

**An Empirical Study of Organizational Justice as a Mediator of the
Relationships among Leader-Member Exchange and Job Satisfaction,
Organizational Commitment, and Turnover Intentions
in the Lodging Industry**

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(ABSTRACT)

The purpose of this study was to identify the impact of interpersonal working relationships on employees' justice perceptions and the effects of those perceptions on employees' work-related attitudes and behavior in the hospitality industry. This study examined the mediating role played by distributive and procedural justice in linking leader-member exchange and job satisfaction, organizational commitment, and turnover intentions in the hospitality industry. The model was evaluated using structural equation modeling (SEM).

The results indicated that distributive justice had a direct positive influence on job satisfaction and was negatively related to turnover intentions. Distributive justice was also found to have a strong impact on procedural justice. Procedural justice had a direct positive influence on job satisfaction. However, procedural justice was negatively related to organizational commitment, and was positively associated with turnover intentions. Thus, distributive justice played a more vital role in employees' work-related outcomes than did procedural justice.

This study also indicated empirical evidence of the impact of interpersonal working relationships on employees' justice perceptions. That is, the quality of interpersonal working relationships promoted employees' perceptions of fairness.

Therefore, both distributive and procedural justice played a vital mediating role in the relationships among LMX, and job satisfaction, organizational commitment, and turnover intentions.

This study provides guidelines to help managers better understand how to reduce employee turnover, increase job satisfaction and organizational commitment, and make better decisions about outcomes and procedures for their employees.

DEDICATION

This dissertation is dedicated to my parents, Ho-Young Lee and Yeon-Sook Lee. They gave me unconditional love, encouragement, and support. They provided me with strength, dreams, courage, and determination to move through the final stages of this process. My dream came true due to their love and sacrifices. I also dedicate this dissertation to my beloved wife, Yang-Hee Kim and my son, Hyunjay (Jay), and my daughter, Yoomin (Michelle). Without their love, patience, sacrifices, and trust throughout this process, this dissertation would not have been possible.

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CHAPTER I

INTRODUCTION

1-1 BACKGROUND

People in hospitality organizations are important because they are central to hospitality and service; employees' attitudes and behaviors play a vital role in the quality of service. Customer satisfaction and customers' perceptions of service quality are significantly influenced by the attitudes and behaviors of service employees (Bitner, Booms, & Tetreault, 1990; Parasuraman, Zeithaml, & Berry, 1988; Schneider & Bowen, 1993). The interaction between employees and customers in service delivery is essential to the satisfaction or dissatisfaction of customers (Bitner, Booms, & Tetreault, 1990). In this regard, employees are primarily responsible for providing a sustainable competitive advantage for the hospitality industry. Therefore, success in the hospitality industry depends on managing and retaining employees (Woods, 1992).

Employee turnover is particularly important in the hospitality industry due to the high levels of customer-employee contact. Moreover, turnover is critical and costly (Bonn & Forbringer, 1992). For example, each incident of employee turnover in the hospitality industry is estimated to cost up to \$2,500 in direct costs, and \$1,600 in indirect costs (Hogan, 1992). Woods and MacCauley (1988) describe both the tangible and intangible costs of the turnover decision. In the hospitality industry, one of the most critical intangible costs is the loss of employee morale for those employees who choose to remain with the organization. This results in the poor morale of employees who may

be overworked, and can, in turn, effect the level of service provided to the customer. Therefore, it is imperative that management understand the specific dimensions that help shape employees' attitudes toward their jobs (Rogers, Clow, & Kash, 1994).

Numerous studies have been conducted to explain the causes and effects of employee attitudes and behaviors. Topics have included: (1) the antecedents and consequences of job satisfaction (Babakus, Cravens, Johnston, & Moncrief, 1996; Brown & Peterson, 1993; Rogers, Clow, & Kash, 1994; Viswesvaran, Deshpande, & Joseph, 1998); (2) the antecedents, correlates, and consequences of organizational commitment (DeConinck & Bachmann, 1994; DeCotiis & Summers, 1987; Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989; Sommer, Bae, & Luthans, 1996; Werbel, Landau, & DeCarlo, 1996); (3) the antecedents and correlates of turnover intentions (Bashaw & Grant, 1994; Lum, Kervin, Clark, Reid, & Sirola, 1998; Peters, Bhagat, & O'Connor, 1981; Saks, Mudrack, & Ashforth, 1996).

For example, Babakus et al. (1996) suggest that there is a positive relationship between salespersons' perceptions of job/task characteristics such as training and job satisfaction in a large international services organization. They also reveal that role conflict and role ambiguity have a negative impact on salespersons' perceptions of job satisfaction and job performance. Meyer et al. (1989) report that affective commitment (i.e., emotional attachment to, identification with, and involvement in the organization) of employees in a food services organization is positively related to their measured job performance, whereas continuance commitment (i.e., perceived costs associated with leaving the company) is negatively related. According to Lum et al. (1998), pay satisfaction has both a direct and an indirect effect upon nurses' turnover intentions.

These studies have investigated the role of job satisfaction and organizational commitment as potential mediators in the relationship between pay satisfaction and turnover intentions.

Few efforts, however, have been made that concentrate on how employees perceive the characteristics of their organizations. Leigh, Lucas Jr., and Woodman (1988) report that employees look more to the broader organizational environment than to their role perceptions in attributing their job satisfaction. This would imply the need for research concerning how employees perceive the fairness of organizational systems and how this issue of fairness affects employees' attitudes and behaviors (Dailey & Kirk, 1992). Greenberg (1990a) also reports that organizational justice, which refers to people's perceptions of the fairness of treatment received from organizations, is important as a basic requirement for the effective functioning of organizations.

1-2 STATEMENT OF THE PROBLEM

When employees react to the way they are treated at work, their motivation to respond cannot be understood adequately without taking into account two separate notions of fairness: distributive justice and procedural justice (Folger & Konovsky, 1989; Greenberg, 1986a). Adams (1965) conceptualized fairness by stating that employees determine whether they have been treated fairly at work by comparing their own payoff ratio of outcomes (such as pay or status) to inputs (such as effort or time) to the ratio of their co-workers. This is called distributive justice, and it presents employees' perceptions

about the fairness of managerial decisions relative to the distribution of outcomes such as pay, promotions, etc (Folger & Konovsky, 1989). In contrast, procedural justice focuses on the fairness of the manner in which the decision-making process is conducted (Folger & Konovsky, 1989). In other words, the focus shifts from what was decided to how the decision was made (Cropanzano & Folger, 1991b).

Justice perceptions also have been linked to important outcome variables (Dailey & Kirk, 1992; Folger & Konovsky, 1989; Martin & Bennett, 1996; McFarlin & Sweeney, 1992). For instance, perceptions of procedural justice are negatively related to intentions to quit (Dailey & Kirk, 1992), significantly correlate with organizational commitment (Folger & Konovsky, 1989; Martin & Bennett, 1996), and produce high subordinates' evaluation of supervisors (McFarlin & Sweeney, 1992). In other words, if employees perceive that the decision-making process is fair, they are less likely to form an intention to quit. On the other hand, distributive justice perceptions are associated with pay raise satisfaction (Folger & Konovsky, 1989), and tend to be a strong predictor of job satisfaction (Martin & Bennett, 1996; McFarlin & Sweeney, 1992).

Although a great deal of research has addressed the issue of organizational justice, little empirical research has been conducted to examine the relationships among distributive justice, procedural justice, job satisfaction, organizational commitment, and turnover intentions in the hospitality industry. In addition, previous research on organizational justice has been conducted predominantly in laboratory settings and has overlooked how contextual elements influence the behavior of individuals within an organizational setting (Capelli & Sherer, 1991). Greenberg (1990a) argues that aspects of work environments are likely to influence employees' perceptions of fairness. Identifying

the factors contributing to justice perceptions in an organizational context could provide additional insight into the area of organizational justice.

A number of studies have examined the contextual antecedents of organizational justice. For example, Kidwell and Bennet (1993) identify task characteristics and work group interaction in a study of individual motivation in groups. Goodman (1986) reports the importance of examining how the task and the context affect the behavior of individuals in groups. The findings of these studies show that how tasks are assigned and how the individual gets along with other members of the organization are both important in the formation of employee attitudes and perceptions.

Moreover, past research has noted that when people are asked to report what constitutes unfair treatment, their responses have focused on interpersonal rather than structural factors (Greenberg, 1993). Bies and Moag (1986), and Tyler (1986) argue that the quality of the interpersonal treatment one receives constitutes another source of perceived fairness, one that is not immediately recognized by the prevailing emphasis on the structural aspects of outcome distributions and procedures. The key to understanding group effectiveness is found in the on-going interaction process which takes place between individuals while they are working on a task. Thus, research is needed to explore how organizational justice relates to employees' attitudes and behavior. Research is also required to examine the antecedents of organizational justice perceptions in the hospitality industry.

1-3 PURPOSE OF THE STUDY

The purpose of this study is to present and test a model that identifies the impact of interpersonal working relationships on employees' justice perceptions and the effects of these perceptions on employees' work-related attitudes and behavior in the hospitality industry. It is proposed that the quality of interpersonal relationships in the work-place has an influence on employees' justice perceptions. These, in turn, influence employees' work-related attitudes and behavior. Specifically, a model is developed and tested which includes the quality of leader-member exchange as an antecedent to the constructs of employees' justice perceptions and job satisfaction, organizational commitment, and turnover intentions as consequences of employees' justice perceptions. In other words, this model examines the mediating role played by distributive justice and procedural justice in linking leader-member exchange and job satisfaction, organizational commitment, and turnover intentions.

1-4 THEORETICAL FRAMEWORK

The theoretical framework for this study was drawn from a broad research tradition which links interpersonal working relationships, attitudes such as job satisfaction and organizational commitment, and turnover intentions in relationship to employees' justice perceptions. The research contributing to this framework includes research on the relationships among organizational justice perceptions and work-related

outcomes such as job satisfaction, organizational commitment, and turnover intentions (Dailey & Kirk, 1992; Folger & Konovsky, 1989; Lind & Tyler, 1988; Martin & Bennett, 1996; McFarlin & Sweeney, 1992). The findings of these studies have reported that distributive justice perceptions are associated with personal outcomes such as pay satisfaction, whereas procedural justice perceptions are related to attitudes toward institutions or authorities such as organizational commitment and trust in management.

Several researchers have examined the relationships between the behaviors of supervisors and the fairness perceptions of subordinates. For example, Bagarozzi (1982) suggests that the affective natures of the relationship with other individuals dictates justice norms. Cobb and Frey (1991) manipulated supervisors' procedural fairness and measured various subordinate's responses. They found that subordinates can discern differences in the leader behaviors that are procedurally related, and these differences influence both evaluations of fairness and of supervisors. Moreover, the procedures which leaders use to allocate important organizational outcomes to their subordinates may have an impact on trust through employee perceptions of fairness (Alexander & Ruderman, 1987; Folger & Konovsky, 1989).

The model designed for this study proposes that the quality of interpersonal working relationships create perceptions about organizational justice, which refers to people's perceptions of the fairness of treatment received from organizations. In particular, the quality of the supervisor-subordinate exchange relationship is fundamental to employee attitudes and behavior (Jablin, 1979; Napier & Ferris, 1993). Leader-member exchange, or LMX, can be defined as the interpersonal relationship between a subordinate and her or his leader (Graen, 1976), and therefore the present study utilizes

leader-member exchange as an antecedent to the constructs of employees' perceptions of distributive and procedural justice and job satisfaction, organizational commitment, and turnover intentions. These perceptions about organizational justice can create negative responses such as turnover intentions, which can be seen as the relative strength of an individual's intent toward voluntary, permanent withdrawal from the organization (Hom & Griffeth, 1991). Perceptions about organizational justice, and specifically, about distributive and procedural justice, can also create affective responses such as job satisfaction and organizational commitment.

Studies of the effects of interpersonal working relationships on employees' responses about their job attitudes have been reported by a number of researchers (Graen, 1976; Seers, 1989). Individuals' desire to maximize their own outcomes has been shown to generate dissatisfaction due to the psychological processes which lead to perceptions that outcomes are inequitable (Thomson & Lowenstein, 1992). Furthermore, the available literature suggests that social comparison processes may affect individual satisfaction (Adams, 1965; Walster, Berscheid, & Walster, 1973). Tansky (1993) examined the relationships among perceptions of the quality of the LMX, organizational justice, employee attitudes, and organizational citizenship behavior. This study found that the quality of the LMX was positively related to subordinates' job satisfaction, organizational commitment, and perceptions of organizational justice. This study also found that perceptions of organizational justice influenced subordinates' job satisfaction and organizational commitment. Thus, it appears that interpersonal relationships should have an impact on the attitudes and behavior of employees in organizational settings.

Job satisfaction can be defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976, p. 1300). Job satisfaction is closely related to organizational commitment and turnover. Organizational commitment can be defined as "the relative strength of an individual's identification with, and involvement in, a particular organization" (Mowday, Steers, & Porter, 1979, p. 226). Organizational commitment is an important factor in understanding employees' work-related behaviors, and is different from job satisfaction in that it focuses on an employee's allegiance to the organization, while job satisfaction is related to the environment where an employee performs her or his duties. Many studies reported significant relationships among job satisfaction, organizational commitment, and turnover intentions. Job satisfaction and organizational commitment have been reported to be positively correlated with one another (Bluedorn, 1982; Clegg, 1983; Dougherty, Bluedorn, & Keon, 1985), and negatively associated with turnover and turnover intentions (Arnold & Feldman, 1982; Bluedorn, 1982; Hollenbeck & Williams, 1986). Figure 1.1 illustrates the proposed theoretical relationships among these constructs. This study examines the interactions of these constructs and will use the individual as the unit of analysis, and also will focus on the development and testing of a model that operates at the individual level. These phenomena, however, occur in a social setting that consists of dyadic relationships, work groups, and organizations.

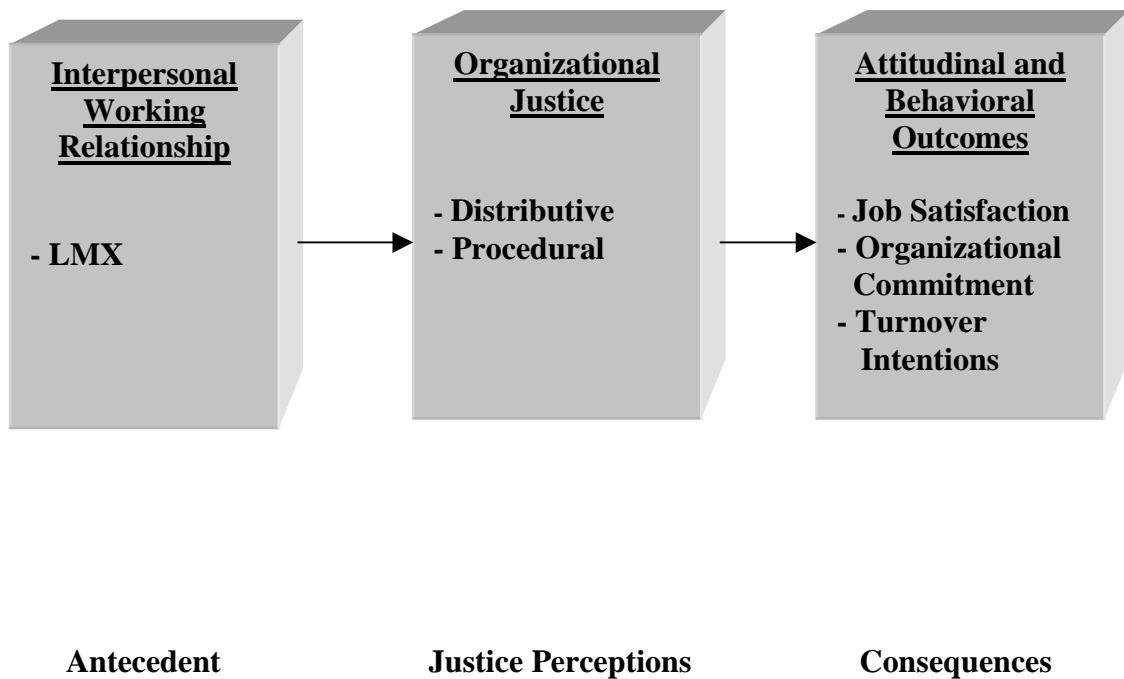


Figure 1.1. Theoretical Framework of the Antecedent and Consequences of Organizational Justice

1-5 RESEARCH QUESTIONS

This study proposes to investigate the following questions:

1. How does the quality of the leader-member exchange influence the organizational justice perceptions of employees?
2. How do organizational justice perceptions relate to the job satisfaction of employees?
3. How do organizational justice perceptions relate to the organizational commitment of employees?
4. How do organizational justice perceptions relate to the turnover intentions of employees?
5. Do organizational justice perceptions mediate the relationships among leader-member exchange and job satisfaction, organizational commitment, and turnover intentions?

1-6 SIGNIFICANCE OF THE STUDY

Organizational justice refers to people's perceptions of fairness in organizations. This construct has received a great deal of interest by human resources management and organizational behavior researchers in recent years. This study is conducted to enhance our understanding of organizational justice as identified in the organizational behavior literature. Moreover, this study examines leader-member exchange as an antecedent of organizational justice and the impact of organizational justice on employees' attitudes and

behavior. This study will contribute to the hospitality industry in several theoretical and managerial ways.

First, this study will enhance our understanding of the antecedents of organizational justice. The results of this study will reveal the importance and impact of leader-member exchange in order to understand employees' perceptions of fairness in organizations. An enhanced understanding of the antecedents of organizational justice will translate into an increased understanding of the organizational justice factors fundamental to work-related outcomes such as job satisfaction, organizational commitment, and turnover intentions.

Second, despite the volume of empirical research that has investigated organizational justice, most of the past literature has mainly focused on pay; Greenberg (1980) calls for future studies to investigate variables other than pay. Research that broadens the application of the justice concept in organizations beyond pay has the potential to capture an array of previously unexamined effects. The results of this study may contribute to the literature concerning work-related outcome variables such as job satisfaction, organizational commitment, and turnover intentions. In addition, these work-related outcome variables are very important to hospitality organizations because of their significant relationship to employee turnover.

Third, Greenberg (1990a) reports that much of the research concerning organizational justice either uses justice as an outcome variable or as an antecedent variable that predicts a variety of attitudinal outcomes. Given this trend, there is a need for research in the field of organizational justice that addresses behavioral outcomes. The present study uses turnover intentions as an indicator of job withdrawal behavior.

Fourth, much of the research on organizational justice has been conducted in controlled laboratory settings that are far removed from the organizational context (Bagarozzi, 1982; Barling & Phillips, 1992; Conlon, 1993; Conlon & Fasolo, 1990; Greenberg, 1983, 1987a; Musante, Gilbert, & Thibaut, 1983; Skitka, 1992). Thus, the validity of the results of these laboratory experiments may be questioned (Greenberg, 1987a). To address this concern, this study will be conducted within the context of the organization.

Fifth, as previously noted, employees in hospitality organizations are particularly significant because they are the very core of hospitality and service, and their attitudes and behaviors are essential to the quality of service and the success of hospitality organizations. Greenberg (1990a) reports that organizational justice is important as a basic requirement for the effective functioning of organizations. Employees look more to the broader organizational environment than to their role perceptions in attributing their job satisfaction (Leigh et al, 1988). This would imply the need for research concerning how employees perceive the characteristics of their organizations. However, there has been little evidence of theoretical or empirical research in the hospitality industry concerning the antecedents and consequences of organizational justice, which may have important impacts on employees' attitudes and behavior. Therefore, this study will be conducted in the context of hospitality industry organizations.

Finally, the current study is designed to provide hospitality industry managers with insights into the formations of employees' justice perceptions, and with insights into how to manage employees using organizational justice to draw positive attitudinal and behavioral reactions from employees. The present study will help managers better

understand how to retain valuable employees, increase employees' commitment to and satisfaction with their work, reduce employee turnover, and improve the quality of service and customer satisfaction. In addition, the results of this study will help managers make better decisions concerning the importance of supervisory behaviors by giving them information about how leader-member exchange influences employees' justice perceptions and work-related outcomes.

