006; Stewart & Johnson, 2009). A small number of studies adopted within-group LMX variance as LMXD (Harris et al., 2014; Liao et al., 2010; Liden et al., 2006; Naidoo et al., 2011). The concept of relative LMX (RLMX) was first discussed by Henderson et al. (2008), who calculated it using LMX minus the group mean. In addition, Epitropaki and Martin (2013) and Tse, Ashkanasy and Dasborough (2012) measured LMXD with RLMX. Harris et al. (2014) suggested that LMXD could be measured with LMX relational separation, which refers to the square root of the summed squared differences between one's LMX and others' LMX, divided by the total number of members in the same group. Based on the rWG index by James, Demaree and Wolf (1984), Boies and Howell (2006) developed the rWG values to measure LMXD. Hooper and Marin (2008) used a one-item measure to evaluate members' perceptions of LMXD. Vidyarthi, Liden, Anand, Erdogan and Ghosh (2010) integrated LMXD with social comparison theory and developed the LMX social comparison (LMXSC) of RLMX for employee work behaviour. Sias and Jablin (1995) conducted a qualitative research on LMXD through detailed interviews.

In the early stages of LMXD studies, Edwards (1994) had already suggested the methodological flaw with the statistical measure of RLMX. However, scholars have continued to measure RLMX using the difference between one's individual LMX and the group aggregate. With so many different measures defining the same concept, Kristof-Brown, Zimmerman and Johnson (2005) suggested that a measure should be developed that could assess employees' perceived differentiation, rather than having it calculated with statistical measures. Further, owing to the lack of clarity defining the concept of LMXD, scholars have pointed out the danger of using single-source data to

assess LMXD (Gooty, Serban, Thomas, Gavin, & Yammarino, 2012). Naidoo et al. (2011) suggested that leader ratings of LMX within the group should be considered as well, since the differentiation among followers is often created by the leader, based on various assessing criteria such as capability and personality.

The most popular methods used to evaluate LMXD, and those with the most empirical evidence, are the standard deviation in LMX across members in the same group and RLMX. Since RLMX denotes the relative distance of an employee-rated LMX from the mean score in the same group, RLMX can only be investigated as an individual level variable (Henderson et al., 2008). Since this study aims to present the LMX/LMG framework from both individual and group-levels, the standard deviation from each group is investigated as LMXD.

2.5.2 LMGD and work outcomes

Chen et al. (2014) defined LMGD as "the variance in LMG quality within a work group, which refers to the extent to which supervisors socialise and have personal connections with subordinates in the group" (p. 613). Different from the definition of LMXD, which is based on contributions and competence at work, LMGD refers to the different relationships between a leader and his or her members from the aspects of personal bias and particularistic ties (Chen et al., 2014). Since particularistic ties vary from being close, as family members, to simply having the same surname (Jacob, 1979), the guanxi between leaders and members is also different with or without these ties. Similar to the way in which employees understand the influence of LMXD in work groups, employees are well aware of any differentiated LMG in their work environments and are likely to compare themselves to other colleagues (Lam & Huang, 2012). According to Law et al. (2000), supervisors may make administrative decisions based on the quality of the guanxi with their employees. In the meantime, the employees may expect their supervisors to treat them differently, since "this differential treatment may be a significant factor contributing to their perception of justice and the behavioural consequences of this perception" (Law et al., 2000, p. 754).

Since LMG is limited to Confucian cultures, there have been only a small number of studies published in the field of LMGD. Weng (2014) sampled banking clerks in Taiwan

and examined the moderating role of LMGD between LMG and service performance and service-oriented OCB. With the six-item scale developed by Law et al. (2000), Weng (2014) discovered that LMGD played a full moderating role between LMG and service performance, as well as service-oriented OCB, of employees. The correlation between LMG and service performance/service-oriented OCB was stronger when LMGD was low and weaker when LMGD was high. Chen et al. (2014) sampled 228 employees from 12 organisations from the manufacturing, power-generation and service industries in China and discovered a negative correlation between LMGD and job satisfaction and a positive correlation between LMGD and staff turnover intention. Chen et al. (2014) used the 12-item measure with three dimensions developed by Chen et al. (2009) and concluded that LMGD also played a moderating role between LMG and the helping behaviour of co-workers. According to Chen et al. (2014), the relationship between LMG and co-worker helping behaviour was stronger in the work groups where LMGD was high.

Chen et al. (2015) analysed one specific dimension in LMG, personal-life inclusion (LMG-P), and examined the cross-level role of LMG-P differentiation between LMG-P and both individual and group performances. Chen et al. (2015) sampled 48 managers/supervisors who were part-time MBA students and 226 of their subordinates. Because of the nature of the student sample, no specific industry was targeted. According to their findings, LMG-P differentiation only partially moderated the influence of LMG-P on employees' job dedication and had no effect on interpersonal facilitation. LMG-P related positively to job dedication only when LMG-P differentiation was low. At the group level, LMG-P differentiation correlated negatively to group performance when managers had low horizontal collectivism orientation, which had an emphasis on equality. Unlike LMXD, which has been examined both as an independent variable and as a moderator in the LMX framework, all of the three studies mentioned above adopted LMGD as a moderator only between LMG and work outcomes; this has indicated a significant gap for LMG scholars to explore.

2.5.3 Hypothesis development

Although the findings of individual-level studies investigating LMX/LMG and employees' work outcomes have been quite consistent, a multilevel analysis on how

the differentiation in LMX and LMG affects individual outcomes can be more complex and harder to hypothesise. The theoretical foundation for the multilevel hypotheses goes beyond social exchange theory and incorporates more complex psychological processes, such as how justice is perceived or how this differentiation of LMX and LMG may influence different groups of people in their workplaces. Based on the existing findings and theoretical support from various sources, this section of the thesis presents hypothesis development regarding LMXD/LMGD and employees' work engagement, task performance and OCB.

2.5.3.1 LMXD/LMGD → Work engagement

In the LMXD literature, three main theoretical perspectives have been used by scholars to understand LMXD in an organisational environment: organisational justice theory, social comparison theory and relative deprivation theory. The theory of organisational justice originates from social justice theory, which claims that people seek to maintain proportionality between inputs and outcomes in comparison to others but with a focus on explaining the role of fairness in organisations (Colquitt, Conlon, Wesson, Porter, & Ng, 2001; Greenberg, 1990). Organisational justice refers to the fairness of employment-related issues as perceived by employees (Greenberg, 1990). The concept of LMXD follows the principles of organisational justice theory, which helps to explore the commensurate employees' work outcomes (Anand et al., 2015).

Initially proposed by social psychologist Leon Festinger in 1954, social comparison theory claims that all human beings are inclined to evaluate themselves by comparing their own opinions, abilities and possessions with those of others (Stapel & Blanton, 2007). People tend to choose similar others as comparators in order to assess and affirm their own abilities more accurately. For employees who work in the same group, comparisons between their peer workers are inevitable and often happen on a day-to-day basis (Greenberg, Ashton-James, & Ashkanasy, 2007). Social comparison theory underlies the motivation behind the LMXD concept, especially when there are no clear objective standards for job promotions. Through comparisons with one another, employees from the same group can understand their own abilities and skills, work performance and acceptance and respect from other group members (Goodman, 1977). According to the experimental findings from Festinger (1954), when a high level

of discrepancy is noticed in LMX or LMG through subjective comparisons, an employee is likely to be less attracted to these situations and to stop comparing him or herself with those who are very different from him or her. This, to a degree, can lead to unpleasant consequences, with hostility or derogation.

Relative deprivation theory assumes that people compare themselves to similar others for self-evaluation and explains how people's perceptions of discrepancy affect their responses to inequality (Crosby, 1976). When a person compares him or herself to another person and come to an unfavourable conclusion, an experience of individual-based relative deprivation is created (Runciman, 1966). Relative deprivation is often accompanied by anger and resentment, which can lead to negative individual and social outcomes (Smith, Pettigrew, Pippin, & Bialosiewicz, 2012). Relative deprivation happens over three stages: social comparison, cognitive assessment and attribution conclusion (Smith et al., 2012). In work groups in which an employee compares his or her own LMX with that of other members and comes to an unfavourable conclusion, perceptions of deprivation are then developed. When an unfavourable comparison is perceived, low-LMX employees are more likely to reason that the differentiation is unfair (Sias & Jablin, 1995; Vecchio, Griffeth, & Hom, 1986). As discussed by Martin (1981), this relative deprivation can result in stress and negative attitudes. When LMXD is high in a team environment, employees often perceive it as unfairness and are more likely to exhibit negative attitudes and unmotivated work behaviour. Conversely, when LMXD is low, the employees perceive the leader–member relationshipship as fair and are more like to have positive attitudes and motivated work behaviour.

Recent studies on LMXD have been focused on work attitudes and work performance. Only two LMXD studies have investigated the well-being of employees in a team environment and work engagement has never been linked to LMXD. Bolino and Turnley (2009) discussed the finding that LMXD resulted in employees' perceptions of relative deprivation, since LMXD denoted a deprivation of justice. Relative deprivation was often accompanied by negative reactions such as stress and poor work attitudes, depending on the employees' previous efforts and self-efficacy. Hooper and Martin (2008) investigated the effect of LMXD on employees' job-related well-being; two dimensions, anxiety-contentment and depression-enthusiasm, were considered. Their

findings indicated a negative association between LMXD and employees' well-being and this was mediated by team conflict.

An unequal distribution of resources in the group may lead to a high LMXD; thus, individuals may perceive unfairness in the work group. If the differentiation is not justified or if it is perceived to be unfair, the employees may respond by withholding their work efforts. In this case, when LMXD is high it is likely that employees will be less attracted to the group and will maintain a low level of engagement and a high level of intention to leave the group. Conversely, in a group in which LMXD is low, employees tend to be more engaged and intend to stay in the group. Organisational justice theory has suggested that an unfair work environment can reduce employees' good attitudes and lower their performance. When an unfavourable comparison is felt by an employee, a perception of deprivation is consequently developed and employees are more likely to reason that the differentiation is unfair (Sias & Jablin, 1995; Vecchio et al., 1986). As discussed by Martin (1981), this relative deprivation can result in stress and negative attitudes: low LMXD can lead to less stress and more positive attitudes among employees, while high LMXD can result in more stress and negative attitudes. Therefore, Hypothesis 4a was proposed:

Hypothesis 4a. LMXD has a negative effect on work engagement. When LMXD is high, employees show low levels of work engagement; when LMXD is low, employees show high levels of work engagement.

Owing to the limited amount of research in the LMGD literature, there has been no empirical evidence that LMGD has a cross-level effect on employees' work engagement. However, a small number of studies have investigated the moderating role of LMGD between LMG and employees' job dedication and organisational commitment. Chen et al. (2015) found evidence that the variance of LMG-P within a group partially moderated the relation between LMG-P and employees' job dedication. In their study, LMG-P referred to the dimension of personal-life inclusion in leader–member guanxi. Their findings indicated that the effect of LMG on job dedication was positive only when LMG-P differentiation was low. Chen et al. (2014) also discovered that LMGD partially moderated the positive relation between LMG and organisational commitment.

In Confucian ideology, the effectiveness of LMG is largely reliant on leader's virtues and subordinate's followership. According to *The Analects*, "A leader should lead with propriety and a follower should serve with loyalty 君使臣以礼，臣事君以忠" (The Analects, Chapter 3, Discourse 19). The second chapter in *The Analects* encompasses the principles to lead successfully around the concept of benevolence. According to Confucius, "a ruler who governs his state by virtue is like the north polar star, which remains in its place while all the other stars revolve around it 为政以德,譬如北辰,居其所而众星共之" (The Analects, Chapter 2, Discourse 1). When a leader integrates his virtues in the leadership, the people around him will show the highest levels of followership. However, when a high LMGD exists in a workgroup, employees may feel being less respected by the leader and perceive the leader as not leading with virtues nor propriety. In this case, according to Xunzi (BC316–BC237), another famous scholar of Confucianism, a follower does not need to follow when the leader does not lead with virtues, since a junzi should "follow doctrines instead of people 从道不从君" (Xunzi, Chapter 13, Paragraph 2). Confucianism notes that good leadership comes before good followership and a leader needs to lead with virtues first, so that followers can follow faithfully.

Some recent studies have noted the importance of moral leadership on employees' work performance in Chinese organisations. Cheng, Chou, Wu, Huang and Farh (2004) argued that moral leadership is highly important in Chinese organisations and that leaders should have superior personal virtues, such as unselfishness and self-discipline. According to Cheng et al. (2004), these virtues in leaders foster gratitude and the desire for reciprocation from subordinates. Li, Wu, Johnson and Wu (2012) concluded that moral leadership significantly affects all the four dimensions in employees' empowerment: meaning, competence, self-determination and effect. Although there has been no empirical evidence to support the association between LMGD and employees' work engagement, it is logical to assume the association to be negative, based on the extant findings and Confucian doctrines. Therefore, Hypothesis 4b was proposed:

Hypothesis 4b. LMGD has a negative effect on work engagement. When LMGD is high, employees show low levels of work engagement; when LMGD is low, employees show high levels of work engagement.

In the conceptual framework of this study, LMX is treated as an imported concept from the Western leadership literature, while guanxi is considered a phenomenon indigenous to Chinese culture. LMG originates from Confucianism, which exists as the most stable and meaningful tradition in the form of collective consciousness in China (Xia, 1997). To explore the way in which LMX is synthesised with LMG and the way these two patterns function in Chinese workplaces, a comparison needs to be made between the effects of LMXD on work outcomes and those of LMGD.

LMX has solid foundation in social exchange theory and employees' reactions to LMXD can be logically explained by social psychological theories with some empirical evidence. Social exchange theory assumes that the quality of the LMX relationship varies depending on the amount of exchange between leaders and members. Employees usually react to a high LMXD with negative feelings and poor performance from the perspectives of organisational justice, social comparison and relative deprivation. Conversely, the existence of LMG cannot be justified by any social theories but is believed to be part of Confucian traditions characterised by personal-life inclusion (Bian, 1997). It is very difficult to develop or maintain good-quality LMG, since it requires either close family bonds or social ties, which take a lot of time and effort to build (Cunningham, 1995). Owing to the significant influence of Confucianism in Chinese society, the ideology of guanxi is well understood by Chinese people and the power distance between leaders and members is well respected and taken for granted by employees (Xia, 1997). Confucianism requires people to put collective interests ahead of personal interests, since "benevolence emphasizes reciprocal but unequal obligations in a dyad" (Liu, Li & Yue, 2010, p. 588). Consequently, the hierarchy is respected in society as well as in workplaces and compliance from subordinates is often expected from the leader (Li & Sun, 2015; Choi & Pate, 2017).

Although employees may blame the leader for the lack of virtues and fairness when the LMGD is high in a group, their responses to a high LMGD will not be as radical as

their responses to a high LMXD. When a high LMGD exists in a workgroup, an unfavourable social comparison can be concluded but does not result in significant relative deprivation, owing to the respect for hierarchy and power distance. As discussed by Hung (2004), Chinese people "tend to adopt multiple standards of behaviour for interacting with different persons around them" (p. 268). In addition, employees' reactions to a high LMGD may be justified by organisational justice theory but most of the categories of guanxi cannot be changed, such as relationship by birth or by nature. Hence, employees would rather accept and respect LMGD as a social and cultural sediment than challenge the leader with negative work attitude and poor performance.

In line with the social ideology embedded in Confucianism, employees in Chinese workplaces should have a solid understanding of the exchange of favour and be more accepting of the variability of LMG between members in the same group. Consequently, the influence of LMGD on work outcomes should be smaller than that of LMXD among employees. Therefore, Hypothesis 4c was generated:

Hypothesis 4c. In comparison to LMXD, LMGD has a smaller effect on work engagement. The correlation between LMGD and work engagement is smaller than that between LMXD and work engagement.

2.5.3.2 LMXD/LMGD → Task performance
As an outcome variable, task performance has been examined by only a small number of LMX scholars and the association between LMXD and task performance has been inconsistent. Gooty and Yammarino (2016) concluded that there was no direct effect of LMXD on either supervisor-rated or employee-rated performance but that there was a negative moderation of LMXD between LMX and supervisor-rated performance. Liden et al. (2006) could find no evidence to support their hypothesis that LMXD directly affected individual performance; however, they found that LMXD had a higher effect on employee performance among low-LMX members. Ma and Qu (2010) discovered a moderating effect of LMXD between LMX and leader-rated performance.

Since there have been so few empirical studies on the link between LMXD and task performance and the findings have been inconsistent, the hypothesis for this study was justified mainly because of three theories: organisational justice, social comparison and relative deprivation. The existence of LMXD violates the principle of organisational justice. When an injustice or unfairness is perceived by an employee, an unfavourable social comparison is then concluded. When an unfavourable social comparison is made, relative deprivation theory suggests that the employee often demonstrates poor performance and a low work effort. As a result, high LMXD may lead to poorer task performance and low LMXD may minimise the perceptions of injustice and lead to higher levels of task performance. Therefore, Hypothesis 5a was proposed:

Hypothesis 5a. LMXD has a negative effect on task performance. When LMXD is high, employees show low levels of task performance; when LMXD is low, employees show high levels of task performance.

The extant research on LMGD is very limited and lacking in empirical evidence. With the support of relative deprivation theory, Weng (2014) found that LMGD played a moderating role between LMG and service performance among banking employees. The effect of LMG on service performance was stronger when LMGD was low and weaker when LMGD was high. In addition, Chou (2002) discussed conceptually the idea that a highly differentiated guanxi between a leader and the members was very likely to elicit negative work outcomes. In Confucianism, a high LMGD in a team environment may also indicate a lack of virtue on the part of the leader, which hinders the reciprocal processes among the employees. Without exchanging favours back to the leader, those employees in a high-LMGD environment are likely to demonstrate poorer work performance. When the LMGD is low in a work group, the employees demonstrate higher levels of followership with stronger work performance. In line with Confucian philosophy, Hypothesis 5b was proposed:

Hypothesis 5b. LMGD has a negative effect on task performance. When LMGD is high, employees show low levels of task performance; when LMGD is low, employees show high levels of task performance.

In Chinese workplaces, LMG is well accepted by employees and therefore, less affected by differentiated LMG in a group. As claimed by Law et al. (2000), employees actually expect their supervisors to treat them differently and this unequal level of guanxi signifies the categorisation of the employees in Chinese organisations (Fei, 1992). The existence of LMGD facilitates employees' career growth and is crucial in gaining other work advantages such as promotion or access to organisational resources (Chiang & Hsieh, 2012). In conclusion, LMGD should have a smaller effect on task performance than LMXD. Therefore, Hypothesis 5c was proposed:

Hypothesis 5c. In comparison to LMXD, LMGD has a smaller effect on task performance. The correlation between LMGD and task performance is smaller than that between LMXD and task performance.

2.5.3.3 LMXD/LMGD → OCB

There have been few studies on the LMXD–OCB link. Harris et al. (2014) concluded that there was no direct effect of LMXD on OCB but discovered that LMXD served as a moderator between LMX and OCB and the moderation was negative. Chen et al. (2014) explored the effect of LMXD on co-worker helping behaviour but could not find any direct effect. Liu, Li and Tu (2016) discussed the negative effect of LMXD on helping behaviour but their result was not statistically significant. Based on the existing findings and support from organisational justice, social comparison and relative deprivation theories, employees should demonstrate higher levels of OCB when LMXD is low in a work group. On the contrary, when LMXD is high, employees perceive injustice and unfairness and thus, exhibit low levels of OCB. Therefore, Hypothesis 6a was proposed:

Hypothesis 6a. LMXD has a negative effect on OCB. When LMXD is high, employees show low levels of OCB; when LMXD is low, employees show high levels of OCB.

Owing to the limited number of LMGD studies, there has been no evidence to confirm the direct effect of LMGD on employees' OCB. Weng (2014) concluded that LMGD had a moderating effect between LMG and service-oriented OCB, arguing that the LMG–

OCB relationship was strong when LMGD was low and weak when LMGD was high. Similarly, Chen et al. (2014) discovered that LMGD accentuated the positive effect of LMG on co-worker helping behaviour. In line with the previous justifications on the direct effect of LMGD on employees' work engagement and task performance, employees' OCB should also be affected. Therefore, Hypothesis 6b was proposed:

Hypothesis 6b. LMGD has a negative effect on OCB. When LMGD is high, employees show low levels of OCB; when LMGD is low, employees show high levels of OCB.

Since guanxi is part of the Confucian culture, in which collective interest is more important than individual interest, the differentiated LMG in the same work group should be more acceptable and hence, have a smaller effect on employees' exhibition of OCB than would LMXD. In line with the previous hypotheses comparing LMGD and LMXD, Hypothesis 6c was proposed:

Hypothesis 6c. In comparison to LMXD, LMGD has a smaller effect on employees' demonstration of OCB. The correlation between LMGD and OCB is smaller than that between LMXD and OCB.

Because of the limited number of empirical studies in the LMXD and LMGD literature, the roles of LMXD and LMGD are still under investigation. Although it is important to understand whether or not LMXD and LMGD affect employees' work outcomes, an integrated framework that provides a systematic explanation of how LMXD and LMGD function in a team environment could contribute much more to both LMX theory and organisational behavioural studies. To establish a better understanding, in addition to the three theories that support the link between LMXD/LMGD and work outcomes, two moderators were adopted and designed into this research: gender and Confucian values. Gender has been used as a given moderator, while the set of Confucian core values was adopted as a developed moderator. In this way, the findings from this thesis could produce more insight into the multilevel LMX/LMG framework and thus, generate a higher number of practical solutions for business practitioners.

The next part of the literature review first presents a brief summary of gender roles and gender issues in the Chinese context, followed by an explanation of social learning theory to justify a series of hypotheses on gender's moderating effect. Thereafter, Confucian values are elaborated and the background of Confucianism is briefly explained. In addition, social cognitive learning theory is used to analyse the moderating role of Confucian values in the LMX/LMG and LMXD/LMGD frameworks.

2.6 The moderating role of gender

According to Bandura (1986), the role of gender is embedded in each aspect of our lives from when we are born: "the interests and competencies people cultivate, the occupational paths they pursue, and the conceptions they hold of themselves and others are prescribed by cultural sex-typing" (p. 92). The development of gender roles in society is more of a psychosocial phenomenon than it is a result of biological definition. It requires broader conceptions of gender, which include behavioural, social and vocational aspects. Based on social psychologists' work on sex differences, Eagly (1987) proposed the gender social role theory that explains how sex differences are embedded in social roles: "the contemporaneous influence arising from adult social roles are more directly relevant to sex differences in adult social behaviour than is prior socialization or biology" (p. 9). To understand the way gender affects people's social cognitive learning processes in Chinese society, the role of gender in traditional culture and the contemporary movement for gender equality must first be investigated.

2.6.1 Gender role of women in traditional Chinese culture

Before the women's movement for gender equality, which began in the early 20th century, the doctrines of Confucianism, Daoism and Legalism dominated the lives of women in Chinese society (Stockwell, 1993). Confucius did not teach much about women in *The Analects,* since his philosophies were mainly followed by men. *The Analects* mentions women only once in the dialogue between Confucius and one of his students, Yanghuo, in which Confucius says, "Only women and snobs are difficult to raise. Draw them too close, they disrespect you; Push them away, they hate you" (Chapter 17, discourse 25). In the hierarchical relationships noted by Confucius, which are based on benevolence and loyalty, a woman should obey her husband and

parents-in-law. In the Ming Dynasty, a man had to have at least one son; otherwise, he would be punished by law (Tao & Ming, 1994). If a wife could not bear him a son, her husband must have a concubine to provide him with a son. A wife with no children could be divorced by the husband, since bearing children was the most important mission for a woman.

The principle of Daoism lies in harmony with the natural order of Mother Earth and governance by doing nothing. Daoism honours the female mostly as a mother for her reproductive capacity, which is central to maintaining harmony with nature. Daoism argues that everything can be split into two opposites, such as Yin and Yang, male and female, good and evil. According to the dualism between male and female, the male is viewed as Yang while the female is Yin. Although male and female co-exist and cannot live alone, the male is described as representing light, heat, change and strength, while the female is dark, cold, accumulative and weak (Wang, 2003). In her book of lessons for women, the first female historian in China, Zhao Ban (45–116CE), defined Yin as lowly, lacking initiative, obedient, servile, obligated and less intelligent than men.

Legalism treats women as the property of men, with few legal rights of their own (Granrose, 2005). Women are not allowed to go to school or own property. Under the codes of Legalism, women are forever behind their husbands or fathers. When the country became united, Legalism was prevalent in the Chinese bureaucratic system in the Qin and Han Dynasties; therefore, it set the foundation for the laws and limited the rights and social status of women in China.

Like many other patriarchal cultures, males were superior to females in Chinese traditional culture. Walby (1989) defined Chinese society as a male-dominated society in which women were oppressed and exploited by men. Liu, Dong and Zheng (2010) claimed that the values in traditional Chinese culture subordinated women and excluded them from public life. Eagly, Wood and Diekman (2000) argued that the patriarchal system in China meant that women were ruled by powerful gendered ideologies and were socially inferior to men. Traditionally, a woman is secondary to a man in marriage. A woman can marry only once in her lifetime, even if her husband dies. A woman can be divorced for a number of commonly acknowledged reasons, such as her inability to have children or excessive talking (Chen, 1990). As recorded in

Admonitions for Women (Ban, 45–116CE), a woman with virtues does not need to be intelligent or knowledgeable. In the fourth chapter of *Admonitions for Women*, Ban defined four categories of appropriate behaviour for women in the aspects of virtues, speaking, appearance and success. According to Ban, women should have virtues instead of intelligence or knowledge; women should not debate or be eloquent in order to irritate others but should wait until their turn to speak with selective, kind words; women do not necessarily need to be beautiful but must be clean and tidy and follow etiquette; and women should be good at housework, such as sewing.

The stereotype of the gender role for women in traditional Chinese culture still affects woman today, both domestically and in society. In Chinese society, having a child is so important for a married woman that her career can be sacrificed easily. Although Chinese women have been fighting for gender equality and better work conditions, the subordinate role of women still exists in every corner of society.

2.6.2 Gender equality and employment conditions of women in China

Modern gender research started with the women's movement for gender equality (Connell & Pearse, 2015). The movement for gender equality in China can be traced back to the Taiping Kingdom of Heaven rebellion (1851–1864) in the Qing Dynasty. Women actively participated in the rebellion and showed their collective power for the first time in Chinese history. In 1899, the first newspaper for women was established in Shanghai and provided a platform for women to speak up. In the early 1900s, dozens of educated women joined the Chinese Revolutionary Alliance founded by Sun Yat-sen to promote education for women and to take part actively in politics. During the period of the New Culture Movement (1915–1925), when traditional Chinese culture was fundamentally challenged, women's suffrage activists revived their campaign for equal rights and political representation (Edwards, 2008, p.103). In 1936, the Double Fifth Constitution acknowledged women's rights as equal with those of men. Until 1952, there were more than 110,000 women soldiers in the National Liberation Army led by the Communist Party. The National People's Congress passed the women's law in early 1992 and the law went into effect from October the same year. The law has been amended several times since then and is designed to encourage gender equality

and protect women's rights and interests in all aspects of political, economic, cultural, social and family life (Congressional-Executive Commission on China, 1992).

The number of women in employment reached 346.4 million in 2013: 45 per cent of the entire labour force (State Council Information Office, 2015). Although a number of feminist scholars argue that women in China are still more likely to be unemployed and limited to certain occupations such as health, social welfare and education (Granrose, 2005, Mak, 2017), China has a series of government policies promoting gender equality between men and women in employment. Although Woodhams, Xian and Lupton (2015) stated that both vertical (between organisational levels) and horizontal (between occupations) segregation of occupation still existed for women in China, Cooke (2010) suggested that in China, this segregation was much less marked than it was in the West and at a lower level than it is in other Asian countries. The Chinese government has adopted a series of practical measures to ensure that women are well supported with paid work and provided with child care; examples of this are the employment of women by the state and allocating women jobs that suit their characters (Cooke, 2010).

According to the white paper on Chinese gender equality released by the Chinese government in 2015, 44.1 per cent of senior professionals are female. Around a quarter of entrepreneurs are female and more than half of the entrepreneurs in the field of newly developed and internet industries are female. Women also represent 23.4 per cent of the People's Congress, which is 2.4 per cent higher than it was 20 years ago. Grant Thornton (2011) surveyed women in China and claimed that women executives in mainland China were better represented in management (34 per cent) than they are in many other countries; the global average is 20 per cent. According to Grant Thornton (2011), around 19 per cent of the women holding senior managerial positions were chief executive officers in China; this figure was more than twice the global percentage of 8 per cent.

However, although women and men are regarded as equal contributors to the economy by the Chinese government (Loscocco & Bose, 1998), the effect of traditional Chinese heritage still exists in contemporary Chinese culture. Omar and Davidson

(2001) claimed that traditional Chinese cultural values have made men superior over women. Confucianism compared women with villains; Daoism described women as Yin, which means low, obedient and weak; and Legalists ruled women out of the government and refused to give women educational opportunities. These traditional Chinese values remain prevalent and influential over gender roles in China (Chou, Fosh, & Foster, 2005). Collectivism in the form of a family allows a man to dominate and requires a woman to support male members by doing domestic work and bearing and raising children (Yu & Yang, 1994). Consequently, a woman often subordinates her career to that of her husband and prioritises her family over her career (Mainiero & Sullivan, 2005). Nolan (2010) argued that management promotability in China revolved around male values and characters, which made careers for women second class and made it difficult for women to advance in their careers.

Another barrier to women succeeding in China is access to contacts and networks, known as guanxi. Since women in China devote most of their time to family matters (Chen, Ayoun, & Eyoun, 2018), their lack of spare time has created a practical barrier for them to obtain the most important source of social capital, guanxi. Meanwhile, the lack of role models in senior management has co-created a lack of networks for women. Connelly, Roberts and Zheng (2010) explained that it was inappropriate for women to be on business trips with men because of rumours of adultery, which could ruin the careers of both parties.

2.6.3 Moderation hypothesis development

The hypotheses on the moderating role of gender in this study were developed through analysing the social cognitive learning processes of the genders. First, the theory of social cognitive learning was elaborated. The reactions from different genders to their relationships with the supervisors, and the differentiation of these relationships in the same work group, were then investigated through the four processes in the cognitive learning modelling. The gender roles in traditional Chinese cultures and the movement for gender equality discussed above were integrated at different levels of the hypothesis development.

2.6.3.1 The moderating role of gender between LMX/LMG and Work engagement/Task performance/OCB

Bandura (1977) explained that cognitive learning can be processed either by response to consequences or through modelling. In a complex work environment, or in a new environment in which there is no direct past experience from which to learn, it is more important to analyse people's learning processes through modelling (Bandura, 1986). The modelling processes that direct people's observational learning are attentional, retention, production and motivational (see Figure 2.3).
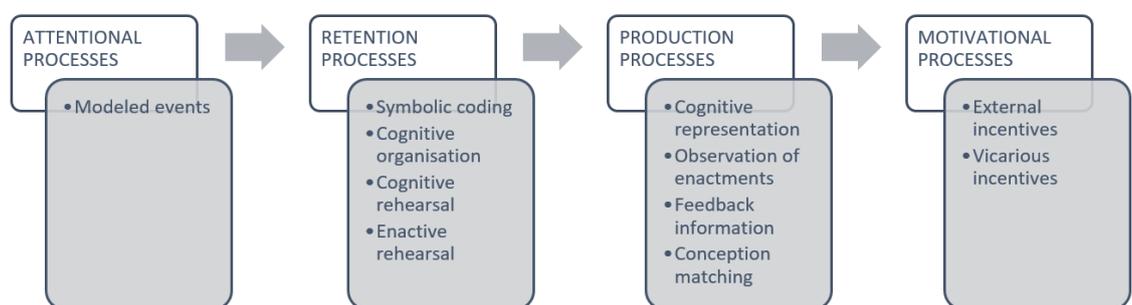
Figure 2.3. Revised from the sub-processes governing observational learning (Bandura, 1986)

During attentional processes, people decide what to observe as the first step of cognitive learning. Different people may choose different targets to observe, since the attentional processes are influenced by observers' characteristics and social contexts. Having chosen a target to observe, people start modelling themselves through the retention of certain activities, which is the second stage of the modelling process in cognitive learning. Retention processes include four steps: symbolic coding, cognitive organisation, cognitive rehearsal and enactive rehearsal. These steps may vary with the different attributes of the observers. However, at the end of the retention processes, the activities chosen to be modelled are usually maintained through symbols, which are then converted into action during the next phase of observational learning: production processes.

Production processes explain how these symbolic conceptions are converted into appropriate actions. Bandura (1986) illustrated four components for production processes: cognitive representation, observation of enactments, feedback information

and conception matching. After repetitive corrective performance adjustments, appropriate behaviour is formed and matched to the initial conception at the beginning of the observational learning. Motivational processes determine what types of modelled behaviour will be preferred and adopted by people. People do not enact everything they learn. Discrepancies between learning and performance often exist when acquired behaviour has little functional value. However, when positive incentives are received, observational learning is translated into action promptly (Bandura, 1986, p. 29).

Before analysing the ways in which gender can potentially moderate the relationship between leader–member relationships and work outcomes, social identity theory was reviewed in this study in order to understand the way in which different gender groups perceive themselves in society and behave cognitively in meaningful ways within the group. Social identity theory is "a social psychological analysis of the role of self-conception in group membership, group processes, and intergroup relations" (Hogg, 2006, p. 111). Social identity refers to the attributes shared by members who perceive themselves to be in the same social group. From the perspective of social identity theory, people cognitively represent a social group with a fuzzy set of attitudes and behaviour that are meaningful within the group and different from those of other social identity groups.

During the social cognitive modelling processes, social identity groups are structured in terms of status and power relations. According to Bandura (1986) "Social power provides a measure of control over the resources and the behavior of others" (p. 238). Because of the general benefits brought by social power, people will fight hard to gain and hold positions of power. In traditional Chinese culture, women were not encouraged to receive education or to work in society. The ideal position for a woman was as a mother and a wife to look after her children and the elders in the family and to be obedient to her husband. There is a popular saying that people still use to satirise the insignificant status of women in society: "ignorance is a woman's virtue" (Ban, 45–116CE).

Owing to the lack of successful female role models in the Chinese hotel industry (Remington & Kitterlin-Lynch, 2018), there are few examples of careers for female employees to observe during the attentional processes. It is, therefore, nearly impossible for them to rehearse and reproduce the modelled behaviour in the second and third stages of cognitive learning. Further, young women in China still bear the pressure (and the responsibility) with regard to having children. Under the only-child policy, having children is the focus of a family and this can stop a woman from proceeding in her professional career, either temporarily or forever. Down this family-oriented path, the role models or modelled events that some women choose for their social learning processes may not even be career related (Chen et al., 2018). During the last stage of social cognitive learning, motivational processes, positive incentives are needed to encourage people to convert learning into action. Unless the leader is extraordinarily encouraging and motivating, the high levels of power distance in Chinese culture often create a hierarchical and passive work environment for women, with fewer opportunities for promotion and further career development than are available for men (Chen et al., 2018; Qu & Zhao, 2017; Remington & Kitterlin-Lynch, 2018). Therefore, the pessimistic vision for Chinese women's future careers may heavily reduce both their external and vicarious incentives.

Conversely, there are countless role models for male employees to observe and on which they can model their work behaviour. Gender stereotyping makes male employees stay with the traditional masculine images (Moss-Racusin, Phelan, & Rudman, 2010). With the strong logic of Confucian rationale in the family consciousness, male employees assume that the role of a leader will be similar to that of a father in the family and that the role of a follower will be similar to that of a son, who respects and follows his father (Chen et al., 2014, p. 799). In return, like a father in a family, the leader should create more promotion opportunities for the male employees; this makes high-quality LMX and LMG very important among male employees. The pursuit of social status and power also serves as an incentive during the cognitive learning processes for male employees, who consequently fight harder to obtain high-quality LMX/LMG with their managers so that they will enjoy more power and higher status. Since in this study, gender was dummy coded as 0 = female and 1 = male, gender should be found to play a positive moderating role in the relationship

between LMX/LMG and employees' work attitudes and performances. Hypotheses 7 and 8 were expressed as follows:

Hypothesis 7. Gender moderates the associations between LMX and work engagement (H7a), task performance (H7b) and OCB (H7c). The correlations between LMX and work engagement, task performance and OCB are stronger among male employees and weaker among female employees.

Hypothesis 8. Gender moderates the associations between LMG and work engagement (H8a), task performance (H8b) and OCB (H8c). The correlations between LMG and work engagement, task performance and OCB are stronger among male employees and weaker among female employees.

2.6.3.2 The moderating role of gender between LMXD/LMGD and Work engagement/Task performance/OCB

In social cognitive theory, personal factors, environmental factors and behaviour are the three main determinants of social learning. Under some circumstances, environmental cues can become arousers of emotional reactions even if not from first-hand experiences (Bandura, 1986). To hypothesise on gender as a moderator between LMXD/LMGD and work outcomes, the movement for gender equality in China must be seen as an important environmental cue during the cognitive learning processes. The international advocacy on human rights standards to achieve complete equality between women and men has been a hot topic from the late 1990s, especially among educated young Chinese (Edwards, 2008). Together with the influx of feminism and the influence of the Fourth World Conference on Women in Beijing in 1995, the stereotype of Chinese women has changed dramatically from a traditional, subordinate role to 'Half Sky' (Granrose, 2005). The concept of Half Sky was first used by Chairman Mao to emphasise the importance of women who held up the sky with men. However, the deeply rooted power relationships in Chinese society cannot be changed easily and workplaces in China are still dominated by flagrant chauvinism.

Bandura (1986) said, "A great deal of human emotion and behavior is activated by cues which have become threatening by either direct or symbolic association with painful

experiences" (p. 187). When a breach in equality or fairness is perceived, for example with high levels of LMXD or LMGD, negative emotions of frustration and resentment can be easily provoked through social cues in gender inequality, such as during the long journey of fighting for rights in employment. Consequently, protective behaviour is promoted among female employees because they believe that defensive behaviour can reduce or remove the threatening cues. From the perspective of relative deprivation, as the inferior group in workplaces, female employees may have fewer expectations for improving their LMX or LMG relationships than do male employees and are more likely to exhibit negative attitudes and unmotivated work behaviour under a high level of discrepancy in leader–member relationships.

On the contrary, LMXD and LMGD may offer a different meaning to male employees. Bandura (1986) explained that the attributes of models, the attributes of observers and the functional value of what is modelled are the three factors affecting cognitive learning outcomes. There is no doubt that men dominated traditional Chinese society and still dominate modern China in every possible aspect (Qu, 2017). Men categorise themselves as the mainstream of the workforce in society and nothing is more desirable than a successful career (Qu, 2017; Rudman & Mescher, 2013). Since high levels of LMX or LMG function as great social channels for gaining job promotions and pay rises, men need to be more inclusive and accepting where there is LMXD and LMGD. The effect of LMXD and LMGD on a male employee's work performance can even be positive in this regard, if it functions as a motivator. Since in this part of the study, gender was dummy coded (female = 0, male = 1), gender should be found to have a negative moderating effect between LMXD/LMGD and work engagement, task performance and OCB. This led to the development of Hypotheses 9 and 10, as follows:

Hypothesis 9. Gender moderates the relationships between LMXD and work engagement (H9a), task performance (H9b) and OCB (H9c). LMXD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

Hypothesis 10. Gender moderates the relationships between LMGD and work engagement (H10a), task performance (H10b) and OCB (H10c). LMGD has a larger

effect on work engagement, task performance and OCB among female employees
and a smaller effect among male employees.

2.7 The moderating role of Confucian values

According to Ching and Oxtoby (1992), Confucianism is not a religion but "a philosophy of reason and common sense, of tolerance and virtue – a proof that morality is fundamentally independent of theology" (p. xxv). Western epistemology generally assumes that nature is the object of knowledge and that the social world is part of nature, disciplined by a number of laws such as linguistics, economics and sociology. (Xia, 1997). In contrast, Confucianism is not particularly interested in nature, since nature is the main subject for Taoists (Needham, 1956, p. 33). Confucius believed that the object of knowledge is the social world and the core interest of many Confucians is in human social life. Similar in meaning to the disciplines implicit in the natural laws mentioned above, Confucianism declares the universal existence of Tao or Li, by which order or harmony is formed and maintained (Xia, 1997). Tao or Li means the principle, pattern or organisation in Confucianism, but in a more philosophical than scientific sense (Needham, 1956). In *The Analects*, Confucius says, "Real knowledge is to know the extent of one's ignorance" (Chapter 15, Discourse 17), so there is no clear boundary between obtained knowledge and to-be-obtained knowledge, which is the rationale of Confucianism.

From the methodological perspective, Western epistemology follows logic and mathematical reasoning while Confucianism is characterised by analogy and intuition (Hansen, 1983). One may argue that logic and mathematical reasoning are rational, while analogy and intuition are irrational. However, Western rationalism refers to the logic and mathematical inference based on self-evident truth, while the Tao and Li in Confucianism are actually the self-evident truths and the so-called mirror of nature. Intuition and analogy can be rational under some circumstances and irrational under others. In fact, Xia (1997) argued that, "Confucianism is a rationalistic doctrine mingled with irrational elements" (p. 42); this is similar in logic to Einstein's scientific theory of relativity. In this line of reasoning, the analogy and intuition of Confucianism embraces more Tao and Li in essence and cannot be defined as rational or irrational in a methodological way. However, when studying a human being's cognitive processes

and reasoning mechanism, if there is one, logic and mathematical reasoning are not enough to explain the complexity and subtlety of human behaviour.

In the social world, the modern natural-law philosophy of rationalist social thinking in the West is very similar to the rules of propriety in Confucianism. Mannheim (1971) summarised modern natural-law philosophy into four doctrines: the state of nature, social contract, popular sovereignty and the inalienable rights of man. These four doctrines in natural law are all based on rationalism and govern human affairs. The rules of propriety in Confucianism were defined by Needham (1956) as a "body of customs which the sage-kings and the people had always accepted, i.e. what the Confucians called li" (p. 521). Li is based on the concept of Tao and is the Tao in the social world. Confucius claimed that the essence of Li is Ren, which means humanity. Feng (1958) argued that there are two aspects of ren: conscientiousness to others and altruism. In conclusion, both Western rationalists and Confucians believe that there is universal order in the social world, defined either as the four doctrines or as li, which people can understand and practise.

2.7.1 Social relationships and core values defined in Confucianism

Confucian traditions summarise social relationships into five categories: ruler and officials, father and son, husband and wife, brother and brother, and friend and friend. These five categories are known as the five cardinal relationships (五常) out of which three are familial and are called three bonds (三纲). The father–son relationship refers to filial piety and is a key virtue in Confucianism (Classic of Filial Piety). A son must serve his parents. While his parents are alive, a son must take care of his parents, provide them with financial and material support, respect and obey them, and admonish the parents if necessary. When his parents are dead, filial piety requires a son to bury them and transmit the good names of the parents (Book of Rites).

The husband–wife relationship requires a wife to follow her husband (or her son, if her husband is dead). In addition, zhen (贞) is the most important virtue for a woman. Zhen means faithfulness, fidelity and constancy, which are requisite in all aspects of service to others (Book of Rites). Traditionally, a woman can marry only once and should never remarry if her husband dies (Book of Rites).

As detailed in *The Analects*, the brother–brother and friend–friend relationships are very similar to each other and denote the reciprocity of kindness, respect, faithfulness and trustworthiness (Chapter 1; Xia, 1997). In Confucian literature, these two relationships were not discussed as frequently as the other three relationships. In general, *The Analects* says that relationships between friends and brothers should be governed by the fundamental virtues illustrated in Confucianism, such as the younger should respect the elder and the elder should look after the younger (Chapter 1, Discourse 6). Confucius identifies trustworthiness and faithfulness as the two fundamental virtues between friends (Chapter 9, Discourse 24).

The ruler–official relationship is based on loyalty and humanity. In Confucianism, the ruler can claim absolute authority and expect obedience from his followers, as well as from citizens (Lin, 2008). Lin claimed that authority could be achieved by giving directives, making centralised decisions and establishing significant power distance.

The founders of Confucianism, Confucius, Mencius and Xunzi, conceptualised three fundamental social virtues: Ren (benevolence), Yi (righteousness) and Li (propriety). Zhongshu, Dong in the Western Han Dynasty added Zhi (wisdom) and Xin (trust) to Confucian values and these have been widely acknowledged as the core values in Confucianism. Xia (1997) suggested that these core values were well represented in the five cardinal relationships defined by Confucius and helped to establish a stable framework for people's social lives in the traditional Chinese culture. Xia (1997) categorised the following four interlinked aspects of the main components of the Confucian li-fa complex (rules of propriety and laws) that originated from Confucian values:

- the emperor's ruling power over the state, as well as the father's dominance over a family, supported by loyalty and humanity in Confucianism
- economic familial communism, supported by the Confucian emphasis on righteousness and humanity over utility and benefit
- the institution of inheritance, supported by authoritarianism and paternalism
- the patriarchal gender relationship, reflected by the Confucian concept of femininity.

The five core values were explained by Confucius in the format of *junzi*. The direct translation of *junzi* into English is 'gentleman'. According to *The Analects*, "the way of a gentleman incorporates three aspects . . . : with benevolence there are no worries, with wisdom there are no doubts, with courage there are no fears" (Chapter 14, Discourse 30). Confucius integrated all the Confucian values into the character of *junzi* for all Chinese men to follow. The term *junzi* is mentioned in 81 paragraphs in *The Analects*, 57 of them being direct citations from Confucius elaborating on the concept and discussing acceptable and unacceptable behaviour of *junzi*. These 57 citations can be summarised into two categories: self and others. The first category explains how one should constrain oneself in society with introspection, etiquette, self-control, wisdom, benevolence, principle, modesty, morality and courage (see Figure 2.4). The second category illustrates how a *junzi* should handle the relationship between the self and others in society by being kind to others, respecting others, being fair to others and listening to and helping others; while in some exceptional circumstances, some of these virtues can be excluded, one should try one's best to follow these doctrines.
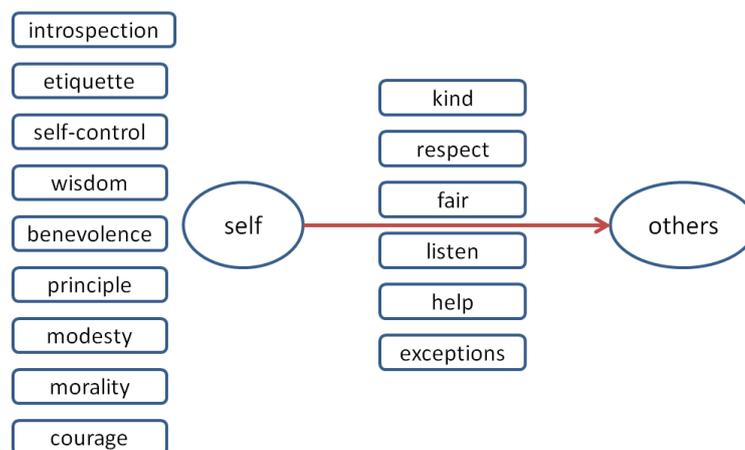
Figure 2.4. A summary of self-regulated behaviour described in *The Analects*

2.7.2 Confucianism in modern Chinese society

Since the introduction of the open-door policy in 1978, China has developed its own model of industrial modernity; some Confucian traditions have been abandoned and some have survived. However, as stated by Jacobs, Gao and Herbig (1995), "it is impossible to do business in China and not feel the effects of Confucian philosophy"

(p. 29). De Bary (1988) believed that Confucianism is changing all the time and has experienced fundamental changes under the influence of Western modernity. However, the influence of Confucian ideologies on Chinese attitudes and behaviour always exists, no matter whether we articulate the influence or not. As concluded by Inglehart and Baker (2000), "a history of . . . Confucian traditions gives rise to cultural zones with distinctive value systems that persist after controlling for the effects of economic development . . . . We doubt that the forces of modernization will produce a homogenized world culture in the foreseeable future" (p. 49).

Xia (1997) investigated the existence of Confucianism in modern society from three levels: as a state ideology, as an intellectual discourse and as a social psychology of common people. As a state ideology, Confucian traditions have experienced two radical movements in opposition to them in Chinese modern history: the New Cultural Movement and the Cultural Revolution. During the New Cultural Movement, led by Sun Yat-sen in the 1910s and 1920s, Confucianism was to be integrated into the 'Three Principles of the People' as the ideology for the new China. When Chairman Mao came into power, a national anti-Confucian campaign was launched, known as the Cultural Revolution. During the Cultural Revolution, Confucianism was attacked viciously and its values became the 'wrong' values that should be abandoned completely. Since the attitude of the Chinese government has been quite ambiguous towards Confucianism following the Cultural Revolution and Western cultures have become very popular among young people from all over the world, Confucianism as a state ideology has ended in China (Xia, 1997).

As an intellectual or theoretical discourse, Confucianism found ways to survive but has declined substantially since the early 20th century (De Bary, 1988). Intellectual Confucianism was related mainly to the system of civil service examinations (Xia, 1997). Since the examination system was abandoned in the early 20th century, intellectual Confucianism has fulfilled the purpose of self-cultivation or self-development (De Bary, 1996). Tu (1996) argued that intellectual Confucianism, from the early 20th century until today, should be divided by generations and that the latest generation utilises Confucian thoughts as "a deliberate response to the modern West" (p. 19) to differentiate Chinese culture from Western civilisations. Tu argued that contemporary

Confucian scholars have "created a cultural space and an authentic possibility for the creative transformation of Confucian humanism as a living tradition" (p. 19).

As a social psychology, Confucianism has attracted a great deal of attention from Western sinologists. Xia (1997) claimed that Confucian culture still rules Chinese society in the form of a collective consciousness. Additionally, Tu (1996) pointed out that "recent anthropological, sociological, and political surveys all point to the pervasive presence of Confucian ethics in belief, attitude, and behaviour across all strata throughout China" (p. 259). Koh (1996) believed that the core values in Confucianism lie in strong family consciousness, which still exists in Chinese society. Since the ideology of family can be extended to society and the state, according to the logic of Confucian rationale, Confucian values can be extended to both vertical and horizontal relationships in society across various organisations, such as schools, government and companies. As a result, Confucian ethics function in Chinese society as the "communicative rationality" that has been defined by Habermas and which directs the economic and political culture, and people's everyday lives, in China (Xia, 1997).

Confucian ideology still affects people's attitude and behaviour in workplaces in China. State-owned companies are called 'units' (单位) and function in a familial way. Although the number of state-owned businesses has been decreasing continually since the late 1990s for a number of reasons, the family-like work culture has been maintained in many workplaces, especially in privately owned businesses. From the ideology of Confucian familism, paternal care is often expected from employers (Chao, 1990). As pointed out by Wong, Fong and Salaff (1995), filial piety as part of Confucian familism remains an essential aspect of morality in Chinese society. Many people from rural areas who work in the cities still send money back to their families to support their parents and other family members and parents from rural areas who allow their children to work in the cities expect the employer to look after their children and take over the role of the 'father' in the family. Since a father has the absolute authority in a family, the employer in a business or the intermediate manager in a team should be considered by employees or team members as the 'father' in their workplace with both authority and power (Wong et al., 1995).

Redding (1996) studied the work behaviour of overseas Chinese employees and declared, "among the overseas Chinese the legitimacy of an owner's power is not a matter for debate. Paternalism is accepted as normal, and so long as behaviour is responsible and benevolent, cooperation is a natural reaction" (p. 322). Tai (1989) claimed that Confucian values in father–son and brother–brother relationships also regulate the social relationships, such that "unrelated individuals . . . can be absorbed into these organisations and be treated as if they were family members" (p. 16).

2.7.3 Moderation hypotheses development

2.7.3.1 The moderating role of Confucian values between LMX/LMG and Work engagement/Task performance/OCB

Bandura (1986) stated, "In the social cognitive view people are neither driven by inner forces nor automatically shaped and controlled by external stimuli. Rather, human functioning is explained in terms of a model of triadic reciprocality in which behavior, cognitive and other personal factors, and environmental events all operate as interacting determinants of each other" (p. 18). From the perspective of social cognitive learning theory, there are three determining factors in the triadic reciprocal causation, as illustrated in Figure 2.5. Although the three sets of factors operate interactively as determinants of one another, the strength of the interaction varies for different activities, individuals and circumstances.
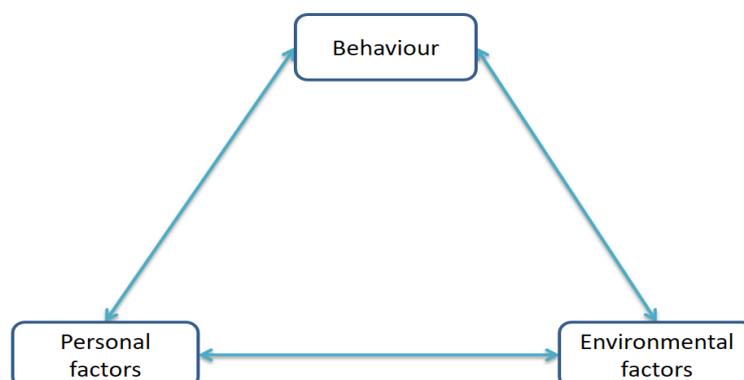
Figure 2.5. Interactional relations between the three determinants in triadic reciprocal causation (Bandura, 1986)

According to Bandura (1986), human behaviour is partly determined by preferred value and self-evaluative standards. "Through internal guidance, people give direction to their lives and derive satisfaction from what they do. Valuation mechanisms, therefore, partly govern the extent to which chance encounters may shape the course of personal development" (p. 35). During social cognitive learning processes, values help to model self-evaluative reactions; human beings react to their own behaviour according to their personal standards. When their behaviour matches or surpasses their internal standards, people react self-approvingly; when their behaviour falls short of or violates their internal standards, they act self-critically. Through repeating the four processes of cognitive learning (attentional, retention, production, motivational), people adjust their behaviour based on these underlying standards and use them as guides for their future behaviour. In contrast, values function in the cognitive learning model as reinforcing incentives for people's behaviour. "The higher the incentive value people attach to certain outcomes, the more effort they will expend if they judge themselves capable of obtaining them" (p. 357). From this perspective, people who have high levels of Confucian values should be more predictable in their behaviour than those with low or no Confucian values, since the standards of behaviour have already been established by Confucius and Confucian values function as incentives for reinforcing repetitive conduct.

Confucian ethics still function as the communicative rationale in Chinese society. The family-based Confucian ideology still guides employees' attitudes and behaviour in workplaces. The Confucian values described earlier (introspection, etiquette, self-control, benevolence, principle, modesty and morality) highlight self-constraint in society and uplift the morality of employees' work attitudes and behaviour (Chao, 1990). The father–son and ruler–officials relationships governed by the five cardinal relationships require people to respect their superiors and elders. Driven by these Confucian virtues and values, employees should respect their leaders' authority and constrain their own behaviour with modesty and courtesy. Under the influence of Confucian values, "work morale in an Oriental work organization is hence sustained by far more diffused imperatives rather than oriented as a means to the specific end of raising work efficiency only" (Chao, 1990, p. 589). Consequently, Confucian values can reduce the desire for equal exchange and encourage high levels of work performance

regardless of the quality of LMX or LMG. To conclude, Confucian values can reduce the effect of LMX/LMG on employees' work attitudes and performances. Therefore, Hypotheses 11 and 12 were expressed as follows:

Hypothesis 11. Confucian values moderate the correlations between LMX and work engagement (H11a), task performance (H11b) and OCB (H11c). The correlations between LMX and work engagement, task performance and OCB are weaker when employees show high levels of Confucian values and stronger when employees show low levels of Confucian values.

Hypothesis 12. Confucian values moderate the correlations between LMG and work engagement (H12a), task performance (H12b) and OCB (H12c). The correlations between LMG and work engagement, task performance and OCB are weaker when employees show high levels of Confucian values and stronger when employees show low levels of Confucian values.

2.7.3.2 The moderating role of Confucian values between LMXD/LMGD and Work engagement/Task performance/OCB

In cognitive learning processes, values serve as incentive preferences and self-evaluation tools. As noted by Bandura (1986), "values and standards are central to human affairs, the valuation function of vicarious consequences is, in many respects, more fundamental than the enlightenment they provide about environmental contingencies" (p. 323). As with the statements presented above for Hypotheses 11 and 12, people can obtain direction for their lives and achieve satisfaction through their own personal values. Organisational justice theory is concerned with the fairness of employment-related issues. However, Confucian values highlight benevolence, which requires people to be introspective and respect others; thus, little emphasis is to be given to any discrepancies in leader–member relationships. Even if there is a high discrepancy in LMX or LMG, one should examine oneself first for improvement, rather than blame the leader for unfair treatment and then perform poorly at work. Social comparison theory emphasises different outcomes, comparing favourable and unfavourable, but Confucian values ask people to follow principles and to be consistent with their behaviour (see Figure 2.4 in Section 2.7.1). Relative deprivation

theory discusses how people's perceptions of discrepancy affect their responses to inequality. On the contrary, Confucian values direct people to have self-control and to be kind and fair to others. In this case, employees who follow Confucian values would not pay much attention to discrepancies in leader–member relationships but would regulate their own behaviour, regardless of the discrepancy.

In conclusion, Confucian values can exert a moderating effect on all three theoretical foundations of LMXD and LMGD: organisational justice, social comparison and relative deprivation theory. With the values and standards of behaviour established in Confucianism, the functioning mechanisms of these three theories can be weakened to a significant degree. Since the effect of LMXD/LMGD on work outcomes has been hypothesised as being negative, Confucian values should moderate relationships positively and reduce the effect of LMXD/LMGD on work outcomes. Therefore, Hypotheses 13 and 14 were expressed as follows:

Hypothesis 13. Confucian values positively moderate the relationships between LMXD and work engagement (H13a), task performance (H13b) and OCB (H13c). The effect of LMXD on work engagement, task performance and OCB is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

Hypothesis 14. Confucian values positively moderate the relationships between LMGD and work engagement (H14a), task performance (H14b) and OCB (H14c). The effect of LMGD on work engagement, task performance and OCB is larger among employees with low levels of Confucian values and lower among employees with high levels of Confucian values.

2.8 Research model

Based on all the arguments in this chapter, two conceptual models were developed for this study, as shown in Figures 2.6 and 2.7. Since this study involved data from different levels, the testing of the hypotheses required different techniques and types of software. Thus, the testing was split into two stages: the individual-level analysis and the multilevel analysis. Figure 2.6 summarises all the hypotheses concerning the

individual-level associations between LMX/LMG and work outcomes, moderated by gender and Confucian values. Figure 2.7 shows all the multilevel analysis between LMXD/LMGD and work outcomes, moderated by gender and Confucian values.
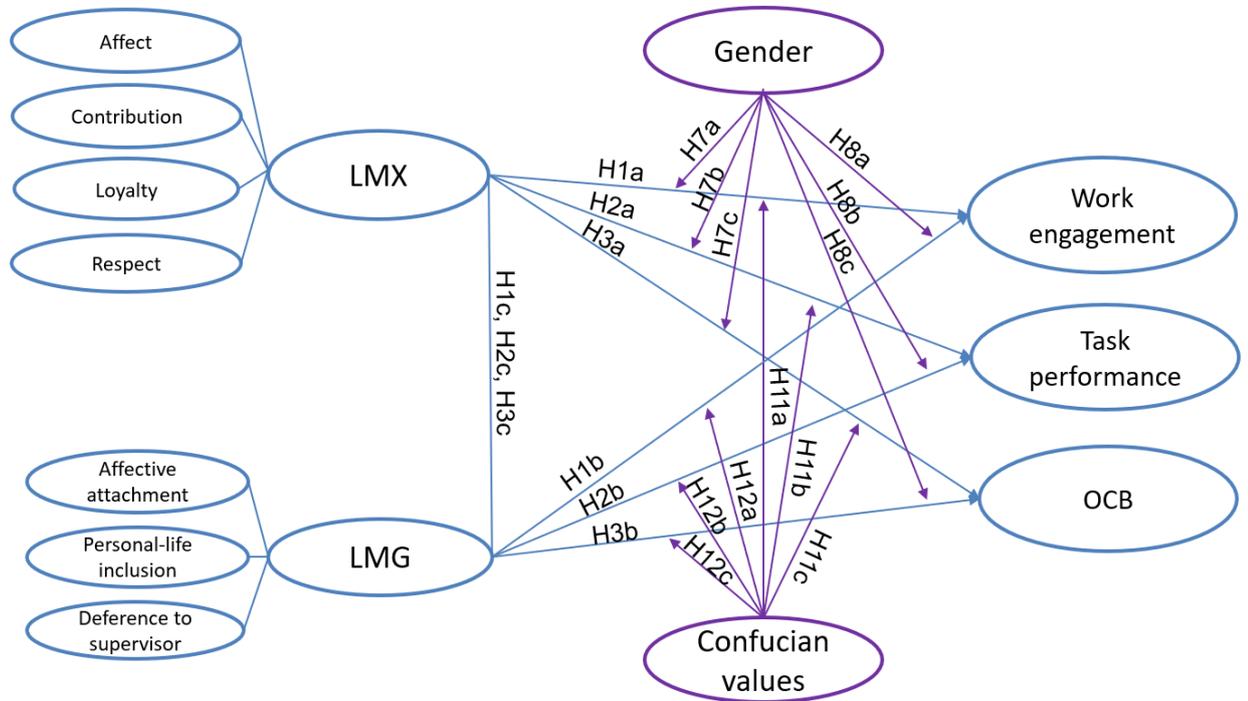
Figure 2.6. The individual-level conceptual model

H1a, H2a, H3a: LMX affects work engagement, task performance and OCB positively. When LMX is high, employees show high levels of work engagement, task performance and OCB; when LMX is low, employees show low levels of work engagement, task performance and OCB.

H1b, H2b, H3b: LMG affects work engagement, task performance and OCB positively. When LMG is high, employees show high levels of work engagement, task performance, and OCB; when LMG is low, employees show low levels of work engagement, task performance and OCB.

H1c, H2c, H3c: In comparison to LMX, LMG has a larger effect on employees' work engagement, task performance and OCB. The correlation coefficients between LMG and work engagement, task performance and OCB are higher than are the correlation coefficients between LMX and work engagement, task performance and OCB.

H7, H8: Gender moderates the associations between LMX/LMG and work engagement (H7a, H8a), task performance (H7b, H8b) and OCB (H7c, H8c). The correlations between LMX/LMG and work engagement, task performance and OCB are stronger among male employees and weaker among female employees.