1-7 BOUNDARIES OF THE STUDY

There has been little theoretical or empirical research in the hospitality industry concerning the antecedents and consequences of organizational justice. Boundaries limit the values placed on constructs within a theoretical model, because all theories are constrained by their specific bounding assumptions. These assumptions include the implicit values of the theorists and the explicit restrictions regarding space and time. In this regard, the boundary of this study is full-service hotels in the hospitality industry, because the location of properties, travel time, and expense are considerations in property selection.

1-8 DEFINITIONS OF TERMS

Organizational Justice. Employees' perceptions of the fairness of treatment received from organizations (Cropanzano & Greenberg, 1997).

Distributive Justice. The perceived fairness of the outcomes that an employee receives from organizations (Folger & Cropanzano, 1998).

Procedural Justice. The perceived fairness of the policies and procedures used to make decisions (Greenberg, 1990a, p. 402).

Leader-Member Exchange (LMX). Interpersonal exchange relationships between a subordinate and his or her leader (Graen, 1976).

Job Satisfaction. A pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976, p.1300).

Organizational Commitment. The relative strength of an individual's identification with, and involvement in, a particular organization (Mowday, Steers, & Porter, 1979, p.226).

Turnover Intentions. The relative strength of an individual's intent toward voluntary permanent withdrawal from the organization (Hom & Griffeth, 1991).

1-9 ORGANIZATION OF THE STUDY

This chapter has examined the importance of understanding employees' perceptions of fairness in organizations. The theoretical framework of the study was

discussed. The five research questions that guide the study were provided, and also the significance of the study was discussed. Chapter II provides a review of the literature relevant to organizational justice and each of its proposed antecedents and consequences. The relationships among constructs, and previous empirical research findings relevant to this study are discussed.

Chapter III presents a conceptual model, a detailed discussion of the research design, the research hypotheses to be tested, and the methodology to be used to test the conceptual model and its hypotheses. Chapter IV describes the results of the statistical analyses that are used to test the hypotheses. Chapter V identifies the findings of the study concerning the hypotheses, the implications derived from the findings of the study, the limitations of the study, recommendations for future research, and conclusions of the study.

1-10 SUMMARY

This chapter introduced the research topic by describing the background of the study. The problem statement was discussed, followed by a discussion of the need for the study. The purpose of the study was discussed, which concerns the presentation and testing of a model that assesses how the quality of LMX affects employees' perceptions of justice and the impact of fairness perceptions on employees' attitudinal and behavioral outcomes. To examine these relationships empirically, a theoretical framework was adapted from the literature which links interpersonal working relationships, attitudes, and

behavior in relation to organizational justice. The five research questions were developed to address the relationships among the constructs. This chapter also discussed the theoretical and practical significance of the study.

CHAPTER II

REVIEW OF THE LITERATURE

2-1 INTRODUCTION

This chapter reviews the literature relevant to the development of the conceptual model to be tested in the study. First, a review of previous literature in the field of organizational justice provides a foundation for understanding the concepts of both of its dimensions. This review also provides the theoretical and empirical background for the study. Second, the organizational variable of LMX that is proposed as an antecedent of organizational justice is discussed. This chapter provides a framework that explains how organizational characteristics impact employees' perceptions of fairness. Third, the impact of organizational justice perceptions on employees' attitudinal and behavioral outcomes is explored. Fourth, the relationships among the constructs are reviewed, and several propositions are also derived, based on the relationships.

2-2 ORGANIZATIONAL JUSTICE

Greenberg (1990a) reported that early social justice theories on organizations were derived to test principles of justice in general social interactions, not organizations in particular. Thus, these theories have experienced partial success when used to explain various forms of organizational behaviors. Recently, conceptual models have been

developed that include variables and issues directly relevant to organizational functioning. With these models, researchers have conducted research to explain and describe the role of fairness in the workplace (Greenberg, 1987b).

Judgments about fairness are made by means of a fairly simple process. Sheppard, Lewicki, and Minton (1992) present two principles to judge the justice of a decision, procedure, or action. The first principle of justice requires a judgment of balance. The principle requires one to compare a given decision against other similar decisions in similar situations. Comparisons of balance are made by evaluating the outcomes of two or more people and equating those outcomes to the value of the inputs they provide to the organization. Correctness is the second internal principle by which a decision, procedure, or action is evaluated. Correctness can be seen as the quality which makes the decision seem right. Therefore, one makes decisions about the perceived justice of some action that harms or benefits someone by deciding whether the action appears to be both balanced and correct.

In general, research about organizational justice has focused on two major issues: employees' responses to the outcomes they receive, and the means by which they obtain these outcomes, that is, the procedures used (Cropanzano & Greenberg, 1997). In other words, theorists in the field of organizational justice have distinguished between conceptualizations of justice that deal with the content of fairness, or what the decisions are, which is termed distributive justice, and those that focus on the process of fairness, or how decisions are made, called procedural justice (Greenberg, 1990a). A great deal of research concerning justice has historically emphasized the distribution of payment and other work-related rewards derived from equity theory (Greenberg, 1987b). Although this

outcome-oriented perspective explains how employees react to the nature, level, and distribution of organizational rewards, it ignores the procedures or means through which ends are established. Therefore, the research focus has recently shifted from distributive justice to procedural justice (Greenberg, 1990a). Indeed, rather than simply being a means used to achieve distributive justice, procedural justice has value in its own right. In other words, the procedures used to determine a particular outcome can be more important than an actual outcome itself (Folger & Greenberg, 1985; Folger & Martin, 1986; Martin & Bennett, 1996; Martin & Nagao, 1989).

Given that the distinction between distributive justice and procedural justice has been empirically established, there was a need to consider how these varieties of justice relate to various organizational variables (Greenberg, 1990a). A number of empirical studies have been conducted to investigate the predictive roles of distributive justice and procedural justice on organizational outcomes. Overall, the results of these studies suggest that distributive justice and procedural justice may be predictive of different attitudes (Greenberg, 1990a). In general, distributive justice may be a more important predictor of personal outcomes such as pay satisfaction (McFarlin & Sweeney, 1992), whereas procedural justice may have strong effects on attitudes about institutions or authorities such as organizational commitment and trust in management (Folger & Konovsky, 1989; Lind & Tyler, 1988; McFarlin & Sweeney, 1992). Although individuals' reactions may differ depending on the extent to which they focus on outcomes or procedures, both procedural justice and distributive justice contribute to individuals' perceptions of organizational fairness (Schminke, Ambrose, & Noel, 1997).

2-3 DISTRIBUTIVE JUSTICE

The research on distributive justice in organizations today focuses primarily on people's perceptions of the fairness of the outcomes they receive, that is, their evaluations of the end state of the allocation process (Cropanzano & Greenberg, 1997). The concept of distributive justice has its basis in equity theory (Adams, 1965) and Leventhal's justice judgment model (1976a). While equity theory has focused on reactions to pay inequities, Leventhal studied the conditions under which people proactively employed various justice norms.

2-3-1 Equity Theory

The major structural components of equity theory are inputs and outcomes. Inputs are described as what a person perceives as his or her contributions to the exchange, for which he or she expects a just return (Adams, 1965). Outcomes are described as the rewards an individual receives from the exchange, and can include such factors as pay and intrinsic satisfaction (Cohen & Greenberg, 1982). Adams (1965) argued that social behavior is affected by beliefs that the allocation of rewards within a group should be equitable, that is, outcomes should be proportional to the contributions of group members. In other words, equity theory argues that people are satisfied when the ratios of their own inputs to outcomes (i.e., rewards) equal the ratios of inputs to outcomes in comparison to others. Perceived inequity through this comparison feels unpleasant, and motivates people to reduce those unpleasant feelings (Folger & Cropanzano, 1998).

The presence of inequity will motivate people to achieve equity or to reduce inequity, and the strength of the motivation to do so will vary directly with the magnitude of the inequity experienced. In other words, Adams (1965) suggested that when allocation outcomes do not meet this criterion, people would perceive inequity distress and attempt to behaviorally or cognitively restore equity. Adams (1965) proposed six different modes of reducing inequity based on the theory of cognitive dissonance: (1) altering inputs; (2) altering outcomes; (3) cognitively distorting inputs or outcomes; (4) leaving the field; (5) acting on the object of comparison by altering or cognitively distorting the other's inputs or outcomes; or (6) changing the object of comparison. Walster, Walster, and Berscheid (1978) have also attempted to predict when individuals will perceive themselves to be unfairly treated and how they will react to that perception. The key to this theory consists of four interlocking propositions: (1) individuals will try to maximize their outcomes; (2) groups evolve definitions of equity and sanction group members on the basis of those definitions; (3) inequity leads to psychological distress proportional to the size of the inequity; and (4) such distress will lead to attempts to eliminate it by restoring equity. Individuals can arrive at the belief that distributive fairness exists by distorting perceptions, rather than by actually changing the situation (Leventhal, 1976a).

In summary, Adams's equity theory (1965) focused on the reactions to unfair outcomes. If an outcome is believed to be inappropriate relative to some standard, then the individual is likely to experience distributive injustice (Cropanzano & Greenberg, 1997). Equity theory employs a unidimensional concept of distributive justice. The

theory assumes that an individual judges the fairness of his/her own or others' rewards solely in terms of a merit principle.

2-3-2 Justice Judgment Model

Thus far, distributive justice has been discussed from the perspective of the individual who receives the outcome. On the other hand, another body of research has emerged that focuses on the allocation of outcomes among two or more recipients. Leventhal (1976a) considered distributive justice from the perspective of the individual making the allocation. Leventhal (1976a) provided a critique of equity theory and developed a justice judgment model to explain perceptions of justice. According to equity theory, an individual perceives fairness when rewards are in proportion to contributions. Thus, an individual's perception of fairness is influenced by a contributions rule which dictates that individuals who do better work should receive higher outcomes (Leventhal, 1980). In other words, equity theory recognizes the relevance of only one justice rule, the contributions rule.

Leventhal (1976b) pointed to the importance of various allocation norms that specify criteria by which the distribution of outcomes are defined as justice. A justice rule is a belief that outcomes must be distributed in accordance with certain criteria. Leventhal's (1976a) justice judgement model takes a more proactive approach than does equity theory. People judge their "deservingness" by using several different justice rules. There are primarily three distributive justice rules: (a) the contribution rule, (b) the equality rule, and (c) the needs rule. The justice judgment model posits a four stage sequence whereby an individual evaluates the justice of outcomes. The individual (1)

decides which justice rules to use and how much weight to give them - weighting; (2) estimates the amount and types of outcomes the recipient deserves based on each justice rule - preliminary estimation; (3) combines the outcomes deserved on the basis of each rule into a final estimate - rule combination; and (4) evaluates the fairness of the recipient's actual outcomes by comparing the actual to the deserved outcome - outcome evaluation.

Thus, the justice judgment model assumes that an individual's judgments of fairness may be based not only on the contributions rule, but also on an equality rule, or a needs rule. According to a justice judgment model, individuals evaluate allocation procedures used by decision-makers based on the situation, in effect proactively employing various justice norms such as equity, needs, and equality. While an equality rule dictates that everyone should receive similar outcomes regardless of needs or contributions, a needs rule dictates that individuals with greater need should receive higher outcomes. In other words, the central concept of the justice judgement is that an individual applies distribution rules selectively by following different rules at different times. Thus, the individual's basic criteria for evaluating fairness may change in various situations (Leventhal, 1980). For example, equitable reward allocations would maximize an individual's positive work behaviors such as work performance over the long term, whereas equality of rewards may foster a high level of satisfaction, harmony, and solidarity among group members (Leventhal, 1976b). Leventhal shifted the focus of research on justice toward allocation and the role of the allocator, and raised fundamental questions about the allocator's role in matters of distributive justice (Cohen & Greenberg, 1982).

Even though distributive justice research has provided potential insight into the organizational processes derived from both reactive and proactive approaches, it has failed to answer questions raised about justice in various organizational environments where concerns about fairness are more process-oriented. In other words, this legacy of theory and research provides little insight into possible effects caused by the manner in which these rewards are established. As a result, questions remain about the way organizational rewards influence reactions to them (Greenberg, 1987a). That is, how decisions are made as opposed to what those decisions are has been the primary concern in organizational justice research (Folger & Greenberg, 1983; Greenberg & Folger, 1985). As a result, researchers have focused their attention on procedural justice issues.

2-3-3 A Taxonomy of Justice Classes

When people make fairness evaluations, they appear to be sensitive to two distinct focal determinants: structural determinants and social determinants. The distinction between structural and social determinants is based on the immediate focus on just action. In the case of structural determinants, justice is sought by focusing on the pattern of resource allocations and procedures perceived as fair under such organizational concerns as performance appraisals (Greenberg, 1986a), employee compensation (Miceli & Lane, 1991), and managerial dispute resolution (Karambayya & Brett, 1989). By contrast, the social determinants of justice focus on the treatment of individuals. Thus, structural determinants ensure fairness by structuring a decision-making context, whereas social determinants ensure fairness by concentrating on the interpersonal treatment one

receives. The act of following a prevailing rule of justice is structurally fair, while the act of treating others in an open and honest fashion is socially fair (Greenberg, 1993).

Greenberg (1993) proposed a taxonomy that seeks to clarify the role of social factors in conceptualizations of justice. In other words, a taxonomy is proposed that is designed to highlight the distinction between the structural and social determinants of justice by noting the place of these determinants in either distributive and procedural justice. A taxonomy of justice involves classes created by combining categories of justice with focal determinants of justice. Table 2.1 presents a taxonomy of justice classes and shows the names given to the resulting classes.

Table 2.1.

A Taxonomy of Justice Classes

Focal Determinant	Procedural Justice	Distributive Justice
Structural	Systematic Justice	Configural Justice
Social	Informational Justice	Interpersonal Justice

Source: Greenberg (1993).

Configural justice refers to the type of distributive justice that is accomplished via structural means (Greenberg, 1993). Distributions of reward allocations may be structured either by forces to conform to existing social norms such as equity and equality (Deutsch, 1975; Leventhal, 1976b), or by the desire to achieve some instrumental goal such as minimizing conflict or promoting productivity (Greenberg & Cohen, 1982). These are all ways of structuring the context of reward allocations.

On the other hand, interpersonal justice refers to the social aspects of distributive justice. Interpersonal justice may be sought by showing concern for individuals regarding the distributive outcomes they received (Greenberg, 1993). Several recent studies provide evidence that people consider the nature of their treatment by others as a determinant of fairness. For example, Tyler (1988) examined citizens' reactions to dealing with police and courts. This study found that perceptions of honesty and ethical appropriateness such as politeness and respect for rights were perceived as being among the most important determinants of the fairness of the treatment they received. Bies (1986) also found that job candidates who were displeased with the outcomes they received (i.e., they were turned down) believed those outcomes to be fairer when the authority figure demonstrated concern for their plight than when no such concern was communicated. Thus, it appears that the quality of the interpersonal treatment received is a major determinant of people's assessment of fair treatment (Greenberg, 1990a).

2-4 PROCEDURAL JUSTICE

As previously noted, the initial research in the area of organizational justice was only concerned with notions of distributive justice. In the early 1970s, however, researchers began to claim that an individual's evaluations of allocation decisions are affected not only by what the rewards are, but also by how they are made (Deutsch, 1975; Thibaut & Walker, 1975; Leventhal, 1976a, 1980). This idea has been referred to as

procedural justice - the perceived fairness of the policies and procedures used to make decisions in the workplace (Greenberg, 1990a).

As discussed earlier, Greenberg (1993) proposed a taxonomy (see Table 2.1) by combining categories of justice with the focal determinants of justice. The following section will discuss procedural justice with two different focal determinants: structural and social. First, systematic justice refers to the type of procedural justice that is accomplished via structural means (Greenberg, 1993). Thibaut and Walker (1975) examined the dispute-resolution process in legal settings. They noted that procedural justice requires structuring the dispute-resolution context so that disputants control the process by which a resolution is sought. It is this concern that leads people to attend to issues of control, and in situations involving conflicts that are so difficult to resolve that disputants must forego decision control, to seek indirect control over decisions through process control. Process control refers to the amount of control offered to disputants over the procedures used to settle their grievances. Decision control refers to the amount of control disputants have over directly determining the outcomes (Thibaut and Walker, 1975). They conclude that people perceive procedural fairness when process control is given to them in the procedures, and decision control lies with a neutral third party.

Research focusing on process control found that outcomes resulting from procedures offering process control were perceived as fairer and were better accepted than identical decisions resulting from procedures that denied process control (Walker, Lind, & Thibaut, 1979). Research shows that when applied in an organizational context, procedures granting control over the process of outcome attainment are perceived as fairer than procedures that deny process control (Greenberg & Folger, 1983).

The systematic justice class is also represented by Leventhal (1980). He proposed that fair process is affected by other factors beyond process and decision control. He proposed six procedural justice rules that define criteria which allocative procedures must often satisfy to be perceived as fair. They are the consistency rule, the bias-suppression rule, the accuracy rule, the correctability rule, the representativeness rule, and the ethicality rule.

The consistency rule dictates that allocation procedures should be consistent across persons and over time. When applied across persons, the consistency rule dictates that similar procedures should be applied to all recipients of rewards, and special advantage should not be given to any. When applied over time, the consistency rule dictates that procedures should be kept stable, at least over the short term. The bias-suppression rule dictates that personal self-interest and blind allegiance to narrow preconceptions should be prevented at all points in the allocative process. The accuracy rule dictates that the allocative process must be based on accurate information as much as opinion. Information and opinion must be collected and processed with a minimum of error. The correctability rule dictates that opportunities must exist to enable the allocative process to be modified. The representativeness rule dictates that all phases of the allocative process must represent the basic concerns, values, and outlooks of all recipients affected by the allocative process. The rule requires that decision-makers should include representatives of important subgroups in the total population. The ethicality rule dictates that allocative procedures must be compatible with the fundamental moral and ethical values or standards accepted by that individual (Leventhal, 1980; Leventhal, Karuza, & Fry, 1980).

Individuals apply each of these procedural rules selectively at different times, depending upon specific circumstances. In other words, each of these rules will be weighted differently in different situations in an individual's judgments about procedural fairness. That is, if a certain procedural rule has greater impact than others on judgments of fairness, that rule is said to have greater weight. Thus, the relative weight of procedural rules may differ from one situation to the next, and from one procedural component to the next (Leventhal, 1980).

Second, informational justice refers to the social determinants of procedural justice. Informational justice may be sought by providing knowledge about procedures that demonstrate regard for people's concerns (Greenberg, 1993). Recent research has considered the interpersonal aspects of the way decision-making procedures are enacted. For example, Bies and Shapiro (1987) found that people who received negative outcomes such as being turned down for a job were more likely to accept those results as fair when a reasonable explanation was offered than when no such explanations were provided. Bies, Shapiro, and Cummings (1988) found that perceptions of procedural justice were enhanced only when explanations were believed to be adequately reasoned and sincerely communicated. It has been found that rejected requests were likely to be perceived as procedurally fair when the decisions were based on logically relevant information (Shapiro & Buttner, 1988). Greenberg (1991a) also found that workers perceived their performance appraisals as being fairer when numerical evaluations were accompanied by written narratives explaining their ratings than when no such written explanations were given. Thus, such findings strongly suggested that it is not only the procedures used to

determine outcomes, but the explanations for those procedures that influence perceptions of procedural justice.

The preceding section has reviewed each component of organizational justice. The following section will be devoted to introducing new perspectives on existing findings in the organizational justice literature. The self-interest model and the group-value model (Tyler, 1989; Lind & Tyler, 1988) compare major explanations of why procedural justice effects occur, with reference to cognition theory, (Folger, 1986) which promises to integrate elements of distributive justice and procedural justice conceptualizations.

2-4-1 The Self-Interest Model of Procedural Justice

Lind and Tyler (1988) introduced two models that describe why procedural effects occur. The models can be categorized based upon whether antecedents of justice appeal to the personal economic interests of the individual or to aspects of the interaction that the member values. One of these models is the traditional model of informed self-interest used by Thibaut and Walker (1975) and Leventhal (1980) in their theories of procedural justice. The other model is based on group identification processes and on the view that procedural justice is a central cognition in perceptions of the group (Lind & Tyler, 1988). These models represent an effort by researchers to explain the effects of procedural justice, rather than just demonstrating its widespread applicability.

The self-interest or instrumental model is based on the assumption that people try to maximize their personal gain when interacting with others. The model extends this assumption by hypothesizing that people will not only choose outcomes and procedures

in which their interests are favored outright, but also procedures that are generally fair to themselves within a social group, a political system, or a work organization (Lind and Tyler, 1988; Tyler, 1989). As noted earlier, Thibaut and Walker (1975), and Tyler (1987) suggest that people seek control over processes because they are concerned with their own outcomes. The opportunity to exercise voice over procedures is considered to enhance perceptions of procedural justice because such control could result in more favorable outcomes (Greenberg & Folger, 1983). In this model, the highest levels of perceived fairness were found when process control was allowed and capable of influencing the goal.

On the other hand, Thibaut and Walker's (1975) original conception of the shift from concerns with decision control to concerns with process control posits a recognition by people that they cannot always maintain complete control over their outcomes when interacting with others. When people join and remain in groups they come to recognize that other people's outcomes must sometimes be accepted and their own desires must sometimes be delayed. This is the case because others will remain in the group only if their own concerns are also sometimes addressed.

Thus, the self-interest model also simply claims that individuals may take a long-term focus when evaluating their economic gains. In the case of group interaction, people gain more through cooperation in the long run than they gain alone, despite the economic compromises inherent in group interactions. As a result, people may become tolerant of short-term economic losses so long as they expect that advantageous outcomes will be forthcoming in the future (Lind & Tyler, 1988). Thus, short-term failures can be overlooked when there is some promise of future gain (Greenberg, 1990a; Shapiro,

1993). This self-interest perspective was the core of the first studies of procedural fairness (Thibaut & Walker, 1975).

Greenberg (1986b) found that people believe that the outcomes resulting from unfair procedures are themselves unfair, but only when those outcomes are trivial. However, more beneficial outcomes were believed to be fair regardless of the fairness of the procedure. Thus, the self-interest model suggests that concerns about procedures are dictated primarily by their effects. In other words, procedures are valued whenever they lead to desired results: that is, when they enhance a person's self-interest.

2-4-2 The Group-Value Model of Procedural Justice

The group-value model has been proposed as a supplement to the self-interest model (Lind, 1995; Lind & Tyler, 1988). People are strongly affected by identification with groups, even when that identification is based on minimal common circumstances (Brewer & Kramer, 1986; Kramer & Brewer, 1984). Individuals in groups are more likely to put aside their own self-interest and act in a way that helps all group members than the pure self-interest models would predict (Lind & Tyler, 1988). The group-value model assumes that people are concerned about their long-term social relationship with the authorities or institutions acting as third parties, and do not view their relationship with third parties as short-term. Instead, people care about their relationship with the third party. Thus, the group-value model proposes three non-control issues that affect procedural justice judgments: the neutrality of the decision-making procedure, trust in the third party (decision-maker), and evidence about social standing such as expressions of politeness and respect.

In a long-term relationship, people cannot always have what they want. Instead, they must compromise and defer to others' desires and needs (Tyler, 1989). Lind and Tyler (1988) suggested that people assume that, over time, all will benefit fairly from the application of fair procedures for decision-making. Therefore, people will focus on whether the authority has created a neutral arena in which to resolve their problem, instead of focusing on whether they receive a favorable outcome in any given decision. In any particular situation, people will be concerned with having an unbiased decision-maker who uses appropriate factual criteria to make decisions.

In addition, the long-term nature of group membership leads people to focus on the intentions of third parties. The intentions of decision-makers are especially important because current interactions allow people to predict the future. Since people are in organizations for the long term, their loyalty depends upon their predictions about what will happen in the long term. Thus, if people believe that the decision-makers are trying to be fair and to deal equitably with them, they develop a long-term commitment to the group. Third, people care about their standing in the group. Interpersonal treatment during social interactions gives people information about their status within the group (Tyler, 1989). When people view a procedure as affirming their status in the group, they will react in a strongly positive fashion. Conversely, when people see the procedure as being unjust because their status is ignored, they will react strongly to the procedural injustice (Lind & Tyler, 1988).

As has been noted, the model's basic assumption is that group membership is a powerful aspect of social life. People devote much of their energy to understanding the functioning of the various groups to which they belong and to participating in social

processes within those groups. According to this model, affective relations within and between groups and cognitive constructions concerning those relations are potent factors of attitudes and behavior (Cropanzano & Greenberg, 1997).

Within this context, the group-value model suggests that people value procedures that promote group solidarity because they value long-term relationships with groups (Greenberg, 1990a). The group-value model argues that groups offer more than material rewards. Group affiliation is also a means of achieving social status and self-esteem. Thus, people tend to be aware of their positions within groups and the groups' potential for providing them with these valuable social rewards (Cropanzano & Greenberg, 1997).

Lind and Tyler (1988) claim that both the self-interest model and the group-value model have merit. Both models have received empirical support. For example, Reis (1986) found that procedural justice concerns are associated with the delay of gratification. In his study, Reis identified a wide variety of dispute resolution procedures and used multidimensional scaling techniques to identify the basic dimensions underlying those procedures. He found one dimension that was procedural in character, and variables loading on that dimension were related to views about the delay of gratification, that is, to viewing outcomes in a longer time-frame. Alexander and Ruderman (1987) examined the relationship between various procedural and distributive justice factors and six organizational variables, including job satisfaction, evaluation of supervisor, conflict-harmony, turnover intention, trust in management, and tension-stress using a multiple regression analysis. They confirmed that procedural fairness is associated with lower levels of conflict and disharmony in organizations. "The finding that concerns about

group harmony lead to an emphasis on procedural justice is consistent with a long-term self-interest perspective on procedural justice" (Lind & Tyler, 1988: p.225).

Most of the recently reported evidence, however, is consistent with the group-value model. According to Lind and Tyler (1988), the reinforcement of procedural justice by process control is independent of favorable outcomes. That is, "the provision of voice enhances procedural justice, even in situations in which there is little objective reason to suspect that the exercise of voice will affect decisions" (Lind & Tyler, 1988: p. 194). For example, Early and Lind (1987) used structural equation modeling to test the role of personal control in procedural justice in both lab and field settings. No significant causal link between control judgments and procedural justice judgments was found in either study. In other words, control judgments did not cause procedural justice judgments. Tyler (1989) conducted a study to test the group-value model by using three noncontrol issues: the neutrality of the decision-making procedure, trust in decision-makers, and indicators of social standing such as expressions of politeness and respect. He found that judgments about neutrality, trust, and social standing have an independent impact on judgments of procedural justice. Moreover, Miller, Jackson, Mueller, and Schersching (1987) found that decision fairness was more strongly associated with the extent to which the decision represented the interests of all group members than the extent to which it favored individuals. In sum, people react to procedural justice in ways that reflect both self-interest and cognitive and attitudinal reactions to group membership.

2-4-3 Referent Cognitions Theory

Folger's (1986) referent cognitions theory (RCT) expands upon equity theory's attempts to explain reactions to inequitable work outcomes. RCT explains two types of reactions: resentment reactions, and reactions of dissatisfaction or satisfaction (Greenberg, 1990a). RCT explains how dissatisfaction arises when a person compares existing reality to a more favorable alternative (Aquino, Allen, and Hom, 1997). Specifically, RCT states that in a situation involving outcomes allocated by a decision-maker, resentment is maximized when people believe they would have obtained better outcomes if the decision-maker had used other procedures that should have been implemented (Cropanzano & Folger, 1989: 293-294).

According to this theory, people perform three mental simulations involving referent cognitions, justifications, and the likelihood of amelioration. First, referent cognitions are alternative, imaginable circumstances that differ from a person's actual circumstances. People are more likely to be dissatisfied when imagined results are more attractive than existing reality. People become aware of alternatives when others are receiving rewards different from their own. As referent outcomes are compared to existing outcomes, people think about what might have been (Aquino, Allen, and Hom, 1997). Regardless of whether the distributive rule being violated is equity, equality, or need, people are apt to feel resentful. Regardless of which rule was broken, the point is that what happened is not what ought to have happened (Folger, 1986).

Second, consideration of the way things ought to be done relates to justification. Comparison between actual procedures and referent procedures generates the question as to which referent procedures are more justifiable than those that produced the existing

outcomes. If actual procedures are judged to be morally inferior to referent procedures, then there will be low justification for existing outcomes. Conversely, superior existing procedures will be related to high justification. Thus, if the rationale for an existing procedure is perceived less appropriate than that for the referent procedures, dissatisfaction occurs. Conversely, when the rationale is considered appropriate and hence justifiable, dissatisfaction with present outcomes can diminish (Greenberg, 1987b; Folger & Martin, 1986; Folger, Rosenfield, & Robinson, 1983).

Third, people may view existing outcomes as temporary because satisfaction may be influenced by what they expect to receive in the future. Mental simulations involving future states are presented in the models as beliefs regarding the likelihood of amelioration (Aquino, Allen, and Hom, 1997). The point is that the likelihood of amelioration occurs because, when people expect outcomes to improve, they are less dissatisfied than when they see little chance for improvement in their circumstances (Folger, 1986; Folger, Rosenfield, Rheaume, & Martin, 1983). For example, Martin (1981) found that people's responses to felt deprivation are influenced by their beliefs about whether their organizations are amenable to changes. If they believe that the organizations can change, then inferior outcomes may not produce dissatisfaction. Instead, they may motivate constructive attempts at improvement. However, if employees do not have these beliefs, poor outcomes can produce negative work-related outcomes such as absenteeism, poor performance, and turnover.

2-5 LEADER-MEMBER EXCHANGE (LMX)

In organizational settings, aspects of the exchange relationship between a supervisor and a subordinate are considered to be fundamental to understanding employee attitudes and behavior (Jablin, 1979; Napier & Ferris, 1993). Traditional leadership theories seek to explain leadership as a function of the personal characteristics of the leader, the features of the situation, or an interaction between the leader and the group (Gerstner & Day, 1997). These theories have failed to recognize that the relationship between a leader and a subordinate may have an impact upon the attitudes and behavior of the subordinate.

Dansereau, Graen, and Haga (1975) proposed that leader-member relationships are heterogeneous, that is, that the relationship between a leader and a member contained within a work unit are different, and that each leader-member relationship is a unique interpersonal relationship within an organizational structure. They coined the term vertical dyad linkage (VDL) to describe the dyadic relationship between a leader and a subordinate. VDL theory focuses on reciprocal influence processes within dyads. Graen (1976) also argued that research should focus on the behavior of the leader and the subordinate within the supervisor-subordinate dyad, rather than the supervisor and his or her work group. Graen (1976) developed the theoretical base of the LMX model of leadership by building on role theory.

The theoretical basis of LMX theory is the concept of a developed or negotiated role. Dansereau, Graen, and Haga (1975), and Graen and Cashman (1975) initially conceptualized and tested the negotiating latitude construct in an investigation designed

to study the assimilation of administrators into an organization. Negotiating latitude was defined as the extent to which a leader allows a member to identify his or her role development. This negotiating latitude was hypothesized as being central to the evolution of the quality of the leader-member exchange (Dansereau, Graen, and Haga, 1975).

LMX theory is a subset of social exchange theory, and describes how leaders develop different exchange relationships over time with various subordinates of the same group (Dansereau, Graen, & Haga, 1975; Graen & Cashman, 1975). Thus, LMX refers to the exchanges between a subordinate and his or her leader. The LMX model provides an alternative approach to understanding the supervisor-subordinate relationship. The LMX model is based on the concept that role development will naturally result in differentiated role definitions and in varied leader-member exchanges. During initial interactions, supervisors and their subordinates engage in a role-making process, whereby the supervisor delegates the resources and responsibilities necessary to complete a task or duty. Subordinates who perform well on their task or duty will be perceived as more reliable by supervisors and, in turn, will be asked to perform more demanding roles (Dienesch & Linden, 1986). Leaders usually establish a special exchange relationship with a small number of trusted subordinates who function as assistants, lieutenants, or advisors. The exchange relationship established with remaining subordinates is substantially different (Yukl, 1994).

Much of the research on LMX divides the subordinate's roles and the quality of the LMX into two basic categories based on the leaders' and members' perceptions of the negotiating latitude: the in-group and the out-group (Dansereau, Graen & Haga, 1975; Graen, Novak & Sommerkamp, 1982; Linden & Graen, 1980; Scandura & Graen, 1984;

Vecchio, 1982). In-group or high quality LMX is associated with high trust, interaction, support, and formal/informal rewards. In-group members are given more information by the supervisor and report greater job latitude. These in-group members make contributions that go beyond their formal job duties and take on responsibility for the completion of tasks that are most critical to the success of the unit (Linden & Graen, 1980). Conversely, out-group or low quality LMX is characterized by low trust, interaction, support, and rewards. Out-group relationships involve those exchanges limited to the employment contract. In other words, out-group members perform the more routine, mundane tasks of the unit and experience a more formal exchange with the supervisor (Linden & Graen, 1980). Graen and Cashman (1975) and Linden and Graen (1980) provide evidence that in-group and out-group memberships tend to develop fairly quickly and remain stable.

Similarly, social exchange theory (Emerson, 1962) recognizes how dyadic relations develop within a social context. Social exchange theory describes how power and influence among leaders and members are conditioned on the availability of alternative exchange partners from whom these leaders and members can obtain valued resources. Blau (1964) also distinguished the differences between social and economic exchange, noting that social exchange tends to produce feelings of personal obligation, gratitude, and trust, whereas economic exchange does not. This distinction between social and economic exchange is fundamental to the way in which out-group or low quality exchanges and in-group or high quality exchanges have been distinguished in LMX research (Linden & Graen, 1980; Linden, Wayne, & Stilwell, 1993). Low quality leader-member relations have been characterized in terms of economic exchanges that do not

progress beyond the employment contract, whereas high quality leader-member relations have been characterized by social exchanges that extend beyond the employment contract.

2-5-1 Development of LMX

It has been proposed that LMX is a result of role-taking, role-making, and role-routinization behaviors exhibited by both supervisor and subordinate. (Graen & Cashman, 1975; Graen, 1976; Graen & Scandura, 1987). Initial dyadic exchange is the stage at which the leader initiates an assignment of tasks and begins to evaluate the behavior of the member and then makes a decision regarding responses to the member. This episode is called role-taking. Moreover, the leader also gathers important information regarding the member's potential for tasks in this phase. The exchange in the role-taking phase is based on economic transactions (Graen & Scandura, 1987).

When the initial stage is complete, the role-making phase begins. Role-making is a continuation of the developmental process in which further exchanges are made (Bauer & Green, 1996). Graen and Uhl-Bien (1995) called this the acquaintance stage. During this stage, the leader and member evolve how each will behave in various situations and begin to define the nature of their dyadic relationship (Graen & Scandura, 1987). If a dyad is developing into a high quality exchange relationship, the exchange becomes more social, and less economic (Graen & Uhl-Bien, 1995). Conversely, if the relationship is not evolving to the next level, the relationship will remain based on the employment contract (Bauer & Green, 1996). When this process operates, the leader and member negotiate, because collaboration on tasks is exchanged for a dyadic social structure.

Therefore, role-making is built on the mutual contribution of valued resources. Each party must offer something that the other party sees as valuable, and each party must see the exchange as reasonably fair (Graen & Scandura, 1987). This is the stage at which behavioral aspects of trust come into play. The leader is taking a risk by delegating work to the member (Bauer & Green, 1996).

After the role-making stage, the behaviors of a leader and a member are much more predictable through role routinization. The exchange is maintained over time through the process of collaborating on different tasks. The dyadic relationship that develops interlocked behaviors involves the relational dimensions of trust, respect, loyalty, liking, support, and quality. The exchange of resources of the leader for collaboration on tasks by the member is controlled by mutual expectations (Graen and Scandura, 1987). However, due to the limited resources available to leaders for exchange and the investment of time necessary, a high quality of exchange tends to be developed and maintained in a limited number of leader-member dyads (Dienesch & Linden, 1986; Graen, 1976).

2-5-2 Outcomes of LMX

Unlike theories of leadership that propose that leader behavior can be acquired by training and that leaders will treat all subordinates in the same manner, the LMX model of leadership asserts that it is questionable for leaders to treat all subordinates similarly (Korsgaard, Schweiger, & Sapienza, 1995). The primary value of understanding LMX lies in the prediction of certain outcomes. LMX is generally found to be associated with positive performance-related and attitudinal variables, especially for members. These

variables include: (a) higher performance ratings (Linden & Graen, 1980; Linden, Wayne, & Stilwell, 1993), (b) higher overall satisfaction (Graen, Novak, & Sommerkamp, 1982; Rosse & Kraut, 1983; Scandura & Graen, 1984), (c) greater satisfaction with supervisor (Duchon, Green, & Taber, 1986), (d) stronger organizational commitment (Duchon, Green, & Taber, 1986; Nystrom, 1990), and (e) more positive role perceptions (Snyder & Bruning, 1985). On the other hand, LMX is negatively related to turnover (Graen, Linden, & Hoel, 1982) and intention to quit (Vecchio & Gobdel, 1984).

For example, Linden and Graen (1980) found that out-group members who reported spending less time on decision-making were less likely to volunteer for special assignments and for extra work, and were rated by the leader as being lower on overall performance than in-group members. Rosse and Kraut (1983) found that members' negotiating latitude was positively related to their job satisfaction and negatively related to their job problems. Scandura and Graen (1984) also found that training interventions designed to improve supervisors' understanding and helpfulness in dyadic relations significantly improved the job satisfaction of members who initially had low-quality exchanges with their leaders. Nystrom (1990) examined the quality of vertical exchanges between managers and their bosses, and found that managers who experience low-quality exchanges with their bosses tend to feel little organizational commitment, whereas managers with high-quality exchanges express strong organizational commitment.

Differential treatment of subordinates by supervisors and the perception of fairness also have important consequences both for individuals and for individuals as members of a work group (Sheppard & Lewicki, 1987; Yulk, 1994). The perceptions of procedural fairness of subordinates are considered as one of several possible outcomes of

a negotiated process of role-making which involve leaders and subordinates during the early phases of their working relationship (Dansereau et al., 1975; Wayne & Ferris, 1990). Recent research efforts have noted the potential importance of differentiated levels of exchange with respect to subordinates' attitude formation, and have called for research to determine if such differential treatment might affect perceptions of fairness and various organizational outcomes (Cobb & Frey, 1991; Forret & Turban, 1994).

2-6 JOB SATISFACTION

Job satisfaction is one of the most widely studied and measured constructs in the organizational behavior and management literature. Interest in job satisfaction proceeds from its relationships to other substantial organizational outcomes including absenteeism, organizational commitment, turnover, and performance. Moreover, the current environment with its extremely unstable organizational changes, which is affecting most industries, including the hospitality industry, is creating an imperative for understanding how to keep employees productive and committed at work, and thus calls for the study of job satisfaction and related factors (Smith, 1992).

The theoretical definition of job satisfaction includes evaluative or expectancy components. For example, Locke (1976) defined job satisfaction as a pleasurable emotional state resulting from the appraisal of one's job or job experience. Similarly, Mottaz (1988) regarded job satisfaction as an affective response resulting from an

evaluation of the work situation. It is widely accepted that job satisfaction is a function of work-related rewards and values (Vroom, 1964; Kalleberg, 1977).

Most approaches to job satisfaction are based on the theories of motivation and attitudes towards work developed by Herzberg, Maslow, and Vroom. Maslow (1943) hypothesized that within every human being there exists a hierarchy of five needs, which include psychological needs, safety needs, social needs, esteem needs, and self-actualization needs. Maslow's hierarchy of needs theory suggests that although no need is ever fully gratified, a substantially satisfied need no longer motivates. Thus, it is critical that an organization understands what level of the hierarchy an employee is currently on and focuses on satisfying needs at or above that level (Robbins, 1993).