H11, H12: Confucian values moderate the correlations between LMX/LMG and work engagement (H11a, H12a), task performance (H11b, H12b) and OCB (H11c, H12c). The correlations between LMX/LMG and work engagement, task performance and OCB are weaker when employees show high levels of Confucian values and stronger when employees show low levels of Confucian values.
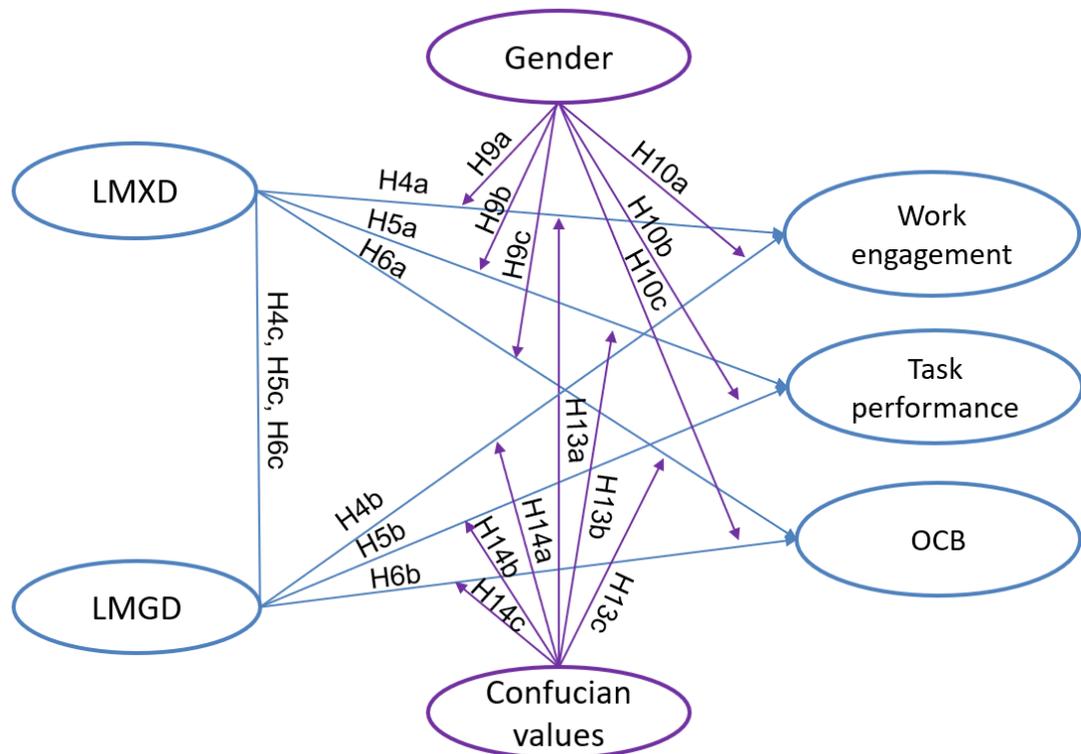
Figure 2.7. The multilevel conceptual model

H4a, H5a, H6a: LMXD has a negative effect on work engagement, task performance and OCB. When LMXD is high, employees show low levels of work engagement, task performance and OCB; when LMXD is low, employees show high levels of work engagement, task performance and OCB.

H4b, H5b, H6b: LMGD has a negative effect on work engagement, task performance and OCB. When LMGD is high, employees show low levels of work engagement, task

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performance and OCB; when LMGD is low, employees show high levels of work engagement, task performance and OCB.

H4c, H5c, H6c: In comparison to LMXD, LMGD has a smaller effect on employee's level of work engagement, task performance and demonstration of OCB. The correlations between LMGD and work engagement, task performance and OCB are smaller than those between LMXD and work engagement, task performance and OCB.

H9, H10: Gender moderates the relationships between LMXD/LMGD and work engagement (H9a, H10a), task performance (H9b, H10b) and OCB (H9c, H10c). LMXD/LMGD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H13, H14: Confucian values positively moderate the relationships between LMXD/LMGD and work engagement (H13a, H14a), task performance (H13b, H14b) and OCB (H13c, H14c). The effect of LMXD/LMGD on work engagement, task performance and OCB is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

CHAPTER 3 RESEARCH METHODS

3.1 Chapter preview

This chapter presents the research methods used to examine the conceptual framework presented in Chapter 2. The aim of this chapter is to clarify the reasoning behind the methods proposed for data analysis from the researcher's philosophical standpoint. The target population, the selection of the sample and of suitable measures, and the pre-test and data-collection procedures are described. Data analytic techniques, using the software SPSS 24, AMOS 23 and HLM 7, are discussed. Considerations relating to research ethics are explained at the end of the chapter, as shown in Figure 3.1.
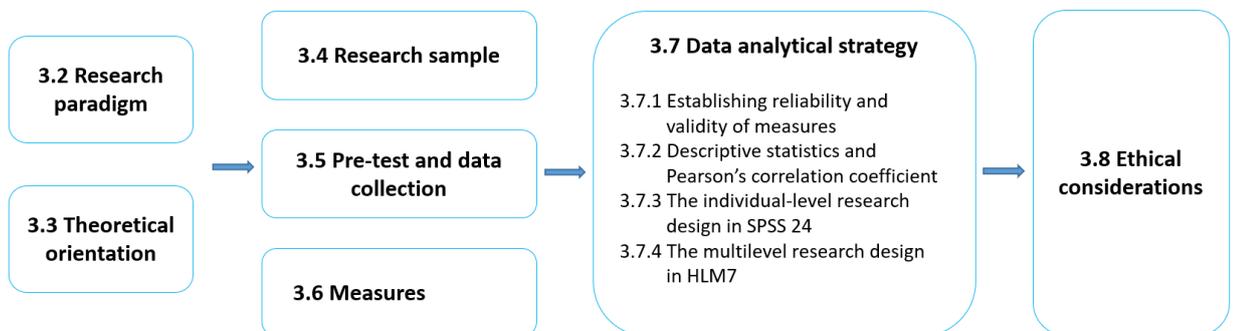
Figure 3.1. Preview of Chapter 3

3.2 Research paradigm

A paradigm is "a basic set of beliefs that guides action" (Guba, 1990, p. 17). A research paradigm is based on a researcher's ontology and epistemology, which form the "theoretical and methodological belief that permits selection, evaluation, and criticism" of the studies conducted (Kuhn, 1970, p. 17). As claimed by Guba and Lincoln (1994), questions of method are secondary to questions of paradigm, so a researcher needs to have a clear understanding of his or her own ontology and epistemology before choosing a research methodology, which, in turn, reflects the researcher's believed philosophies. As a researcher, I believe that reality is out there objectively and the truth can be identified and generalised.

This study adopted an ontological stand of objectivism, assuming the truth is independent of its social actors and can be reached. Some people may criticise this

standpoint in the field of cultural and humanities studies, since it is very difficult to predict human behaviour. However, "organisations and cultures are objective entities that act on individuals" (Bryman, 2008, p. 21) and reality is independent of social actors (Saunders, Lewis, & Thornhill, 2012). With theoretical support from social psychology, it is more valuable to provide this world with some guidelines and possibly, predictable tracks of human behaviour than to present unique case studies that make decision making more difficult.

To be consistent with objectivism, this study adopted an epistemological standpoint of positivism, which is regarded as a very objective doctrine backed up by scientific methods (Sarantakos, 2013). 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). Positivism follows rationalist processes of explanation, justification and prediction and aims to identify any regularities from observations, laboratory experiments or sets of data so that generic laws can be concluded to guide general practices (Saunders et al., 2012). From the early 1900s to the 1960s, positivists rigorously integrated hypotheses with mathematics to test their confirmability so that objectivity was emphasised (Grant & Giddings, 2002).

The positivist paradigm was challenged in the 1970s by scholars who were later categorised as post-positivists. Post-positivists argued that, although statistical methodology was well supported by natural science, the researchers could not be value free, as had been claimed previously. The post-positivists claimed that there were multiple views of science as well as truths and defined 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). However, "the key to good research lies not in choosing the right method, but rather in asking the right question and picking the most powerful method for answering that particular question" (Bouchard, 1976, p. 402). As long as the right question is asked and examined with the most powerful method, the truth will not be far away. As suggested by McGrath (1964), the determination of a research methodology should also be based on prior knowledge. Since quantitative studies dominate LMX and leadership studies, it was logical for this

study to adopt a similar research method, to build on existing findings and to contribute further to the literature. Under this line of reasoning, this study adopted a quantitative research design employing survey-based primary data.

Either an inductive or a deductive approach can be adopted by researchers to progress from observations to truth and back to observations (Losee, 1972). The inductive approach, or 'bottom-up' approach, starts from observations and concludes with a theory. Conversely, the deductive research adopts a 'top-down' approach with a series of hypotheses based on existing theories. These hypotheses are then examined through observations to enable confirmation or disconfirmation. To be consistent with the ontological and epistemological perspectives, this study followed a hypothetical-deductive approach, which initialised hypotheses based on theories; this was followed by data collection and analysis to accept or reject the proposed hypotheses regarding the objective truth.

Overall, this study adopted an ontological perspective of objectivism, an epistemological perspective of positivism and an axiological perspective of a deductive approach. The methodology that was proposed for the study reflected the assumption that management is similar across all businesses and any objective and measurable differences could be caused by the *structure* of management, not the *function* of management (Saunders et al., 2012). The design of this study aimed to identify, measure and model feasible constructs for organisations (Lee & Lings, 2008) and to develop generalisations on management practices based on findings from a set of data. As noted above, the hypothetical-deductive approach requires hypotheses to be made based on theories and then examined with an appropriate research design and a set of data. The following sections describe the research design that conformed to the ontological, epistemological and axiological stands discussed above so that the research questions (outlined in Section 1.3) could be answered.

3.3 Theoretical orientation

Berry (1990) defined different types of research as either 'etic' or 'emic'. Etic studies focus on universal applications of theories, whereas emics focus on culturally specific phenomena and interpretations. Earley and Singh (1995) argued that there is an

undefined grey area between etics and emics, being hybrid research that allows a mixture of etics and emics. According to Earley and Singh, a hybrid research project may propose etic hypotheses that are testable in a variety of cultural systems and the constructs may be researched independently of the gestalt system. However, the theorisation can be different from culture to culture but with reference to the gestalt system.

Guanxi has been studied as an indigenous phenomenon in Chinese culture and in addition, the three-dimensional LMG measurement was developed in the Chinese cultural context. However, Smith, Wasti, Grigoryan, Achoui, Bedford, Budhwar, Lebedeva, Leong and Torres (2014) found the two dimensions from the measurement, affective attachment and deference to the supervisor, also demonstrated full metric invariance in Singapore, Brazil, India, Russia, Saudi Arabia, Turkey and the UK. Sue-Chan and Dasborough (2006) compared the willingness of Hong Kong Chinese and Australians to recommend their friends for jobs. Their findings showed that although, overall, Hong Kong Chinese were more willing to favour their friends for jobs than were Australians, Australian business students were more willing than were the Hong Kong business students to favour their friends. These studies provided evidence that guanxi, or some elements of guanxi, exist in non-Chinese and even non-Confucian cultures. From this perspective, this current study could be identified as a hybrid research project that proposed etic hypotheses that could also be tested across other cultural systems, especially in cultures that were characterised by high levels of collectivism and power distance.

3.4 Research sample

People working in hotels in China were the target population of this study. Because of the multilevel research design discussed in Chapter 2, matching data needed to be collected from two different organisational levels: departmental managers and their subordinates. The size of the sample was critical for data collection and needed to satisfy the requirement for further analysis in HLM. The multilevel method of estimation was asymptotic because of the commonly used maximum likelihood (ML) estimation method. Subsequently, the estimates and the standard errors became more accurate with increasing sample sizes at all levels (Hox, 2010). According to Maas

and Hox (2004), the estimates for regression coefficients are normally unbiased, irrespective of which estimation method is used: for example, Ordinary Least Squares (OLS), Generalised Least Squares (GLS) and ML. However, if the number of groups is less than 50, the standard errors of the regression coefficients are severely biased by using OLS estimation; in addition, the ML estimates are slightly downwardly biased and the normality assumption is violated. Simulations indicate that group-level variances can be satisfactorily estimated with 30 groups and underestimated if the number falls to 10.

Busing (as cited in Hox, 2010, p. 234) argued that more than 100 groups are needed for accurate group-level variance estimates. Browne and Draper (2000) claimed that reasonable variance estimates could be produced with as few as six to 12 groups, using Restricted ML estimation. Kreft (1996) discussed a rule of thumb, also known as the '30/30 rule', which requires a sample of at least 30 groups with a minimum of 30 individuals per group. The 30/30 rule may be sufficient for the estimation of the regression coefficients but it is inadequate for other purposes. Hox (2010) considered that the sample size varies depending on the purpose of the research and recommended the 50/20 rule if there is a strong interest in cross-level interactions and the 100/10 rule for an interest in the random part. The rule of 50/20 refers to a sample with 50 groups and around 20 individuals in each group, while the 100/10 rule requires a sample of 100 groups with 10 individuals per group. However, Bryman and Bell (2011) suggested that the cost of the study and time involved must be balanced when sampling.

The extant multi-level studies in the literature of LMXD/LMGD were inconsistent in the aspect of sampling rules. Henderson et al. (32008) stated the average group size was 9 members per group without further information on minimum and maximum group size. Qin, Wen, Ling, Zhou and Tong (2014) only mentioned that their sample included a total of 285 employees from 56 groups and did not comment further on group sizes. Bommer, Dierdorff and Rubin (2007) did not specify the group size. Liu et al. (2016) had 274 employees from 56 teams. Harris et al. (2014) employed 3 to 7 members in each group, with a total of 223 respondents from 60 work groups. Chen et al. (2014) surveyed 65 groups with 2 to 10 members from each group. To satisfy the necessary

sample size for operating a multilevel analysis, this study targeted a sample of 50 or more groups with a minimum of three individuals per group. Because of the highly labour-intensive characteristic of the Chinese hotel industry, the size of each work group can vary considerably from department to department and in addition, is affected by the size of the hotel and the number of guest rooms. Some departments, such as food and beverage or room service, can employ more than 50 staff members while departments such as finance and human resources are much smaller. This meant that while the number of groups in the data collection needed to exceed 50 to meet the criteria in the multilevel variance estimates, the sizes of the work groups could not be limited to a certain number.

Since a large-scale survey would be too costly and time consuming, area sampling was used for this study. To provide additional geographical coverage for the Chinese hotel industry and to neutralise subcultural differences, three large cities were selected in the sample to represent Northern, Central and Southern China, respectively: Shenyang, Shanghai and Shenzhen. Four- and five-star hotels, as rated by the CNTA, were approached for data collection. There were 23 five-star and 68 four-star hotels in Shenyang, 67 five-star and 66 four-star hotels in Shanghai, and 39 five-star and 99 four-star hotels in Shenzhen (CNTA, 2015).

3.5 Pre-test and data collection

Podsakoff, MacKenzie, Lee and Podsakoff (2003) pointed out the issue of common method bias in empirical studies caused by the sources of responses. According to Podsakoff et al. (2003), when data of both independent and dependent variables are collected from the same group of participants, self-report biases may cause the variables to co-vary; different data sources for independent and dependent variables can help to tackle this bias. In line with this reasoning, the survey for this study was divided into two versions: the employee version (see Appendix III) and the manager version (see Appendix IV). The employee version contained two independent variables and one dependent variable, while the manager version collected information for two dependent variables. The employees were each given a copy of their version of the questionnaire, which was designed to evaluate the quality of their LMX and LMG relationships with their managers, their work engagement levels and their agreement

with Confucian core values, as well as to provide basic demographic information such as education and tenure.

After the data collection was completed with the employees, the managers were then asked to complete their versions of the questionnaire one week later. The managers needed to evaluate each participating employee's task performance and levels of OCB. The same protocol was followed consistently and precautions were taken so that good-quality data could be collected to improve the objectivity and the generalisability of the findings. When data collection from both employees and their managers was completed, the two versions of the questionnaire were then matched with each other for data analysis.

As the study targeted Chinese hotel employees, both versions of the questionnaire were translated into Chinese. Brislin's translation-back-translation technique (1980) was used to ensure that the translations were as accurate and as meaningful as possible. The author translated all the questions into Chinese. A bilingual friend, who used to work as a journalist for Xinhua News Agency, then translated the items back into English. After this, two native English speakers helped to compare the back-translated questionnaires with the original questionnaires. The comparison resulted in minor changes to the wording of some items, such as changing 'leader' to 'supervisor/leader', to specify who the leader was referring to when evaluating LMX.

Any questionnaire for a quantitative study should be pre-tested to avoid "misunderstanding stemming from vague wording, problems with leading questions, and potential bias in the sequence of the questions" (Zikmund, 2003, p. 229). The proposed questionnaires in Chinese were first handed out to five Chinese students studying in the School of Hospitality and Tourism at Auckland University of Technology (AUT), to identify any issues with the wording or the flow of the questions. Minor wording and formatting issues were raised and then adjusted to ensure that the meaning of each question was clear. With help from a friend, the researcher then invited a group of employees and their manager in the department of housekeeping from a hotel in Shenyang to pre-test the questionnaire. Minor wording and formatting issues were raised from the pre-tests. The questionnaire was then reviewed and

adjusted to ensure, again, that the meaning of each question was clear. As part of the pre-test process, Chinese versions of the questionnaires were sent to the human resource managers of all the participating hotels for approval and feedback. The feedback received was positive and confirmative; therefore, no further changes were needed.

A total of 362 hotels were approached. With the help of family, friends and colleagues, 14 hotels, from all regions, volunteered to participate. The data were collected from 75 departments with 483 employees and 75 managers from the three Chinese cities noted above. There was very limited access to frontline and kitchen employees, as human resources departments preferred to minimise interference in their hotel operations. Employees were recruited first, using the employee version of the questionnaire. One week after all the questionnaires had been collected from employees, their respective departmental managers were contacted and asked to fill out a copy of the manager version of the questionnaire for each participating employee. The same protocol was followed with all the hotels so that common method bias could be avoided, to improve the validity and quality of the data. After they were collected, the data were then matched between the employees and their managers.

3.6 Measures

To reflect the philosophies embedded in a positivist research paradigm, all the measures chosen, except those of Confucian core values, were from the existing LMX literature and had been previously tested with high reliability. Five original quotes from *The Analects of Confucius*, representing the five core values in Confucianism, were used to examine participants' agreement with Confucian core values. Since the targeted population was Chinese, the original quotes in Chinese language were retained to ensure the authenticity and accuracy of the philosophical underpinning of Confucian core values. Unless otherwise noted, all the items were measured using a 7-point Likert scale: 1 = strongly disagree, 2 = disagree, 3 = somewhat disagree, 4 = neutral, 5 = somewhat agree, 6 = agree, 7 = strongly agree.

The employee version of the questionnaire contained four main variables: LMX, LMG, work engagement and Confucian values. In addition, information on personal demographic background, such as age, gender, level of education, tenure and industry experience was included (see Appendix III).

Control-variables Because of the multilevel nature of this study, control-variables needed to be included in the data analysis. For the individual-level hypotheses, employee age and job tenure were used as control-variables. For the multilevel analysis, the two-level HLM suggested by Raudenbush, Bryk, Cheong and Congdon (2004) was applied; this required control-variables from both the individual and the group levels. In addition to the same set of control-variables being used for the individual-level hypotheses, LMX and LMG were included as control-variables at the individual level. At the group level, the control-variables that were used were group size, manager gender, manager age and manager job tenure.

LMX The 12-item LMX multidimensional measure (LMX-MDM) developed by Liden and Maslyn (1998) was used to measure the quality of the LMX relationship. This scale contained four dimensions of LMX: affect, loyalty, contribution and professional respect. Sample questions for each dimension were as follows:

Affect: I like my supervisor very much as a person.

Loyalty: My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question.

Contribution: I do not mind working my hardest for my supervisor.

Respect: I respect my supervisor's knowledge of, and competence in, the job.

LMXD is calculated using the standard deviation of LMX from each team.

LMG During the last two decades, a number of researchers have focused on developing a guanxi construct from categorical measures (Tsui & Farh, 1997) to dynamic measures (Wong, Tinsley, Law, & Mobley, 2003) and from unidimensional measures (Law et al., 2000) to multidimensional measures (Chen et al., 2009). For this study, the three-dimensional guanxi measure developed recently by Chen et al. (2009) in the Chinese cultural context was adopted. This measure examined three dimensions

in LMG: affective attachment, deference to manager and personal-life inclusion. Sample questions for each dimension were as follows:

Affective attachment: I would feel sorry and upset if my supervisor decided to work for another company.

Personal life inclusion: My supervisor could ask me to help him/her deal with some family errands.

Deference to supervisor: I am willing to obey my supervisor unconditionally.

LMGD is calculated using the standard deviation of LMG from each team.

Work engagement The UWES was used in this study because of its popularity and reliability (.89<α<.97). Considering the length of the questionnaire, the short version of UWES, modified by Schaufeli et al. (2006), was adopted for the survey. This version of UWES contained nine items and covered the same three dimensions that were covered by the 17-item UWES: vigour, dedication and absorption. Sample questions for each dimension were as follows:

Vigour: I feel energised at work.

Dedication: I am proud of the work that I do.

Absorption: I feel happy when I am working hard.

Confucian values *The Analects* was used to compile the items. Confucian scholars originally claimed three core values: Ren (benevolence), Yi (righteousness) and Li (propriety). Two more elements were added by Zhongshu, Dong in the Western Han Dynasty: Zhi (wisdom) and Xin (trust). All five core values can be traced back to the book of *The Analects* and are commonly accepted as the Confucian values in Chinese literature. A popular and representative quote from each value was then selected from *The Analects* and included in the employee version of the questionnaire. Feedback from pre-tests confirmed the popularity and familiarity of these quotes among Chinese people, regardless of gender, age or educational background. There were five items in this measure: benevolence, righteousness, propriety, wisdom and trust.

The manager version of the questionnaire (see Appendix IV) included two measures and some demographic background information. The demographic questions were the

same as those used in the employee version of the questionnaire. Managers were asked to rate their employees' levels of task performance and demonstrations of OCB to avoid common method bias.

Task performance Managers were asked to rate each one of their employees' task performance in the questionnaire. The seven-item measure developed by Haynie et al. (2014) was used for this study ($\alpha = .93$) to assess the overall quality of an employee's task performance.

OCB Managers used this measure to rate each of their employees' level of OCB at work. Considering the length of the questionnaire, the four-item scale ($\alpha = .87$) developed by Bommer et al. (2007) was used for this study. This measure has been used by a number of researchers in the hospitality industry with relatively high levels of reliability (Lee, Magnini, & Kim, 2010).

3.7 Data analytical strategy

In this section, the methods chosen to ensure the reliability and validity of the measures are discussed. The analytical procedures on descriptive statistics and correlation tests are then explained. The strategies using SPSS for testing the individual-level hypotheses and HLM for testing the multilevel hypotheses are described in the final section.

3.7.1 Establishing reliability and validity of measures

A positivist needs to ensure the reliability and validity of the measures used before testing the statistical significance of a hypothesis to ensure the objectivity of findings. With a wrongly used measure, any findings would be meaningless. According to Hair, Black, Babin, Anderson and Tatham (1998), the measures used in a quantitative study must reflect the concepts proposed (validity) and consistently produce similar values (reliability). The reliability of a measure can be established through Cronbach's alpha, which examines the internal consistency of a measure through analysing the correlations among the items. According to Cronbach (1951), the correlations among the items in the same scale can be analysed through the calculation of its coefficient alpha. This method has been widely accepted by quantitative researchers and any

coefficient alpha higher than 0.7 is acceptable, except in exploratory research, for which a coefficient of between 0.5 and 0.6 is sufficient (Kaplan & Saccuzzo, 1982). Although most of the measures selected for this study had been tested previously in the literature, with consistently high reliability scores, the reliability tests were still compulsory before further tests could be conducted.

Sekaran (2003) categorised validity into content, criterion and construct. Content validity is concerned with the issue of whether or not the items in a questionnaire represent the concept targeted. Criterion validity compares the questions with the outcomes and indicates whether the questions can measure the research concepts. Since most of the measures in the conceptual framework for this study came from the existing leadership literature and had been examined previously by many researchers, content validity, along with criterion validity, was not considered an issue.

Construct validity defines how well a construct is designed with regard to its claims and for this study, this aspect needed to be examined prior to hypothesis testing. Researchers often use exploratory factor analysis (EFA) to specify the number of factors in the measurement. However, CFA is often preferred to EFA if the scales of the research have been previously validated (Schumacker & Lomax, 2004). An increasing number of researchers conducting applied research have used CFA to validate their constructs, since this not only verifies the number of factors but also examines the pattern of factor loadings in a construct to increase the accuracy of the estimations (Hair et al., 1998). In addition, CFA focuses on theory and hypothesis testing; therefore, it provides many other analytic possibilities that are not available through EFA (Brown, 2006). For that reason, in this study, CFA was first conducted with all the variables in AMOS 23 to examine the overall goodness of fit for the measurement model conceptualised. Because three instruments used in the framework contained multidimensions (LMX, LMG and work engagement), a second-order CFA was conducted to test the goodness of fit of the measurement model. Both absolute fit and relative fit indices were adopted by this study to assess the model fit.

Goodness-of-Fit (GFI) statistics are often used by researchers to assess how well the model fits the data collected. Chi-Square (X^2) is a traditional measure used to assess

the overall model fit and the magnitude of discrepancy between the sample and fitted covariance matrices (Hu & Bentler, 1999). Specifically, Chi-Square evaluates whether or not the covariance matrix and mean vector in the sample equal the model-implied covariance matrix and mean vector; therefore, a null hypothesis is formed. If the covariance matrix and mean vector of the sample are quite different from the covariance matrix and mean vector of the model, with a significant Chi-Square (X^2), the model does not fit well to the data collected. In contrast, an insignificant Chi-Square (X^2) signifies that the two matrices are similar; therefore, the model reproduces the sample variance-covariance relationships and indicates that the model is a good fit (Schumacker & Lomax, 2004). ML was employed for this study to calculate X^2, since ML estimates are "consistent, unbiased, efficient, scale invariant, scale free" (Schumacker & Lomax, 2004, p. 100) and are widely used by researchers in the field of social science (Yuan & Bentler, 2000).

Although the Chi-Square is very popular as a fit statistic, it also has limitations. McIntosh (2007) suggested that the existence of multivariate normality and the deviations from normality postulated by the Chi-Square test might result in unreasonable rejections of the model. Bentler and Bonnet (1980) claimed that the Chi-Square was sensitive to sample size and not suitable for large samples. Because of the relatively large sample adopted by this study, alternative tests needed to be operated to evaluate the model fit. The root mean square error of approximation (RMSEA) is another model fit statistic developed by Steiger and Lind (1980) and has been regarded as one of the most informative fit indices (Diamantopoulos & Siguaw, 2000). RMSEA assesses how well a model with an optimally selected parameter fits the population covariance matrix.

A RMSEA value of between .05 and .10 is normally considered acceptable and indicates a relatively fair fit of the model assessed. Hu and Bentler (1999) claimed that a cut-off RMSEA value should be set at .06. Steiger (2007) argued that the upper limit of RMSEA should be .07. MacCallum, Browne and Sugawara (1996) suggested that any result below .08 would indicate a good fit. An RMSEA value of higher than .10 definitely implies a poor fit for the model (MacCallum et al., 1996). The GFI test is another alternative to the Chi-Square test. GFI calculates the proportion of variances that fit in

the model that is hypothesised. The GFI value ranges from 0 to 1. Shevlin and Miles (1998) recommended a cut-off point of .90 or .95 when factor loadings are low and sample sizes are small. Sharma, Mukherjee, Kumar and Dillon (2005) argued that GFI should no longer be used because of the high sensitivity of this index.

In this study, three other statistics were examined in the CFA: the Bentler-Bonett Normed Fit Index (NFI) from Bentler and Bonett (1980), the comparative fit index (CFI) by Bentler (1990) and the Tucker-Lewis index (TLI), developed by Tucker and Lewis (1973). NFI compares the Chi-Square value of the model to the Chi-Square value of the null model to assess the model fit. The NFI value ranges between 0 and 1; Ben and Bonnet (1980) advocated that an NFI value of higher than .90 indicates a good fit for the model assessed. CFI is deemed one of the tests least affected by sample size (Fan, Thompson, & Wang, 1999) and is highly efficient in assessing comparative fit in nested models (Bentler, 1990). In common with other indices, the value of the CFI ranges between 0 and 1. A value of CFI that is higher than .90 is considered acceptable and a value that is equal to, or higher than, .95 indicates a good fit of the model (Hu & Bentler, 1999). TLI has been used since it was claimed by McDonald and Marsh (1990) to be the only unbiased index in finite samples for testing null or alternative models. A value of TLI that is higher than .90 is considered acceptable (Hu & Bentler, 1999).

After the validity and reliability had been established from the hypothesised model, the data for this study were ready for further analysis and discussion. First, descriptive statistics were organised to demonstrate the characteristics of the participants, followed by Pearson's correlation tests between the variables at individual and group levels. Hypotheses were then tested in two stages with different data analysis software. Stage 1 included all the hypotheses at the individual level; thus, SPSS 24 was sufficient to conduct all the tests. Stage 2 required the testing of the relationships between individual-level and group-level variables; thus, HLM 7 was used to run the analysis.

3.7.2 Descriptive statistics and Pearson's correlation coefficient
Descriptive statistics provide important background information regarding the participants and indicate any demographic trends embedded in the findings.

Demographic background information – gender, job tenure, age, employment type, hospitality industry experience, educational background, working departments and the locality of respondents – was analysed first. Since this study surveyed participants from two different organisational levels (managers and their employees), the descriptive statistics were operated separately. Arithmetic means and standard deviations of the variables were calculated to increase the replicability of findings (Langdridge & Hagger-Johnson, 2009).

As discussed by Asthana and Bhushan (2007), the strength and direction of interrelatedness between variables can be examined with Pearson's correlation coefficient. Pearson's correlation coefficient is a value of between −1 and 1. A negative value indicates a negative relationship and a positive value indicates a positive relationship between the two variables. As Pearson's correlation coefficient is used widely, the findings from different studies can be compared to increase the generalisability of the results. Further, as explained by Raudenbush and Bryk (2002), correlation between variables must be examined before conducting any further multivariate analysis with HLM methods.

For this study, the preliminary assessment of the relationships between the variables of the framework was conducted using Pearson's correlation coefficient and presented from both the individual level and the group level. At the individual level, correlation coefficients were calculated between the control-variables (age and job tenure), the independent variables (LMX, LMG), the dependent variables (work engagement, task performance, OCB) and the two moderators (gender, Confucian values). At the group level, correlation coefficients were calculated between the control-variables (manager age, manager tenure, manager gender, group size) and the independent variables (LMXD, LMGD). When the initial assessment of the relationships between all the variables from the two levels was completed, the hypotheses were tested in two stages, using SPSS 24 at the individual level and HLM 7 at the multilevel.