Herzberg's (1966) motivation-hygiene theory proposes that there are two factors which affect the individual's satisfaction or dissatisfaction with work. According to this two-factor theory, intrinsic factors such as employees' opportunity for personal achievement, recognition from supervisors, the work itself, and growth are related to job satisfaction. Conversely, extrinsic factors such as company policy, administration, supervision, and working conditions are associated with job dissatisfaction.

Vroom's (1964) expectancy theory has also influenced the development of the construct of job satisfaction. Expectancy theory argues that the strength of a tendency to behave in a certain way depends on the strength of an expectation that a given outcome stems from the act, and on the attractiveness of that outcome to the individual. Thus, expectancy theory predicts that an employee will perform at a high level of effort if he or she perceives that there is a strong relationship between effort and performance,

performance and rewards, and rewards and satisfaction of personal goals (Robbins, 1993).

Many have supported job redesign as a means of enhancing job satisfaction by making jobs more interesting (Herzberg, 1968; Herzberg, Mausner, & Snyderman, 1959). This is done by changing the characteristics of a person's job and tasks. Job characteristics refer to the content and nature of job tasks themselves (Spector, 1997). The most influential theory of how job characteristics affect people is Hackman and Oldham's (1980) job characteristics theory. The basis of job characteristics theory is that people can be motivated by the intrinsic satisfaction they find in doing job tasks. When they find their work to be meaningful, people will like their jobs and will be motivated to perform their jobs well. According to the job characteristics theory, there are five core characteristics that can be applied to any job: skill variety, task identity, task significance, autonomy, and feedback. The five core characteristics are thought to lead to three psychological states, which include experienced meaningfulness of the work, experienced responsibility for outcomes of the work, and knowledge of the actual results of the work. Skill variety, task identity, and task significance combine to produce a meaningful work experience. Autonomy leads to feelings of responsibility. Feedback results in knowledge of the results of the products of work. The three psychological states in turn contribute to critical outcomes of job satisfaction and employee motivation (Spector, 1997). In other words, the more often these psychological states are present, the greater will be the employee's motivation, performance, and satisfaction.

In terms of measurement, job satisfaction can be considered as a global feeling about the job or as a related constellation of attitudes about various facets of the job. The

global approach is used when the overall attitude is one of interest. On the other hand, the facet approach is used when one wishes to find out which parts of the job produce satisfaction or dissatisfaction. The facet approach can be useful in that it can give organizations an opportunity to identify areas of dissatisfaction that they can improve upon (Spector, 1997). A job satisfaction facet can be related to any aspect of a job, including rewards, coworkers, supervisors, the work itself, and the organizational. According to Spector (1997), the facet approach can provide a more complete picture of an individual's job satisfaction than the global approach, because an individual can have different feelings about the various facets of the job. For example, he or she might like coworkers and dislike pay.

2-7 ORGANIZATIONAL COMMITMENT

Organizational commitment has been identified as a critical factor in understanding and explaining the work-related behavior of employees in organizations. Mowday, Steers, and Porter (1979) have classified approaches to the study of organizational commitment in terms of two perspectives: attitudinal and behavioral. Attitudinal perspective defines organizational commitment in terms of cognitive and affective responses and attachment to an organization. On the other hand, a behavioral perspective focuses on the behaviors that bind an individual to an organization.

Becker (1960) used the term side-bet to explain behavioral commitment. Side-bet

refers to the accumulation of investments valued by individuals that would be lost if they were to leave the organization. In other words, Becker described commitment as the tendency to engage in consistent lines of activity, namely, maintaining membership in the organization. These lines of activity involve staying with the organization, and the perceived costs associated with leaving the organization, including the loss of benefits, the disruption of personal relations produced by moving to another location, and the effort of seeking a new job. In the behavioral paradigm, organizational commitment is distinguished from other behaviors that are beyond the normative organizational expectations of the individual. Thus, the behavioral perspective focuses on the overt manifestations of commitment (Mowday et al., 1979).

On the other hand, attitudinal commitment exists when the identity of the person is linked to the organization (Sheldon, 1971). Hall, Schneider, and Nygren (1970) also argued that when the goals of the organization and those of the individual become increasingly integrated or congruent, attitudinal commitment occurs. Thus, attitudinal commitment represents a state in which an individual identifies with a particular organization and its goals, and maintains membership in order to facilitate these goals (Mowday et al., 1979).

Most definitions of organizational commitment describe the construct in terms of the extent to which an employee identifies with and is involved with an organization (Curry, Wakefield, Price, & Mueller, 1986). For example, Steer (1977) defined organizational commitment as the relative strength of an individual's identification with and involvement in a particular organization. Mowday et al. (1979) defined organizational commitment as an affective response which moves beyond passive loyalty

to an organization. Porter, Steers, Mowday, and Boulian (1974) identified three related factors of organizational commitment: (1) a strong belief in an organization's goals and values, (2) a willingness to exert considerable effort for the organization, and (3) a strong desire to maintain membership in the organization.

Organizational commitment differs from the concept of job satisfaction. Organizational commitment focuses on attachment to the employing organization, while job satisfaction emphasizes the specific task environment where an employee performs his or her duties. Moreover, organizational commitment appears to develop slowly but consistently over time as employees think about their relationship with the organization. This type of commitment is less affected by day-to-day events in the workplace (Mowday et al., 1979).

Although there is a growing consensus that organizational commitment is a multidimensional construct, various approaches have been taken to identify its dimensions. For example, DeCotiis and Summers (1987) reported that organizational commitment is a two-dimensional construct. The first dimension centers on organizational goal and value internalization, and the second dimension centers on role involvement in terms of these goals and values. Thus, organizational commitment can be defined as "the extent to which an individual accepts and internalizes the goals and values of an organization and views her or his organizational role in terms of its contribution to those goals and values" (DeCotiis & Summers, 1987 p. 448). Meyer and Allen (1991) developed a multidimensional model of organizational commitment based on three distinct themes. Specifically, organizational commitment has been viewed as an affective orientation toward the organization (Mowday, Porter, & Steers, 1982), a recognition of

the costs associated with leaving the organization (Becker, 1960), and a moral obligation to remain with the organization (Weiner, 1982). Meyer and Allen (1991) argued that the psychological states reflected in these different definitions of organizational commitment are not mutually exclusive. They referred to these states as components of organizational commitment. These include affective commitment (emotional attachment), continuance commitment (cost-based), and normative commitment (obligation). Mathieu and Zajac (1990) noted that the various definitions and measures share a common theme in that organizational commitment is considered to be a bond or linking of the individual to the organization.

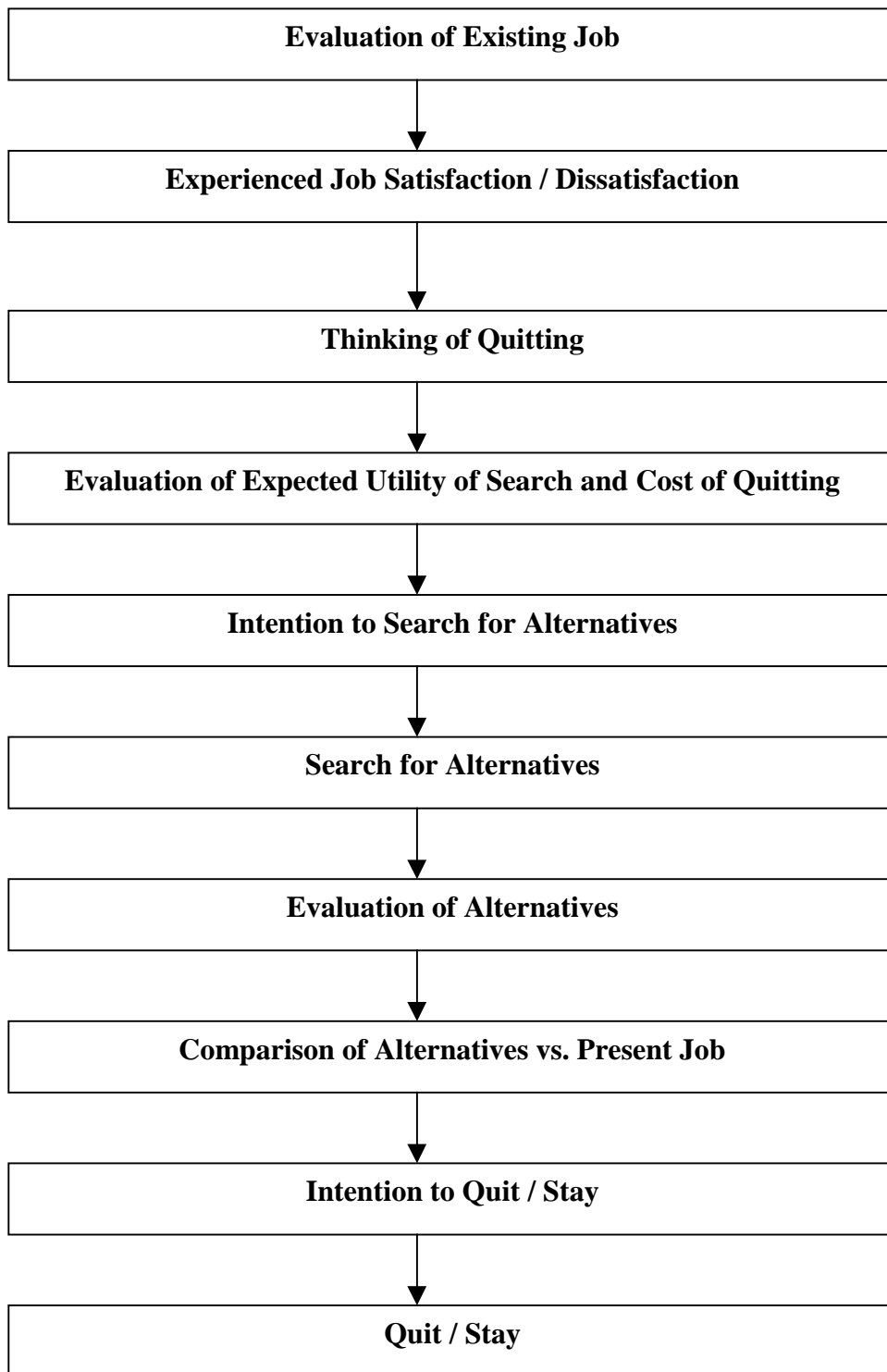
On the other hand, O'Reilly and Chatman (1986) categorized the various forms of commitment using a different approach. They argued that organizational commitment reflects the psychological bond that ties the employee to the organization, but that the nature of the bond can differ. They suggested that the psychological bond between an employee and an organization can take three forms: compliance, identification, and internalization. Compliance occurs when employees adopt certain attitudes and behaviors in order to gain rewards. Identification involves the acceptance of influence in order to maintain a satisfying relationship with the organization. Internalization occurs when the induced attitudes and behaviors are congruent with the employee's own values (Meyer, 1997). However, the impact of O'Reilly's classification has been weakened by the fact that it has been difficult to distinguish between identification and internalization, because the measures tend to correlate highly with one another and to show similar patterns of correlations with measures of other variables (Caldwell, Chatman, & O'Reilly, 1990; O'Reilly, Chatman, & Caldwell, 1991).

2-8 TURNOVER INTENTIONS

Mobley (1977) pioneered a comprehensive explanation for the psychological process underlying withdrawal. According to his formulation of the withdrawal decision process (see Figure 2.1.), dissatisfaction leads to thoughts about quitting. There are a number of possible mediating steps between dissatisfaction and actual quitting. First, one of the consequences of dissatisfaction is to inspire thoughts of leaving. These thoughts, in turn, stimulate consideration of the expected utility of a job search and the costs of quitting. The next step would be the behavioral intention to search for an alternative. The intention to search is followed by an actual search. If alternatives are available, an evaluation of these alternatives is initiated. The evaluation of alternatives is followed by a comparison of the present job to the alternatives. If the comparison favors the alternatives, it will inspire a behavioral intention to quit, followed by actual withdrawal.

Hanisch and Hulin (1990, 1991) presented empirical evidence supporting the distinction between two types of composite organizational withdrawal constructs: work and job. Work withdrawal involves behaviors which unhappy employees use to either avoid certain aspects of work or to minimize time spent on tasks while maintaining their organization and work role membership. Job withdrawal, however, encompasses employee efforts to leave their organization and work role. Job withdrawal can be defined as a set of behaviors dissatisfied individuals enact to avoid participation in dissatisfying working situations (Hanisch & Hulin, 1990).

As Hanisch and Hulin (1990, 1991) noted, the job withdrawal construct consists of items for measuring each of three indicators: turnover intentions, desire to retire, and



Source: Mobley (1977)

Figure 2.1. A Model of the Employee Turnover Decision Process

intended retirement age. Operationally, Hom and Griffeth (1991) argued that withdrawal cognitions consist of three items: thinking of quitting, intent to search, and intent to quit. They tested several models of linkages between job satisfaction and turnover using both cross sectional and longitudinal studies. In their study 1, confirmatory factor analysis was used to evaluate specific withdrawal cognitions that contributed to turnover. In the second part of their study, they tested the effect of withdrawal cognitions over time on job search and turnover behavior. The results indicated that one global cognition can parsimoniously summarize particular withdrawal cognitions. In other words, the results reconceptualized withdrawal cognitions as a unitary concept. This unitary conceptual approach will be used in this study in which indicators of intent to leave, intent to search, and likelihood of leaving are all proposed as measures for turnover intentions.

2-9 RELATIONSHIPS AMONG CONSTRUCTS , AND PROPOSITIONS

The following section discusses the relationships among the constructs of this study, and introduces several propositions based on those relationships.

2-9-1 LMX and Organizational Justice

Interpreting the formation of justice perceptions in the LMX relationship may be beyond the scope of equity theory (Murphy, 1997). Basically, equity theory suggests that an allocator will deliver rewards and resources to recipients in proportion to the usefulness of their actions. Equity theory does not predict differential reactions of

individuals to identical outcome/input disparities, but only purports to focus primarily on the causes and consequences of inequitable work outcomes (Adams, 1965). However, Folger's (1986) referent cognitions theory may provide a theoretical rationale for leader-member exchange and the formation of subordinates' justice perceptions. Referent cognitions theory (RCT) defines the basis for a sense of injustice and the accompanying potential for resentment as consisting of the comparison between reality (what happened) and an alternatively imaginable referent state (what might have happened). In the RCT terminology, circumstances that are instrumental in leading to outcomes are called instrumentalities. RCT also assumes that outcomes are evaluated in terms of their relationship to any background instrumentalities. RCT focuses attention on the extent to which instrumentalities are justified. This focus contrasts with that of equity theory (Folger, 1986).

In explicitly taking into account the procedural justice practices followed by a decision-maker, RCT indicates how outcome and procedural concerns can combine to influence the reaction of a person in a specific situation (Cropanzano & Folger, 1989). RCT suggests that an individual's reactions to unfair treatment result not only from receiving poor outcomes, but also from associating unfavorable outcomes with someone else's actions, such as a supervisor. In other words, RCT suggests the role that decision-making procedures play in shaping perceptions of unfair treatment. As noted earlier, RCT states that resentment of unfair treatment is maximized when people believe they would have obtained better outcomes if a decision-maker had used other implementation procedures. Furthermore, grounds for challenging procedures are more available when someone else is responsible for decisions that lead to the distributions of outcomes. Thus,

RCT predicts resentment of unfair treatment when procedures are unjustified and those procedures produce unfavorable outcomes (Cropanzano & Folger, 1989).

Several studies have examined the possibility that the behaviors of supervisors have an impact on the fairness perceptions of subordinates. Podsakoff, MacKenzie, Moorman, and Fetter (1990) have suggested that the nature of the dyadic relationship between leaders and their subordinates may have effects on subordinates' perceptions of fairness and trust. Specifically, they noted that subordinates that are members of a leader's in-group will perceive their leaders as treating them more fairly, and will be more trusting of their leaders than members of the out-group because the leader gives them greater job latitude, support of the subordinate's actions, and confidence in and consideration for the subordinate (Dansereau, Graen, & Haga, 1975). Tansky (1993) found that the nature of the LMX relationship was positively correlated with both subordinates' perceptions of organizational fairness and citizenship behaviors. Bies and Shapiro (1987) found that justification for a decision moderated the relationship between the situation and justice perceptions. Greenberg (1990c) and Tyler and Bies (1990) argue that subordinates determine whether the supervisor is acting fairly in terms of the behaviors and communications of the supervisor. Kozlowski and Doherty (1989) found that the nature of interactions between leaders and subordinates mediates and structures subordinate interpretations of organizational practices and events.

The work of previous research provides a theoretical rationale for linking perceptions of distributive and procedural justice to interpersonal exchange in a dyadic relationship framework. In-group members will probably receive more justification for distribution of resources (procedural justice) as well as larger actual amounts of those

resources (distributive justice), due to the relative advantage of higher quality interaction and a closer relationship with the supervisor. The available research and rationale discussed above suggest the proposition that there are relationships between LMX and perceptions of distributive fairness, and procedural fairness.

Proposition 1: The quality of an employee's interpersonal subordinate-supervisor exchange will influence his/her perceptions of organizational justice.

2-9-2 Organizational Justice and Job Satisfaction, Organizational Commitment, and Turnover Intentions

A number of researchers realized early the significance of equity considerations on allocations in organizations (Adams, 1965; Goodman, 1974; Goodman & Friedman, 1971). Because of its importance in the workplace, most of the early research concentrated on pay inequity and its consequences. In keeping with traditional equity theory research, contemporary studies have found that people tend to be less satisfied with outcomes they perceive to be unfair than those they perceive to be fair (Cropanzano & Greenberg, 1997). Such perceptions have been shown to result in poor performance (Cowherd & Levine, 1992; Pfeffer & Langton, 1993) and high rates of withdrawal behaviors, such as turnover and absenteeism (Hulin, 1991; Schwarzald, Koslowsky, & Shalit, 1992).

However, it is not simply the case that people's perceptions of fairness are determined exclusively by self-fulfilling motives; that is, the more one gets, the more satisfied one is. An individual's absolute level of resources is only one determinant of

fairness (Summers & Hendrix, 1991; Sweeney, McFarlin, & Inderrieden, 1990). Rather, individuals base their evaluation of distributive justice not only on what they receive, but also on what they receive relative to some standard or referent. For example, people may compare the adequacy of the rewards they receive to their expectations or needs. Indeed, these evaluations can be based solely on social comparisons.

Illustrating the dynamics of referent standards, Sweeney et al. (1990) measured pay satisfaction, actual salary, and various referents, including social comparisons and personal expectations, in three large-scale survey studies. They found that although salary level was related to satisfaction, the various referents contributed critical variance beyond objective information about the amount of one's income. Obviously, satisfaction with outcomes is determined not only by the magnitude of the outcomes received, but also by how these outcomes compare to referent standards.

The results of such comparisons have been found to affect important organizational outcomes. Martin (1981) reported that fairness judgments are made when people compare what they have received with those of a referent other. This comparison process underlies relative deprivation, or the feeling of discontent arising from a belief that one is getting less than one deserves relative to a comparison other (Crosby, 1984; Martin, 1981). Felt deprivation produces a range of psychological and behavioral effects in organizations, including dissatisfaction, stress, and absenteeism (Martin, 1981). Schwarzwald et al, (1992) also found that individuals who failed to earn new positions had increases in absenteeism, and experienced lower feelings of commitment and higher feelings of inequity. They concluded that promoted coworkers acted as referents. That is, individuals who were not initially disadvantaged felt inequitably underpaid relative to

those who had earned a promotion. Such inequities can negatively affect job performance. For example, Cowherd and Levine (1992) found that workers produced higher quality products when there was only a small pay differential between themselves and managers, compared to a situation where there was a large pay differential.