3.7.3 The individual-level research design in SPSS 24

Based on the conceptual framework proposed in Chapter 2, seven hypotheses needed to be tested at the individual level in SPSS 24. Hypotheses 1, 2 and 3 were tested using

the correlation coefficients discussed above. For Hypotheses 7, 8, 11 and 12, the moderation method suggested by Baron and Kenny (1986) was adopted (see Figure 3.2). Independent variables (LMX and LMG) and moderators (gender and Confucian values) were first mean centred (variable–centred variable). A set of product variables was then created, using a mean-centred independent variable to multiply mean-centred moderators. In accordance with Baron and Kenny (1986), two models from linear regression analysis were organised and compared. In Model 1, the outcome variable was regressed on the independent variable and the moderator. In Model 2, the outcome variable was regressed on the product variable created. The moderation hypothesis would be supported as long as path c was significant. In addition, a series of scatter plots was developed to present the moderating patterns between the relevant groups.
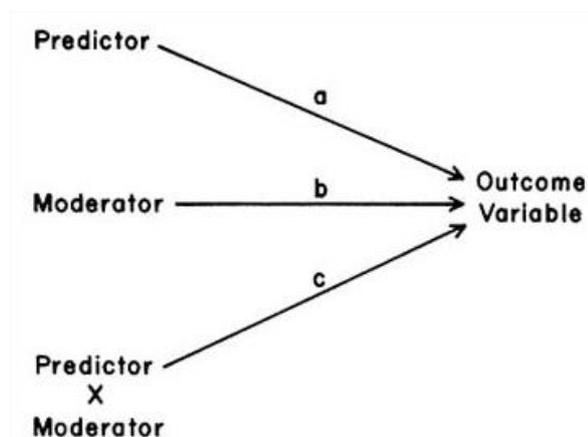
Figure 3.2. Moderation model by Baron and Kenny (1986, p. 1,174)

3.7.4 The multilevel research design in HLM 7

Because of the multilevel nature of the data collected, an appropriate software, capable of analysing nested and hierarchical data, was needed. Chou, Bentler and Pentz (2000) suggested that researchers should discard multiple regression analysis when analysing hierarchical data because the hierarchical structure of data violates two of the four basic assumptions for multiple regression analysis (homoscedasticity and independence). Chou et al. (2000) advised researchers to use software capable of analysing hierarchical data instead of treating variables at the same level. In sociological research, hierarchical linear modelling (HLM) is often referred to as multilevel linear modelling (Raudenbush & Bryk, 2002). Since HLM considers both

individual effects and cross-level effects in data analysis, HLM has been widely used by researchers in the field of management to conduct multilevel analysis and meta-analysis (Hitt, Beamish, Jackson, & Mathieu, 2007).

Based on the justifications from Raudenbush and Bryk (2002), HLM can avoid three major conceptual and technical difficulties when analysing multilevel data in organisational research. The first difficulty is the aggregation bias when a variable has different meanings and may function differently at different organisational levels. The second difficulty is the mis-estimated standard error that often occurs with multilevel data because of the interdependence among responses in the same organisation. The third difficulty in analysing multilevel data lies in the heterogeneity of regressions when the relationships between individuals and outcomes vary across organisations.

Considering the suggestions above and the limited budget for this study, the computing program of HLM 7, developed by Raudenbush and Bryk (2002), was chosen for testing all the multilevel hypotheses. Before importing the SPSS file into HLM 7, several variables were created in SPSS. The number of employees from each group was counted and a new variable was created in SPSS as the 'group size'. As suggested by Chen et al. (2014), the standard deviations of LMX and LMG from each department with the same manager were calculated and used as two new group-level variables: LMXD and LMGD. In common with the individual-level moderation analysis, the same method from Baron and Kenny (1986) was adopted to examine the multilevel moderation of gender and Confucian values. After mean-centring LMXD and LMGD, four intention variables were created in SPSS (LMXD_Gender, LMGD_Gender, LMXD_Confucian values and LMGD_Confucian values).

An mdmt file was then created in HLM 7, with the following variables and missing data counted only when running the analysis:

- Individual-level variables: employee age, employee tenure, employee gender, Confucian values, LMX, LMG, work engagement, task performance, OCB, LMXD_Gender, LMGD_Gender, LMXD_Confucian values and LMGD_Confucian values

- Group-level variables: manager age, manager gender, manager tenure, group size, LMXD and LMGD.

To make comparisons between LMXD and LMGD, separate analysis was conducted in HLM 7. When running analysis on LMX or LMXD, the LMG-related variables were left out of the equation; when running analysis on LMG or LMGD, the LMX-related variables were left out. Four models were analysed on each work outcome variable. For hypotheses concerning the relationships between LMXD and outcomes, four models were established. In Model 1, all the control-variables except LMX were entered as grand-mean-centred. As suggested by Hofmann and Gavin (1998), LMX was entered as group-mean-centred. At the individual level, employee age, employee job tenure and LMX were entered. At the group level, manager age, manager gender, manager tenure and group size were entered. In Model 2, in addition to the variables in Model 1, LMXD was entered and analysed as a predictor of the intercept. In Model 3, in addition to all the variables from Model 2, employee gender and the intention variable between LMXD and gender created in SPSS (LMXD_Gender) were entered into the equation to test the multilevel moderation of gender. In Model 4, employee gender and LMXD_Gender were replaced by the Confucian values and the intention variable of LMXD_CON. Model 4 examined the moderating effect of Confucian values between LMXD and work outcomes. For the HLM analysis on LMGD, the same procedures were followed and all the LMX- and LMX-related variables were replaced by LMG- and LMG-related variables.

3.8 Ethical considerations

This study was conducted in accordance with AUT research ethics guidelines and procedures (2016). The key principles followed included:
- informed and voluntary consent
- respect for rights of privacy and confidentiality
- minimisation of risk
- truthfulness, including limitation of deception
- social and cultural sensitivity, including commitment to the principles of the Treaty of Waitangi
- research adequacy

- avoidance of conflict of interest.

According to the Auckland University of Technology Ethics Committee (AUTEC), "Participation of a human subject in any research project or teaching session must be voluntary and based on understanding of adequate or appropriate information about what such participation will involve" (AUTEC, 2.1.1). The Participant Information Sheet (see Appendix I & II), which explained the main purpose of the study and the data-collection procedures, was prepared for potential participants to read. The Participant Information Sheet started with an introduction of the researcher and the purpose of the study. The participants were informed of the process of recruitment and the benefits, as well as any potential risks, associated with their participation. It was emphasised that their participation was voluntary and responses would be kept confidential during and after the collection of data. The contact details of the researcher, the project supervisor and AUTEC were all provided for the reference of participants. A consent form was prepared, with a clear statement of the voluntary right to participate (see Appendix V). The Participant Information Sheet and the Consent Form were both translated into Chinese using Brislin's translation-back-translation technique (1980) and pre-tested together with the main survey.

To retain satisfactory statistical power, no exclusions were given with regard to the type of department and the same terms and conditions were applied to all participants. For the recruitment of participants, all possible steps were taken to ensure that there was no discrimination based on gender, age, qualifications or any other characteristic of any participant. To ensure the privacy of participants and the confidentiality of the data, each employee was assigned a unique code in a sealed envelope and the code was then matched to their manager's responses. Managers were not able to see their subordinates' responses and the subordinates could not see their manager's ratings of their task performance and OCB.

Although the dataset was shared between the researcher and the primary academic supervisor, only the identification numbers of respondents and teams were recorded to ensure the confidentiality of the data and the privacy of the respondents. No other parties were given access to the data except the researcher and the primary academic

supervisor. The questionnaires were stored securely in the researcher's office and the data set will be stored on the researcher's computer hard drive for six years. The electronic data will be permanently deleted from the hard drive and the paper copies will be shredded after being stored for six years.

CHAPTER 4 RESULTS

4.1 Chapter preview

This chapter presents the findings and hypothesis test results of the study. First, the reliability and the validity of the conceptualised model are examined with a second-order CFA in Amos 23. Demographic information is presented next, to provide some background information on the respondents, which is the key to understanding the sample and the population of this project.

The hypothesis testing followed a two-stage process: individual-level hypothesis testing and multilevel hypothesis testing. At the individual level, means, standard deviations and correlations of all the individual-level variables are examined first. In addition, the individual-level hypotheses regarding the direct relationships between LMX/LMG and work outcomes are discussed, based on their correlation coefficients. The results of moderation tests regarding the effects of gender and Confucian values on the relationships between LMX/LMG and work outcomes are presented next, with a series of regression analyses in SPSS 24 following the method suggested by Baron and Kenny (1986). A summary of all of the individual-level hypothesis test results is presented before moving on to the next stage.

A similar process is followed in presenting the findings of the multilevel data analysis. All the means, standard deviations and correlations of all the group-level variables are examined and discussed first. Because of the limitation of SPSS when conducting the multilevel analysis, as discussed in Section 3.7.4, a mdmt file is thereafter created in HLM 7 for the multilevel data analysis. A number of test results are then presented in HLM 7 and the multilevel hypothesis test results are described, with a number of tables and figures. The multilevel testing results are summarised at the end of the chapter, as shown in Figure 4.1.

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│   4.3 Profile of the participants │
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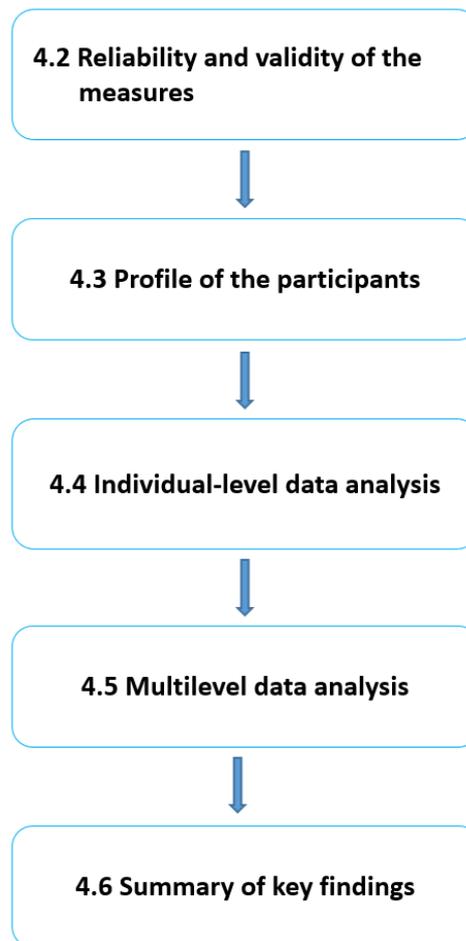
Figure 4.1. Preview of Chapter 4

4.2 Reliability and validity of the measures

Reliability was first established through the examination of Cronbach's coefficient alpha in SPSS. As presented in Table 4.1, all the scales indicated high scores in Cronbach's alpha; thus, reliability was well established.

Table 4.1. Summary of Cronbach's alpha coefficients of measures

Scales	Cronbach's alpha
LMX	.95
LMG	.94
Work engagement	.95
Task performance	.94
OCB	.91
Confucian values	.94

LMX = leader–member exchange
LMG = leader–member guanxi
OCB = organisational citizenship behaviour

The validity of the model was examined through a CFA in Amos 23. Since both of the independent variables (LMX and LMG) and one of the outcome variables (work engagement) contained multiple dimensions, a second-order CFA was then performed (see Figure 4.2). All the factor loadings of the items were statistically significant, indicating convergent validity. The overall Chi-Square value was 3,186.00 with 1,102 degrees of freedom, p = .00. With a significant p value, the Chi-Square test indicated a poor fit for the model. However, considering the limited power of Chi-Square tests on large samples, and the fact that this study involved a sample of 483 employees and 75 managers, alternative tests were then applied to assess the model fit. The GFI value was .77, which implied a fairly good fit for the model. The CFI value was .95 and this suggested a very good fit for the model. The value of NFI was .91, which was higher than the acceptable value of .90; therefore, it was suggested as an acceptable fit for the model. The value of TLI was .91: higher than the cut-off value of .90 and denoted a good fit for the model. In addition, the RMSEA value was .06, which was within the acceptable range of between .05 and .08; this indicated that it was a very good fit for the model.
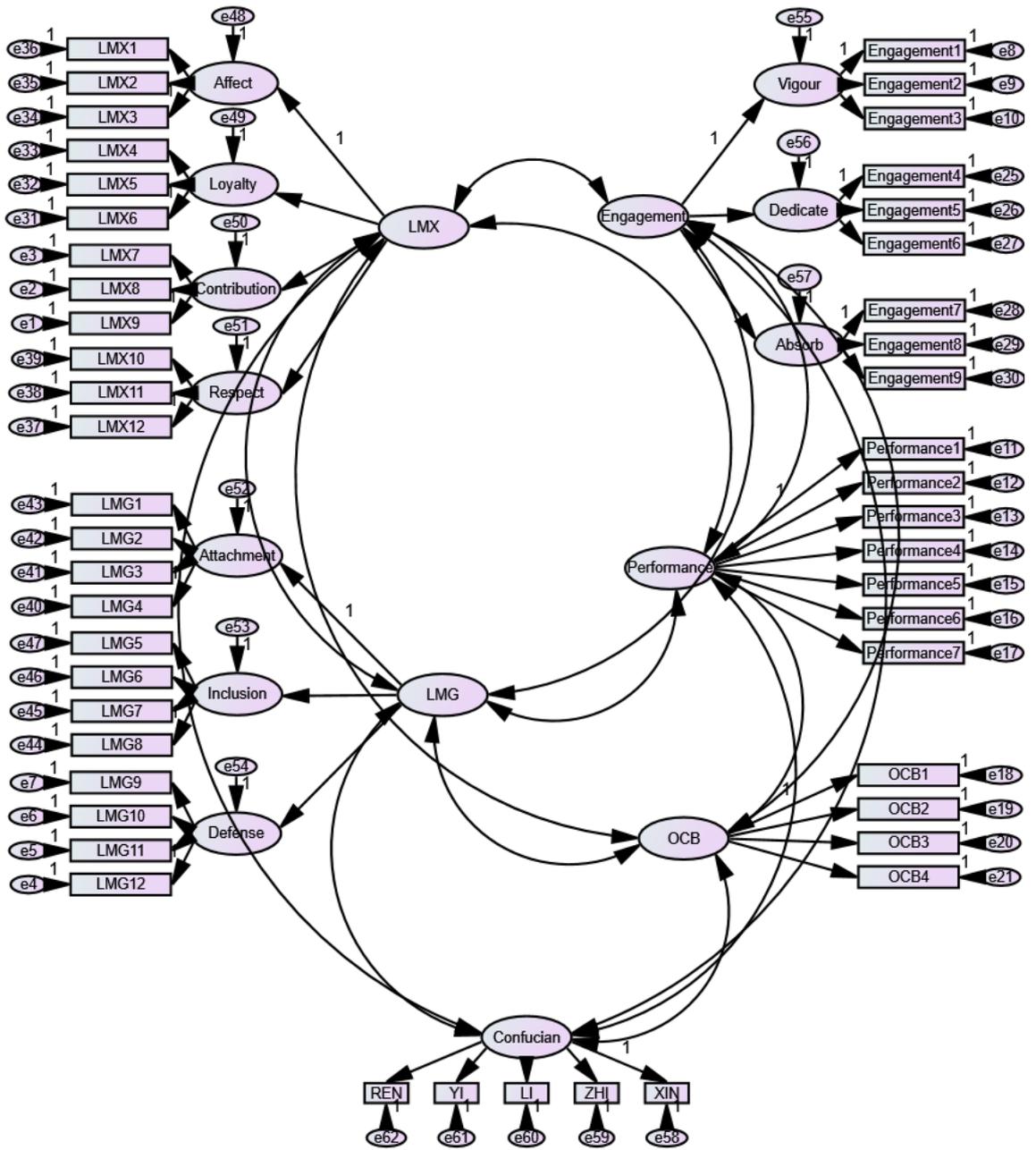
Figure 4.2. Second-order CFA in Amos 23

Table 4.2. CFA: properties of measurement model

Construct	Factor loadings	CR	*t* value
LMX		.93	
Affect	.89		Fixed
Loyalty	.85		17.27
Contribution	.86		20.31
Respect	.90		23.01
LMG		.85	
Affective attachment	.97		Fixed
Personal-life inclusion	.73		14.70
Deference to supervisor	.72		14.62
Work engagement		.95	
Vigour	.90		Fixed
Dedication	.92		20.32
Absorption	.95		20.42
Task performance		.94	
Performance1	.78		Fixed
Performance2	.83		20.47
Performance3	.89		22.45
Performance4	.85		21.11
Performance5	.86		21.35
Performance6	.86		21.55
Performance7	.78		18.86
OCB		.91	
OCB1	.82		Fixed
OCB2	.89		24.21
OCB3	.88		23.70
OCB4	.79		20.36
Confucian values		.94	
Benevolence	.82		Fixed
Righteousness	.85		28.49
Propriety	.92		27.43
Wisdom	.94		24.24
Trust	.84		22.64

LMX = leader–member exchange

LMG = leader–member guanxi

OCB = organisational citizenship behaviour

To demonstrate the discriminant and convergent validity of the measurement model, the current model was compared with the two others (see Table 4.3). Model 1 represented a one-factor model in which all the variables were treated as one factor. Model 2 represented a two-factor model in which employee-rated variables (LMX, LMG, work engagement and Confucian values) were considered one factor and manager-rated variables (task performance and OCB) were considered the other factor. The Chi-Square scores indicated that the hypothesised six-factor model achieved a

significantly better model fit than did the other two models. The other two alternative models demonstrated a poor fit with regard to all the statistics. To conclude, the hypothesised model was validated in both discriminant and convergent validity.

Table 4.3. CFA results of model comparisons

Model	χ^2	$\Delta\chi^2$	df	Δdf	CFI	GFI	TLI	RMSEA
Model 1: 1 factor	14,238	11,052[***]	1,127	25	.45	.28	.43	.16
Model 2: 2 factors	11,687	8,501[***]	1,126	24	.56	.33	.54	.14
Model 3: 6 factors	3,186	-	1,102	-	.91	.77	.91	.06

[***]$p<.001$

4.3 Profile of the participants

In total, 483 employees and 75 managers from 14 hotels in Shenyang, Shanghai and Shenzhen participated in the study. Descriptive statistics were produced on participants' demographic characteristics (gender, job tenure, age, type of employment, years of industry experience, education and department). Since the participants were from two organisational levels, the descriptive statistics were operated separately for managers and employees. Out of 483 employee respondents, 59.6 per cent were female (see Table 4.4), which outnumbered the 42.9 per cent of women in the entire workforce of China (National Bureau of Statistics of the People's Republic of China [NBS], 2016). Specifically, women outnumbered men in the departments of accounting, cleaning, food and beverage, front office, human resources and housekeeping. Men outnumbered women in the work areas of kitchen, maintenance and security. The female managers outnumbered male managers, with 60 per cent and 40 per cent respectively.

Table 4.4. Profile of the participants

	Employees		Managers	
	COUNT (#)	PERCENTAGE (%)	COUNT (#)	PERCENTAGE (%)
GENDER				
Female	288	59.6	45	60.0
Male	195	40.4	30	40.0
Total	483	100.0	75	100.0
AGE				
<20	19	3.9	-	-
20–29	281	58.2	14	18.7
30–39	86	17.8	33	44.0
40–49	74	15.3	26	34.7
≥50	14	2.9	2	2.7
Missing	9	1.9	-	-
Total	483	100.0	75	100.0
	Mean = 29.3, Std. dev. = 9.1, Min = 18, Max = 55		Mean = 35.4, Std. dev. = 6.7, Min = 21, Max = 58	
EMPLOYMENT TYPE				
Full-time	369	76.4	75	100.0
Contractor	81	16.8	-	-
Other	13	2.7	-	-
Missing	9	1.9	-	-
Part time	8	1.7	-	-
Temporary	3	0.6	-	-
Total	483	100.0	75	100.0
EDUCATION LEVEL				
High school	187	38.7	20	26.7
Vocational certificate	74	15.3	13	17.3
Tertiary diploma	145	30.0	36	48.0
Undergraduate degree	66	13.7	6	8.0
Postgraduate degree	3	0.6	-	-
Other	1	0.2	-	-
Missing	7	1.4	-	-
Total	483	100.0	75	100.0
JOB TENURE				
<1 year	95	19.7	2	2.7
1–3 years	209	43.3	20	26.7
3–5 years	101	17.6	20	26.7
>5 years	80	16.6	33	44.0
Missing	14	2.9	-	-
Total	483	100.0	75	100.0
	Mean = 2.8, Std. dev. = 3.2, Min = 0.1, Max = 29		Mean = 4.6, Std. dev. = 2.7, Min = 0.2, Max = 11	

Table 4.4. Profile of the participants (continued)

	Employees		Managers	
	COUNT (#)	PERCENTAGE (%)	COUNT (#)	PERCENTAGE (%)
INDUSTRY EXPERIENCE				
<1 year	70	14.5	-	-
1–3 years	155	32.1	6	8.0
3–5 years	82	17.0	4	5.3
>5 years	162	33.5	65	86.7
Missing	14	2.9	-	-
Total	483	100.0	75	100.0
	Mean = 4.8, Std. dev. = 5.5, Min = 0.1, Max = 29.0		Mean = 4.4, Std. dev. = 2.7, Min = 0.2, Max = 11.0	
WORKING AREAS				
Front of house	128	26.5	18	24.0
Food and beverage	106	21.9	16	21.3
Admin	75	15.5	12	16.0
Housekeeping	102	21.1	15	10.0
Kitchen	27	5.6	5	6.7
Maintenance	19	3.9	4	5.3
Human resources	15	3.1	3	4.0
Others	11	2.3	2	2.7
Total	483	100.0	75	100.0

The mean age of all the employee respondents was 29.3, which is nine years younger than the national average workforce age of 38.5, across all industries (NBS, 2005). Nearly 60 per cent of the employees were in their 20s, indicating a relatively young workforce. The oldest employee respondent was 55 years old and the youngest was 18 years old. China currently follows the mandatory retirement policy, released in 1978, that women retire at the age of 50 and men retire at the age of 60. The work areas with the youngest mean age of employees were the departments of art and design (mean = 21.5) and concierge (mean = 23.8). The work areas with the oldest mean age of employees were the departments of cleaning (mean = 46.7), administration (mean = 41.3) and housekeeping (mean = 35.6). In comparison, the mean age of all the managers was 35.4, with a standard deviation of 6.7 years. The mean age of the managers was eight years older than the mean age of the employees. The oldest participating manager was 58 years old and the youngest was 21 years old. Around 81 per cent of the managers were older than 30 years of age.

The majority (76.4 per cent) of the employee respondents and all the managers were working full time. More than one-third of the employee respondents had only high school qualifications or less and approximately 44.3 per cent of employees held tertiary qualifications, including diplomas, or undergraduate or postgraduate degrees. From the statistics released by the CNTA in 2015, only 33.9 per cent of hotel staff in Shanghai had tertiary qualifications, 21.6 per cent in Shenzhen and 32.2 per cent in Shenyang. The employees surveyed in this research were mainly from four- or five-star hotels, while the statistics from CNTA were based on all the hotels; this could explain the difference in the statistics. More than half of the managers (56 per cent) who participated in this research held tertiary qualifications. The other half held either high school or vocational qualifications.

Of the 483 employee participants, 19.7 per cent had worked for their current employer for less than one year. Nearly half of the respondents (43.3 per cent) had worked at the current hotel for between one and three years and 34.2 per cent of the employees had worked at the current hotel for more than three years. The mean work experience with the current employer among all employee respondents was 2.8 years. The highest means were from the departments of administration (mean = 8.0 years) and human resources (mean = 5.6 years), while the lowest means were from the departments of finance (mean = 0.8) and art and design (mean = 1.1). In comparison, the mean length of employment with the current employer among managers was 4.4 years, 1.6 years longer than the mean of employee respondents. Nearly all managers had worked for the current hotel for more than one year (97.3 per cent) and nearly half (44.0 per cent) had worked there for five years or longer.

Regarding overall work experience in the hospitality industry, 14.5 per cent of the employee respondents were relatively new to the industry, with industry experience of less than one year. Nearly half of the employee respondents (49.1 per cent) had industry experience of between one and five years. Around one-third of the employees had been in the industry for more than five years. The mean of the employees' industry experience (4.8 years) was much higher than the work experience for the current employer (2.8 years), indicating relatively high levels of employee turnover in the hotel industry. According to a study conducted by Aon Hewitt's (2016), the

employee turnover rate in the Chinese hotel industry was 43.4 per cent in 2016 and this was the highest among all industries in China. Managers were more experienced in the industry than were the employees. The mean industry experience among managers was 8.7 years, with a minimum of two years and a maximum of 26.0 years. Most of the managers (86.7 per cent) had been in the industry for more than five years.

Front of house was the most significant work area and included the departments of security, reception and concierge. The second-largest working areas were the departments of food and beverage and housekeeping. Over a quarter (27.3 per cent) of the participants were from departments with very limited or no direct contact with customers as part of their job requirements, while the other 72.7 per cent had direct contact with customers. The smallest team in this study had just two employees and one manager; they dealt with additional guest services such as sewing and customised laundry. The largest team, from the department of food and beverage, had 23 employees.

4.4 Individual-level data analysis

The means and standard deviations of, and correlations between, all the individual-level variables were first calculated in SPSS 24 before testing the hypotheses. The correlations between the LMX, LMG, work engagement, task performance and Confucian values were all of highly significant levels ($p<.01$) (see Table 4.5).

Table 4.5. Means, standard deviations and correlations of all the individual-level variables (H1, H2, H3)

		Mean	SD	1	2	3	4	5	6	7	8	9
1	Age	29.27	9.12	1								
2	Gender	.40	.49	−.00	1							
3	Job tenure	2.78	3.20	.51***	−.02	1						
4	LMX	5.31	1.36	−.09	.06	−.04	1					
5	LMG	4.82	1.43	.01	.10*	.05	.84***	1				
6	Work engagement	5.85	1.15	.12**	.00	.08	.45***	.49***	1			
7	Task performance	5.25	.99	.06	.09	.06	.48***	.59***	.37***	1		
8	OCB	5.39	1.05	.01	.05	.02	.50***	.53***	.31***	.72***	1	
9	Confucian values	6.27	1.03	.02	−.02	.04	.31***	.27***	.61***	.34***	.37***	1

N = 483
LMX = leader–member exchange
LMG = leader–member guanxi
OCB = organisational citizenship behaviour
Gender 0 = female, 1 = male
*$p<.05$, **$p≤.01$, ***$p<.001$

These results were relatively consistent with those of the existing literature, showing a positive effect of LMX and LMG on work engagement, task performance and OCB. Interestingly, Confucian values correlated significantly with all the individual-level variables, with the exception of the control-variables. The effect of LMX and LMG on the outcome variables was notably different and in addition, the means of LMX and LMG were quite different (mean LMX = 5.31, mean LMG = 4.82). LMG resulted in a stronger correlation than did LMX on all the outcome variables.

H1a, H2a, H3a: LMX affects work engagement, task performance and OCB positively. When LMX is high, employees show high levels of work engagement, task performance and OCB; when LMX is low, employees show low levels of work engagement, task performance and OCB.

LMX correlated positively with work engagement ($r = .45$, $p = .00$), task performance ($r = .48$, $p = .00$) and OCB ($r = .50$, $p = .00$) and all the correlations were statistically significant. Thus, H1a, H2a and H3a were all supported.

H1b, H2b, H3b: LMG affects work engagement, task performance and OCB positively. When LMG is high, employees show high levels of work engagement, task performance and OCB; when LMG is low, employees show low levels of work engagement, task performance and OCB.

LMG correlated positively with work engagement ($r = .49$, $p = .00$), task performance ($r = .59$, $p = .00$) and OCB ($r = .53$, $p = .00$) and all the correlations were highly significant (see Table 4.5). Thus, H1b, H2b and H3b were all supported.

H1c, H2c, H3c: In comparison to LMX, LMG has a larger effect on employees' work engagement, task performance and OCB. The correlation coefficients between LMG and work engagement, task performance and OCB are higher than are the correlation coefficients between LMX and work engagement, task performance and OCB.

The correlation coefficients between LMG and work engagement, task performance and OCB were consistently higher than those between LMX and the outcome variables. Linear regression analysis was then conducted in SPSS. When regressing work engagement on LMX/LMG, the standardised coefficient beta for LMX was .14 ($p = .06$), while the beta for LMG was .37 ($p = .00$), which indicated that the greater impact of LMG than that of LMX on work engagement was statistically significant. When regressing task performance on LMX/LMG, the beta for LMX was -.04 ($p = .52$), while the beta for LMG was .63 ($p = .00$), which indicated that the greater impact of LMG than that of LMX on task performance was statistically significant. When regressing OCB on LMX/LMG, the beta for LMX was .21 ($p = .00$), while the beta for LMG was .35 ($p = .00$), which indicated that the greater impact of LMG than that of LMX on OCB was statistically significant. Thus, H1c, H2c and H3c were all supported.

H7: Gender moderates the associations between LMX and work engagement (H7a), task performance (H7b) and OCB (H7c). The correlations between LMX and work engagement, task performance and OCB are stronger among male employees and weaker among female employees.

First, the means of both independent and dependent variables were compared between the two genders (see Table 4.6). Male employees showed much higher means on all variables except work engagement, which was very similar for both genders. Bivariate correlations were then operated in SPSS 24 with the file split by gender. The correlations between LMX/LMG and the outcome variables across the two genders were all statistically significant. Noticeably, the correlation coefficients were much higher among men than they were among women, indicating a possibly significant difference between the two genders.

Table 4.6. Bivariate correlations by gender

		Mean	SD	1	2	3	4	5	Mean	SD	
	1 LMX	5.24	1.39	1	.83***	.50***	.52***	.54***	5.41	1.32	
Female	**2** LMG	4.71	1.44	.84***	1	.56***	.63***	.61***	4.99	1.41	**Male**
	3 Work engagement	5.86	1.16	.42***	.44***	1	.50***	.42***	5.85	1.15	
	4 Task performance	5.17	.92	.45***	.55***	.27***	1	.77***	5.35	1.09	
	5 OCB	5.34	.97	.48***	.47***	.23***	.66***	1	5.45	1.16	

N = 483
LMX = leader–member exchange
LMG = leader–member guanxi
OCB = organisational citizenship behaviour
Gender 0 = female, 1 = male
*$p<.05$, **$p≤.01$, ***$p<.001$

Moderation tests were conducted following the four-step method suggested by Baron and Kenny (1986). First, LMX, LMG and gender were mean centred. Next, two product variables were created using mean-centred LMX multiplies mean-centred gender (LMX*Gender) and mean-centred LMG multiplies mean-centred gender (LMG*Gender). Three multiple regression models were then created in SPSS. Employees' ages and lengths of job tenure were used as control-variables and entered into Model 1. The outcome variables were regressed on mean-centred LMX/LMG and gender in the second model. The outcome variables were regressed on the product variables in the third model. R-square, R-square change and F change were also calculated.

Table 4.7 presents the results for the three models in regression analysis, with gender as a moderator between LMX and work engagement. Since the regression of work engagement on the product variable LMX*Gender was insignificant ($b = .06$,

$t(483) = 1.36$, $p = .18$), no moderating effect of gender was found between LMX and work engagement. Thus, H7a was not supported.

Table 4.7. Moderating effect of gender between LMX and work engagement (H7a)

	Model 1	Model 2	Model 3
Age	.11*	.15**	.16**
Tenure	.02	.01	.01
LMX		.47***	.47***
Gender		-.02	-.02
LMX*Gender			.06
R²	.02	.23	.24
R² Δ	.02	.21	.01
F change	3.50*	66.12***	1.84

N = 483
Gender 0 = female, 1 = male
Standardised parameter estimates are reported
$^*p<.05$, $^{**}p≤.01$, $^{***}p<.001$

The result of the moderation test on gender between LMX and task performance is presented in Table 4.8. The R² was .01 in Model 1, .24 in Model 2 and .25 in Model 3. The R² in the third model was the highest and was .01 higher than it was in Model 2 (R²Δ = .01, $p = .03$). The regression of task performance on the interactional variable LMX*Gender was .09 and significant ($b = .09$, $t(483) = 2.20$, $p = .03$). Since gender was dummy coded as female = 0 and male = 1, the positive t value of 2.20 indicated that the correlation between LMX and task performance was higher among male employees and lower among female employees. To understand the pattern of the moderating effect of gender, a scatter plot was developed in SPSS (see Figure 4.3). Thus, H7b was supported.

Table 4.8. Moderating effect of gender between LMX and task performance (H7b)

	Model 1	Model 2	Model 3
Age	.04	.08	.09
Tenure	.04	.04	.04
LMX		.49***	.49***
Gender		.05	.05
LMX*Gender			.09*
R²	.01	.24	.25
R² Δ	.01	.23	.01
F change	1.11	73.43***	4.82*

N = 483

Gender 0 = female, 1 = male

Standardised parameter estimates are reported

*p<.05, **p≤.01, ***p<.001
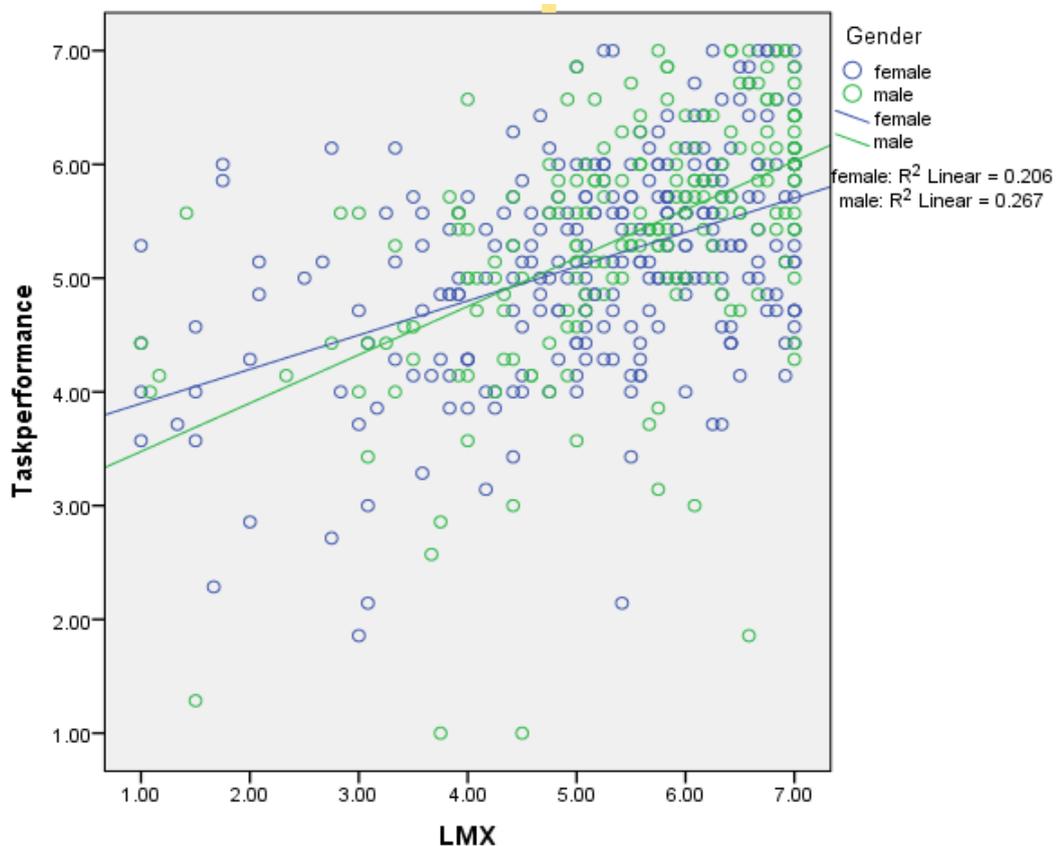
Figure 4.3. Moderating effect of gender between LMX and task performance (H7b)

Table 4.9 demonstrates the three models in linear regression analysis, with gender as a moderator between LMX and OCB. The R^2 was .00 in Model 1, .26 in Model 2 and .27 in Model 3; this was .01 higher than it was in Model 2 ($R^2\Delta$ = .01, p = .03). The regression of OCB on the interactional variable LMX*Gender was significant (b = .09, t(483) = 2.16, p = .03). The positive t value of 2.16 indicated that the correlation between LMX and OCB was higher among male employees and lower among female

employees. A scatter plot was developed to show the different strengths of the correlations between the two genders (see Figure 4.4). Thus, H7c was supported.

Table 4.9. Moderating effect of gender between LMX and OCB (H7c)

	Model 1	Model 2	Model 3
Age	-.01	.04	.05
Tenure	.02	.02	.02
LMX		.51***	.51***
Gender		.01	.01
LMX*Gender			.09*
R²	.00	.26	.27
R² Δ	.00	.26	.01
F change	.11	80.33***	4.47*

N = 483
Gender 0 = female, 1 = male
Standardised parameter estimates are reported
*p<.05, **p≤.01, ***p<.001
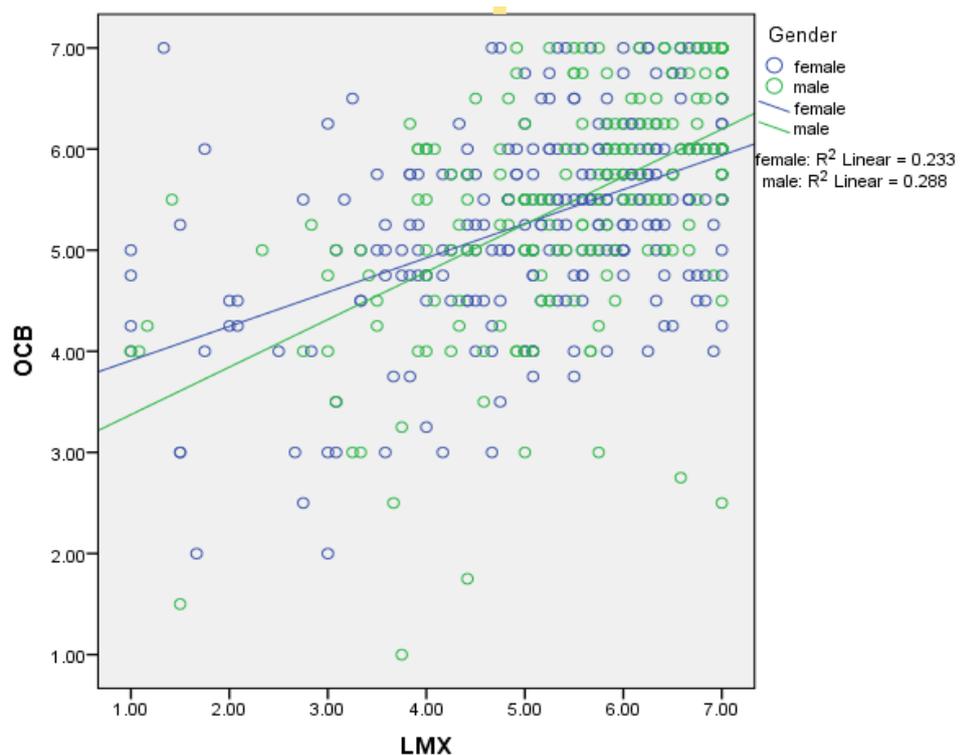
Figure 4.4. Moderating effect of gender between LMX and OCB (H7c)

In conclusion, gender moderated the impact of LMX on task performance and OCB. As predicted, LMX had a higher effect on task performance and OCB among male employees and a lower effect among female employees. Thus, H7b and H7c were supported.

H8. Gender moderates the associations between LMG and work engagement (H8a), task performance (H8b) and OCB (H8c). The correlations between LMG and work engagement, task performance and OCB are stronger among male employees and weaker among female employees.

From Table 4.6 in Section 4.4, it is clear that the mean LMG is different for female (mean = 4.71) and male employees (mean = 4.99). The male employees had a relatively higher mean on all other outcome variables. Bivariate correlations (see Table 4.6) also indicated stronger correlations between LMG and work engagement (r = .56, p = .00), task performance (r = .63, p = .00) and OCB (r = .61, p = .00) among male employees than among female employees on work engagement (r = .44, p = .00), task performance (r = .55, p = .00) and OCB (r = .47, p = .00). Further moderation tests were conducted in SPSS using the three-model linear regression analysis. LMG was mean centred and an interactional variable was created using mean-centred LMG multiplies mean-centred gender. Age and tenure were also adopted as control-variables in Model 1. Outcome variables were regressed on LMG and gender in Model 2 and regressed on the product variable in Model 3.

The results of the moderation test of gender between LMG and work engagement are presented in Table 4.10. Since the regression of work engagement on the interactional variable created LMG*Gender was insignificant (b = .07, t(483) = 1.70, p = .09), no significant moderating effect of gender between LMG and work engagement was found. However, the scatter plot (see Figure 4.5) indicated that the effect of LMG on work engagement was greater among male employees than among females. Accordingly, the result was in the same direction as was predicted. However, since the regression of work engagement on the product variable was not statistically significant, gender was not found to moderate the correlation between LMG and work engagement. Thus, H8a was not supported.

	Model 1	Model 2	Model 3
Age	.11*	.12*	.12**
Tenure	.02	-.01	-.01
LMG		.49***	.49***
Gender		-.04	-.05
LMG*Gender			.07
R²	.01	.25	.25
R² Δ	.01	.24	.00
F change	3.50*	74.56***	2.87

N = 483

Gender 0 = female, 1 = male

Standardised parameter estimates are reported

*p<.05, **p≤.01, ***p<.001
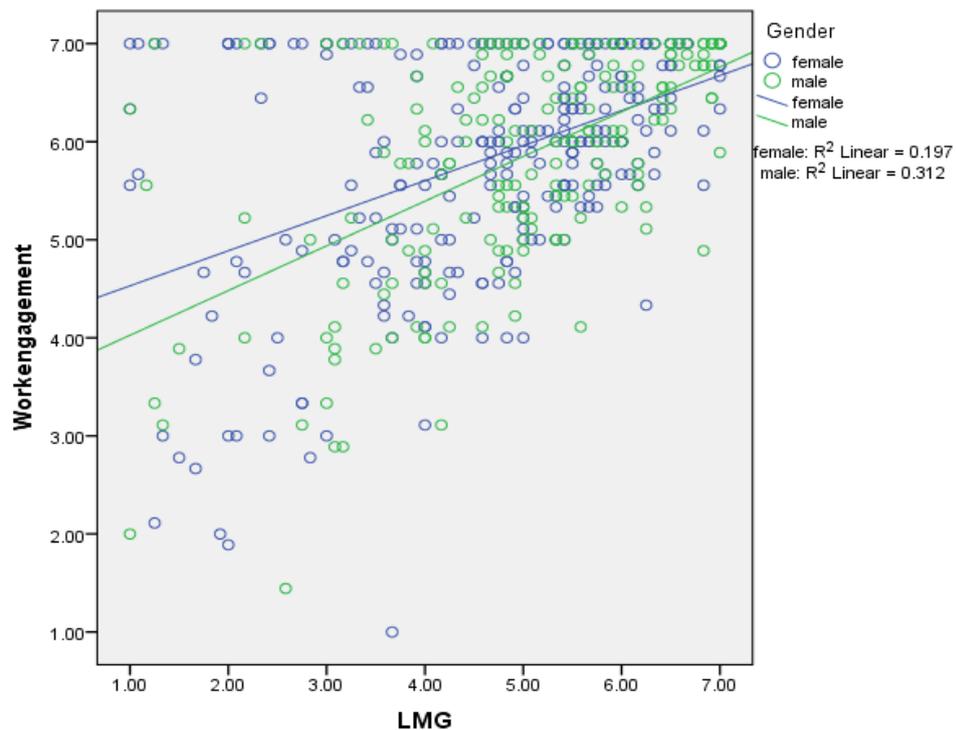
Figure 4.5. Moderating effect of gender between LMG and work engagement (H8a)

As shown in Table 4.11, the R² in Model 1 was .00 and .35 in Model 2. The R² in Model 3 was .36, which was .01 higher than it was in Model 2 (R²Δ = .01, p = .01). The regression of task performance on LMG*Gender was highly significant (b = .10, t(483) = 2.65, p = .01). The t value of 2.65 showed a positive moderating effect of gender. Since gender was dummy coded with 0 = female and 1 = male, a positive moderation suggested the correlation between LMG and task performance was

stronger among male employees and weaker among females. A scatter plot was drawn in SPSS (see Figure 4.6). Thus, H8b was confirmed

Table 4.11. Moderating effect of gender between LMG and task performance (H8b)

	Model 1	Model 2	Model 3
Age	.06	.05	.05
Tenure	.02	.00	-.01
LMG		.59***	.59***
Gender		.03	.03
LMG*Gender			.10**
R²	.00	.35	.36
R² Δ	.00	.35	.01
F change	.87	125.25***	7.00**

N = 483
Gender 0 = female, 1 = male
Standardised parameter estimates are reported
*p<.05, **p≤.01, ***p<.001
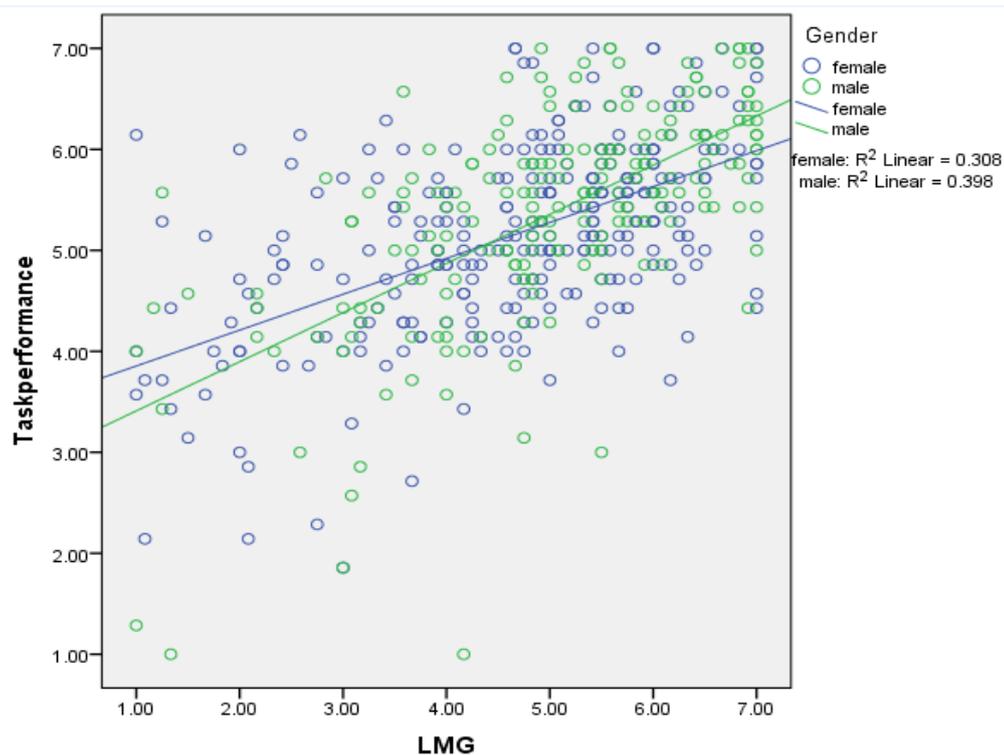
Figure 4.6. Moderating effect of gender between LMG and task performance (H8b)

The results of the moderation test of gender between LMG and OCB are presented in Table 4.12. The R² in Model 1 was .01 and .28 in Model 2. The R² in Model 3 was .29, which was .01 higher than it was in Model 2 (R²Δ = .01, p = .00). The regression of OCB on LMG*Gender was highly significant (b = .12, t(483) = 3.05, p = .00). The t value of

3.05 indicated a positive moderating effect of gender between LMG and OCB. The correlation between LMG and OCB was stronger among male employees and weaker among females (see Figure 4.7). Thus, H8c was supported.

Table 4.12. Moderating effect of gender between LMG and OCB (H8c)

	Model 1	Model 2	Model 3
Age	.01	.00	.01
Tenure	.07	.06	.05
LMG		.53***	.53***
Gender		-.01	-.01
LMG*Gender			.12**
R^2	.01	.28	.29
$R^2 \Delta$	.01	.27	.01
F change	1.16	90.78***	9.32**

N = 483

Gender 0 = female, 1 = male

Standardised parameter estimates are reported

*p<.05, **p≤.01, ***p<.001
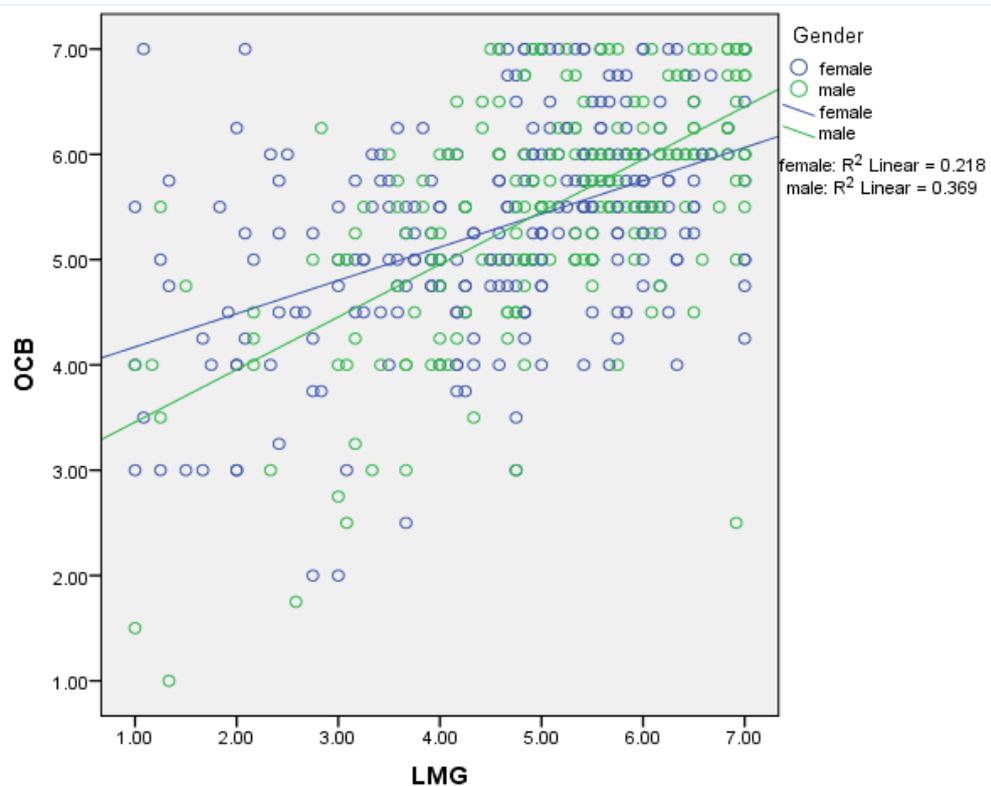
Figure 4.7. Moderating effect of gender between LMG and OCB (H8c)

H11: Confucian values moderate the correlations between LMX and work engagement (H11a), task performance (H11b) and OCB (H11c). The correlations between LMX and work engagement, task performance and OCB are weaker when

employees show high levels of Confucian values and stronger when employees show low levels of Confucian values.

Baron and Kenny's method (1986) was applied to test H11. First, Confucian values were mean centred and then two product variables were created between the pairs of LMX-Confucian values and LMG-Confucian values. Multiple linear regression analysis was then operated with three models. In Model 1, age and tenure were entered as control-variables, in Model 2, outcome variables were regressed on LMX and Confucian values. In Model 3, outcome variables were regressed on the product variables created.

The results of the moderation test of Confucian values between LMX and work engagement are presented in Table 4.13. The R^2 in Model 1 was .02 and.46 in Model 2. The R^2 in Model 3 was .47, which was .01 higher than it was in Model 2 ($R^2\Delta$ = .01, p = .00). The regression of work engagement on the interactional variable LMX*Confucian values was significant (b = -.12, t(483) = -3.15, p = .00). The negative t value of -3.15 indicated a negative moderation of Confucian values between LMX and work engagement. This indicated that Confucian values could reduce the effect of LMX on work engagement. As hypothesised, employees with high Confucian values were less affected by LMX and employees with low Confucian values were more affected by LMX. Thus, H11a was supported.

Table 4.13. Moderating effect of Confucian values between LMX and work engagement (H11a)

	Model 1	Model 2	Model 3
Age	.12**	.13***	.14***
Tenure	.05	-.01	-.00
LMX		.30***	.30***
Confucian values		.51***	.45***
LMX*Confucian			-.12**
R^2	.02	.46	.47
$R^2 \Delta$	.02	.44	.01
F change	3.90*	193.99***	9.91**

N = 483

Standardised parameter estimates are reported

*p<.05, **p<.01, ***p<.001

The same procedure was followed to test the moderation of Confucian values between LMX and task performance. As demonstrated in Table 4.14, the regression of task performance on the product variable LMX*Confucian was insignificant (b = -.03, t(483) = -.55, p = .59). Thus, Confucian values were not found to moderate the effect of LMX on task performance and H11b was not supported.

Table 4.14. Moderating effect of Confucian values between LMX and task performance (H11b)

	Model 1	Model 2	Model 3
Age	.06	.09*	.09*
Tenure	.02	-.02	-.02
LMX		.42***	.42***
Confucian values		.22***	.20***
LMX*Confucian			-.03
R²	.00	.28	.28
R² Δ	.00	.28	.00
F change	.87	90.98***	.30

N = 483

Standardised parameter estimates are reported

*p<.05, **p<.01, ***p<.001

Table 4.15 shows the moderation test results of Confucian values between LMX and OCB. Since the regression of OCB on the interactional variable LMX*Confucian was insignificant (b = .00, t(483) = .05, p = .96), Confucian values were not found to moderate the effect of LMX on OCB and thus, H11c was not supported.

Table 4.15. Moderating effect of Confucian values between LMX and OCB (H11c)

	Model 1	Model 2	Model 3
Age	.01	.04	.04
Tenure	.07	.03	.03
LMX		.43***	.43***
Confucian values		.24***	.24***
LMX*Confucian			.00
R²	.01	.30	.30
R² Δ	.01	.29	.00
F change	1.16	103.88***	.00

N = 483

Standardised parameter estimates are reported

*p<.05, **p<.01, ***p<.001

H12. Confucian values moderate the correlations between LMG and work engagement (H12a), task performance (H12b) and OCB (H12c). The correlations between LMG and work engagement, task performance and OCB are weaker when employees show high levels of Confucian values and stronger when employees show low levels of Confucian values.

As with the previous moderation tests, a product variable was created first, using mean-centred LMG multiplies mean-centred Confucian values. Then three models were organised in SPSS, using multiple linear regression analysis. Age and tenure were used as control-variables in Model 1. Outcome variables were regressed on LMG and Confucian values in Model 2. Outcome variables were regressed on the product variable LMG*Confucian in Model 3. From Table 4.16, the R^2 in Model 1 was .02 and .49 in Model 2. The R^2 in Model 3 was .50, which was .01 higher than it was in Model 2 ($R^2\Delta = .01$, $p = .00$). The regression of work engagement on the interactional variable LMG*Confucian values was significant ($b = -.11$, $t(483) = -2.95$, $p = .00$). The t value of -2.95 indicated a negative moderation of Confucian values between LMG and work engagement. The effect of LMG on work engagement was very small among respondents who demonstrated high Confucian values and very strong among respondents with low Confucian values. Thus, H12a was supported.

Table 4.16. Moderating effect of Confucian values between LMG and work engagement (H12a)

	Model 1	Model 2	Model 3
Age	.12**	.10**	.10**
Tenure	.05	-.01	-.00
LMG		.35***	.35***
Confucian values		.51***	.45***
LMG*Confucian			-.11**
R^2	.02	.49	.50
R^2 Δ	.02	.47	.01
F change	3.90*	218.54***	8.70**

N = 483

Standardised parameter estimates are reported

*$p<.05$, **$p<.01$, ***$p<.001$

The R^2 in Model 1 was .00 and .38 in Model 2. The R^2 in Model 3 was .39 (see Table 4.17), which was .01 higher than it was in Model 2 ($R^2\Delta = .01$, $p = .03$). The regression

of task performance on LMG*Confucian values was significant ($b = -.09$, $t(483) = -2.13$, $p = .03$). The t value of -2.13 indicated a negative moderation of Confucian values between LMG and task performance. Thus, H12b was supported.

Table 4.17. Moderating effect of Confucian values between LMG and task performance (H12b)

	Model 1	Model 2	Model 3
Age	.06	.05	.05
Tenure	.02	-.01	-.01
LMG		.53***	.54***
Confucian values		.20***	.15***
LMG*Confucian			-.09*
R²	.00	.38	.39
R² Δ	.00	.38	.01
F change	.87	146.79***	4.5*

N = 483

Standardised parameter estimates are reported

*p<.05, **p<.01, ***p<.001

The R^2 in Model 1 was .01 and.34 in Model 2 (see Table 4.18). The R^2 in Model 3 was .35, which was .01 higher than it was in Model 2 ($R^2\Delta = .01$, $p = .04$). The regression of OCB on LMG*Confucian values was significant ($b = -.09$, $t(483) = -2.10$, $p = .04$). The t value of -2.10 indicated a negative moderating effect of Confucian values between LMG and OCB. Thus, H12c was supported.

Table 4.18. Moderating effect of Confucian values between LMG and OCB (H12c)

	Model 1	Model 2	Model 3
Age	.01	-.00	-.00
Tenure	.07	.04	.04
LMG		.46***	.46***
Confucian values		.25***	.20***
LMG*Confucian			-.09*
R²	.01	.34	.35
R² Δ	.01	.33	.01
F change	1.16	118.52***	4.36*

N = 483

Standardised parameter estimates are reported

*p<.05, **p<.01, ***p<.001

To summarise the findings from Stage 1, all the individual-level hypothesis test results have been presented in Table 4.19.

Table 4.19. Summary of the individual-level hypothesis test results

LMX-related hypothesis	Results	Results	LMG-related hypothesis
H1a: LMX→Work engagement	O	O	*H1b:* LMG→Work engagement
H2a: LMX→Task performance	O	O	*H2b:* LMG→Task performance
H3a: LMX→OCB	O	O	*H3b:* LMG→OCB
H1c, H2c, H3c: LMX < LMG	O	O	*H1c, H2c, H3c:* LMG > LMX
H7a: Gen on LMX→Work engagement	X	X	*H8a:* Gen on LMG→Work engagement
H7b: Gen on LMX→Task performance	O	O	*H8b:* Gen on LMG→Task performance
H7c: Gen on LMXD→OCB	O	O	*H8c:* Gen on LMG→OCB
H11a: Con on LMX→Work engagement	O	O	*H12a:* Con on LMG→Work engagement
H11b: Con on LMX→Task performance	X	O	*H12b:* Con on LMG→Task performance
H11c: Con on LMX→OCB	X	O	*H12c:* Con on LMG→OCB

O = supported, X = unsupported
LMX = leader–member exchange
LMG = leader–member guanxi
OCB = organisational citizenship behaviour
Gen = gender
Con = Confucian values

4.5 Multilevel data analysis

As was suggested by Hitt et al. (2007), the level of data analysis needs to reflect the level of measurement and theory. Since this section investigated data from two levels (the individual-level dependent variables and the group-level independent variables), random coefficients modelling in HLM was adopted. Group-level variable LMXD and LMGD were calculated using the standard deviations of LMX and LMG from each team.

The means, standard deviations and correlations of all the group-level variables are presented in Table 4.20; the variables were manager age, manager tenure, manager gender, group size, LMXD and LMGD. Not surprisingly, manager age and manager tenure correlated significantly ($r = .48$, $p = .00$) and this indicated that the older a manager was, the longer that manager had worked for the current hotel. Interestingly, group size correlated positively with both LMXD ($r = .27$, $p = .02$) and LMGD ($r = .25$, $p = .03$); this suggested that the larger the group size, the larger the LMXD and LMGD within the work groups. In addition, LMXD correlated significantly with LMGD ($r = .76$, $p = .00$).

Table 4.20. Means, standard deviations and correlations of all group-level variables

		M	*SD*	1	2	3	4	5	6
1	Manager age	36.04	7.12	1					
2	Manager tenure	4.39	2.65	.48**	1				
3	Manager gender	.40	.49	.00	.07	1			
4	Group size	6.44	4.21	.04	.09	-.08	1		
5	LMXD	12.16	6.12	.10	-.03	.20	.27*	1	
6	LMGD	13.60	6.32	.21	.04	.14	.25*	.76**	1

N = 75

Manager gender 0 = female, 1 = male

LMXD = leader–member exchange differentiation

LMGD = leader–member guanxi differentiation

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

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

For Hypotheses 4, 5 and 6, intercept models were used to test whether the group-level variables (LMXD/LMGD) had a significant effect on the dependent variables. For Hypotheses 9, 10, 13 and 14, slope models were used to examine whether there was significant moderating effect of gender and Confucian values between LMXD/LMGD and work outcome variables. As recommended by Hofmann and Gavin (1998), at the individual level, all the variables, except gender, LMX and LMG, were grand-mean-centred. Gender was uncentred since it was a dummy variable (0 = female, 1 = male). LMX and LMG were both group-mean-centred. At the group level, all the variables were grand-mean-centred except for manager gender, which was uncentred. Four interaction terms were created in SPSS to test the moderation of gender and Confucian values between LMXD/LMGD and work outcomes. First, LMXD, LMGD, gender and Confucian values were mean centred. Then LMXD_gender, LMXD_Confucian values, LMGD_gender and LMGD_Confucian values were created.

H4a: LMXD has a negative effect on work engagement. When LMXD is high, employees show low levels of work engagement; when LMXD is low, employees show high levels of work engagement.

H9a: Gender moderates the relationships between LMXD and work engagement. LMXD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H13a: Confucian values positively moderate the relationships between LMXD and work engagement. The effect of LMXD on work engagement is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

With work engagement selected as the outcome variable, four models were created in HLM. Model 1 contained only control-variables. The individual-level control-variables were employee age, employee tenure and LMX. The group-level control-variables were manager age, manager tenure, manager gender and group size. In Model 2, LMXD was entered as the predictor of the intercept to test its effect on work engagement. In Model 3, gender and the interaction term between LMXD and gender were entered to examine the moderating effect of gender between LMXD and work engagement. In Model 4, Confucian values and the interaction term between LMXD and Confucian values were entered to examine the moderation of Confucian values on the relationship between LMXD and work engagement.