Numerous studies have been conducted to explain the importance of the allocation phenomenon (i.e., the distribution of positive and negative reinforcements) in organizations. For example, Lawler (1977) noted that the distribution of organizational rewards such as pay, promotion, status, performance evaluations, and job tenure can have powerful effects on job satisfaction, quality of work life, and organizational effectiveness. Folger and Konovsky (1989) found that perceptions of distributive justice are significantly correlated with pay raise satisfaction as well as with job satisfaction (Martin & Bennet, 1996; McFarlin & Sweeney, 1992). Alexander and Ruderman (1987) reported that distributive fairness is a direct cause of turnover intentions. In this study, six organizational outcome variables including job satisfaction, turnover intentions, tension/stress, trust in management, conflict/harmony, and evaluation of supervisor were selected. They found that five of the six variables showed substantial justice effects; only tension/stress were unrelated to either procedural or distributive justice. Four of the five variables were affected more by procedural justice than by distributive justice. Of the five variables, only turnover intentions showed a stronger effect on distributive justice than on procedural justice. This result is consistent with the findings of other investigations of the distributive fairness perceptions-turnover relationship (Finn & Lee, 1972; Telly, French, & Scott, 1971). For example, in their study, Finn and Lee (1972) divided their sample into an equity subsample and an inequity subsample based on perceived fairness of

salary. They found that the inequity subsample displayed higher turnover intentions than did the equity subsample. They also found that the equity subsample clearly demonstrated more job satisfaction than did the inequity subsample. Telly et al. (1971) attempted to determine if perceptions of inequity are associated with turnover among hourly employees in a branch of a large aerospace company. This study showed that perceptions of inequity are related to turnover.

Generally, people are more accepting of decisions that result from fair procedures than with decisions that result from unfair procedures. Moreover, people who accept organizational decisions tend to cooperate with authority figures (Lind, 1995; Tyler & Dawes, 1993; Tyler & Lind, 1992). For example, Schaubroeck, May, and Brown (1994) found that salaried employees reacted less negatively to a pay freeze when that freeze was implemented in a procedurally fair fashion than when it was implemented in an unfair fashion. Greenberg (1990b) also found that people were less likely to steal in response to pay cuts when these appeared to be the result of fair procedures than when they resulted from unfair procedures. These findings illustrated that incorporating process attributes that are perceived to be fair may enhance the effectiveness of organizational procedures. Employees also use their experience with fair or unfair allocation procedures as information that reflects on the organization as whole. Tyler and Lind (1992) found that procedural fairness may be used as the basis by which people establish larger relationships with their employers, enhancing their loyalty toward the organization. In this regard, several studies supported the relationship between perceptions of fairness and organizational commitment, and specified the contribution of procedural fairness to

organizational commitment (Folger & Konovsky, 1989; Tyler, 1991; McFarlin & Sweeney, 1992; Sweeney & McFarlin, 1993).

Thus far, a number of studies have been examined to discern distributive justice and procedural justice. For example, Greenberg (1990a) distinguished between the consequences of distributive and procedural justice. One general conclusion is that distributive justice is predictive of specific attitudes about the particular outcomes in question, whereas procedural justice has particularly strong impacts on attitudes about institutions or authorities such as organizational commitment or trust in management (Folger & Konovsky, 1989; Lind & Tyler, 1988). For example, the belief that one's pay is not commensurate to one's work contributions results in perceptions of inequity. These perceptions of inequity, in turn, produce low pay satisfaction (Harder, 1992; McFarlin & Sweeney, 1992; Sweeney & McFarlin, 1993). Conversely, procedural justice affects attitudes and behaviors that are relevant to the larger organization. In other words, procedures are critical determinants of one's trust in management, in the institution, or in the system (Lind, 1995; Tyler & DeGoey, 1995). Sweeney & McFarlin (1993) have termed these different effects the two-factor model. That is, procedures and outcomes influence different factors even though they are both important determinants of justice.

In summary, the previous discussion illustrates how employees' justice perceptions may affect their attitudes and interactions at work. As research on distributive and procedural justice shows, the ways in which people are treated are as important as the outcomes they receive. Research confirms that people regard distributive justice and procedural justice as related but distinct concepts, and that both constructs correlate with different outcome variables. The above discussion suggests the proposition that there are

relationships among perceptions of distributive fairness and job satisfaction, and turnover intentions. In addition, there are also relationships among perceptions of procedural fairness and job satisfaction, organizational commitment, and turnover intentions.

Proposition 2a: An employee's perceptions of distributive and procedural justice will influence his/her job satisfaction.

Proposition 2b: An employee's perceptions of procedural justice will influence his/her organizational commitment.

Proposition 2c: An employee's perceptions of distributive and procedural justice will influence his/her turnover intentions.

2-9-3 Job Satisfaction, Organizational Commitment, and Turnover Intentions

Many studies conceptualize turnover as a psychological response, and rely on the belief that turnover is an individual choice behavior. At the individual level, job satisfaction is the most frequently examined psychological variable in the satisfaction and turnover relationship (Mobley, Griffeth, Hand, & Meglino, 1979). Job dissatisfaction has been repeatedly identified as the single most important reason why employees leave their jobs. Price and Mueller (1981) reported that job dissatisfaction has an indirect effect on turnover through its direct effect on formation of intent to leave. Cotton and Tuttle (1986) also found that overall job satisfaction, satisfaction with the work itself, pay satisfaction, and satisfaction with supervision were negatively associated with turnover. The

relationship between job satisfaction and turnover has been consistently found in many turnover studies. However, Porter and Steers (1973) argued that job satisfaction usually accounts for less than 16 percent of the variance in turnover. Thus, obviously, models of the employee turnover decision process must move beyond job satisfaction as the primary explanatory variable (Lum et al., 1998).

The major focus of the organizational commitment literature has been to identify correlates of organizational commitment from a variety of categories; (1) attitudinal, affective, and cognitive constructs such as job satisfaction, job involvement, and job tension (Hall & Schneider, 1972; Porter, Steers, Mowday, & Boulian, 1974); (2) employee behaviors such as turnover, absenteeism, and performance (Angle & Perry, 1981; Bluedorn, 1982; Porter & Steers, 1973); (3) personal characteristics such as age, gender, the need for achievement, and job tenure (Angle & Perry, 1981; Steers, 1977); and (4) employees' job and role-related factors such as work overload, and skill of subordinates (Steers, 1977).

In addition, many studies reported a significant relationship between organizational commitment and turnover intentions (Ferris & Aranya, 1983; O'Reilly & Caldwell, 1980; Stumpf & Hartman, 1984; Weiner & Vardi, 1980). Job satisfaction and organizational commitment have invariably been reported to be negatively related to turnover and turnover intentions (Arnold & Feldman, 1982; Bluedorn, 1982; Hollenbeck & Williams, 1986), and positively correlated with one another (Bluedorn, 1982; Clegg, 1983; Dougherty, Bluedorn, & Keon, 1985). Lee and Mowday (1987), Michaels and Spector (1982), and O'Reilly and Caldwell (1981) have demonstrated that turnover intention is the strongest cognitive precursor of turnover.

On the other hand, Williams and Hazer (1986) made the distinction between job satisfaction and organizational commitment in that job satisfaction represents an affective response to specific aspects of the job, while organizational commitment is an affective response to the whole organization. They used a structural equation methodology to examine the causal relationships among job satisfaction and organizational commitment, and turnover. They concluded that organizational commitment has a more important effect on intent to quit than does satisfaction, because one of the components of organizational commitment is the desire to remain with the organization. They also found that there was a direct link from job satisfaction to organizational commitment. That is, job satisfaction is an antecedent of organizational commitment.

Additionally, Stevens, Beyer, and Trice (1978) argued that an exchange process is the primary mechanism which influences organizational commitment. In other words, through the evaluation of costs and benefits, individual needs and desires are satisfied, and the resulting affective state becomes associated with the organization which has provided the job and its associated characteristics and environment. Organizational commitment results from this association. Furthermore, Rusbult (1983) found support for this exchange process in interpersonal relations in that job satisfaction resulted from rewards and led to increased organizational commitment. The above discussion suggests the proposition that there are relationships among job satisfaction, organizational commitment, and turnover intentions.

Proposition 3a: An employee's job satisfaction will influence his/her organizational commitment.

Proposition 3b: An employee's job satisfaction will influence his/her turnover intentions.

Proposition 3c: An employee's organizational commitment will influence his/her turnover intentions.

2-9-4 The Mediating Effect of Distributive and Procedural Justice

In general, a given variable functions as a mediator to the extent that it accounts for the relationship between the predictor and the criterion (Baron & Kenny, 1986). This study predicts that distributive and procedural justice will mediate the relationships among LMX and job satisfaction, organizational commitment, and turnover intentions.

As noted earlier, the primary value of understanding LMX lies in the prediction of certain outcomes. LMX is positively correlated with subordinates' attitudinal variables such as overall satisfaction, satisfaction with the supervisor, and organizational commitment (Graen, Novak, & Sommerkamp, 1982; Duchon, Green, & Taber, 1986; Nystrom, 1990), and is negatively related to turnover (Graen, Linden, & Hoel, 1982). LMX is also associated with subordinates' perceptions of organizational fairness (Podsakoff & MacKenzie, 1993; Tansky, 1993). The previous discussion about the relationships among perceptions of organizational justice and specified outcomes variables shows that employees' justice perceptions may affect their attitudes and interactions at work. Thus, LMX is related to work-related outcome variables because LMX affects an employee's perceptions of fairness, in that a leader treats him or her fairly in terms of outcomes and procedures. This perception of fairness may prompt the employee to reciprocate with

increased job satisfaction and organizational commitment, and decreased turnover intentions. The above discussion suggests the proposition that perceptions of organizational justice will mediate the effects of LMX on work-related outcome variables.

Proposition 4: Perceptions of organizational justice will mediate the relationships among LMX and job satisfaction, organizational commitment, and turnover intentions.

2-10 SUMMARY

This chapter has covered a review of relevant literature regarding the constructs of the proposed model. The chapter began with reviews of the concept of organizational justice and its two dimensions: distributive and procedural justice. Then, components of each type of justice were discussed and identified. LMX as an antecedent of organizational justice was reviewed. Its development and outcomes were also discussed. The chapter provided a framework that describes how LMX affects employees' perceptions of justice. Job satisfaction, organizational commitment, and turnover intentions were discussed as employees' attitudinal and behavioral outcomes of organizational justice. Finally, based on the relationships among the constructs, several propositions were derived.

CHAPTER III

METHODOLOGY

3-1 INTRODUCTION

This chapter presents the research methodology utilized to investigate the relationships among organizational justice and its antecedent and consequences. In this chapter, a conceptual model is presented, and also the research hypotheses of the study are given, based on the literature review. In addition, the sample characteristics, data collection procedures, the administration of questionnaires, and the measures are presented. The statistical analysis that is used in the present study is also discussed.

3-2 CONCEPTUAL MODEL AND RESEARCH HYPOTHESES

The purpose of this study is to present and test a model that identifies the impact of interpersonal working relationships on employees' justice perceptions and the effects of these perceptions on employees' work-related attitudes and behavior in the hospitality industry. To address the purpose of this study, the major research questions addressed by this study are: (1) How does the quality of the leader-member exchange influence the organizational justice perceptions of employees?; (2) How do organizational justice perceptions relate to the job satisfaction of employees?; (3) How do organizational justice perceptions relate to the organizational commitment of employees?; (4) How do

organizational justice perceptions relate to the turnover intentions of employees?; and (5) Do organizational justice perceptions mediate the relationships among leader-member exchange and job satisfaction, organizational commitment, and turnover intentions? The five research questions will be used to guide the empirical investigations of the conceptual model, as shown in Figure 3.1. The conceptual model has been developed to test the relationships empirically among the variables that appear to be relevant to the present study. This model is based on the theoretical framework presented in Chapter I.

In the model, LMX is proposed as a direct predictor of distributive and procedural justice. As noted previously, research on LMX suggests two prototypical patterns of relationships: a supervisory pattern of relationship with the out-group members based on economic exchange; and a leadership pattern of relationship with the in-group members based on social exchange. The in-group members perceive the quality of their relationship with their supervisor as more positive than out-group members. These subordinates might also be more apt to rate their supervisors more highly (Moorman, 1991). Underlying these relationships are the notions of fairness and reciprocity. Tansky (1993) found that employees may perceive that their supervisors are the most responsible for how employees are treated over the long term. Alexander and Ruderman (1987) also found a positive relationship between LMX and employees' perception of overall fairness. Therefore, the following hypotheses are proposed:

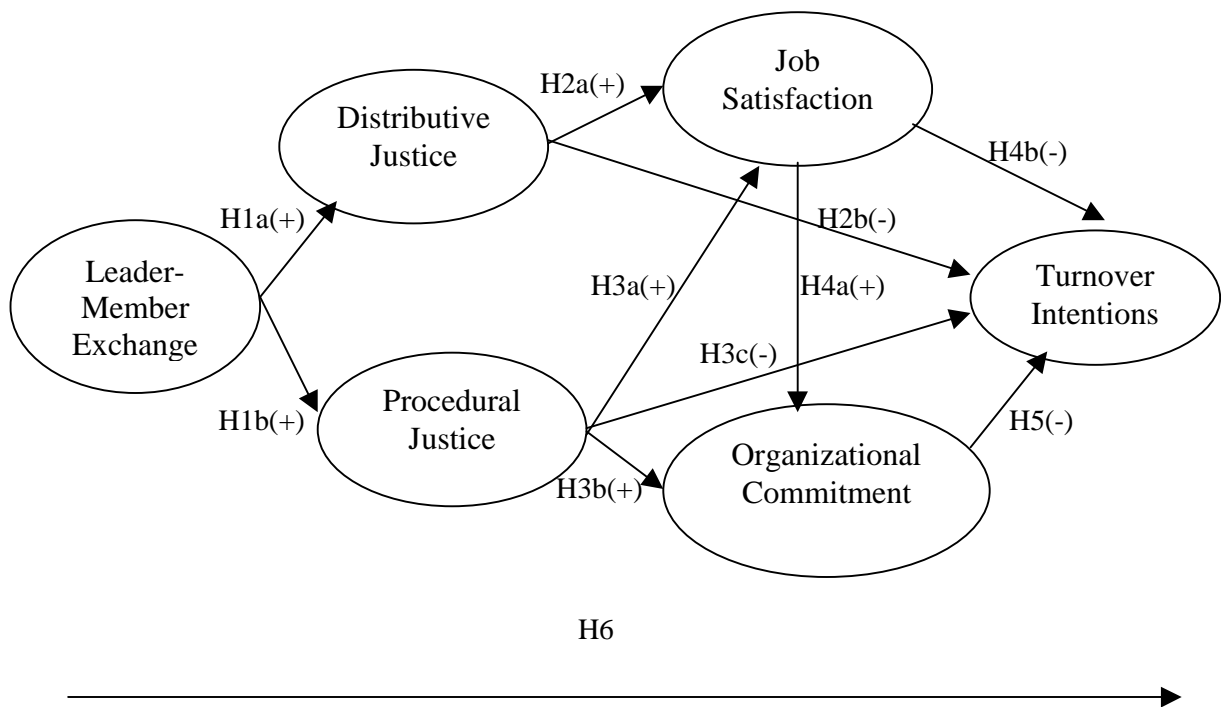


Figure 3.1. Proposed Conceptual Model of the Antecedent and Consequences of Organizational Justice

Hypothesis 1a: The higher the level of quality perceived in the supervisor-subordinate relationship by the employee, the higher the level of perceived distributive justice.

Hypothesis 1b: The higher the level of quality perceived in the supervisor-subordinate relationship by the employee, the higher the level of perceived procedural justice.

Distributive justice is proposed to be positively related to job satisfaction, and negatively associated with turnover intentions. According to Tang and Sarsfield-Baldwin (1996), it is plausible that supervisors have some control over employees' perceptions of procedural and distributive justice and, therefore, may be able to influence employee satisfaction and organizational commitment. Sweeney and McFarlin's (1993) findings suggest that distributive justice predicts personal-level evaluations (e.g., pay satisfaction). Alexander and Ruderman (1987) found that distributive justice has important effects on organizational outcome variables such as job satisfaction and evaluation of supervisors, trust in management, and turnover intentions. Folger and Konovsky (1989) found that perceptions of distributive justice are associated with satisfaction regarding an individual's own outcomes (i.e., pay satisfaction). Dailey and Kirk's (1992) results also support the finding that distributive justice is positively related to job satisfaction. As noted previously, Alexander and Ruderman (1987) reported that perceptions of distributive fairness are negatively related to turnover intentions. In their study, six organizational outcome variables, including job satisfaction, turnover intentions,

tension/stress, trust in management, conflict/harmony, and evaluation of supervisor were selected. Of the six variables, only turnover intentions showed a stronger effect for distributive justice than for procedural justice. Moreover, Finn and Lee (1972) divided the sample into an equity subsample and an inequity subsample based on the perceived fairness of salary. In their study, they found that the inequity subsample displayed higher turnover intentions than did the equity subsample. They also found that the equity subsample clearly demonstrated more job satisfaction than did the inequity subsample. Telly et al. (1971) conducted their study to determine if perceptions of inequity are associated with turnover among hourly employees. This study showed that perceptions of inequity are associated with turnover. Therefore, the following hypotheses are proposed:

Hypothesis 2a: Perceptions of distributive justice will be positively related to job satisfaction.

Hypothesis 2b: Perceptions of distributive justice will be negatively related to turnover intentions.

Procedural justice is proposed to be positively related to job satisfaction and organizational commitment, and negatively associated with turnover intentions. Sweeney and McFarlin's (1993) findings suggests that procedural justice affects organizational-level evaluations (e.g., organizational commitment). Tang and Sarsfield-Baldwin (1996)'s findings support the notion that employees' perceptions of procedural justice are related to different aspects of satisfaction (i.e., pay, promotion, and supervision), and

organizational commitment. Further, if employees can be guaranteed fair procedural treatment, they are more likely to become loyal. According to Martin and Bennett (1996), procedural justice is an antecedent to facet-specific job satisfaction such as pay, benefits, performance appraisal, and working conditions. They also found that procedural justice is positively related to organizational commitment. In other words, organizational commitment is determined by the perceived fairness of the policies and procedures used to arrive at outcomes. Similarly, Folger and Konovsky (1989) found that procedural justice accounted for more variance in organizational commitment and trust in a supervisor than did distributive justice. Alexander and Ruderman (1987) studied the relationships between justice judgments and organizational attitudes. They found that important organizational attitudes such as job satisfaction, turnover intentions, evaluation of supervisor, conflict/harmony, and trust in management are affected by the perceptions of procedural justice. Dailey and Kirk (1992) found that procedural justice is a direct cause of turnover intentions. Turnover intentions showed a much stronger relationship with distributive justice than with procedural justice. Thus, they also supported the notion that procedural justice is a more important influence on socially mediated attitudes and behaviors, while distributive justice may affect those attitudes and behaviors that are more individual in character. Therefore, the following hypotheses are proposed:

Hypothesis 3a: Perceptions of procedural justice will be positively related to job satisfaction.

Hypothesis 3b: Perceptions of procedural justice will be positively related to organizational commitment.

Hypothesis 3c: Perceptions of procedural justice will be negatively related to turnover intentions.

Job satisfaction is proposed to be linked to organizational commitment and turnover intentions. Babakus et al. (1996) found that job satisfaction has important consequences related to turnover. They also suggested that higher job satisfaction leads to the feeling that the job met expectations, and also leads to higher organizational commitment. Higher job satisfaction and commitment to an organization are associated with lower turnover intentions. DeConinck and Bachmann (1994) found that higher levels of job satisfaction lead to higher levels of organizational commitment. Mathieu (1991) and Lance (1991) found that job satisfaction and organizational commitment exert effects on each other, but the effect of job satisfaction on organizational commitment was greater than the effect of organizational commitment on job satisfaction. Meanwhile, Arnold and Feldman (1982) found that turnover is significantly influenced by overall job satisfaction. Dougherty et al. (1985) examined the nature of the linkages among satisfaction, commitment, and intention to leave. They found that a model which positions job satisfaction as an exogenous variable leads directly to intention to leave. The findings support Porter and colleagues' (1974) suggestion that, in light of the differential relationships of commitment and satisfaction with turnover, the two constructs should be considered as related but distinguishable attitudes. Thus, the following hypotheses are proposed:

Hypothesis 4a: Job satisfaction will be positively related to organizational commitment.