The HLM results between LMXD and work engagement are presented in Table 4.21. In Model 1, employee age related slightly to the level of work engagement ($\Upsilon = .02$, $t = 3.65$, $p = .00$) and as expected, LMX had a significant effect on work engagement ($\Upsilon = .42$, $t = 10.92$, $p = .00$). None of the group-level control-variables had a significant correlation with employee's work engagement. In Model 2, the relationship between LMXD and work engagement was negative and significant ($\Upsilon = -.03$, $t = -2.55$, $p = .01$). Thus, H4a was supported. H9a predicted that gender moderated the relation between LMXD and work engagement. However, Model 3 in Table 4.21 indicated that the interaction between LMXD and gender on work engagement was not significant ($\Upsilon = .00$, $t = .01$, $p = .98$). Hence, H9a was not supported. In Model 4, the moderation of Confucian values between LMXD and work engagement was positive and highly significant ($\Upsilon = .02$, $t = 2.70$, $p = .00$). With the moderation of Confucian values, the coefficient between LMXD and work engagement decreased from -.03[**] to -.02[**] and the *t* value dropped from -2.55 to -2.17. The positive *t* value of 2.70 implied a reduced negative effect of LMXD on work engagement when moderated by Confucian values. Thus, H4a and 13a were supported.

Table 4.21. HLM results between LMXD and work engagement (H4a, H9a, H13a)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.93***	5.90***	5.93***	5.94***
Level 1 (n = 483)				
Age	.02**	.02**	.02***	.02**
Tenure	.05	.05	.05	.05
LMX	.43***	.43***	.43***	.25***
Gender			-.10	
Confucian values				.54***
Cross-level moderation				
LMXD_Gender			.00	
LMXD_Confucian values				.02***
Level 2 (n = 75)				
Manager age	.01	.01	.01	.01
Manager gender	-.05	.01	.01	.01
Manager tenure	-.04	-.05	-.05	-.05
Group size	-.01	.00	-.00	-.00
LMXD		-.03*	-.03*	-.02*

***$p<.001$, **$p<.01$, * $p<.05$, $^t p<.09$
Gender/Manager gender: 0 = female, 1 = male
LMX = leader–member exchange
LMXD = leader–member exchange differentiation

H5a: LMXD has a negative effect on task performance. When LMXD is high, employees show low levels of task performance; when LMXD is low, employees show high levels of task performance.

H9b: Gender moderates the relationships between LMXD and task performance. LMXD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H13b: Confucian values positively moderate the relationships between LMXD and task performance. The effect of LMXD on task performance is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

The HLM test results regarding the relationship between LMXD and task performance are presented in Table 4.22. In Model 1, employee age was slightly related to task performance ($\Upsilon = .01$, $t = 2.15$, $p = .03$) and LMX had a significant effect on task performance ($\Upsilon = -.36$, $t = 10.49$, $p = .00$). In Model 2, the relationship between LMXD and task performance was negative and significant ($\Upsilon = -.03$, $t = -2.79$, $p = .00$). Thus, H5a was supported. Hypothesis 9b predicted that gender moderated the relationship between LMXD and task performance. However, Model 3 in Table 4.22 indicated a negative cross-level moderation of the product variable of LMXD_Gender between LMXD and gender on task performance but was not significant ($\Upsilon = -.02$, $t = -1.38$, $p = .17$). Hence, H9b was not supported. In Model 4, the interaction between LMXD and Confucian values for task performance was not statistically significant ($\Upsilon = -.01$, $t = -1.36$, $p = .17$). Thus, H13b was not supported.

Table 4.22. HLM results between LMXD and task performance (H5a, H9b, H13b)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.19***	5.16***	5.16***	5.18***
Level 1 (n = 483)				
Age	.01*	.01*	.01*	.01^t
Tenure	-.02	-.02	-.02	-.03
LMX	.36***	.36***	.37***	.31***
Gender			.03	
Confucian values				.22***
Cross-level moderation				
LMXD_Gender			-.02	
LMXD_Confucian values				-.01
Level 2 (n = 75)				
Manager age	.00	.00	.00	.00
Manager gender	.14	.20	.19	.19
Manager tenure	-.01	-.02	-.02	-.02
Group size	.00	.01	.01	.01
LMXD		-.03**	-.03**	-.03**

***$p<.001$, **$p<.01$, *$p<.05$, $p<.09$
Gender/Manager gender: 0 = female, 1 = male
LMX = leader–member exchange
LMXD = leader–member exchange differentiation

H6a: LMXD has a negative effect on OCB. When LMXD is high, employees show low levels of OCB; when LMXD is low, employees show high levels of OCB.

H9c: Gender moderates the relationships between LMXD and OCB. LMXD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H13c: Confucian values positively moderate the relationships between LMXD and OCB. The effect of LMXD on OCB is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

The test results in HLM 7 regarding the relationship between LMXD and OCB are presented in Table 4.23. In Model 1, manager age had a significant relationship with employees' OCB (Υ = -.03, t = -2.06, p = .04). In addition, LMX had a significant effect on OCB (Υ = .39, t = 11.69, p = .00). In Model 2, the relationship between LMXD and OCB was negative and significant (Υ = -.03, t = -2.19, p = .03). Thus, H6a was supported. Hypothesis 9c predicted that gender moderated the relationship between LMXD and OCB. Although Model 3 indicated a negative moderating effect of gender between LMXD and OCB, the effect was not significant (Υ = -.00, t = -.21, p = .83). Thus, H9c was not supported. In Model 4, the interaction term of LMXD_CON for OCB was negative but not significant (Υ = -.01, t = -.87, p = .38). Thus, H13c was not supported.

Table 4.23. HLM results between LMXD and OCB (H6a, H9c, H13c)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.35***	5.32***	5.35***	5.33***
Level 1 (n = 483)				
Age	.01 ^{t}	.01 ^{t}	.01 ^{t}	.01 ^{t}
Tenure	-.00	-.00	.01	.01
LMX	.39***	.39***	.39***	.39***
Gender			-.10	
Confucian values				.23***
Cross-level moderation				
LMXD_Gender			-.00	
LMXD_Confucian values				-.01
Level 2 (n = 75)				
Manager age	-.03*	-.02 ^{t}	-.02 ^{t}	-.02 ^{t}
Manager gender	.05	.11	.15	.10
Manager tenure	-.02	-.03	-.03	-.03
Group size	.00	.02	.02	.02
LMXD		-.03*	-.03*	-.03*

***$p<.001$, **$p<.01$, *$p<.05$, $^t p<.09$
Gender/Manager gender: 0 = female, 1 = male
LMX = leader–member exchange
LMXD = leader–member exchange differentiation
OCB = organisational citizenship behaviour

In summary, LMXD had a significant and negative effect on all of the three outcome variables. When the LMXD in a team was high, members in that team showed low levels of work engagement, task performance and OCB. When the LMXD in a team was low, members showed high levels of work engagement, task performance and OCB. The effect of LMXD on work outcomes was not moderated by gender in a statistically significant way. The only statistically significant moderation between LMXD and work engagement was from Confucian values. The work engagement of employees who showed high levels of Confucian values was less affected by LMXD when compared to the work engagement of those with lower levels of Confucian values.

H4b: LMGD has a negative effect on work engagement. When LMGD is high, employees show low levels of work engagement; when LMGD is low, employees show high levels of work engagement.

H10a: Gender moderates the relationships between LMGD and work engagement. LMGD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H14a: Confucian values positively moderate the relationships between LMGD and work engagement. The effect of LMGD on work engagement is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

Four models were developed in HLM 7 to examine the relationships between LMGD and work outcomes. In Model 1, all the control-variables and LMG were entered. In Model 2, LMGD was entered as a predictor on the outcome variable. In Model 3, employee gender and the interaction term between LMGD and gender were entered to test the moderating effect of gender. In Model 4, Confucian values and the interaction term between LMGD and Confucian values were entered to examine the moderating effect of Confucian values on the relationship between LMGD and work outcomes.

The HLM results between LMGD and work engagement are presented in Table 4.24. In Model 1, both employee age ($Y = .01$, $t = 2.53$, $p = .01$) and LMG ($Y = .41$, $t = 11.43$, $p = .00$) had significant effect on work engagement. In Model 2, the relationship between LMGD and work engagement was negative and significant ($Y = -.03$, $t = -2.42$, $p = .01$). Thus, H4b was supported. H10a predicted that gender moderated the relation between LMGD and work engagement. Interestingly, the results from Model 3 indicated a positive moderating effect of gender between LMGD and work engagement but the effect was not significant ($Y = .01$ $t = .89$, $p = .38$). Hence, H10a was not supported. In Model 4, the interaction term of LMGD_Confucian values for work engagement was positive and highly significant ($Y = .02$, $t = 3.15$, $p = .00$). The coefficient of the relation between LMGD and work engagement dropped from -.03 in Model 2 to -.02 in Model 4. The positive t value of 3.15 from the interaction term of LMGD_CON implied that Confucian values reduced the negative effect of LMGD on work engagement. Thus, H14a was supported.

Table 4.24. HLM results between LMGD and work engagement (H4b, H10a, H14a)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.94***	5.92***	5.95***	5.96***
Level 1 (n = 483)				
Age	.01*	.01*	.01*	.01*
Tenure	.05	.05	.05	.05
LMG	.41***	.42***	.42***	.27***
Gender			-.11	
Confucian values				.55***
Cross-level moderation				
LMGD_Gender			.01	
LMGD_Confucian values				.02**
Level 2 (n = 75)				
Manager age	.02	.02^t	.02^t	.01
Manager gender	-.13	-.07	-.03	-.13
Manager tenure	-.04	-.05^t	-.05^t	-.03
Group size	-.01	.00	.00	.00
LMGD		-.03*	-.03*	-.02*

***p<.001, **p<.01, *p<.05, $^t p$<.09
Gender/Manager gender: 0 = female, 1 = male
LMG = leader–member guanxi
LMGD = leader–member guanxi differentiation

H5b: LMGD has a negative effect on task performance. When LMGD is high, employees show low levels of task performance; when LMGD is low, employees show high levels of task performance.

H10b: Gender moderates the relationships between LMGD and task performance. LMGD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H14b: Confucian values positively moderate the relationships between LMGD and task performance. The effect of LMGD on task performance is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

The test results between LMGD and task performance are shown in Table 4.25. In Model 1, only LMG affected employee's task performance significantly ($\Upsilon = .42$, $t = 14.43$, $p = .00$). In Model 2, the effect of LMGD on task performance was negative and significant ($\Upsilon = -.03$, $t = -2.67$, $p = .01$). Thus, H5b was supported. In Model 3, the interaction between LMGD and gender for task performance was negative and highly significant ($\Upsilon = -.04$, $t = -2.49$, $p = .01$). The results indicated a negative moderation of gender between LMGD and task performance and the coefficient of LMGD on task performance dropped from -.04 in Model 2 to -.03 in Model 3. Since gender was dummy coded as $0 =$ female and $1 =$ male, a negative moderation implied that the effect of LMGD on task performance was stronger among female employees and weaker among males. Thus, H10b was supported. In Model 4, the interaction between LMGD and Confucian values for task performance was, as predicted, positive but not significant ($\Upsilon = .01$, $t = 1.10$, $p = .27$). Thus, H14b was not supported.

Table 4.25. HLM results between LMGD and task performance (H5b, H10b, H14b)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.20***	5.18***	5.19***	5.20***
Level 1 (n = 483)				
Age	.00	.00	.00	.00
Tenure	-.03	-.02	-.02	-.03
LMG	.42***	.42***	.42***	.37***
Gender			-.01	
Confucian values				.18***
Cross-level moderation				
LMGD_Gender			-.04**	
LMGD_Confucian values				.01
Level 2 (n = 75)				
Manager age	.00	.01	.01	.01
Manager gender	.11	.16	.17	.15
Manager tenure	-.01	-.02	-.02	-.01
Group size	.00	.01	.01	.01
LMGD		-.04**	-.03**	-.03**

***$p<.001$, **$p<.01$, *$p<.05$, ᵗ$p<.09$
Gender/Manager gender: 0 = female, 1 = male
LMG = leader–member guanxi
LMGD = leader–member guanxi differentiation

H6b: LMGD has a negative effect on OCB. When LMGD is high, employees show low levels of OCB; when LMGD is low, employees show high levels of OCB.

H10c: Gender moderates the relationships between LMGD and OCB. LMGD has a larger effect on work engagement, task performance and OCB among female employees and a smaller effect among male employees.

H14c: Confucian values positively moderate the relationships between LMGD and OCB. The effect of LMGD on OCB is larger among employees with low levels of Confucian values and smaller among employees with high levels of Confucian values.

The test results from HLM between LMGD and OCB are presented in Table 4.26. In Model 1, only LMG had a significant effect on OCB (Υ = .39, t = 13.10, p = .00). In Model 2, the effect of LMGD on OCB was negative and marginally significant (Υ = -.02, t = -1.82, p = .07). Thus, H6b was marginally supported. In Model 3, the interaction between LMGD and gender for OCB was negative but not statistically significant (Υ = -.02, t = -1.56, p = .12). Thus, H10c was not supported. In Model 4, the interaction term for OCB was positive and highly significant (Υ = .02, t = 2.34, p = .02). Since the effect of LMGD on OCB was negative, a positive t value of 2.28 implied that Confucian values reduced the effect of LMGD on OCB. Thus, H14c was supported.

Table 4.26. HLM results between LMGD and OCB (H6b, H10c, H14c)

	Model 1	Model 2	Model 3	Model 4
Intercept	5.36***	5.34***	5.38***	5.36***
Level 1 (n = 483)				
Age	.00	.00	.00	.00
Tenure	-.00	-.00	-.00	-.01
LMG	.39***	.39***	.39***	.33***
Gender			-.12	
Confucian values				.22***
Cross-level moderation				
LMGD_Gender			-.02	
LMGD_Confucian values				.02*
Level 2 (n = 75)				
Manager age	-.02[t]	-.02	-.02	-.02[t]
Manager gender	.02	.07	.11	.05
Manager tenure	-.01	-.02	-.02	-.01
Group size	.00	.01	.01	.01
LMGD		-.02[t]	-.03*	-.02[t]

***$p<.001$, **$p<.01$, *$p<.05$, [t]$p<.09$
Gender/Manager gender: 0 = female, 1 = male
LMG = leader–member guanxi
LMGD = leader–member guanxi differentiation
OCB = organisational citizenship behaviour

In summary, LMGD had a significant effect on all of the three work outcomes. When LMGD was high in a team environment, team members were less engaged with their work and showed low levels of task performance and OCB. Conversely, when LMGD was low, team members were more engaged with their work and showed high levels of task performance and OCB. Gender functioned as a significant moderator only between LMGD and task performance. Confucian values significantly moderated the relationship pairs of LMGD-work engagement and LMGD-OCB.

H4c, H5c, H6c: In comparison to LMXD, LMGD has a smaller effect on work engagement, task performance and OCB. The correlations between LMGD and work engagement, task performance and OCB are smaller than those between LMXD and work engagement, task performance and OCB.

Based on the HLM test results presented in Tables 4.21 and 4.24, the effect of LMXD on work engagement (Υ = -.030, t = -2.55, p = .01) was slightly larger than that of LMGD on work engagement (Υ = -.028, t = -2.42, p = .01). Thus, H4c was supported. From Tables 4.22 and 4.25, the effect of LMXD on task performance (Υ = -.028, t = -2.79, p = .00) was again slightly higher than that of LMGD on task performance (Υ = -.027, t = -2.67, p = .01). Thus, H5c was supported. From Tables 4.23 and 4.26, the relationship between LMXD and OCB (Υ = -.028, t = -2.19 p = .03) was more effectful than that between LMGD and OCB (Υ = -.023, t = -1.82, p = .07). Thus, H4c, H5c and H6c were all supported.

A summary of the multilevel hypothesis test results is shown in Table 4.27.

Table 4.27. Summary of the multilevel hypothesis test results

LMXD-related hypotheses	Results	Results	LMGD-related hypotheses
H4a: LMXD→Work engagement	O	O	*H4b:* LMGD→Work engagement
H5a: LMXD→Task performance	O	O	*H5b:* LMGD→Task performance
H6a: LMXD→OCB	O	O	*H6b:* LMGD→OCB
H4c, H5c, H6c: LMXD > LMGD	O	O	*H4c, H5c, H6c:* LMGD < LMXD
H9a: Gen on LMXD→Work engagement	X	X	*H10a:* Gen on LMGD→Work engagement
H9b: Gen on LMXD→Task performance	X	O	*H10b:* Gen on LMGD→Task performance
H9c: Gen on LMXD→OCB	X	X	*H10c:* Gen on LMGD→OCB
H13a: Con on LMXD→Work engagement	O	O	*H14a:* Con on LMGD→Work engagement
H13b: Con on LMXD→Task performance	X	X	*H14b:* Con on LMGD→Task performance
H13c: Con on LMXD→OCB	X	O	*H14c:* Con on LMGD→OCB

O = supported, X = unsupported
LMXD = leader–member exchange differentiation
LMGD = leader–member guanxi differentiation
OCB = organisational citizenship behaviour
Gen = Gender
Con = Confucian values

CHAPTER 5 DISCUSSION

5.1 Chapter preview

This chapter discusses the research findings and reflects on whether the objectives of the study have been achieved. An overview of this chapter is presented in Figure 5.1. First, the research problem, the research questions and the methodology applied are recapitulated. Discussions are then presented to interpret the hypothesis test results. The contribution to, and the implications for, the industry and the literature are explicated. The limitations of this study are acknowledged at the end of this chapter, with recommendations for future researchers regarding sampling, research design and multilevel analytical techniques.

5.2 Discussion of key findings

5.2.1 Direct effect of leader–member relationships on employees' work outcomes
5.2.2 The moderating role of gender
5.2.3 The moderating role of Confucian values
5.2.4 Differences between the outcome variables

5.3 Reflection of the research questions, objectives and methodology

5.4 Theoretical contributions

5.5 Implications and recommendations for the industry

5.6 Limitations and advice for future research

5.7 Conclusion

Figure 5.1. Preview of Chapter 5

5.2 Discussion of key findings

The aim of this section is to highlight the most significant findings from Chapter 4 and reflect on the existing literature to provide a comprehensive understanding of the conceptual model tested so that implications and recommendations can be extracted for future studies and industry practitioners.

5.2.1 Direct effect of leader–member relationships on employees' work outcomes

All of the hypotheses regarding the direct effect of LMX, LMG, LMXD and LMGD on employees' work outcomes were supported by the findings (see Figure 5.2). The positive effect of LMX and LMG on work outcomes is explained by social exchange theory and the importance of the return of favours in Confucian ideology. During social exchange processes, LMX denotes an equivalent give-and-take exchange of similar resources, while LMG implies a 'take less but give more' exchange of personal sentiments and obligations (Lin, 1998). To quantify the amount of exchange between leaders and members, this study hypothesised that the effect of LMG on employees' work outcomes would be larger than that of LMX. The findings supported this argument after running multiple regression tests of work outcomes on LMX and LMG (see Section 4.4).

Although the results indicated that LMG had a greater influence on employees than LMX, it is not logical to assume that LMX is not as important as is LMG in Chinese hotel workplaces. LMX and LMG are two different concepts and each one results in a different amount and type of resources being exchanged between leaders and members. Since more studies have been conducted in the Chinese context on LMX than on LMG, the extant findings can mislead and possibly hinder the understanding of organisational behaviour in Chinese workplaces.
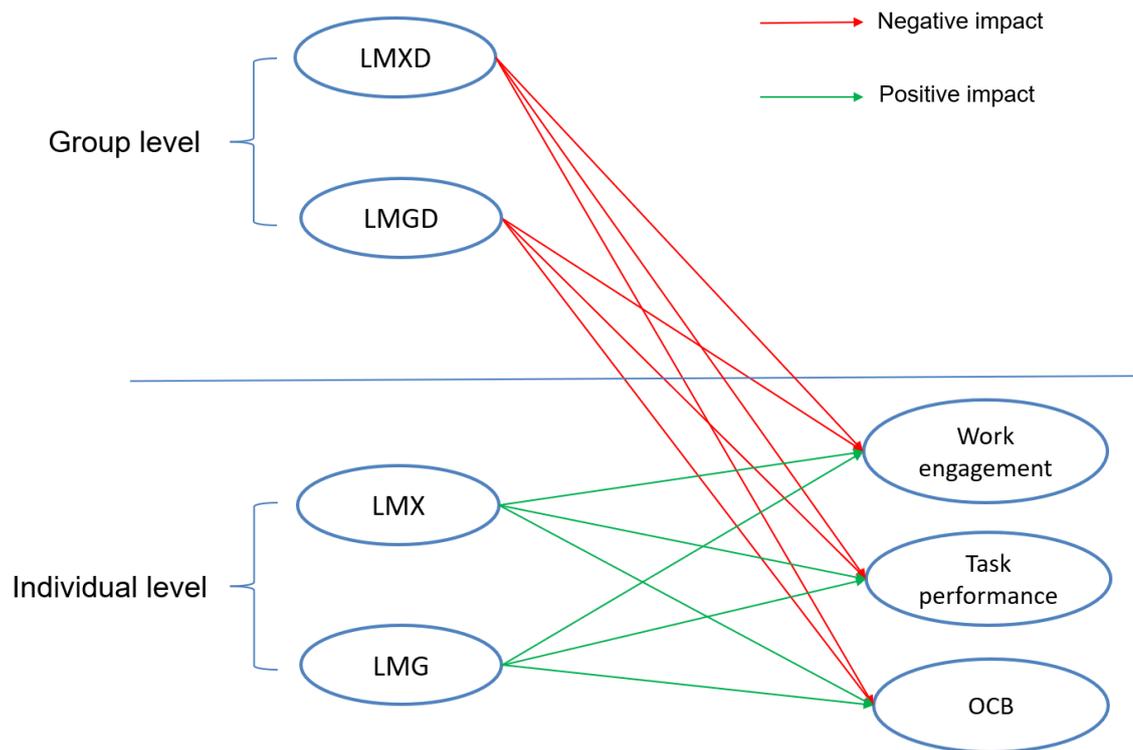
Figure 5.2. Summary of the direct effect of leader–member relationships on employees' work outcomes

The direct effect of LMXD on employees' work outcomes was negative and highly significant. To sustain consistency with the existing literature, the cross-level effect of LMXD on work outcomes was justified with the theories of organisational justice, social comparison and relative deprivation (Anand et al., 2015; Colquitt et al., 2001; Greenberg, 1990; Greenberg et al., 2007; Sias & Jablin, 1995; Vecchio et al., 1986). According to these three theories, a high level of LMXD implies the perception of injustice. When the injustice cannot be justified, feelings of unfavourable social comparison and relative deprivation often arise and these can be expressed through negative feelings such as anger, stress and resentment. These negative feelings can lead to low levels of work engagement and poor task performance and OCB. The findings from this study confirmed the negative and significant effect of LMXD on all three employees' work outcomes. Although some researchers have claimed a positive effect of LMXD on within-group agreement on team climate and group goal fulfilment from the perspective of psychological contract theory and emotion contagion theory (Anand et al., 2015; Henderson et al., 2008), this study has once again provided empirical evidence regarding the negative role of LMXD on individual outcomes because of its violation of the principles of equality and the consistency of justice.

This study has provided empirical proof of a direct link between LMGD and employees' work outcomes from a Confucian ideological perspective. In Confucian philosophy (as detailed in *The Analects*), the effectiveness of leadership largely relies on the characteristics of the leader and people follow only those leaders with virtues (The Analects, Chapter 2, Discourse 1; Chapter 3, Discourse 19). The existence of a high level of LMGD signifies the leader's lack of virtue, thus weakening the effectiveness of their leadership and the loyalty of the employees.

The research findings also supported the hypothesis that the effect of LMGD on work outcomes is smaller than that of LMXD. Since guanxi is indigenous to Chinese culture and rooted in Confucian ideology, in which different categories of guanxi denote different strengths of guanxi, Chinese people have a better understanding of the notion that LMG can vary considerably from member to member (Choi & Pate, 2017; Li & Sun, 2015; Liu et al., 2010; Xia, 1997). Although the findings implied that employees can tolerate LMGD better than LMXD, LMGD still denotes a lack of virtues in the leader and should be kept to a minimum.

5.2.2 The moderating role of gender

This study investigated gender as a moderator of the effects of LMX, LMG, LMXD and LMGD on employees' work outcomes through analysing the differing social cognitive learning processes between the genders. At the individual level, female and male employees were analysed as two different social identity groups, structured in terms of their status and power relations in the society. Despite the fact that women in China have been fighting hard for equal rights in the family environment as well as in the wider society, the subordinate role of women still affects women in workplaces (Granrose, 2005; Mak, 2017; Wang et al., 2017; Woodham et al., 2014). The demanding domestic roles of women in China have not only hampered successful career paths for women in workplaces but also hindered their motivation in cognitive learning processes (Mak, 2017).

The individual-level moderation tests confirmed the positive and significant moderating effect of gender between leader–member relationships and employees' work performance. The effect of LMX/LMG on employees' task performance and OCB

was larger among men than it was among women (see Figure 5.3). The lack of role models in the hospitality industry (Remington & Kitterlin-Lynch, 2018) has made it very difficult for Chinese women to model their behaviour during the attentional and retention processes in observational learning. The hierarchical and passive work environment created by high levels of power distance in Chinese culture has reduced both external and vicarious incentives for women during the motivational processes (Woodhams et al., 2015). In comparison, the strong logic of Confucian rationality and the dominance of men in the Chinese hotel industry have provided an intact model for men to process their cognitive learning efficiently in workplaces.

At the individual level, the Confucian cultural norms regarding gender stereotypes did have a negative effect on female employees' work attitudes and behaviour, which confirmed claims in the literature that Chinese women feel pessimistic about their limited career futures (Chen et al., 2018; Qu & Zhao, 2017; Remington & Kitterlin-Lynch, 2018). Conversely, it was shown that male employees care more about their relationships with their managers than do women and this, in turn, affects their work attitudes and behaviour to a larger degree. However, the positive moderation of gender should not be taken for granted by leaders, since the direct effects of LMX/LMG on work outcomes are still very strong among women ($r = .42, .45, .48$ respectively on work engagement, task performance and OCB).
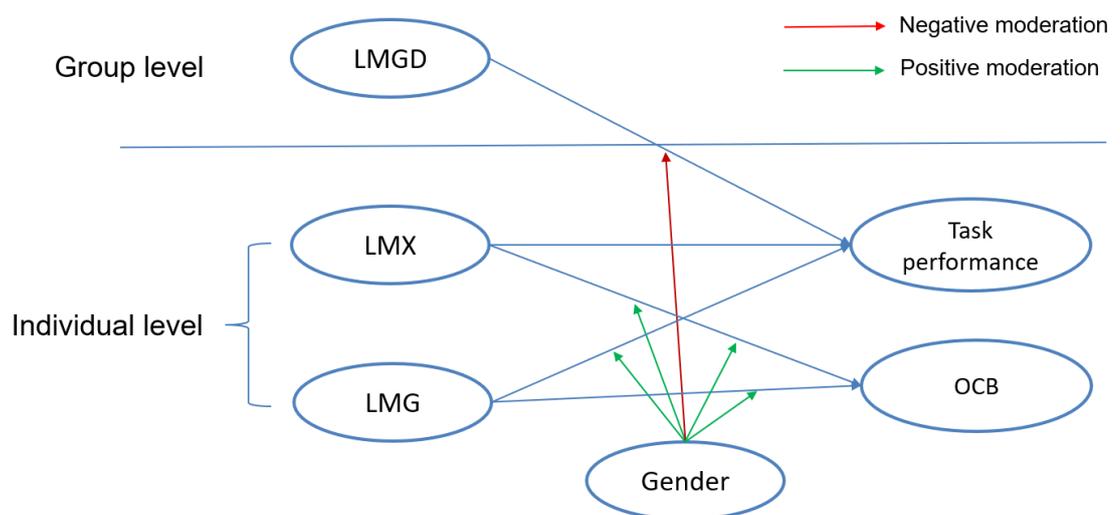

Figure 5.3. Summary of the significant moderating effect of gender

The analysis of the cross-level moderating effect of gender was based on the assumption that the contemporary movement for gender equity in China functioned as an important environmental cue during cognitive learning processes and encouraged emotional reactions among women (Bandura, 1986, p. 187). The results from HLM 7 confirmed the significant and negative moderating effect of gender on the relationship between LMGD and task performance. All the other hypotheses were in the same direction as predicted but not statistically significant. It seems that the movement for gender equality in China inspired by global feminism may have aroused emotional reactions among women, especially when highly differentiated treatment of individuals, depending on their genders, is perceived in the same work group. Conversely, male employees were shown to be more accepting of differentiated LMX and LMG and their work performance was less affected by the differentiation. However, the lack of statistical support from these findings means that further evidence is needed from future researchers in this regard.

5.2.3 The moderating role of Confucian values

According to Bandura (1986), from the perspective of social cognitive learning, human behaviour is partially determined by values and self-evaluative standards (p. 35). Confucian ethics have dominated Chinese culture for more than 2,000 years and still function as the communicative rationale in modern Chinese society (Chao, 1990; Koh, 1996; Redding, 1996; Tai, 1989; Wong et al., 1995; Xia, 1997). The set of Confucian core values used in this study functioned as a reinforcing incentive and self-regulated standard in the social cognitive learning modelling (see Figure 2.5 in Section 2.7.3.1).

At the individual level, this study hypothesised that employees with high Confucian values were self-motivated and self-regulated by Confucian philosophy (see Figure 2.4 in Section 2.7.1). It was hypothesised that their work behaviour would be more predictable and the effect of LMX/LMG on their work outcomes would be smaller than it was for those who had low Confucian values. The research findings supported this assumption and confirmed the statistically significant moderation of Confucian values on the effect of LMX on work engagement and of LMG on all the three outcome variables (see Figure 5.4).
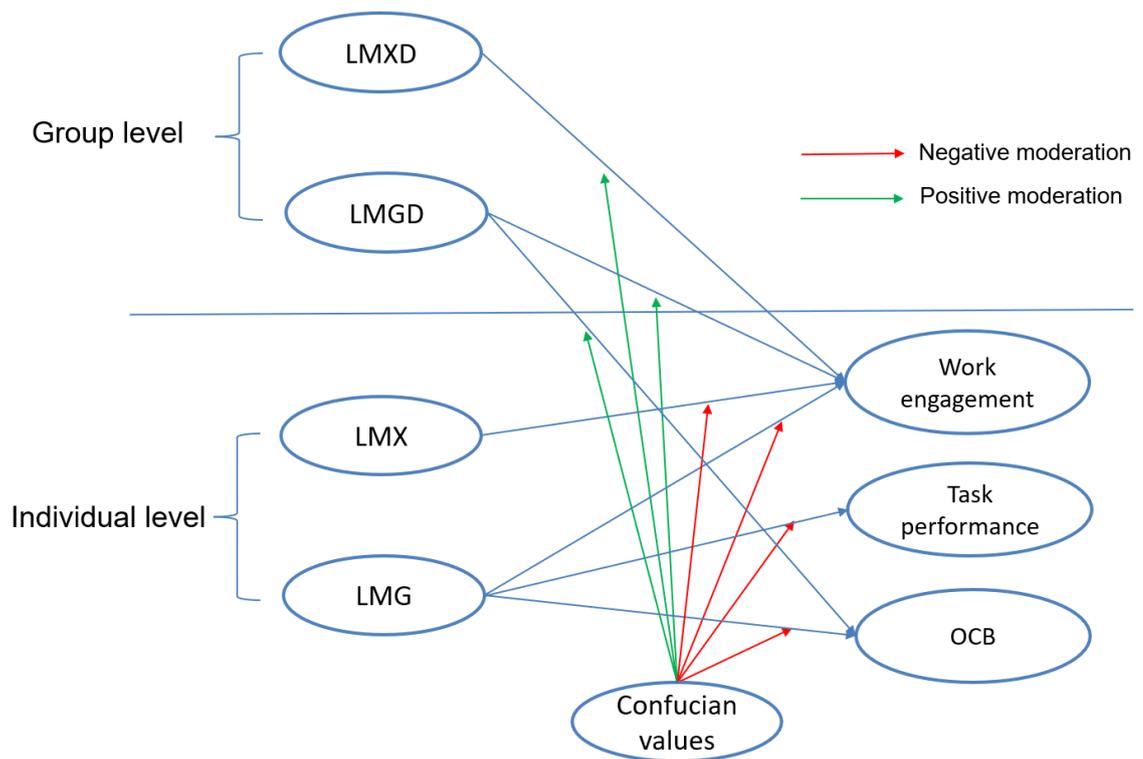
Figure 5.4. Moderating effect of Confucian values

Since the concept of guanxi originates from Confucian philosophy, it is logical to assume that Confucian values should be powerful enough to motivate and regulate guanxi-related behaviour. Interestingly, Confucian values were found in this research to serve as a moderator in the relationship between LMX and work engagement. These results, once again, reflect the different types of resource and different levels of exchange between LMX and LMG and highlight the functioning mechanism and the dominance of values in human cognitive learning processes (Lin, 1998).

The set of core Confucian values was also hypothesised to function as a cross-level moderator of the relationship between LMXD/LMGD and work outcomes. Since values help to create satisfaction via their own valuational mechanism (Bandura, 1986, p. 323), the influence of LMXD and LMGD as two environmental factors on human behaviour can be largely reduced. From the results in HLM 7, Confucian values had a positive and significant moderating effect on the relationship between LMXD/LMGD and work engagement and between LMGD and OCB. Since the influence of LMXD and LMGD on work outcomes was negative, the positive effect of Confucian values

indicated a reduction of the negative effects of LMXD and LMGD on employees' work performances as hypothesised.

5.2.4 Differences between the outcome variables

The hypothesis test results in Chapter 4 indicated some differences between LMX/LMG, LMXD/LMGD with regard to the three outcome variables: work engagement, task performance and OCB. Although these three variables were used in a parallel fashion in this study to measure employees' work performance outcomes, there were differences between the results for these variables.

5.2.4.1 Work engagement

Work engagement is an affective-motivational state of fulfilment in employees (Schaufeli et al., 2006) and is determined by both individual and environmental factors (Hobfoll, 1989). Engaged employees are more enthusiastic about their work, more dedicated to their jobs and demonstrate better performance than do those who are not engaged (Bakker, 2011; Burke et al., 2009; Knight et al., 2017; Leiter & Bakker, 2010; Xanthopoulou et al., 2009).

Results from the individual-level and the multilevel analyses found a direct influence of LMX, LMG, LMXD and LMGD on work engagement and a significant moderating effect for Confucian values (see Figure 5.5). Out of the four dimensions of LMX investigated in this study, LMX-respect had the greatest effect on work engagement ($r = .51$), followed by LMX-affect ($r = .42$), LMX-contribution ($r = .33$) and LMX-loyalty ($r = .31$). LMX-respect was composed of supervisor's knowledge, competence and professional skills on the job (see Appendix III). Based on the three theories used for the LMX-work engagement hypotheses – COR (Hobfoll, 1989), JD-R (Demerouti et al., 2001) and social exchange (Blau, 1964) – it is logical to conclude that the resources exchanged between leaders and members are largely affected by leaders' professional knowledge of, and competence in, the job.
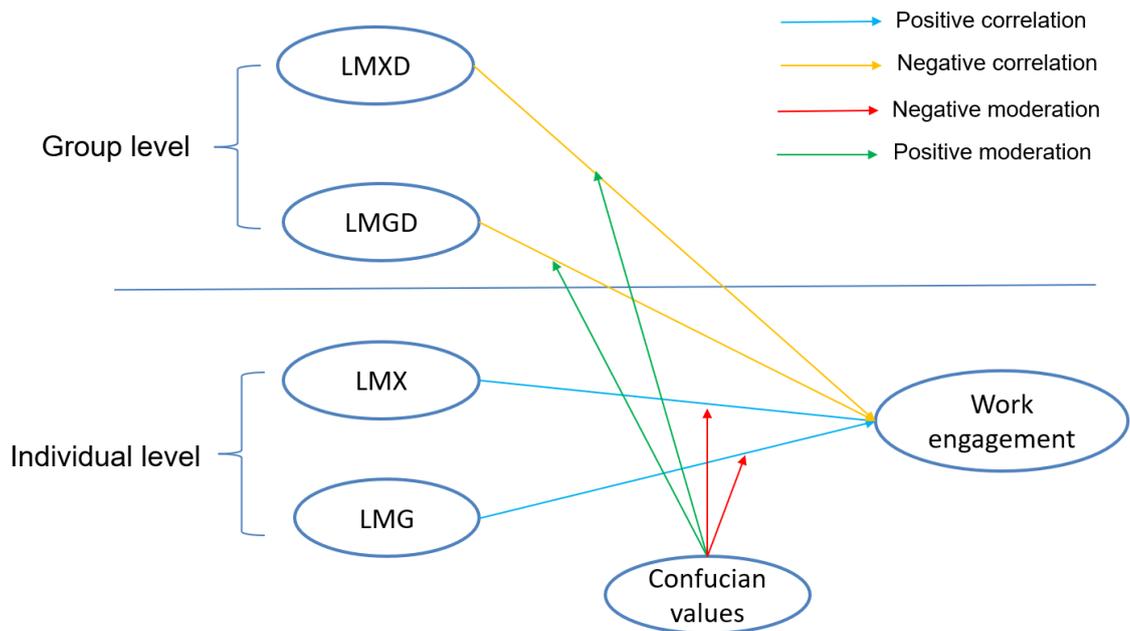
Figure 5.5. Work engagement as an outcome variable

Among the three dimensions used for LMG in the measure, affective attachment had a much greater effect on work engagement ($r = .51$) than personal-life inclusion ($r = .29$) and deference to supervisor ($r = .40$). Affective attachment included four items evaluating how comfortable employees felt when communicating and sharing opinions with the supervisor and the employees' emotional attachment to the supervisor. Since in Confucian philosophy the relationship between LMG and work engagement is supported by the return of favour and the main currency of the exchange is sentiment and obligation (Lin, 1998), it is logical to claim that the feeling of comfortableness and the emotional attachment to the supervisor can be exchanged with a high level of work engagement. Since there has been little empirical evidence in the extant literature to support the LMG-work engagement link, the findings of this research have provided the first empirical evidence of a direct effect of LMG on employees' work engagement.

The findings demonstrated a significantly negative effect of LMXD and LMGD on employees' work engagement. Supported by some social psychological theories and Confucian philosophy, this study has provided further evidence that an unequal distribution of resources or a leader's lack of virtues, reflected through a high LMXD or LMGD, can result in stress and negative attitudes among employees. This confirmed

the findings from Hooper and Martin (2008), who identified the negative association between LMXD and employees' job-related well-being, and Chen et al.'s (2014) identification of a negative relationship between LMGD and employees' organisational commitment (p. 619). The significant moderating effect of Confucian values has given further support to Bandura's argument (1986) that human behavior is partially determined by preferred value (see Figure 2.5 in Section 2.7.3.1) and the discovery from Chao (1990, p. 589) that work morale was sustained by collective values.

5.2.4.2 Task performance

Task performance and OCB were adopted in this study to measure employees' in-role and extra-role behaviour, respectively. Task performance describes the level of productivity on job outcomes (Bablin & Boles, 1998) and has been the focus of early LMX research (Dansereau et al., 1975; Dienesch & Liden, 1986; Dulebohn et al., 2011; Vecchio & Gobdel, 1984). Results from this study indicated the significant influence of all the four independent variables and some moderating effect of gender and Confucian values (see Figure 5.6).
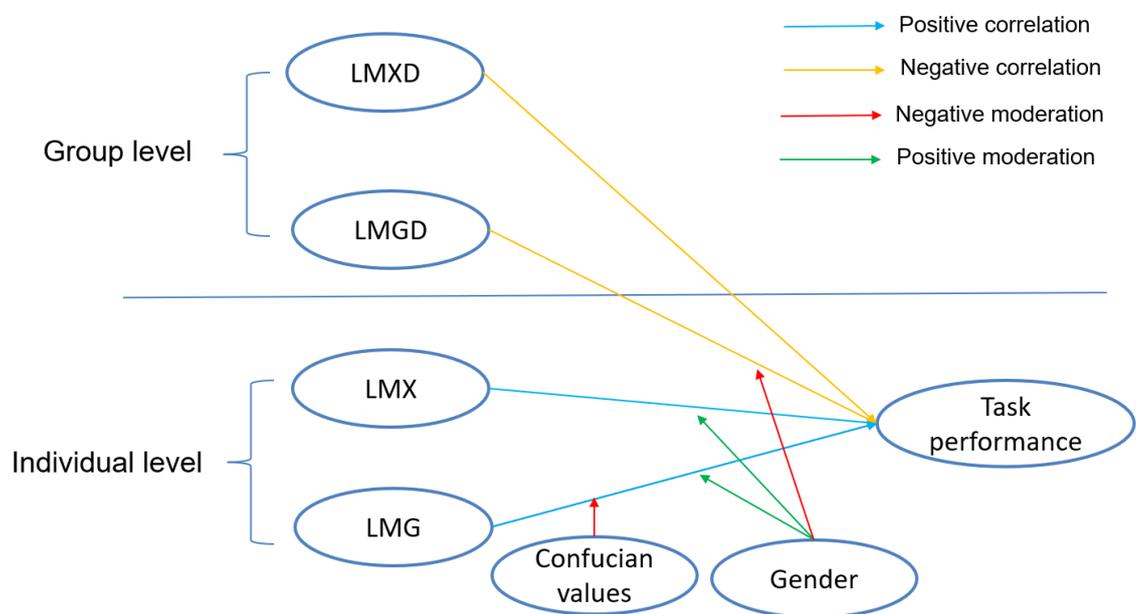

Figure 5.6. Task performance as an outcome variable

Out of the four dimensions of LMX, LMX-contribution had the biggest influence on employees' task performance ($r = .46$), followed by loyalty ($r = .41$), respect ($r = .39$)

and affect (r = .38). The dimension of contribution contained three items on how much the employee was willing to contribute to the supervisor's work goals beyond job description by taking extra effort (see Appendix III). The results indicated that employees' willingness to contribute and work harder was reflected in their supervisor's ratings for their task performance.

As with the LMG-work engagement link, affective attachment also had a higher correlation with task performance (r = .54) than did personal-life inclusion (r=.45) and deference to supervisor (r = .42). The results have highlighted the important role of LMG on employees' task performance and confirmed the findings from Ouyang (2011) and Chen et al. (2014).

The direct influence of LMXD and LMGD on task performance was negative and significant. Since the extant findings on the LMXD–task performance link have been inconsistent, with some studies finding no direct relationship (Gooty & Yamarino, 2016; Liden et al., 2006), this current study has provided empirical evidence that LMXD does affect employees' work performance negatively. The direct influence of LMGD on task performance has hardly been investigated, except for the project operated by Weng (2014) using banking employees as samples. This thesis viewed the existence of LMGD as a lack of virtue on the part of the leader, which hindered the reciprocal processes among the employees and reduced the followership, resulting in poor task performance.

Matta and Van Dyne (2016) pointed out the need to search for new moderators of the LMX–performance link and suggested categories of possible moderators, such as crossed interactions and individual differences. In the extant literature, gender has never been proposed nor adopted as a moderator between LMX/LMG/LMXD/LMGD and task performance. As shown in Figure 5.6, the hypothesis test results implied a significant moderating effect of gender between LMX/LMG/LMGD and task performance; this has not been observed before in the literature. When analysed as two social identity groups during the social cognitive learning processes, gender had a positive moderating effect at the individual level. The influence of LMX/LMG on task performance was much stronger among men (r = .54, r = .63) than among women

(r = .45, r = .55) (see Table 4.6 in Section 4.4). The consistent moderation of gender confirmed the assumption expressed in Chapter 2 that both the 'glass ceiling' and the traditional role of women in the Confucian culture hinders the cognitive learning processes among Chinese women in workplaces. This pessimistic vision for Chinese women's future careers has largely reduced their external and vicarious incentives at work (Chen et al., 2018; Qu & Zhao, 2017; Remington & Kitterlin-Lynch, 2018).

From the multilevel findings, in this research gender functioned as a negative moderator between LMGD and task performance, which suggested that the influence of LMGD on task performance was stronger among women than it was among men. Analysed from the perspective of social cognitive learning (Bandura, 1986, p. 187), this significant moderating effect indicated that the contradiction between the deeply rooted power relations in Chinese society and the international advocacy on feminism activated negative emotions among women in workplaces, with poor task performance as a result.

The negative moderating effect of Confucian values was statistically significant only between LMG and work performance; this denoted that the influence of LMG on work performance was small when employees demonstrated high Confucian values and large when employees demonstrated low Confucian values. These results echoed the study by Takeuchi et al. (2011), who identified co-worker exchange ideology as an important contextual factor, moderating the relationship between LMX and task performance. However, the exchange ideology should be used only as an organisational contextual factor, while Confucian values should be categorised as one of the personal factors that have never been explored. The findings of this research showed that Confucian ethics still guided employees' behaviour and could encourage high-level task performance regardless of the quality of LMG.

5.2.4.3 OCB

This study used OCB as an outcome variable to examine employees' extra-role behaviour. The findings showed the direct influence of LMX/LMG/LMXD/LMGD on OCB and the significant moderating effect of gender and Confucian values (see Figure 5.7). As with the findings on LMX-work engagement link, LMX-respect had the highest

correlation coefficient with OCB ($r = .45$), followed by affect ($r = .43$) and contribution ($r = .43$). It is therefore very important for a leader to have professional knowledge of, and competence in, the job to encourage employees to achieve high-level work performance.

Consistent with both LMG-work engagement and LMG-task performance links, LMG-affective attachment dimension once again had the greatest influence on OCB ($r = .54$), followed by personal-life inclusion ($r = .37$) and deference to supervisor ($r = .35$). The results fortified the findings of $r = .27$ from Chen et al. (2014), $r = .53$ from Rhee et al. (2017) and $r = .09$ from Wu et al. (2018). The significant influence of LMG on OCB provided empirical evidence to support Blau's (1964) argument that people exchange not only personal physical interests but also psychological support in the social exchange process.
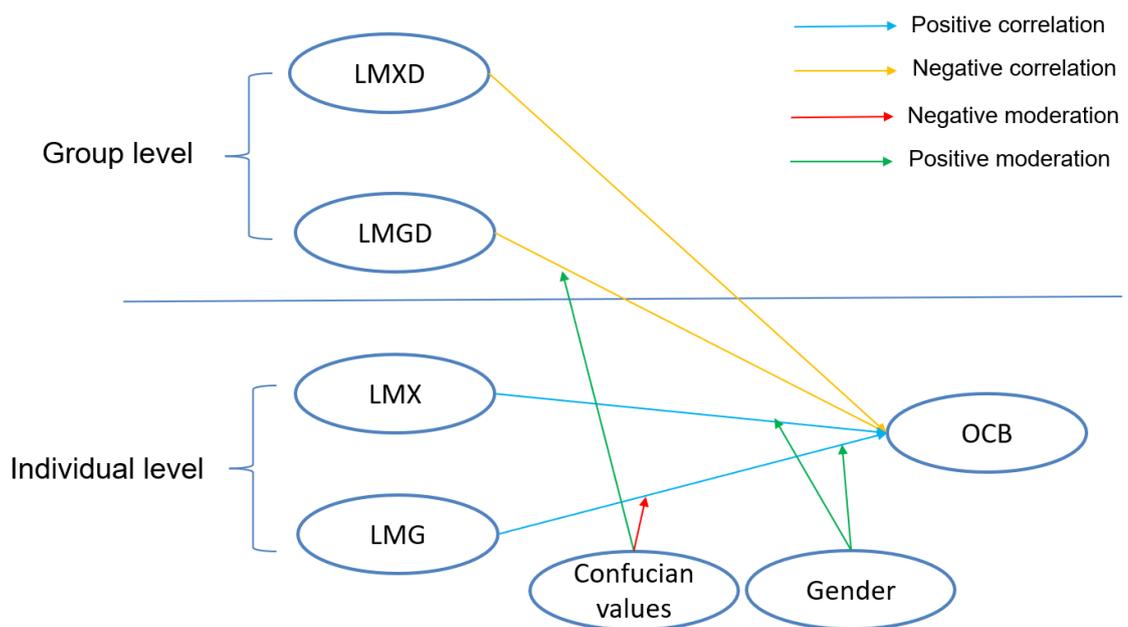

Figure 5.7. OCB as an outcome variable

The direct influence of LMXD and LMGD on OCB was negative and statistically significant, which was consistent with the other two outcome variables. Although all the extant studies have found no significantly direct influence of LMXD on OCB (Chen et al., 2014; Harris el al., 2014; Liu et al., 2016), the results from this study have

provided empirical evidence to confirm that LMXD does negatively affect employees' work attitudes and behaviour.

Some moderators between LMX and OCB have been adopted by a small number of studies in the past, such as job embeddedness (Sekiguchi et al., 2008), leader relational identity (Chang & Johnson, 2010) and the procedural justice climate (Li, Liang, & Grant, 2010). The findings of this current research showed that gender, as a non-job-related factor, functioned as a significant moderator on both LMX–OCB and LMG–OCB links. Since the moderation of gender was positive, the influence of LMX/LMG on OCB was much stronger among men ($r = .54$, $r = .61$) than it was among women ($r = .48$, $r = .47$) (see Table 4.6 in Section 4.4). The results shadowed the pessimistic feelings among women regarding future careers (Chen et al., 2018; Qu & Zhao, 2017; Remington & Kitterlin-Lynch, 2018) and once again confirmed the differing social cognitive learning between genders (Wang et al., 2017).

The results showed that Confucian values significantly moderated both LMG–OCB and LMGD–OCB links. The influence of LMG and LMGD on OCB was stronger among employees with low Confucian values and weaker among employees with high Confucian values. Once again, the findings supported the important function of value in social cognitive learning processes.

5.3 Reflection on the research questions, objectives and methodology

The main purpose of this thesis was to conceptualise theoretically and examine empirically an integrated framework for explaining and comparing work-related to non-work-related leader–member relationships in Chinese hotel workplaces. During the early stages of this study, the following four research questions were proposed:

1. *Is the construct of LMG different from the construct of LMX and which has a larger effect on employees' work outcomes in the Chinese hotel industry?*
2. *How do LMXD and LMGD in a work group affect employees' work outcomes and which has a larger effect on employees' work outcomes in the Chinese hotel industry?*

3. *Does gender moderate the effect of LMX/LMG/LMXD/LMGD on employees'*
   work outcomes in the Chinese hotel industry?
4. *Do Confucian values moderate the effect of LMX/LMG/LMXD/LMGD on*
   employees' work outcomes in the Chinese hotel industry?

Based on these research questions, the following four objectives were set for this study:

a. *To substantiate and distinguish the construct of LMG from that of LMX*
   theoretically.
b. *To develop an integrated theoretical framework and to examine empirically the*
   role of LMX and LMG in the workplaces of the Chinese hotel industry.
c. *To examine the direct effect of LMX on employees' work outcomes and compare*
   it to that of LMG at both individual and multiple levels in the Chinese hotel
   industry.
d. *To analyse theoretically and examine empirically the moderating effects of*
   gender and Confucian values on LMX/LMG/LMXD/LMGD and employees' work
   outcomes in the Chinese hotel industry.

To answer these research questions and achieve the research objectives, an in-depth literature review in LMX and LMG was conducted. With a sound understanding of the extant findings in the literature and with the purpose of making a contribution to researchers and practitioners in the hospitality industry, especially in the Chinese hotel industry, three key staffing issues were extracted: work engagement, task performance and OCB. Based on relevant findings in the LMX and LMG literature, direct relationships were established between LMX/LMG and work outcomes. To explore the function of leader–member relationships in Chinese workplaces further, the cross-level influence of differentiated LMX and LMG on employees' work outcomes was investigated and integrated into the framework.

As explained earlier, in traditional Chinese culture, the role of women was limited to family matters and was subordinate to that of men in every aspect of life. The movement for gender equality appeared very late in China in comparison to countries

in the West. To explore whether there was a subtle or a major effect of gender in the LMX and LMG framework, in this study, gender was adopted as a given moderator. As a result of the significant role of Confucianism in Chinese society, Confucian ideology not only provides the philosophical foundation for LMG but also can be used to explain Chinese people's behaviour to a certain degree. To enrich the understanding of the phenomenon of guanxi in Chinese hotel workplaces, a set of core Confucian values, as defined in *The Analects*, was hypothesised as a developed moderator in the framework.

Based on Confucian ideology and a number of social psychology and organisational behavioural theories previously used in the LMX literature, 14 hypotheses were developed from the multilevel framework (see Figure 2.7 in Section 2.8). The individual-level hypotheses referring to the relationship between LMX/LMG and work outcomes were supported by social exchange theory and the exchange of favour in Confucian philosophy. The multilevel hypotheses regarding relationships between LMXD/LMGD and work outcomes were justified with organisational justice, social comparison and relative deprivation theory, as well as the effective leadership and followership defined in Confucianism.

To enrich and expand current knowledge in the LMX and LMG literature, this study adopted the social cognitive learning processes from the discipline of social psychology and challenged the fundamental idea of appropriateness when applying Western theories to Oriental cultures. Since "imported elements are usually synthesized with indigenous patterns into new forms of mixed origins" (Bandura, 1986, p. 158), it is critical to recognise the origin of a sophisticated mechanism in human social behavior. Otherwise the contribution of a study can be very limited when explaining a social phenomenon in Oriental cultures using only Western theories.

Reflecting on the methodology adopted, a positivistic approach with a quantitative survey enabled the achievement of all the research goals. With the purpose of minimising common method bias caused by a single source of responses (Podsakoff et al., 2003), two different versions of the questionnaire were administered to employees and their managers. Brislin's (1980) translation-back-translation method ensured that

the exact meanings included in the questionnaire would be transferred to the participants. Following the advice from Zikmund (2003), a series of pre-tests was conducted as part of the precautions taken before data collection. Ethical issues were carefully considered in accordance with AUT research ethics, guidelines and procedures (2016).

The findings of this study have provided quantitative and systematic evidence to answer the research questions raised and all of the research objectives have been achieved. The methodology adopted has generated significant findings for this study.

5.4 Theoretical contributions

The major theoretical contributions that this research has made are discussed here for the reference of researchers in the fields of leadership, organisational behaviour, hotel management, cultural studies and social psychology. First, this study has provided both theoretical and empirical evidence that a social phenomenon should always be investigated from an indigenous perspective. The results of this study demonstrated a clear difference between LMX and LMG in both mean and standard deviation and their inflluence on work outcomes (see Table 4.5 in Section 4.4). The correlation coefficients between LMG and outcome variables were consistently higher than were those of LMX. This reflected on the statement made by Bandura (1986), that imported elements are often synthesised with indigenous factors. As an imported element from Western leadership studies, LMX has often been synthesised with the indigenous element, LMG, into a new form of mixed origins, which has been claimed by leadership scholars as the LMX in the Chinese cultural context. However, this study has provoked the thinking that when applying Western theories to non-Western cultures, scholars should first investigate the indigenous elements of the phenomenon and then explore the pattern of the synthesis. Although a theory can be applied across different scenarios and the strength of the generalisability of a theory can often be justified as a rational consequence of cultural differences, it is more meaningful to interpret a cultural phenomenon with its own embedded philosophy or relevant history.

This study has challenged both of the two major limitations in LMXD studies pointed out by the latest meta-analysis from Harris et al. (2014). Harris et al.'s first limitation

stemmed from the lack of multilevel analysis of LMXD on individual-level outcomes. This current study has provided an example of multilevel research design by investigating the cross-level effect of LMXD/LMGD on individual-level work outcomes. Their second limitation lay in the theoretical foundation explaining the role of LMXD in multilevel frameworks. Some researchers have identified the positive influence of LMXD through psychological contract theory and emotional contagion theory (Anand et al., 2015), while others have advocated for the negative role of LMXD because of its violation of the principle of equality and the consistency of justice (Scandura, 1999). Although a positive association between LMXD and individual performance may have sounded logical to some researchers, until now, these hypotheses have never been proved with significant test results (Henderson et al., 2008; Liden et al., 2006). However, this thesis has provided valuable evidence that the direct influence of LMXD on individual work performance is negative and statistically significant. In addition, this study treated a high level of LMGD as representative of a lack of virtue on the part of the leaders, according to Confucian philosophy, and all of the relevant hypotheses were supported by the HLM test results. The findings from this study have both tackled major limitations in the extant LMXD literature and provided clear guidance for future studies.

Further, the two cross-level moderators used in this research enriched the conceptual framework and added extra value to the findings of this study. It is very hard to explain sophisticated human behaviour with a single stream of theory (Bandura, 1986). From a perspective of social cognitive learning, the significant cross-level moderating effects of gender and Confucian values that were found in this research have provided further explanation regarding the functioning mechanisms of LMX, LMG, LMXD and LMGD in Chinese workplaces. Clearly, the research design of this study has opened a new gate for LMX/LMG scholars by integrating social psychological theories and Confucian philosophies into the extant research frameworks.

The sample and research design of this project have enriched the literature on Chinese hotel studies. Based on the meta-analysis conducted by Law, Wu and Liu (2014), the majority of the sample source in past years has been from Beijing and Guangdong (see Figure 5.8). The sample used in this study covered three large cities: Shenyang from

Northern China, Shanghai from Central China and Shenzhen from Southern China. This carefully designed sample has provided additional geographical coverage for the Chinese hotel studies and thus increased the reliability and generalisability of the research outcomes.
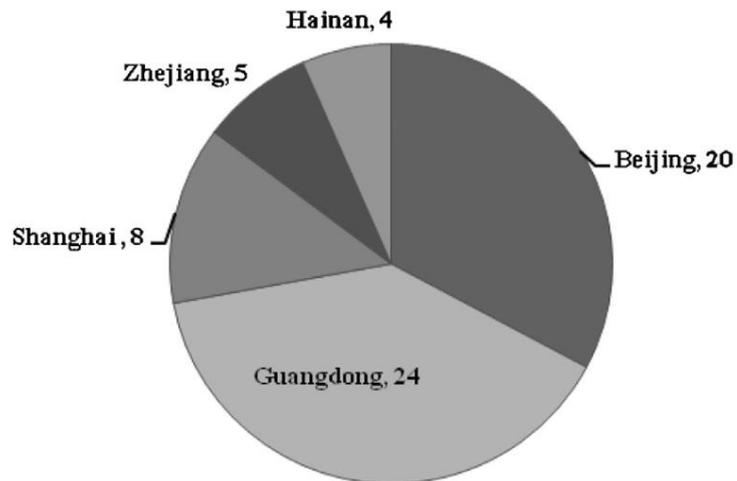
Figure 5.8. Past geographical coverage and sample sources (Law et al., 2014, p. 149)

Law et al. (2014) claimed that the methods used in Chinese hotel studies in recent years were limited largely to descriptive statistics and regression analysis (see Figure 5.9). The multilevel research design presented by this thesis has pioneered the research methodology in Chinese hotel studies and established a methodological example for any future research, using HLM.
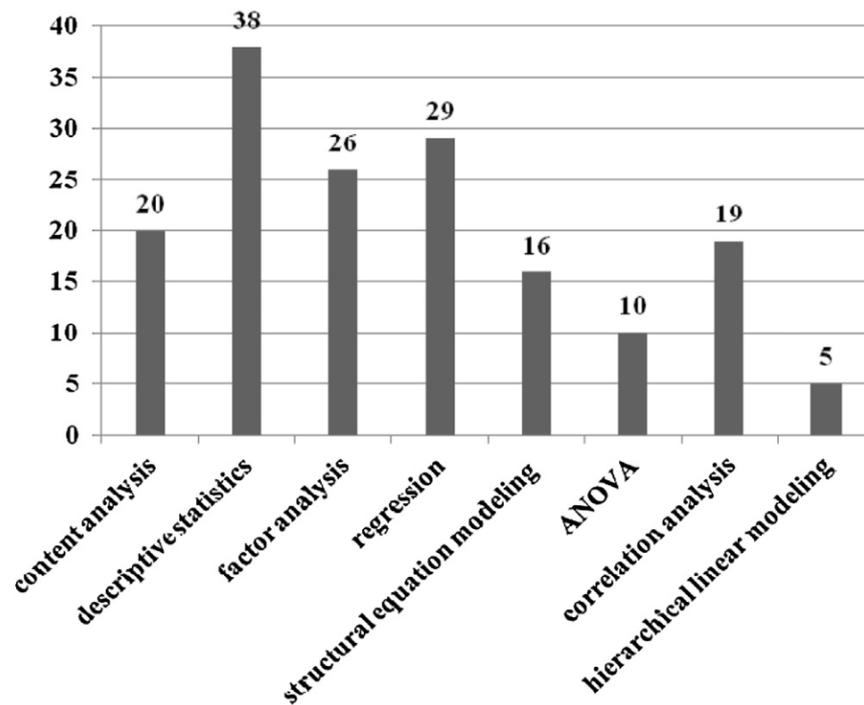
Figure 5.9. The different data analysis methods used in recent Chinese hotel studies (Law et al., 2014, p. 149)

In addition, with support from social learning theory, this study has advanced the understanding of the role of collective values in human behaviour. Bandura (1986) discussed the notion that human behaviour is partially determined by individually preferred values, since values provide people with self-evaluative standards and help people to model self-evaluative reactions. However, in a collectivistic culture in which people often put collective benefit ahead of individual benefit, it is logical to assume that any collective values can give people social-evaluative standards to guide and regulate their social behaviour collectively. Therefore, this study replicated the important role of personal values by the collective values in Confucianism and hypothesised the significant moderating effect of Confucian values in the LMX/LMG/LMXD/LMGD framework. The findings confirmed that Confucian values significantly moderate the processes of cognitive learning and still exist as a stable and meaningful tradition in the form of collective consciousness in Chinese workplaces. With the use of the five core values in Confucianism (benevolence, righteousness, propriety, wisdom and trust), this thesis has successfully differentiated LMG from LMX and proved that the set of Confucian values plays a critical role in establishing behaviour standards and functions as a self-evaluative and self-regulated tool in social cognitive learning.

Finally, this thesis has provided multilevel evidence that gender should be researched as social identity groups, rather than as biologically defined gender. As explained by Eagly (1987) in the gender social role theory, "the contemporaneous influence arising from adult social roles are more directly relevant to sex differences in adult social behaviour than is prior socialization or biology" (p. 9). The origin of gender issues lies in the history and development of a particular society, which must be considered when analysing the gender differences in human behaviour. This study examined the role of gender in workplaces at two levels and from two perspectives. The findings have indicated that the historically subordinate role of women in China could have discouraged women from pursuing successful careers and the lack of role models in the hotel industry might have hindered their cognitive learning capabilities. At the multilevel, the study proposed that the radical movement for gender equality in recent decades could have aroused emotional reactions in women in China, with anger and resentment among women when an injustice or inequality is perceived. Because of the lack of statistical support in this regard, further investigations are needed in this area.