Hypothesis 4b: Job satisfaction will be negatively related to turnover intentions.

Many studies reported a significant relationship between organizational commitment and turnover intentions (Bashaw & Grant, 1994; DeConinck & Bachmann, 1994; Dougherty, Bluedorn, & Keon, 1985). For example, Bashaw and Grant (1994) examined the relationships between organizational commitment and key sales outcomes such as performance and turnover intentions. They found that there is a negative relationship between organizational commitment and turnover intentions. DeConinck and Bachmann (1994) found that higher levels of organizational commitment led to lower levels of intention to leave. As noted previously, Dougherty et al. (1985) examined the nature of the linkages among satisfaction, commitment, and intention to leave. They found that a model which positions organizational commitment as an exogenous variable leads directly to intention to leave. DeCotiis and Summers (1987) developed a causal model that predicted employee motivation, performance, and turnover. They found that organizational commitment has direct negative influences on turnover intentions and actual turnover. Lance (1991) also found that organizational commitment implies direct effects on turnover intentions. Thus, the following hypotheses are proposed:

Hypothesis 5: Organizational commitment will be negatively related to turnover intentions.

Several studies have examined the relationships among LMX and subordinates' overall satisfaction, organizational commitment, and turnover intentions. For example, Graen, Linden, & Hoel (1982) and Graen, Novak, & Sommerkamp (1982) and Duchon et al. (1986), and Nystrom (1990) found that LMX is positively associated with satisfaction and organizational commitment, and is negatively related to turnover intentions. From the previous discussion, the finding can be drawn that employees' perceptions of organizational justice influence their job satisfaction, organizational commitment, and turnover intentions. Thus, LMX affects employees' perceptions of organizational justice. This perception of fairness influences employees' work-related outcome variables such as job satisfaction, organizational commitment, and turnover intentions. Therefore, the perception of organizational justice will mediate the effects of LMX on outcome variables such as job satisfaction, organizational commitment, and turnover intentions. In order to determine whether the relationships among LMX and job satisfaction, organizational commitment, and turnover intentions are mediated by perceptions of distributive and procedural justice, the following hypothesis is proposed:

Hypothesis 6: Perceptions of organizational justice will mediate the relationships among LMX, and job satisfaction, organizational commitment and turnover intentions.

3-3 MEASURES

Six scales were used in the study to measure the constructs of interest. They included measures of the quality of the leader-member exchange, employees' perceptions of distributive justice and procedural justice, employees' overall job satisfaction, employees' organizational commitment, and employees' turnover intentions. Measures designed to collect demographic information about the subjects, including sex, education, job status, job title, and length of employment were also used.

3-3-1 Measurement of LMX

Due to controversy over the measurement of the LMX construct, numerous LMX scales have been developed over the years. According to Graen & Uhl-Bien (1995), this controversy comes from the continual redefining of the LMX scale in studies over the years, as well as the use of measures altogether different from the original formulation of the measure (Kim & Organ, 1982; Rosse & Kraut, 1983). For example, 2-item (Dansereau, et al., 1975), 4-item (Graen & Schiemann, 1978; Linden & Graen, 1980), 5-item (Graen, Linden, & Hoel, 1982), 7-item (Graen, Novak, & Sommerkamp; Scandura & Graen, 1984), 12-item (Wakabayashi & Graen, 1984), and 14-item (Wakabayashi, Graen, & Uhl-Bien, 1990) scales have been employed to measure the quality of the LMX. However, even though items were added, the expanded measures were highly correlated with the more concise 7-item LMX scale, and revealed the same effects. Moreover, the Cronbach alphas for the 7-item LMX scale are consistently high in the studies. For example, the reliability of the LMX scale of Wayne, Shore, and Linden's

(1997) study with a random sample of 1,413 salaried employees was .90. The internal consistency reliability of Kozlowski and Doherty's (1989) study was .86 with respondents in a Fortune 500 manufacturing organization. Therefore, the 7-item scale seems to be the most appropriate and recommended measure of LMX (Graen & Uhl-Bien, 1995). Thus, in this study, the quality of the LMX was measured using Scandura and Graen's (1984) 7-item scale. Items are re-worded to accommodate the use of a 7-point scale ranging from (1) "strongly disagree" to (7) "strongly agree." For example, "How would you characterize your working relationship with your supervisor?" was changed to "I have an effective working relationship with my supervisor" (see Table 3.3). The original scale was measured on a four-point Likert-type scale from (1) "less than average" to (4) "extremely effective."

Table 3.1. LMX Scale

1. I usually know how satisfied my supervisor is with what I do.
 2. My supervisor understands my job problems and needs.
 3. My supervisor recognizes my potential.
 4. Regardless of how much formal authority my supervisor has built into his/her position, he/she would use his/her power to help me solve problems in my work.
 5. Regardless of the amount of formal authority my supervisor has, my supervisor would bail me out at his/her expense.
 6. I would defend and justify my supervisor's decision if he/she were not present to do so.
 7. I have an effective working relationship with my supervisor.
-

Source: Adapted from Scandura and Graen (1984).

The quality of the leader-member exchange is measured on a seven-point Likert-type scale from (1) "Strongly Disagree" to (7) "Strongly Agree"

3-3-2 Measurement of Distributive Justice

Perceptions of distributive justice were measured with the Distributive Justice Index, developed by Price and Mueller (1986). This five-item scale measures the degree to which rewards received by employees are perceived to be related to performance inputs. Each item asks for the degree to which the respondent believes that he or she is fairly rewarded on the basis of some comparison with responsibilities, education and training, effort, stresses and strains of job, and performance. All reliabilities reported have been above .90, and the scale has shown discriminant validity in relation to job satisfaction and organizational commitment (Moorman, 1991). Items are re-worded to accommodate the use of a 7-point scale ranging from (1) "strongly disagree" to (7) "strongly agree." For example, "How fair has the company been in rewarding you when you consider the responsibilities you have?" was changed to "My supervisor has fairly rewarded me when I consider the responsibilities I have" (see Table 3.4). The original scale was measured on a five-point Likert-type scale from (1) "very unfair" to (5) "very fair."

Table 3.2. Distributive Justice Scale

1. My supervisor has fairly rewarded me when I consider the responsibilities I have.
 2. My supervisor has fairly rewarded me when I take into account the amount of education and training that I have.
 3. My supervisor has fairly rewarded me when I consider the amount of effort that I have put forth.
 4. My supervisor has fairly rewarded me when I consider the stresses and strains of my job.
 5. My supervisor has fairly rewarded me when I consider the work that I have done well.
-

Source: Adapted from Price and Mueller (1986).

The perceptions of distributive justice are measured on a seven-point Likert-type scale from (1) "Strongly Disagree" to (7) "Strongly Agree"

3-3-3 Measurement of Procedural Justice

Perceptions of procedural justice were measured using 15 items developed by Niehoff and Moorman (1993), because the scale consists of two factors: systematic and informational justice, that are consistent with a taxonomy of procedural justice. Among the 15 items, six items (1, 2, 3, 4, 5, 6) measure the degree to which job decisions include mechanisms that ensure the gathering of accurate and unbiased information, employee voice, and an appeals process, while nine items (7, 8, 9, 10, 11, 12, 13, 14, 15) measure the degree to which employees feel their needs are considered in, and adequate explanations are made for, job decisions (see Table 3.5). In other words, among the 15 items, six items were designed to measure the fairness of formal procedures (i.e., systematic justice) in the organization as revealed by procedures which promote consistency, bias suppression, accuracy, correctability, representativeness, and ethicality. Nine items were designed to measure supervisor consideration of employee rights, treatment of employees with respect and kindness, and provision of explanations and justification for decisions (i.e., informational justice). Items for informational justice include questions that focus on the interpersonal behavior of the supervisor. Overall, two factors of procedural justice will be measured: the fairness of the formal procedures used, and the fairness of the interactions that enacted those formal procedures. This scale is based on one used by Moorman (1991), and has reported reliabilities above .90.

Table 3.3. Procedural Justice Scale

1. Job decisions are made by my supervisor in an unbiased manner.
 2. My supervisor makes sure that all employee concerns are heard before job decisions are made.
 3. To make job decisions, my supervisor collects accurate and complete information.
 4. My supervisor clarifies decisions and provides additional information when requested by employees.
 5. All job decisions are applied consistently across all affected employees.
 6. Employees are allowed to challenge or appeal job decisions made by my supervisor.
 7. When decisions are made about my job, my supervisor treats me with kindness and consideration.
 8. When decisions are made about my job, my supervisor treats me with respect and dignity.
 9. When decisions are made about my job, my supervisor is sensitive to my personal needs.
 10. When decisions are made about my job, my supervisor deals with me in a truthful manner.
 11. When decisions are made about my job, my supervisor shows concern for my rights as an employee.
 12. Concerning decisions about my job, my supervisor discusses the implications of the decisions with me.
 13. My supervisor offers adequate justification for decisions made about my job.
 14. When making decisions about my job, my supervisor offers explanations that make sense to me.
 15. My supervisor explains very clearly any decision made about my job.
-

Source: Adapted from Niehoff and Moorman (1993).

The perceptions of procedural justice are measured on a seven-point Likert-type scale from (1) "Strongly Disagree" to (7) "Strongly Agree"

3-3-4 Measurement of Job Satisfaction

Job satisfaction was measured using five facet items from the Job Diagnostic Survey (JDS; Hackman & Oldham, 1975), because a facet approach can provide a more complete picture of an individual's job satisfaction than a global approach, and an individual can have different feelings about the various facets of the job. For example, an employee might like coworkers and dislike pay (Spector, 1997). In addition, this scale uses multiple items. There are two good reasons to use multiple items. First, multiple-item scales are more reliable than single items. This is because respondents can make mistakes when filling out questionnaires. Errors can be produced when a respondent interprets a question differently than intended. Second, multiple items allow for a more complete assessment of a facet. A single item may not do a good job of covering all aspects. For example, an employee may be able to indicate their overall satisfaction with pay in a single item, but pay includes many aspects that would take several items to cover. Multiple items allow for more specific questions and allow for a more complete assessment of the facet (Spector, 1997, p.20-21). The JDS include a 14-item scale to measure five specific satisfactions; pay (2, 9), job security (1, 11), social (4, 7, 12), supervisory (5, 8, 14), and growth satisfaction (3, 6, 10, 13) (see Table 3.6). The format for the facet items is a seven-point scale ranging from (1) "extremely dissatisfied" to (7) "extremely satisfied." Coefficient alpha from 6,930 employees working on 876 jobs in 56 organizations has reported highs ranging from .64 to .87.

Table 3.4. Job Satisfaction Scale

1. The amount of job security I have.
 2. The amount of pay and fringe benefits I receive.
 3. The amount of personal growth and development I get in doing my job.
 4. The people I talk to and work with on my job.
 5. The degree of respect and fair treatment I receive from my supervisor.
 6. The feeling of worthwhile accomplishment I get from doing my job.
 7. The chance to get to know other people while on the job.
 8. The amount of support and guidance I receive from my supervisor.
 9. The degree to which I am fairly paid for what I contribute to this organization.
 10. The amount of independent thought and action I can exercise in my job.
 11. How secure things look for me in the future in this organization.
 12. The chance to help other people while at work.
 13. The amount of challenge in my job.
 14. The overall quality of the supervision I receive in my work.
-

Source: Adapted from Hackman and Oldham (1975).

Job satisfaction is measured on a seven-point Likert-type scale from (1) "Extremely Dissatisfied" to (7) "Extremely Satisfied"

3-3-5 Measurement of Organizational Commitment

Organizational commitment was measured by the nine-item short version of the Organizational Commitment Questionnaire (OCQ) developed by Porter et al., (1974) (see Table 3.7). The OCQ has 15 items, six of which are negatively phrased and reverse scored. In the short form, the negatively phrased items are omitted. There is a seven-point response dimension. Item scores are summed and the mean is taken. Thus, there is a possible range of scores from one to seven, and the higher the score the more organizationally committed an individual is judged to be. Reliability and validity evidence has been provided by Porter et al., (1974), Steers (1977), Steers and Spencer (1977), and Stone and Porter (1975). The coefficient alpha is consistently high in the studies, ranging from 0.82 to 0.93 with a median of 0.90.

Table 3.5. Organizational Commitment Scale

-
1. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful.
 2. I talk up this organization to my friends as a great organization to work for.
 3. I would accept almost any type of job assignment in order to keep working for this organization.
 4. I find that my values and the organization's values are very similar.
 5. I am proud to tell others that I am part of this organization.
 6. This organization really inspires the very best in me in the way of job performance.
 7. I am extremely glad that I chose this organization to work for, over others I was considering at the time I joined.
 8. I really care about the fate of this organization.
 9. For me this is the best of all possible organizations for which to work.
-

Source: Mowday, Steers, and Porter (1979).

Organizational commitment is measured on a seven-point Likert-type scale from (1) "Strongly Disagree" to (7) "Strongly Agree"

3-3-6 Measurement of Turnover Intentions

The conceptual definition for turnover intentions is the relative strength of an individual's intent to leave the organization. It is an outcome variable in this study, and is operationally defined by three single indicators: thinking of quitting, intent to search, and intent to quit (Hom and Griffeth, 1991). The turnover intentions scale was developed as a part of the Michigan Organization Assessment Questionnaire (Cammann, Fichman, Jenkins, and Klesh, 1979) (see Table 3.8). They reported an internal consistency for the scale of 0.83, and supported construct validity with correlations of -0.58 with overall job satisfaction.

Table 3.6. Turnover Intentions Scale

-
1. I often think about quitting.
 2. It is very likely that I will actively look for a new job in the next year.
 3. I will leave this organization in the next year.
-

Source: Adapted from Cammann, Fichman, Jenkins, and Klesh (1979).

Turnover intentions are measured on a seven-point Likert-type scale from (1) "Strongly Disagree" to (7) "Strongly Agree"

3-4 SAMPLE

This study concentrates on the role of employees' perceptions of organizational justice in mediating the relationships among leader-member exchange, and work-related outcome variables, including job satisfaction, organizational commitment, and turnover intentions in the hospitality industry. Therefore, the sampling frame of this study comprises full-service lodging employees working under a supervisor, including entry-level employees, guest-contact employees, employees working in back-of-the-house, and middle-level managers. Few studies have examined the issues of employees' justice perceptions related to their antecedents and consequences in the lodging industry. Thus, a lodging setting could offer a new context to test external validity, the generalizability of existing evidence, and provide new insights into the area of organizational justice.

3-5 PILOT STUDY OF THE SURVEY INSTRUMENT

A pilot study was conducted to determine the clarity and readability of the questionnaire, and to test the internal reliability of the measures. Questionnaires were distributed to 65 employees of a hotel in Blacksburg, Virginia. Twenty questionnaires were returned, for a response rate of 31%. The demographic statistics for the employees are described in Table 3.7. Tests of internal consistency (Cronbach's alpha) were conducted to assess the reliability of each of the scales used. All of the measures included in the questionnaire showed adequate levels of internal consistency reliability. The

internal reliability for the measures ranged from .77 for the measure of turnover intentions to .99 for the measure of distributive justice. Table 3.8 reports the descriptive statistics for the measures used, including mean, standard deviation, and internal consistency reliability for each measure.

The initial draft of the questionnaire was reviewed by a faculty member and a general manager at the study site to ensure the face validity and readability of the scale items. Based on feedback offered by those who examined the questionnaire, the wording of the questionnaire concerning demographic information was slightly modified. For example, "In which department do you currently work?" was changed to "Your present job title is:". The survey instrument is included in the Appendix A. The questionnaires were also prepared in English and Spanish, because one third of the employees spoke Spanish at the study sites, and therefore the Spanish version gave Spanish-speaking respondents a clearer understanding of the questions. The back translation method was conducted to identify and modify inconsistencies between the English and Spanish versions. Back translation is the process of translating a questionnaire from one language to another and then back into the original language by a second, independent translator (Zikmund, 1997). Thus, the questionnaires were first translated into Spanish and then retranslated into English.

Table 3.7. Demographic Characteristics of Pilot Study (N=20)

Characteristics	Frequency	%
Gender		
Male	5	25.0
Female	15	75.0
Total	20	100.0
Education		
Less than high school	0	0.0
High school	6	30.0
Some college	4	20.0
2 year college	3	15.0
4 year college	6	30.0
Graduate school	1	5.0
Total	20	100.0
Employment status		
Full-time	14	70.0
Part-time	6	30.0
Total	20	100.0
Department		
Administration	5	25.0
Banquet	1	5.0
Bell/valet	0	0.0
Food & Beverage	5	25.0
Front office	1	5.0
Housekeeping	3	15.0
Kitchen	0	0.0
Laundry	0	0.0
Maintenance	0	0.0
Sales & Catering	3	15.0
Other	2	10.0
Total	20	100.0
Length of employment		
Under 1 year	5	25.0
1 to 5 years	10	50.0
6 to 10 years	1	5.0
11 to 15 years	2	10.0
16 to 20 years	1	5.0
Over 20 years	1	5.0
Total	20	100.0

Table 3.8. Descriptive Statistics and Reliability Estimates for Pilot Study (N=20)

Variable	Mean	SD	Minimum	Maximum	Alpha
Leader-Member Exchange	5.8214	1.3935			.9598
LMX-1	5.8500	1.8994	1.0000	7.0000	
LMX-2	5.9500	1.3563	1.0000	7.0000	
LMX-3	5.7500	1.5853	1.0000	7.0000	
LMX-4	6.0000	1.6222	1.0000	7.0000	
LMX-5	5.1000	1.5861	1.0000	7.0000	
LMX-6	5.9500	1.1910	1.0000	7.0000	
LMX-7	6.1500	1.5313	1.0000	7.0000	
Distributive Justice	5.3000	1.9612			.9897
Distributive Justice-1	5.3500	2.0590	1.0000	7.0000	
Distributive Justice-2	5.2500	2.0743	1.0000	7.0000	
Distributive Justice-3	5.4000	1.9304	1.0000	7.0000	
Distributive Justice-4	5.2000	1.9894	1.0000	7.0000	
Distributive Justice-5	5.3000	1.9494	1.0000	7.0000	
Procedural Justice	5.7600	1.3852			.9789
Procedural Justice-1	5.6000	1.7592	1.0000	7.0000	
Procedural Justice-2	5.1000	1.7137	1.0000	7.0000	
Procedural Justice-3	5.5000	1.7622	1.0000	7.0000	
Procedural Justice-4	5.8500	1.4244	1.0000	7.0000	
Procedural Justice-5	5.2000	1.4726	1.0000	7.0000	
Procedural Justice-6	5.1500	1.7252	1.0000	7.0000	
Procedural Justice-7	6.0500	1.3945	1.0000	7.0000	
Procedural Justice-8	6.0500	1.2344	1.0000	7.0000	
Procedural Justice-9	6.1000	1.2937	1.0000	7.0000	
Procedural Justice-10	6.1000	1.5526	1.0000	7.0000	
Procedural Justice-11	5.9500	1.7911	1.0000	7.0000	
Procedural Justice-12	5.9000	1.5183	1.0000	7.0000	
Procedural Justice-13	5.6500	1.6944	1.0000	7.0000	
Procedural Justice-14	6.1000	1.5526	1.0000	7.0000	
Procedural Justice-15	6.1000	1.6190	1.0000	7.0000	
Job Satisfaction	5.4679	1.0316			.9331
Job Satisfaction-1	5.5789	1.4266	1.0000	7.0000	
Job Satisfaction-2	4.4000	1.5355	1.0000	7.0000	
Job Satisfaction-3	4.9500	1.4681	1.0000	7.0000	
Job Satisfaction-4	5.8000	0.9515	1.0000	7.0000	
Job Satisfaction-5	5.6316	1.6737	1.0000	7.0000	
Job Satisfaction-6	5.7000	1.4546	1.0000	7.0000	
Job Satisfaction-7	6.2000	1.1050	1.0000	7.0000	
Job Satisfaction-8	5.8500	1.4244	1.0000	7.0000	
Job Satisfaction-9	4.9000	1.5183	1.0000	7.0000	
Job Satisfaction-10	5.4737	1.2635	1.0000	7.0000	
Job Satisfaction-11	5.0000	1.0761	1.0000	7.0000	
Job Satisfaction-12	5.9500	1.1910	1.0000	7.0000	
Job Satisfaction-13	5.4000	1.6670	1.0000	7.0000	
Job Satisfaction-14	5.6500	1.8144	1.0000	7.0000	
Organizational Commitment	5.0389	1.2608			.9386
Organizational Commitment-1	5.7500	1.5517	1.0000	7.0000	
Organizational Commitment-2	5.1000	1.7137	1.0000	7.0000	
Organizational Commitment-3	4.1500	1.8432	1.0000	7.0000	
Organizational Commitment-4	4.9000	1.6190	1.0000	7.0000	
Organizational Commitment-5	5.5000	1.2354	1.0000	7.0000	
Organizational Commitment-6	5.0500	1.3945	1.0000	7.0000	
Organizational Commitment-7	5.0500	1.3169	1.0000	7.0000	
Organizational Commitment-8	5.2500	1.5517	1.0000	7.0000	
Organizational Commitment-9	4.6000	1.5355	1.0000	7.0000	
Turnover Intentions	3.7333	1.8309			.7725
Turnover Intentions-1	3.8000	2.0157	1.0000	7.0000	
Turnover Intentions-2	4.0000	2.3396	1.0000	7.0000	
Turnover Intentions-3	3.4000	2.2572	1.0000	7.0000	

3-6 DATA COLLECTION

The sample for the study was, in part, based upon convenience, because the researcher contacted four hotels operated by a single hotel company, facilitating the study in terms of location of properties, travel time, and expense. Two hotels agreed to participate in the study. The properties willing to participate were located in Northern Virginia. All employees who have a supervisor were included in the study. The researcher was allowed to conduct the survey in the designated space on an employee payday, because it provided the best opportunity to meet the employees of the hotels. Tables were set up in the designated space where paychecks were distributed, and employees were asked to participate voluntarily in the survey when they came to the area for their paychecks. The researcher personally explained the contents of the cover letter and ensured confidentiality to each employee. A questionnaire was provided and employees were encouraged to complete the questionnaire during their break, and return it directly to the researcher. Employees unable to complete the questionnaire during the scheduled time were asked to leave it with a designated individual in each hotel. A total of 596 questionnaires were distributed. In total, 250 usable questionnaires were returned, comprising a response rate of 41.9%.