5.5 Implications and recommendations for the industry

In the past, the direct and positive associations between LMX/LMG and work outcomes have been examined by a number of empirical studies. Owing to the consistent findings on the positive influence of LMX/LMG on individual work outcomes, some scholars have suggested that leaders can dedicate themselves to sustaining good-quality LMX and LMG with their employees so that work performance can be improved. However, in practice, it is too difficult (nearly impossible) for a leader to establish high-quality LMX and LMG with each of the members of their team, especially in the hotel industry, where teams can be very large and full of casual staff members.

Since the findings from this study have suggested a stronger influence of LMG than of LMX on employees' work outcomes, leaders in the Chinese hotel industry could consider focusing on the improvement of LMG as a shortcut to improved work outcomes. As explained in the Chinese proverb "twice the result with half the effort", a small improvement in LMG can lead to higher levels of work performance from

employees. Since LMG is characterised by personal-life inclusion, managers could spend more personal time developing guanxi with team members through social networking or after-work social activities. Taking advantage of personal guanxi can be inappropriate in the Western work environment but is more acceptable in Chinese society and can be powerful if used well. In addition, when recruiting for a manager's position, human resources could prioritise candidates who are more social and able to establish good-quality guanxi with team members.

The direct and negative associations between LMXD/LMGD and work outcomes can be relatively easier to handle when compared with establishing good-quality LMX and LMG with every member in the group. As pointed out by Scandura (1999), the existence of LMXD has violated the principles of equality and consistency of justice. To ensure the equality and consistency of justice in a work group, managers should balance their relationships with employees and avoid having extremely differentiated LMX in the same work group, as this may result in poor attitudes and work performance from employees. In Confucian ideology, fairness and justice are very important virtues for a leader to possess. Owing to the constraint of guanxi bases, managers should endeavour to avoid personal contact during work hours with those from closer categories of guanxi bases, such as family members or old classmates, to maintain the fairness. Law, Wang and Hui (2010) noted that Chinese culture is highly holistic; therefore, managers must be careful with both LMXD and LMGD, to avoid creating confusion in employees that may result in poor work outcome.

Inspired by the significant moderating role of gender in the framework, several key issues could be considered by human resources and hotel managers to improve employees' work performance. Reflecting on the social cognitive learning processes, the individual-level moderating effect of gender was caused mainly by women's ongoing subordinate role in the society, their parenting role in the family and the lack of female role models in the industry. The first two causes are the consequences of the historical development of Chinese culture and society, which can be adjusted only from a state level and any small change will take a long time and involve significant resources. With regard to the third cause, the lack of female role models in the industry, human resources and hotel operators could consider developing policies

encouraging women to apply for management positions in hotels as well as supporting their parenting role. For example, hotels could consider providing extended maternity leave, designing more flexible shift hours for women with young children, and including policies and procedures on job promotions in staff manuals, with training provided. In addition, hotels could promote their own female role models via internal communications, such as newsletters or noticeboard flyers, to fortify the first process of social cognitive learning: attentional process. The last process in cognitive learning, motivational process, could be strengthened with a consistent rewards system, maintained and operated by the hotels. Overall, human resources and hotel policy-makers could help to reduce the moderating influence of gender by providing a more women-friendly work environment and a gender-free policy on job promotions, to motivate and encourage female employees to climb up their career ladders.

In comparison, the cross-level moderation of gender is harder to challenge. With the wide spread of mass media and the internet, the increasing awareness of feminism has aroused negative emotions against inequality between genders all over the world. Women in China achieved equal rights in employment only in the 1990s. Although Chinese women are praised as Half Sky and occupy 45.0 per cent of the entire labour force in China, they hold only 34.0 per cent of the management positions and represent 23.4 per cent of the People's Congress (Grant Thornton, 2011; The State Council of the People's Republic of China, 2015). The growing consciousness regarding women's rights in Chinese society cannot be slowed, nor can the increasingly negative emotions that develop in opposition to job-related inequality in workplaces be quelled.

Even so, hotel operators could reduce the cross-level moderating effect of gender by easing the negative emotions among women in several ways. First, as mentioned above, managers could adjust their relationships with team members and aim to balance LMXD and LMGD between genders. Second, hotel practitioners could take proactive steps such as designing simple and clear communication systems or providing special consultations for affected employees, so that any negative feelings, especially against leadership or inequality, can be acknowledged and dealt with before work performance is affected. In addition, human resources could take advantage of any internal communication tools, such as newsletters, training programmes or other

available media, to increase positive emotions and job satisfaction among female employees. Overall, the significant moderating effect of gender on the relationship between LMX/LMG/LMGD and work performance should be well acknowledged and addressed by human resources and hotel practitioners. Neglecting gender issues can lead to poor performance, especially among female employees.

The significant moderating effect of Confucian values shown in the findings could be very helpful for hotel staff training and management when used well. Confucian values not only provide people with internal guidance and satisfaction through modelling self-evaluative standards and behaviour but also function as reinforcing incentives during cognitive modelling. As Bandura (1986) explained, when people attach higher incentive values to certain outcomes, they expend more effort if they judge themselves capable of obtaining them (p. 357). In accordance with the findings from this study, human resources and hotel practitioners should aim to improve the awareness and popularity of Confucian values in workplaces so that more standardised behaviour can be expected. Because of the lack of ideological support for Confucian ethics from the government, it is impossible to force everyone in society to follow them. However, hotels could still take steps to increase the awareness and influence of Confucian values in workplaces. First, hotel operators could integrate Confucian values into their organisational cultures. Benevolence, propriety and trust are the best values to promote in the area of personal relationships. Under these values, a more friendly and peaceful work environment could be created so that the direct effect of LMXD and LMGD on employees' performances could be minimised. Wisdom encourages creative thinking from employees so that the efficiency of work performance could be improved. Righteousness boosts helping behaviour between colleagues and promotes the internal guard over ethical business practices. After establishing the evaluative mechanism among the employees, an organisation's human resources department could design a meaningful reward system to encourage behaviour directed by Confucian values. In addition, relevant trainings programmes should be provided to strengthen the power of Confucian values in social learning modelling.

5.6 Limitations and advice for future research

This study was subject to several limitations or imperfections, which should be explained here to help readers to interpret the findings and to guide future research. The first limitation came from the data-collection procedure. Although voluntary participation was emphasised among the respondents, the human resources departments and managing directors of hotels had to be notified about the research initially, as they were the first points of recruitment. Because of limited access to various areas in hotels, such as staff rooms and lounges, permission to conduct the survey had to be granted by the hotels before any data could be collected. The highest level of confidentiality in responses was obtained by using a unique code, instead of any employee name, on each questionnaire during the data collection. Future studies could consider creating an electronic version of the survey through Survey Monkey or similar websites, to avoid the difficulties involved in using staff lounges. Qualitative data could have been collected to provide further insights into leader–member relations in workplaces.

Another limitation that could have arisen in this study was the possible presence of common method variance. According to Podsakoff et al. (2003), when data of both independent and dependent variables are collected from the same group of participants, self-report biases may cause the variables to co-vary. Although the data for this study were collected from both employees and their managers and with a deliberate time gap of one week in between, certain hypotheses could have included solely self-reported data. However, the second-order CFA concluded a good model fit and confirmed the factor structure and the discriminant validity of all the variables (see Figure 4.2 and Tables 4.2 and 4.3 in Section 4.2). Since a number of researchers have argued that it is unlikely that significant results can be generated in the case of common method variance (Harris et al., 2009), this study managed to minimise any existence of the bias caused by the source of data.

In addition, LMX and LMG were both measured by employees, which provided only employees' perceptions of leader–member relationships. The agreement on LMX and LMG between managers and employees could have be explored further if managers had also been asked to rate their perceptions of the dyadic relationships. Similarly,

managers could have been asked to rate their beliefs in Confucian values, so that the existence of LMXD and LMGD could be explained and justified along with the employees' responses. Future studies could examine the level of a manager's Confucian values functions as an antecedent to LMXD and LMGD, especially in the Chinese cultural context. If this is done, then higher-level management could be dedicated to improving the levels of Confucian values among managers so that LMXD and LMGD could be reduced and employees' work performance improved.

A further limitation is that this study operationalised the concept of LMXD and LMGD by calculating the standard deviation of LMX and LMG in each work group. As discussed in Chapter 2 (see Section 2.5.1), there has been no consensus on the measurement of LMXD and the inconsistent findings in the LMXD literature are partially caused by the different measures used for the same concept, such as Relative LMX, LMX Relative Separation or within-group variance. This study emphasised the separation rather than the variety or disparity of LMX in a group environment and this should be noted for future reference. In addition, consensus should be reached regarding a clearer definition of LMXD.

Although this study adopted multidimensional instruments to measure both LMX and LMG, the complexity of the framework meant that little analysis was presented to further explore the strength of different dimensions in the framework. More individual-level investigations could have been conducted to provide a more subtle understanding of the difference between the two concepts and to evaluate whether LMG could be applied to non-Confucian cultures, to expand the generalisability of the findings. The OCB measured in this study is more of a general term, regardless of the the two different directions in OCB-individual and OCB-organisational. Since the two directions incorporate two different constructs, future studies should further investigate the difference or similarity in the way OCBI and OCBO are affected by leader–member relations in workplaces.

With regard to the sample used, only hotels with four- and five-star ratings participated in the study; thus, their staff members may not have been representative of the entire population of hotel employees in China. A better coverage of hotel types

and star ratings may have generated richer data with more powerful generalisations regarding the Chinese hotel industry. Although cities from three different regions were selected for data collection, order to reduce regional differences, some variations were still noticed between the cities with respect to the demographic background of the participating employees. Researchers should be aware of this and take precautions when referencing the findings from this study. Future research should include hotels with lower star ratings and in second-tier cities, to help to validate the findings of this study.

With the cross-sectional design of the data collection, the findings from this thesis should be interpreted carefully. Future research could examine the conceptual framework through different research designs, such as a longitudinal study. Since leader–member relations develop over different stages and may change over time, a longitudinal study may further elaborate on the causal effect and identify other critical factors in the framework.

The results of this study have raised further questions regarding social learning theory, such as to what degree a collective value system affects human behaviour and whether collective values are able to integrate all of the three determinant factors in human behaviour: the personal factor, the environmental factor and behaviour (see Figure 2.5 in Section 2.7.3.1).

5.7 Conclusion

The initiative of this study was to address the phenomenally consistent findings in recent LMX studies in Chinese culture. In *The Analects*, Confucius said, "junzi is not a utensil 君子不器" (Chapter 2, Discourse 12), which explicates that a scholar should not limit himself to the known facts. Although the extant findings have been very consistent in Chinese LMX studies, the findings of this study have pointed out that LMX theory should not be used alone to explain and predict employees' work attitudes and behaviour in Chinese culture. The indigenous perspective of LMX, defined as LMG, has proved to have a larger effect on all of the individual work outcomes examined in this study. With a quantitative research design, this study has provided statistically significant evidence that it is critical to investigate the root and the origin of a

sophisticated social phenomenon, rather than to apply a theory that seems to be a good fit but, actually, is not. To support this claim further, a multilevel design of the conceptual framework, with two cross-level moderators, has demonstrated the actual functioning mechanism of leader–member relationships in the Chinese workplace.

LMX researchers have been arguing about whether leaders should differentiate the relationships with their team members. The findings from this study have indicated that differentiation of both work-related and non-work-related relationships with members can have a significantly negative effect on members' work performance. Since the existence of LMXD lies in the very core assumption of LMX theory, it is unrealistic to ask leaders to treat every member in the same way. To help leaders to improve the efficiency of their leadership, this study has revealed the significant moderating effects of gender and Confucian values in members' cognitive learning processes. With gender being a given moderator, leaders and business operators should be aware of the different reactions to LMXD and LMGD between the genders. With Confucian values being a developed moderator, leaders and business operators should incorporate relevant human resource strategies to make the best use of Confucian values for improving employees' performances.

The only key for opening a door is the matching key. To understand a complex social phenomenon such as guanxi, one has to explore its cultural or philosophical foundation. Facts may be explained by different theories but the development and background of the fact must first, be investigated. We should all think 'outside of the box' when encountering a research question, rather than limiting ourselves to the existing findings.

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APPENDIX I PARTICIPANT INFORMATION SHEET FOR EMPLOYEES

Date Information Sheet Produced:

11th November 2015

Project Title

A multilevel analysis on Leader–Member relationship in the Chinese hotel 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 on Leader–member relationship differentiation in the hospitality industry. Participation in this study 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 study?

This study investigates the role of work and non-work relationship between leaders and their team members in a group environment, and how it affects employees' work attitude and behaviour in the hospitality industry. This study seeks to expand the traditional leader–member exchange framework by adopting the concept of non-work relationship that originates from Confucianism and prevails among oriental cultures. The findings from this study will have implications for practical solutions to staffing issues and help to improve the efficiency of leadership in the hospitality industry.

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

You are identified and invited to participate in this study since you work in the hospitality industry.

What will happen in this study?

I distribute you the survey for you to fill out. Once you've completed the survey, please place it in the enclosed envelope and either directly give it to me or put it in the drop box in the staff room. I will encode your response and use it only in a combined statistical form.

What are the discomforts and risks?

Your identity is kept absolutely **CONFIDENTIAL**. Your completed questionnaire will not be disclosed to anybody except me, the researcher. However, your manager will know that you have participated and your responses will be matched with the responses of your managers. Although your response will be analysed together with your supervisor's report on your performance, your supervisor will not see your responses, and you will not be able to see your supervisors' responses. All responses by all participants are confidential.

How will these discomforts and risks be alleviated?

Participation in this study is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. The data will only be analysed in an aggregated form so that no individuals or supervisors or organisations will be identifiable. 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 study is conducted as part of my Doctor 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 the hospitality industry and its effect on employees' work outcomes. You will gain a better understanding on how the differentiation in work relationship and non-work relationship between employees and managers affect employees' work performance.

How will my privacy be protected?

Your response will remain confidential. No one but me will have the access to your response and that will be securely locked up and then shredded after six years.

What are the costs of participating in this study?

The only cost to you is your time. Each survey will take you approximately 10-15 minutes to complete.

How do I agree to participate in this study?

Please make sure to sign your name on the consent form to give the full consent to participate in this study.

Will I receive feedback on the results of this study?

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

What do I do if I have concerns about this study?

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, 09-9219999 ext 6105*.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Kate O'Connor, *ethics@aut.ac.nz* , 09-921 9999 ext 6038.

Whom do I contact for further information about this study?

Researcher Contact Details:

Pola Wang

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WH515 School of Hospitality and Tourism

Faculty of Culture and Society

AUT University Private Bag 92006

Project Supervisor Contact Details:

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AUTUniversity

Approved by the Auckland University of Technology Ethics Committee on 23 November 2015 AUTEC Reference number 15/345

Appendix II Participant information sheet for managers

Date Information Sheet Produced:
11th November 2015
Project Title
A multilevel analysis on leader–member relationship in the Chinese hotel industry
An Invitation
My name is Pola Wang. I am a PhD student at AUT University. I am writing to invite you to participate in this study on Leader–member relationship differentiation in the hospitality industry. Participation in this study 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 study?
This study investigates the role of work and non-work relationship between leaders and their team members in a group environment, and how it affects employees' work attitude and behaviour in the hospitality industry. This study seeks to expand the traditional leader–member exchange framework by adopting the concept of non-work relationship that originates from Confucianism and prevails among oriental cultures. The findings from this study will have implications for practical solutions to staffing issues and help to improve the efficiency of leadership in the hospitality industry.
How was I identified and why am I being invited to participate in this study?
You are identified and invited to participate in this study since you work in the hospitality industry.
What will happen in this study?
Your employees have agreed to participate in the research and please fill out a short survey for each participating employee in your team. I will give you a list of employees and each employee has a unique code next to their names. Please write the code on the questionnaire and complete one questionnaire for each employee. Once you've completed the survey, please place it in the enclosed envelope and contact me for collection. I will then match your response to your employees' responses and use it only in a combined statistical form.
What are the discomforts and risks?
Your identity is kept absolutely **CONFIDENTIAL**. Your completed questionnaire will not be disclosed to anybody except me, the researcher. Although your response will be analysed together with your employees' report on their relationship with you, your employee will not see your responses, and you will not be able to see your employees' responses. All responses by all participants are **CONFIDENTIAL**.
How will these discomforts and risks be alleviated?
Participation in this study is voluntary and the participant has the right to withdraw from the research at any stage prior to the completion of the data collection. The data will only be analysed in an aggregated form so that no individuals or supervisors or organisations will be identifiable. 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 study is conducted as part of my Doctor 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 the hospitality industry and its effect on employees' work outcomes. You will gain a better understanding on how the differentiation in work relationship and non-work relationship between employees and managers affect employees' work performance.

How will my privacy be protected?

Your response will remain confidential. No one but me will have the access to your response and that will be securely locked up and then shredded after six years.

What are the costs of participating in this study?

The only cost to you is your time. Each survey will take you approximately 2-3 minutes to complete.

How do I agree to participate in this study?

Please make sure to sign your name on the consent form to give the full consent to participate in this study.

Will I receive feedback on the results of this study?

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

What do I do if I have concerns about this study?

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, 09-9219999 ext 6105*.

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Kate O'Connor, *ethics@aut.ac.nz* , 09-921 9999 ext 6038.

Whom do I contact for further information about this study?

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APPENDIX III EMPLOYEE VERSION QUESTIONNAIRE

*** **Please circle your level of agreement as to the following statements** ***
[1=Entirely Disagree;2=Mostly disagree;3=Somewhat disagree;4=Neutral;
5=somewhat agree;6=Mostly agree;7=Entirely Agree]

No.	Part 1. Leader–member exchange	←Entirely Disagree						Entirely Agree→
	Affect							
1.	I like my supervisor very much as a person.	1	2	3	4	5	6	7
2.	My supervisor is the kind of person one would like to have as a friend.	1	2	3	4	5	6	7
3.	My supervisor is a lot of fun to work with.	1	2	3	4	5	6	7
	Loyalty							
4.	My supervisor defends my work actions to a superior, even without complete knowledge of the issue in question.	1	2	3	4	5	6	7
5.	My supervisor would come to my defence if I were 'attacked' by others.	1	2	3	4	5	6	7
6.	My supervisor would defend me to others in the organization if I made an honest mistake.	1	2	3	4	5	6	7
	Contribution							
7.	I do work for my supervisor that goes beyond what is specified in my job description.	1	2	3	4	5	6	7
8.	I am willing to apply extra efforts, beyond those normally required, to meet my supervisor's work goals.	1	2	3	4	5	6	7
9.	I do not mind working my hardest for my supervisor.	1	2	3	4	5	6	7
	Respect							
10.	I am impressed with my supervisor's knowledge of his/her job.	1	2	3	4	5	6	7
11.	I respect my supervisor's knowledge of and competence on the job.	1	2	3	4	5	6	7
12.	I admire my supervisor's professional skills.	1	2	3	4	5	6	7

No.	Part 2. Leader–member guanxi	←Entirely Disagree						Entirely Agree→
	Affective attachment							
1.	My supervisor and I always share thoughts, opinions, and feelings toward work and life.	1	2	3	4	5	6	7
2.	I feel easy and comfortable when I communicate with my supervisor.	1	2	3	4	5	6	7
3.	I would feel sorry and upset if my supervisor decided to work for another company.	1	2	3	4	5	6	7
4.	If my supervisor has problems with his/her personal life, I will do my best to help him/her out.	1	2	3	4	5	6	7
	Personal life inclusion							
5.	My supervisor would ask me to help him/her deal with some family errands.	1	2	3	4	5	6	7
6.	During holidays, my supervisor and I would call each other or visit each other.	1	2	3	4	5	6	7
7.	After working hours, I have social activities together with my supervisor, such as having dinner together or having entertainment together, which go beyond work duties.	1	2	3	4	5	6	7
8.	I am familiar with the family members of my supervisor and have personal contact with these members.	1	2	3	4	5	6	7
	Deference to supervisor							
9.	I am willing to obey my supervisor unconditionally	1	2	3	4	5	6	7
10.	While I disagree with my supervisor, I would still support his/her decisions.	1	2	3	4	5	6	7
11.	I am willing to give up my goals in order to fulfil my supervisor's goals.	1	2	3	4	5	6	7
12.	I am willing to sacrifice my interests in order to fulfil my supervisor's interests.	1	2	3	4	5	6	7

No.	Part 3. Work engagement	←Entirely Disagree						Entirely Agree→
1.	I feel energised at work.	1	2	3	4	5	6	7
2.	At my job, I feel strong and vigorous.	1	2	3	4	5	6	7
3.	When I get up in the morning, I feel strong and vigorous.	1	2	3	4	5	6	7
4.	I am excited/enthusiastic about my job.	1	2	3	4	5	6	7
5.	My job motivates/inspires me.	1	2	3	4	5	6	7
6.	I am proud of the work that I do.	1	2	3	4	5	6	7
7.	I feel happy when I am working hard.	1	2	3	4	5	6	7
8.	I am really focused when I am working hard.	1	2	3	4	5	6	7
9.	I get carried away when I am working.	1	2	3	4	5	6	7

No.	Part 4. Confucian values	←Entirely Disagree					Entirely Agree→	
1.	People must be nice to each other to keep harmony in the society.	1	2	3	4	5	6	7
2.	People must be happy when friends from far away come for a visit.	1	2	3	4	5	6	7
3.	The society needs social norms that everyone must follow.	1	2	3	4	5	6	7
4.	People should know the methods to get things right.	1	2	3	4	5	6	7
5.	People must keep their promises.	1	2	3	4	5	6	7

Part 5. General Information

1. What is your gender?   (1) Female   (2) Male

2. When were you born?   (   ) year

3. How many years have you been working in this position or team? (   ) years (   ) months

4. How many years have you been working in the hospitality industry? (   ) years (   ) months

5. What is the title of your current position? _____ (ex, manager, assistant manager, employee, etc)

6. 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 (   )

7. What is your education level?
  (1) High School   (2) Secondary vocational qualification (3) Tertiary undergraduate qualification (4) Tertiary postgraduate qualification (5) Others (   )

8. What is your employment status?
  (1) Full-time (2) Part-time (3) Casual (4) Fixed-term contractor (5) Other (   )

I really appreciate your participation!

*** 请圈出您对以下论述是否同意 ***

[1=完全**不同意**;2=基本不同意; 3=不怎么同意;4=中立; 5= 不怎么同意; 6=基本同意; 7=完全同意]

数字越小，表示您的该论述的同意度越低，也就是您不同意这个观点。

	第一部分---上下级工作交换	←完全不同意					完全同意→	
	关系							
1.	我喜欢我主管。	1	2	3	4	5	6	7
2.	我的主管是一个可以当作朋友的人。	1	2	3	4	5	6	7
3.	跟主管一起工作很有趣。	1	2	3	4	5	6	7
	忠诚度							
4.	我的主管会在他/她领导面前捍卫我的工作成果。	1	2	3	4	5	6	7
5.	如果别人说我坏话，主管会站在我这边。	1	2	3	4	5	6	7
6.	即时我犯了错，在别人面前主管也会帮我说话。	1	2	3	4	5	6	7
	付出							
7.	我会为主管做雇佣合同以外的工作。	1	2	3	4	5	6	7
8.	我愿意加班来帮助主管达成工作目标。	1	2	3	4	5	6	7
9.	为了主管，我愿意拼命工作。	1	2	3	4	5	6	7
	敬重							
10.	主管工作经验丰富，让我印象深刻。	1	2	3	4	5	6	7
11.	我敬重主管在工作上的经验与能力 。	1	2	3	4	5	6	7
12.	我欣赏主管的专业技能。	1	2	3	4	5	6	7

	第二部分--上下级关系	←完全不同意					完全同意→	
	上下级关系							
1.	我和主管经常交流对工作、生活的看法。	1	2	3	4	5	6	7
2.	我和主管很谈得来，感觉没有隔阂。	1	2	3	4	5	6	7
3.	如果主管离职去了别的公司，我会很难过。	1	2	3	4	5	6	7
4.	如果主管有难处，即使是私事，我也会主动帮忙。	1	2	3	4	5	6	7
	私人关系							
5.	主管会交代我办一些私事。	1	2	3	4	5	6	7
6.	节假日，我会主动问候主管，打电话、发信息、或者去家里拜访。	1	2	3	4	5	6	7
7.	我和主管工作外经常一起吃饭、唱歌、或打球。	1	2	3	4	5	6	7
8.	我知道主管的家庭成员，跟他们关系还不错。	1	2	3	4	5	6	7
	相互辩护							
9.	我愿意无条件的听从主管的命令。	1	2	3	4	5	6	7
10.	即使不同意主管的看法，我还是会听从他/她的命令。	1	2	3	4	5	6	7
11.	我愿牺牲个人目标以达成主管的工作目标。	1	2	3	4	5	6	7
12.	我愿意为主管牺牲个人的利益。	1	2	3	4	5	6	7

	第三部分－工作投入	←完全不同意					完全同意→	
1.	上班时我充满活力。	1	2	3	4	5	6	7
2.	面对工作时我精力充沛。	1	2	3	4	5	6	7
3.	每天我带着愉悦的心情去上班。	1	2	3	4	5	6	7
4.	我热爱我的工作。	1	2	3	4	5	6	7
5.	我的工作会激励我上进。	1	2	3	4	5	6	7
6.	我以我的工作为荣。	1	2	3	4	5	6	7
7.	工作忙时，我心情会变得很好。	1	2	3	4	5	6	7
8.	工作时我专心致志不受外界干扰。	1	2	3	4	5	6	7
9.	有的时候我会工作专心到停不下来。	1	2	3	4	5	6	7

	第四部分--- 哲学观点	←完全不同意					完全同意→	
1.	"己所不欲，勿施于人"，凡事不能光想着自己，不能光想着自己，多设身处地为别人着想，为别人考虑，做事为人为己。之所谓。	1	2	3	4	5	6	7
2.	"君子爱财，取之有道"，任何情况下都不能做不仁不义的事情。	1	2	3	4	5	6	7
3.	"四海之内皆兄弟"，待人处事要以"礼"字为先。	1	2	3	4	5	6	7
4.	"知者不惑"，要活到老学到老。	1	2	3	4	5	6	7
5.	"言必信，行必果"，说话算话，遵守诺言。	1	2	3	4	5	6	7

第五部分---个人信息

1. 性别　(1) 女　(2) 男

2. 年龄　(　　　　　) 岁

3. 您在这个职位已经工作多久了？(　　　) 年 (　　　) 月

4. 您在酒店业已经工作多久了？ (　　　) 年 (　　　) 月

5. 您现在的职位是什么？ _____

6. 教育程度？

　(1) 小学　(2) 初中/高中　(3) 中专 (4) 大专 (5) 大本(6) 硕士　(7) 其它 (　　　　　)

8. 您的工作性质是：

　(1) 全职 (2) 兼职 (3) 临时工 (4) 定期合同工 (5) 其他 (　　　　　)

再次感谢您的参与!

Personal demographic Information
1. What is your gender?   (1) Female   (2) Male
2. When were you born?   (   ) year
3. How many years have you been working at the current position? (   ) years (   ) months
4. How many years have you been working in the hospitality industry? (   ) years (   ) months
5. What is the title of your current position? _____ (e.g, manager, assistant manager, supervisor, etc)
6. 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 (   )
7. What is your education level?
(1) High School   (2) Secondary vocational qualification (3) Tertiary undergraduate qualification (4) Tertiary postgraduate qualification (5) Others (   )

*** **Please circle your level of agreement as to the following statements** ***
[1=Entirely Disagree;2=Mostly disagree;3=Somewhat disagree;4=Neutral;5=somewhat agree;6=Mostly agree;7=Entirely Agree]

Subordinate's Code :_____

No.	Part 1. Task performance	←Entirely Disagree					Entirely Agree→	
1.	This subordinate achieves the objectives of the job.	1	2	3	4	5	6	7
2.	This subordinate demonstrates expertise in all job-related tasks.	1	2	3	4	5	6	7
3.	This subordinate fulfils all requirement of the job.	1	2	3	4	5	6	7
4.	This subordinate is competent in all areas of the job.	1	2	3	4	5	6	7
5.	This subordinate handle tasks with proficiency.	1	2	3	4	5	6	7
6.	This subordinate performs well in the overall job by carrying out tasks as expected.	1	2	3	4	5	6	7
7.	This subordinate organises to achieve objectives and meet deadlines.	1	2	3	4	5	6	7

No.	Part 2. Organisational Citizenship Behaviour	←Entirely Disagree					Entirely Agree→	
1.	This subordinate helps others who have been absent.	1	2	3	4	5	6	7
2.	This subordinate helps others who have heavy workloads.	1	2	3	4	5	6	7
3.	This subordinate goes out of way to help new employees.	1	2	3	4	5	6	7
4.	This subordinate passes along information to co-workers	1	2	3	4	5	6	7

I really appreciate your participation!

1. 性别　(1) 女　(2) 男

2. 年龄　(　　　　　) 岁

3. 您在这个职位已经工作多久了？ (　　　) 年 (　　　) 月

4. 您在酒店业已经工作多久了？ (　　　) 年 (　　　) 月

5. 您现在的职位是什么？ _____

6. 您的教育程度?
 (1) 小学　(2) 初中/高中　(3) 中专 (4) 大专 (5) 大本(6) 硕士　(7) 其它 (　　　　)

7. 您的工作性质是：
 (1) 全职 (2) 兼职 (3) 临时工 (4) 定期合同工 (5) 其他 (　　　)

*** 请圈出您对以下论述的同意度 ***
[1=完全不同意; 2=基本不同意; 3=有点儿不同意;4=中立; 5= 有点儿同意;
6=基本同意;7=完全同意]

下属编号:_____

	第一部分—工作表现	←完全不同意					完全同意→	
1.	该下属工作可以达标。	1	2	3	4	5	6	7
2.	该下属在各项任务上都很专业。	1	2	3	4	5	6	7
3.	该下属各项任务都可以达标。	1	2	3	4	5	6	7
4.	该下属在各项工作上都非常有竞争力。	1	2	3	4	5	6	7
5.	该下属可以很专业的处理各项任务。	1	2	3	4	5	6	7
6.	总的来说该下属可以达到我对他的工作预期。	1	2	3	4	5	6	7
7.	该下属可以按时完成任务。	1	2	3	4	5	6	7

	第二部分—组织公民行为	←完全不同意					完全同意→	
1.	在别人缺席的情况下，该下属会主动帮助其他人。	1	2	3	4	5	6	7
2.	在别人工作特别忙的时候，该下属会主动给予帮忙。	1	2	3	4	5	6	7
3.	该下属会主动帮助新员工。	1	2	3	4	5	6	7
4.	关于工作方面的事宜，该下属会主动和同事交流，提出建议。	1	2	3	4	5	6	7

非常感谢您的大力支持!

APPENDIX V CONSENT FORM

Project title: **A multilevel analysis on Leader–member Relationship in the Chinese hotel industry**
Project Supervisor: **Dr. Peter BC Kim**
Researcher: **Pola Qi Wang**

○   I have read and understood the information provided about this research project in the Information Sheet dated 11/11/2015

○   I have had an opportunity to ask questions and to have them answered.

○   I understand that I may withdraw myself or any information that I have provided for this project at any time prior to completion of data collection, without being disadvantaged in any way.

○   If I withdraw, I understand that all relevant information including tapes and transcripts, or parts thereof, will be destroyed.

○   I agree to take part in this study.

Participant's signature: ....…………………………………………………

Participant's name: ....…………………………………………………

Date: ....…………………………………………………

***Approved by the Auckland University of Technology Ethics Committee on 23 November 2015 AUTEC Reference number** 15/345*

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