3-7 STATISTICAL ANALYSIS

In this study, the measurement of constructs and the hypothesized relationships among variables was assessed by the use of structural equation modeling (SEM). The term structural equation modeling conveys two important aspects of the procedure: (a) that the causal processes under study are represented by a series of structural (i.e., regression) equations, and (b) that these structural relations can be modeled pictorially to enable a clearer conceptualization of the theory under study (Byrne, 1998, p.3).

Once the model is specified, its plausibility is tested based on sample data that comprise all observed variables in the model. The primary task in this model-testing procedure is to determine the goodness-of-fit between the hypothesized model and the sample data. The structure of the hypothesized model is imposed on the sample data, and then tested as to how well the observed data fit this restricted structure. There will be a discrepancy between the observed data and the hypothesized model, because it is highly unlikely that a perfect fit will exist between the two. This discrepancy is termed the residual. The model-fitting process can be summarized as:

$$\mathbf{Data} = \mathbf{Model} + \mathbf{Residual}$$

where

Data represent score measurements related to the observed variable as derived from persons comprising the sample

Model represents the hypothesized structure linking the observed variables to the latent variables

Residual represents the discrepancy between the hypothesized model and the observed data (Byrne, 1998, p. 7-8)

If goodness-of-fit is adequate, the model supports the plausibility of the postulated relations among variables, whereas the tenability of such relations is rejected if it is inadequate (Byrne, 1998).

The most obvious difference between SEM and other multivariate techniques is the use of separate relationships for each of a set of dependent variables. In other words, SEM estimates a series of separate, but interdependent, multiple regression equations simultaneously by specifying the structural model (Hair, Anderson, Tatham, and Black, 1995). Thus, it is a very useful technique when one dependent variable becomes an independent variable in subsequent relationships. For example, distributive and procedural justice are treated as initial dependent variables, which in turn become independent variables in terms of their influence on job satisfaction, organizational commitment, and turnover intentions in this study. SEM also differs from other multivariate techniques in that it uses only the variance/covariance or correlation matrix as its input data. The focus of SEM is not on individual observations, but on the pattern of relationships across respondents (Hair et al., 1995, p. 635). SEM is a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables (Hoyle, 1995, p.1). Latent variables cannot be measured directly, because they are not observed directly. The unobserved variable is linked to one that is observable, thereby making its measurement possible (Byrne, 1998).

SEM has a two-stage process: a measurement model, and a structural model. The measurement model defines relations between the observed and unobserved variables. In other words, it provides the link between scores on a measuring instrument (i.e., the observed indicator variables) and the underlying constructs they are designed to measure

(i.e., the unobserved latent variables). Therefore, the measurement model specifies the pattern by which each measure loads on a particular factor (Byrne, 1998, p.10). It also describes the reliability and validity of the observed variables (Jöreskog & Sörbom, 1989). The structural model defines relations among the unobserved latent variables. It specifies which latent variables directly or indirectly influence changes in the values of other latent variables in the model (Byrne, 1998). In other words, it specifies causal relationships among the latent variables. The match between the purposes of this study and the characteristics of SEM guides the performance of SEM as a primary statistical technique for examining the hypothesized relationships among variables in this study. On the other hand, sample size plays an important role in the estimation of SEM. A minimum recommended level is five observations for each estimated parameter (Hair, et al., 1995).

3-8 SUMMARY

The conceptual model based on the theoretical framework, and the research hypotheses that guide the study were discussed in this chapter. The chapter discussed sample and measurement methods. LMX is operationalized with a seven-item scale adapted from Scandura and Graen (1984). Employees' perceptions of distributive and procedural justice are measured on a five-item scale and a 15-item scale adapted from Niehoff and Moorman (1993), respectively. Job satisfaction is measured using a six-item scale adapted from Taylor and Bowers (1972). For the measure of organizational commitment, a nine-item short version of the Organizational Commitment Questionnaire

(OCQ) developed by Porter et al., (1974) is used. Turnover intentions are measured on a three-item scale from Cammann, Fichman, Jenkins, and Klesh (1979). Finally, the statistical analysis technique is presented, focusing on the characteristics of structure equation modeling, which is used to test the proposed conceptual model and research hypotheses.

CHAPTER IV

RESULTS

4-1 INTRODUCTION

This chapter presents the results of the statistical analysis of the data. It begins with the characteristics of the sample and the descriptive statistics of the variables. A discussion of reliability and validity of the measures used in this research is reported. The results of the confirmatory factor analysis (CFA) of the study are also presented. Finally, the results of the structural model with the hypotheses and the theoretical model are examined, and the final model is provided with the use of the LISREL program.

4-2 SAMPLE CHARACTERISTICS AND DESCRIPTIVE STATISTICS

A total of 596 questionnaires were distributed. In total, 257 questionnaires were returned, comprising a response rate of 43.1%. Seven responses were eliminated due to excessive missing data. Therefore, the sample size for testing the hypotheses was 250 (41.9%). Table 4.1 presents the profile of the respondents with regard to gender, education, employment status, job title, and length of employment. Most of the respondents were full-time (88.8%) and had completed at least a high school education (96.4%). Of this sample, 128 (51.2%) were female and 122 (48.8%) were male. With

regard to length of employment, two third of the respondents (66.4%) had 0 - 5 years experience.

Descriptive statistics for the variables examined in this study are also presented. Tests of internal consistency (Cronbach's alpha) were conducted to assess the reliability of each of the scales used. All of the measures included in the questionnaire showed adequate levels of internal consistency reliability. The internal reliability for the measures ranged from .9014 for the measure of turnover intentions to .9794 for the measure of procedural justice. Table 4.2 reports the descriptive statistics for the measures used, including mean, standard deviation, and internal consistency reliability for each measure.

Table 4.1. Demographic Characteristics of Respondents (N=250)

Characteristics	Frequency	%
Gender		
Male	122	48.8
Female	128	51.2
Education		
Less than high school	9	3.6
High school	57	22.8
Some college	68	27.2
2 year college	38	15.2
4 year college	66	26.4
Graduate school	12	4.8
Employment Status		
Full-time	222	88.8
Part-time	28	11.2
Job Title		
Administrative Assistant	23	9.2
Bartender	8	3.2
Bellman/Valet	9	3.6
Cashier	3	1.2
Cook	12	4.8
Dishwasher	3	1.2
Front Desk Clerk	14	5.6
Host/Hostess	3	1.2
Housekeeper	31	12.4
Houseperson	12	4.8
Sales/Catering Representative	30	12.0
Waiter/Waitress	50	20.0
Other	52	20.8
Length of employment		
0 to 5 years	166	66.4
6 to 10 years	64	25.6
11 to 15 years	14	5.6
16 to 20 years	4	1.6
Over 20 years	2	0.8

Table 4.2. Descriptive Statistics and Reliability Estimates (N=250)

Variable	Mean	SD	Minimum	Maximum	Alpha
Leader-Member Exchange	5.4749	1.4645			.9280
LMX-1	5.7080	1.6546	1.0000	7.0000	
LMX-2	5.5120	1.7499	1.0000	7.0000	
LMX-3	5.5600	1.7808	1.0000	7.0000	
LMX-4	5.5400	1.7632	1.0000	7.0000	
LMX-5	4.7600	1.9692	1.0000	7.0000	
LMX-6	5.4760	1.7267	1.0000	7.0000	
LMX-7	5.7680	1.5989	1.0000	7.0000	
Distributive Justice	5.1704	1.7712			.9625
Distributive Justice-1	5.1560	1.9315	1.0000	7.0000	
Distributive Justice-2	5.2360	1.8401	1.0000	7.0000	
Distributive Justice-3	5.2120	1.8903	1.0000	7.0000	
Distributive Justice-4	5.0320	1.9156	1.0000	7.0000	
Distributive Justice-5	5.2160	1.9183	1.0000	7.0000	
Procedural Justice	5.2997	1.6058			.9794
Procedural Justice-1	5.1400	1.8542	1.0000	7.0000	
Procedural Justice-2	5.0280	1.9146	1.0000	7.0000	
Procedural Justice-3	5.1320	1.8132	1.0000	7.0000	
Procedural Justice-4	5.4400	1.7672	1.0000	7.0000	
Procedural Justice-5	5.1960	1.7441	1.0000	7.0000	
Procedural Justice-6	4.9920	1.9075	1.0000	7.0000	
Procedural Justice-7	5.4720	1.7196	1.0000	7.0000	
Procedural Justice-8	5.5600	1.7558	1.0000	7.0000	
Procedural Justice-9	5.3640	1.7945	1.0000	7.0000	
Procedural Justice-10	5.3760	1.8976	1.0000	7.0000	
Procedural Justice-11	5.3800	1.8702	1.0000	7.0000	
Procedural Justice-12	5.2840	1.8637	1.0000	7.0000	
Procedural Justice-13	5.2720	1.8097	1.0000	7.0000	
Procedural Justice-14	5.3880	1.8162	1.0000	7.0000	
Procedural Justice-15	5.4720	1.7973	1.0000	7.0000	
Job Satisfaction	5.3889	1.3875			.9543
Job Satisfaction-1	5.6480	1.6707	1.0000	7.0000	
Job Satisfaction-2	4.8120	1.8992	1.0000	7.0000	
Job Satisfaction-3	5.0800	1.8610	1.0000	7.0000	
Job Satisfaction-4	5.6600	1.4700	1.0000	7.0000	
Job Satisfaction-5	5.5160	1.7996	1.0000	7.0000	
Job Satisfaction-6	5.3800	1.7180	1.0000	7.0000	
Job Satisfaction-7	5.6560	1.7337	1.0000	7.0000	
Job Satisfaction-8	5.3720	1.8589	1.0000	7.0000	
Job Satisfaction-9	4.7520	1.9312	1.0000	7.0000	
Job Satisfaction-10	5.6000	1.6981	1.0000	7.0000	
Job Satisfaction-11	5.1680	1.8421	1.0000	7.0000	
Job Satisfaction-12	5.9160	1.3786	1.0000	7.0000	
Job Satisfaction-13	5.4840	1.7544	1.0000	7.0000	
Job Satisfaction-14	5.4000	1.8191	1.0000	7.0000	
Organizational Commitment	5.4987	1.5161			.9612
Organizational Commitment-1	5.9640	1.5086	1.0000	7.0000	
Organizational Commitment-2	5.7440	1.6127	1.0000	7.0000	
Organizational Commitment-3	4.8920	2.0359	1.0000	7.0000	
Organizational Commitment-4	5.3040	1.7934	1.0000	7.0000	
Organizational Commitment-5	5.7000	1.7315	1.0000	7.0000	
Organizational Commitment-6	5.3880	1.7185	1.0000	7.0000	
Organizational Commitment-7	5.6040	1.6836	1.0000	7.0000	
Organizational Commitment-8	5.7000	1.6556	1.0000	7.0000	
Organizational Commitment-9	5.1920	1.8288	1.0000	7.0000	
Turnover Intentions	2.9787	1.9408			.9014
Turnover Intentions-1	2.9880	2.0190	1.0000	7.0000	
Turnover Intentions-2	3.1360	2.2129	1.0000	7.0000	
Turnover Intentions-3	2.8120	2.1342	1.0000	7.0000	

4-3 MEASUREMENT MODEL

The purpose of a measurement model is to describe how well the observed indicators serve as a measurement instrument for the latent variables. In other words, the measurement model depicts the links between the latent variables and their observed measures. Confirmatory Factor Analysis (CFA) was used to estimate the adequacy of the measurement model for each construct. The adequacy of the model fit was determined by several goodness of fit statistics, including Chi-square, Root Mean Square Error of Approximation (RMSEA), Standardized Root Mean Square Residual (RMR), Goodness-of-fit Index (GFI), and Comparative Fit Index (CFI),

The primary task in the model-testing procedure is to determine the goodness-of-fit between the hypothesized model and the sample data. Chi-square has been the traditional measure used to test the closeness of fit between the unrestricted sample covariance and the restricted covariance matrix. Therefore, a nonsignificant chi-square difference between the hypothesized model and the sample data indicates that the hypothesized model is well fitted to the sample data. The RMSEA takes into account the error of approximation in the population, and represents how well this sample data fit the population covariance matrix. Values less than .05 indicate a good fit, and values as high as .08 represent a reasonable fit. The standardized RMR represents the average value across all standardized residuals, and ranges from zero to 1.00. Values less than .05 indicate a good fit. The value of the standardized RMR represents the average discrepancy between the sample observed and hypothesized correlation matrices. The GFI is a measure of the relative amount of variance and covariance in the sample that is

jointly explained by the sample. The GFI index ranges from zero to 1.00, with values close to 1.00 being indicative of a good fit. The CFI provides a measure of complete covariation in the data, a value of $>.90$ indicating an acceptable fit to the data. (Byrne 1998).

As noted earlier, a minimum recommended sample level for the estimation of SEM is five observations for each estimated parameter (Hair, et al., 1995). A total of 49 parameters were estimated in the study, thus the sample size for this study should exceed 245. The sample size of this study was 250, therefore the sample size of the study sufficed the minimum recommended level.

4-3-1 CFA for Leader-Member Exchange

The original measurement model of LMX is a single factor model comprised of seven indicators. The initial measurement estimation of the LMX model did not fit well. The chi-square value of 82.48 with 14 degrees of freedom was statistically significant at $p<.05$. The other fit statistics indicated that the model was not acceptable (RMSEA=.140; Standardized RMR=.039; GFI=.91; CFI=.94). Thus, the model was modified according to the recommendation of the modification index. The error of the LMX-4 and LMX-5 indicators was highly correlated. Therefore, the LMX-4 indicator was dropped. The results of the estimation of the first modified LMX model yielded a moderate lack of fit between the model and data (RMSEA=.108; Standardized RMR=.033; GFI=.97; CFI=.98). The chi-square value of 37.38 with 9 degrees of freedom was also statistically significant at $p<.05$. In the first modified model, the error of the LMX-5 and LMX-6 indicators was significantly correlated, representing misspecified error covariances. Thus,

the LMX-5 and LMX-6 indicators were also deleted. Table 4.3 provides the final results of confirmatory factor analysis for the LMX. The final CFA for the LMX model has four indicators.

Table 4.3. CFA for LMX

Indicators	Completely Standardized Loadings*	Indicator Reliability	Error Variance
LMX-1	.86	.74	.26
LMX-2	.85	.72	.28
LMX-3	.90	.81	.19
LMX-7	.78	.61	.39

Fit Statistics

Chi-square = .53 ($df = 2, p = 0.77$)

RMSEA=.00

Standardized RMR = .0044

GFI = 1.00

CFI = 1.00

Note: *All t -value were significant at $p < .05$

4-3-2 CFA for Distributive Justice

The original measurement model of distributive justice was a single factor model comprised of five indicators. The initial measurement estimation of the distributive justice model did not fit well. The chi-square value of 23.49 with 5 degrees of freedom was statistically significant at $p < .05$. The other fit statistics indicated that the model was not acceptable (RMSEA=.122; Standardized RMR=.013; GFI=.96; CFI=.99). The results of the CFA for distributive justice indicated that the error covariance of DJ-2 and DJ-3 was highly correlated. Therefore, the DJ-2 indicator was dropped. The results of the estimation of the first modified distributive justice model yielded a moderate lack of fit between the model and data (RMSEA=.077; Standardized RMR=.0073; GFI=.98; CFI=.99). The chi-square value of 4.95 with 2 degrees of freedom was not statistically significant at $p < .05$. In the first modified model, the error of the DJ-4 and DJ-5 indicators was significantly correlated. Thus, the DJ-4 indicator was also deleted. Table 4.4 provides the final results of confirmatory factor analysis for distributive justice. The final CFA for distributive justice has three indicators. The model was saturated, so the fit was perfect.

Table 4.4. CFA for Distributive Justice

Indicators	Completely Standardized Loadings*	Indicator Reliability	Error Variance
DJ-1	.92	.85	.15
DJ-3	.95	.90	.10
DJ-5	.93	.87	.13

Fit Statistics

The model is saturated. The fit is perfect.

Note: *All *t*-value were significant at $p < .05$

4-3-3 CFA for Procedural Justice and Job Satisfaction

The original measurement model of procedural justice was a single factor model comprised of two indicators. Each indicator represents a subscale score. One was designed to measure the fairness of systematic procedures, while the other was designed to measure informational justice. If there are two indicators per latent variable, the degree of freedom has a negative value, which means the number of parameters to be estimated exceeds the number of variances and covariances. As such, the model contains insufficient information (from the input data) for the purpose of attaining a determinate solution of parameter estimation; that is, an infinite number of solutions are possible for the model (Byrne, 1998). Therefore, a confirmatory factor analysis for procedural justice and job satisfaction was conducted simultaneously. The original measurement model of job satisfaction was a single factor model comprised of five indicators. Each indicator represents a subscale score.

The initial measurement estimation of the procedural justice and job satisfaction model did not fit well. The chi-square value of 120.76 with 13 degree of freedom was statistically significant at $p < .001$. The other fit statistics indicated that the model was not acceptable (RMSEA=.182; Standardized RMR=.034; GFI=.88; CFI=.95). The results of the CFA for procedural justice and job satisfaction indicated that there was a substantial misspecification of the hypothesized factor loading between JS-4 and procedural justice. Such misspecification could mean that JS-4 also measures procedural justice. Therefore, the JS-4 indicator was dropped. The results of the estimation of the first modified procedural justice and job satisfaction model yielded a moderate lack of fit between the model and the data (RMSEA=.059; Standardized RMR=.017; GFI=.98; CFI=1.00). The

chi-square value of 14.84 with 8 degrees of freedom was not statistically significant at $p < .05$. In the first modified model, the error of the JS-1 and JS-3 indicators were significantly correlated. Thus, the JS-1 indicator was deleted. Table 4.5 provides the final results of confirmatory factor analysis for procedural justice and job satisfaction. The final CFA for procedural justice has two indicators by using composite scores, and job satisfaction has three indicators by using composite scores, respectively.

Table 4.5. CFA for Procedural Justice and Job Satisfaction

Indicators	Completely Standardized Loadings*	Indicator Reliability	Error Variance
Procedural justice			
PJ-1	.95	.91	.09
PJ-2	.96	.93	.07
Job satisfaction			
JS-2	.87	.75	.25
JS-3	.86	.74	.26
JS-5	.93	.86	.14

Fit Statistics

Chi-square = .56 ($df = 4, p = 0.97$)

RMSEA = .00

Standardized RMR = .0033

GFI = 1.00

CFI = 1.00

Note: *All t -value were significant at $p < .05$

4-3-4 CFA for Organizational Commitment and Turnover Intentions

The original measurement model of organizational commitment was a single factor model comprised of nine indicators. The original measurement model of turnover intentions was a single factor model comprised of three indicators. The measurement model of turnover intentions was a just-identified model, because the number of data variances and covariances equals the number of parameters to be estimated. The just-identified model is not scientifically interesting, because it has no degrees of freedom and therefore can never be rejected (Byrne, 1998). Thus, the confirmatory factor analysis for organizational commitment and turnover intentions was conducted simultaneously.

The initial measurement estimation of the organizational commitment and turnover intentions model did not fit well. The chi-square value of 151.14 with 53 degrees of freedom was statistically significant at $p < .05$. The other fit statistics indicated that the model was not acceptable (RMSEA=.086; Standardized RMR=.032; GFI=.88; CFI=.95). The results of the CFA for organizational commitment and turnover intentions indicated that there were substantial misspecifications of the hypothesized factor loading associated with OC-2 and turnover intentions, and OC-9 and turnover intentions. Both could mean that OC-2 and OC-9 also measure turnover intentions. Therefore, the OC-2 and OC-9 indicators were dropped. The results of the estimation of the first modified organizational commitment and turnover intentions model yielded a moderate lack of fit between the model and the data (RMSEA=.061; Standardized RME=.026; GFI=.95; CFI=.99). The chi-square value of 66.00 with 34 degrees of freedom was also statistically significant at $p < .05$. The results of the first modified model indicated that there was a substantial misspecification of the hypothesized factor loading associated with TI-1 and

organizational commitment, and OC-1 and turnover intentions. Therefore, the TI-1 and OC-1 indicators were deleted. The results of the estimation of the second modified organizational commitment and turnover intentions model yielded a moderate lack of fit between the model and the data (RMSEA=.08; Standardized RME=.02; GFI=.95; CFI=.98). The chi-square value of 49.25 with 19 degree of freedom was also statistically significant at $p < .05$. In the second modified model, the error of the OC-3 indicator was highly correlated with other indicators. Thus, the OC-3 indicator was deleted. Table 4.6 provides the final results of confirmatory factor analysis for organizational commitment and turnover intentions. The final CFA for organizational commitment has five indicators, and turnover intentions has two indicators, respectively.

Table 4.6. CFA for Organizational Commitment and Turnover Intentions

Item	Completely Standardized Loading*	Indicator Reliability	Error Variance
Organizational commitment			
OC-4	.89	.79	.21
OC-5	.90	.82	.18
OC-6	.90	.82	.18
OC-7	.93	.87	.13
OC-8	.87	.76	.24
Turnover intentions			
TI-2	.93	.86	.14
TI-3	.91	.82	.18

Fit Statistics

Chi-square = 21.24 ($df = 13, p = .068$)

RMSEA = .05

Standardized RMR = .011

GFI = .98

CFI = .99

Note: *All t -value were significant at $p < .05$

4-3-5 CFA for the Measurement Model, and Test of Reliability and Validity

An overall measurement model was estimated using the maximum likelihood method. The goodness-of-fit indices supported the overall measurement model. The chi-square statistic for the model was 261.26 with 137 degrees of freedom ($p < .00001$). The RMSEA was 0.06; the standardized RMR was .033; the GFI was 0.90; and the CFI was 0.98. Therefore, the overall model was accepted.

In addition to an examination of the loadings for each indicator, the principal approach used in assessing the measurement model was composite reliability of a construct and variance extracted measures for each construct. Reliability is a measure of the internal consistency of the construct indicators, representing the degree to which they indicate the common latent construct. A commonly used threshold value for acceptable reliability is .70. Another measure of reliability is the variance extracted measure. Variance extracted measures can be defined as the amount of shared or common variance among the indicators for a construct. Higher values represent a greater degree of shared representation of the indicators with the construct. The variance extracted value for a construct should exceed .50 (Hair, Anderson, Tatham, and Black, 1995). Table 4.7 presents the fit statistics for the measurement model, the completely standardized loadings, indicator reliability, error variance, the construct reliability, and variance extracted. All constructs exceed the recommended level of .70 for construct reliability, and also exceed the recommended level of .50 for variance extracted. These results provided evidence of reliability for constructs in the confirmatory factor analysis.

Table 4.7. Fit Statistics and Measurement Scale Properties (N=250)

Constructs and Indicators	Completely Standardized Loadings* (<i>t</i> -values)	Indicator Reliability	Error Variance	Construct Reliability	Variance Extracted
Leader-Member Exchange				.91	.72
Feedback inquiry	.86 (16.73)	.74	.26		
Recognition job problems	.85 (16.46)	.72	.28		
Recognition potential	.88 (17.58)	.78	.21		
Working relationship	.81 (15.18)	.65	.35		
Distributive Justice				.96	.88
Responsibilities	.93 (19.30)	.86	.14		
Effort	.94 (19.57)	.88	.12		
Performance	.94 (19.86)	.89	.11		
Procedural Justice				.96	.92
Systematic justice	.96 (20.59)	.93	.07		
Informational justice	.95 (20.28)	.91	.09		
Job Satisfaction				.91	.78
Job security	.86 (16.96)	.75	.25		
Social	.84 (16.38)	.71	.29		
Growth	.94 (19.60)	.88	.12		
Organizational Commitment				.96	.81
Values	.89 (17.74)	.78	.22		
Pride	.90 (18.41)	.82	.18		
Performance	.91 (18.51)	.82	.18		
Choice	.93 (19.37)	.87	.13		
Fate	.87 (17.31)	.76	.24		
Turnover Intentions				.91	.84
Intent to search	.92 (17.54)	.85	.15		
Intent to quit	.91 (17.28)	.83	.17		

Fit Statistics

Chi-square = 261.26 (*df* = 137, *p* < .00001)

RMSEA = .06

Standardized RMR = .033

GFI = .90

CFI = .98

ECVI = 1.47

ECVI for Saturated Model = 1.53

ECVI for Independence Model = 22.99

Note: * All *t*-values are significant at *p* < .05

Validity is the extent to which the indicators accurately measure what they are supposed to measure (Hair, Anderson, Tatham, and Black, 1995). Construct validity focuses on the extent to which data exhibit evidence of convergent validity and discriminant validity. Convergent validity is the extent to which different instruments concur in their measurement of the same construct. The scores from these different instruments should be moderately high (Byrne, 1998). Convergent validity is assessed by reviewing the *t* tests for the factor loadings (Anderson & Gerbing, 1988). The factor loadings and *t*-values are presented in Table 4.7. The results indicated that all the *t*-values were significantly different from zero at $p < .05$. Therefore, the results provide evidence of convergent validity for constructs in the confirmatory factor analysis.

Discriminant validity is the extent to which different instruments diverge in their different constructs. The correlations between the measures of these constructs should be minimal. Discriminant validity of two constructs was assessed by conducting a chi-square difference test in which the constrained model is compared to the unconstrained model (Anderson & Gerbing, 1988). LMX and procedural justice were selected to be tested for discriminant validity in this study, because these two constructs are strongly correlated (see Table 4.8). A finding of significant difference indicates that discriminant validity is demonstrated, and the better model is the one in which the two constructs are viewed as distinct factors (Anderson & Gerbing, 1988). The chi-square of the constrained model was 308.17 with 27 *df*. The chi-square of the unconstrained model was 121.42 with 26 *df*. The difference in chi-square between two models was 186.75. The critical chi-square value with 1 *df* was 3.84 at $p = .05$. Therefore, the difference between the two models

was significant at $p < .05$. The chi-square difference test supports the discriminant validity of the two constructs.

Fornell and Larcker (1981) also suggest that discriminant validity can be assessed by determining whether the average variance extracted estimates for two constructs are greater than the square of the correlation between them (γ^2). In this study, the correlation between LMX and distributive justice was .861, and the square of this correlation was .741 (see Table 4.8). Variance extracted estimates were shown in Table 4.7. The average variance extracted for LMX and distributive justice was .80. Since the average variance extracted for LMX and distributive justice was larger than the square of the interfactor correlation, this test also supports the discriminant validity for constructs in the confirmatory factor analysis.

On the other hand, the Expected Cross-Validation Index (ECVI) can be used to measure cross-validation of the study. The ECVI is proposed as a means to assess the likelihood in a single sample that the model cross-validates across similar sized samples from the sample population (Browne & Cudeck, 1989). It measures the discrepancy between the fitted covariance matrix in the analyzed sample, and the expected covariance matrix that would be obtained in another sample of equivalent size. The model having the smallest ECVI value exhibits the greatest potential for replication (Byrne, 1998 p.113-114). The ECVI of this study have small value, indicating the great potential for replication (see Table 4.7.). Given the lower ECVI value for the measurement model, compared with both the independence and saturated models (see Table 4.7.), the measurement model is well fitting and represents a reasonable approximation to the population (Byrne, 1998).

Table 4.8. Means, Standard Deviation, and Correlations^a

Items	Mean	S.D.	X1	Y1	Y2	Y3	Y4	Y5
X1. LMX	5.475	1.465	1.00					
Y1. Distributive Justice	5.170	1.771	.861	1.00				
Y2. Procedural Justice	5.299	1.606	.897	.846	1.00			
Y3. Job Satisfaction	5.389	1.388	.807	.811	.857	1.00		
Y4. Organizational Commitment	5.499	1.516	.562	.584	.600	.761	1.00	
Y5. Turnover Intentions	2.979	1.941	-.386	-.448	-.419	-.554	-.612	1.00

Note: ^a All Pearson correlation coefficients are significant at $p < .01$

Chi-square Tests for Discriminant Validity

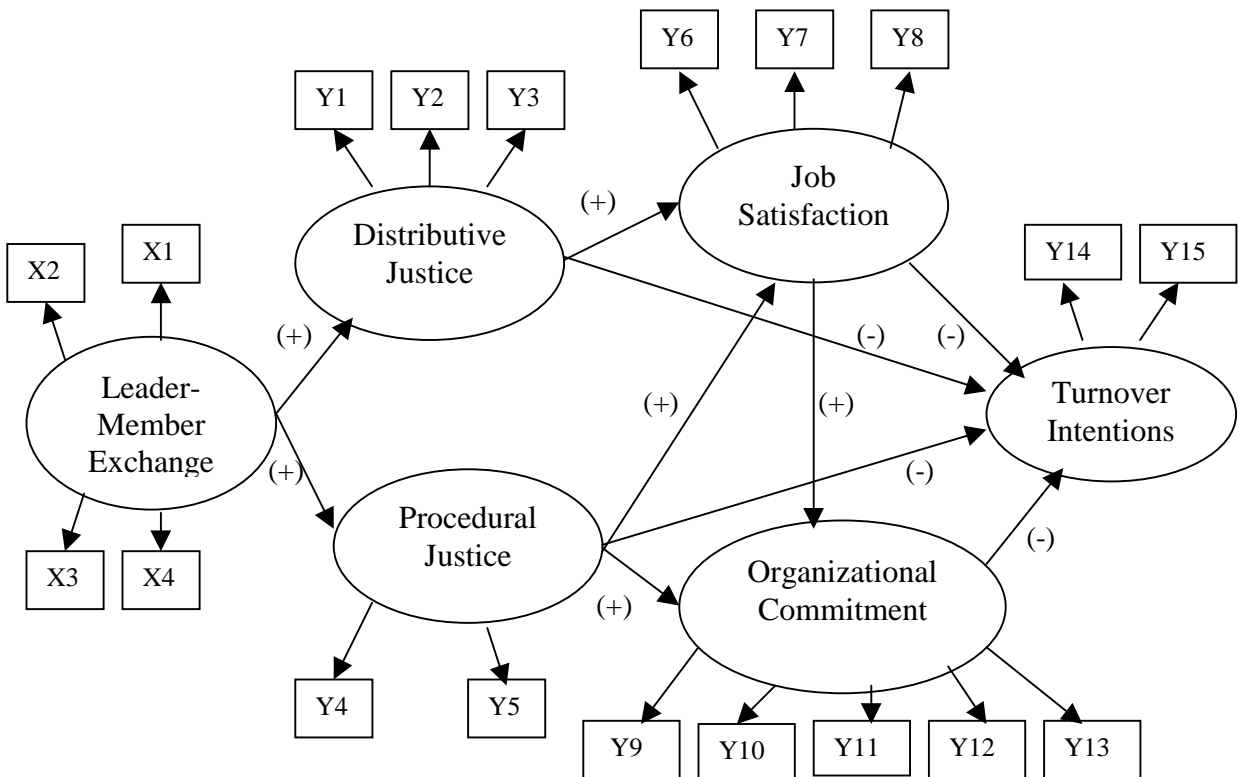
Model	Chi-square	<i>df</i>
Constrained Model	308.17	27
Unconstrained Model	121.42	26

4-4 STRUCTURAL MODEL

The structural model is the regression part of the latent variables. It depicts the links among the latent variables. In other words, the structural model defines relations among the unobserved latent variables. It specifies which latent variables directly or indirectly influence changes in the values of other latent variables in the model (Byrne, 1998). Therefore, it specifies causal relationships among the latent variables. The theoretical structural model along with measurement model is presented in Figure 4.1.

4-4-1 Initial Theoretical Model

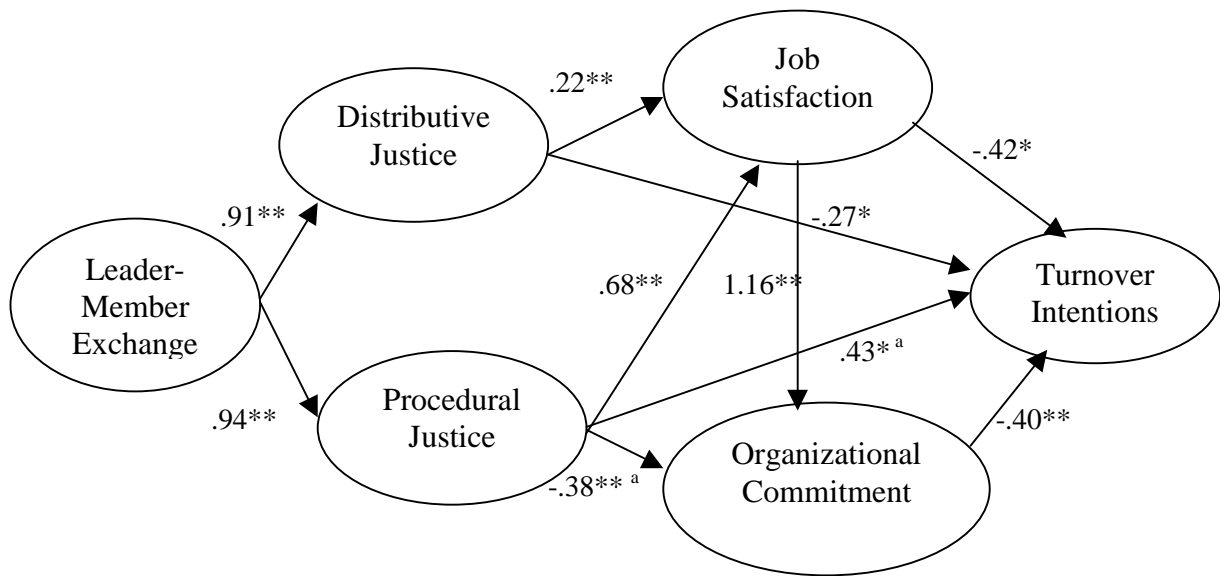
Figure 4.2 presents completely standardized path coefficients for the theoretical structural model. The *t*-values for all ten path coefficients proved to be statistically significant at $p < .05$. A nonsignificant difference between the measurement model and the theoretical model indicated that the theoretical model was successful in accounting for the observed relationships among the latent variables (Anderson & Gerbing, 1988). The chi-square of the theoretical model was 278.18 with 142 *df*, and the chi-square of the measurement model was 261.26 with 137 *df* (see Table 4.9). The chi-square difference between the two models was 16.92 with 5 *df* (see Table 4.10). The critical value with 5 *df* is 11.07 at $p = .05$. Therefore, the results of the chi-square difference test indicated that the theoretical model did not achieve an acceptable fit to the data.



Notes: X1, X2,,Y15: observed variables or indicators

Figure 4.1. Theoretical Structural Model

In addition, a review of the modification indices revealed some evidence of misfit in the model. The large modification index (12.08) is associated with Beta (2,1), which represents a path from distributive justice to procedural justice. Moreover, within the context of the original study, the incorporation of this path into the model would be reasonable, because previous empirical evidence supports that perceptions of distributive consequences can influence the evaluation of procedures (Folger, 1987). Therefore, the theoretical model was respecified to include an estimation of the path from distributive justice to procedural justice (see Figure 4.3).

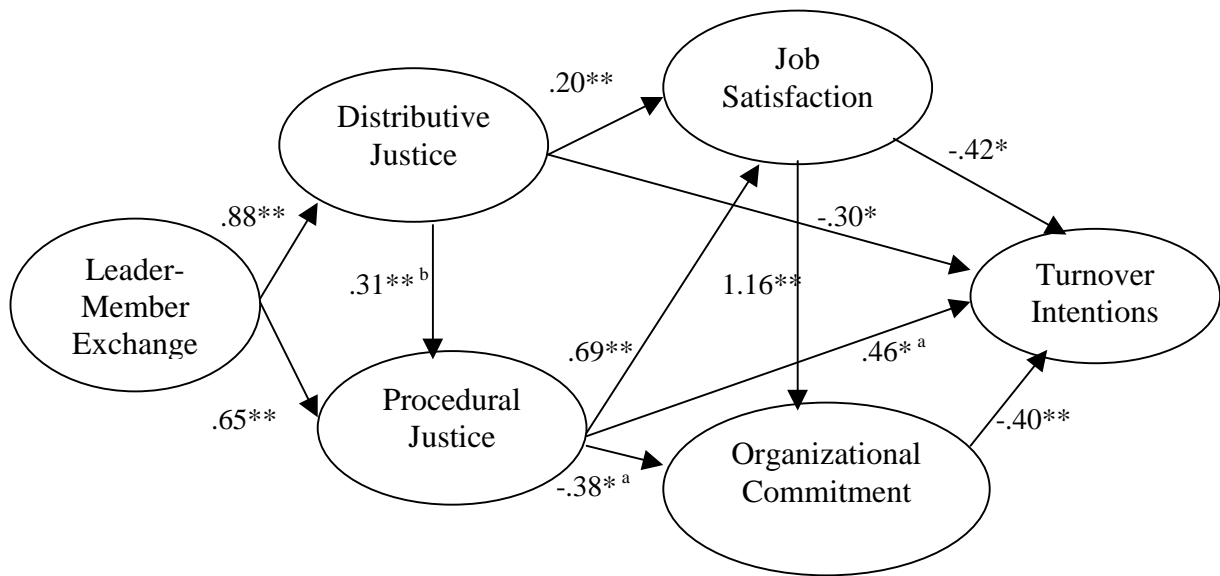


Notes: * significant at $p < .05$, **significant at $p < .01$
^a The signs of this path were not as hypothesized

Figure 4.2. A Path Diagram for the Initial Theoretical Model

4-4-2 Revised Model

The goodness-of-fit indices for the revised model are presented in Table 4.9. Two chi-square difference tests were conducted. The first chi-square difference tests comparing the theoretical model and revised model revealed a significant difference value of 12.94 with 1 *df* at $p=.05$ (see Table 4.10). A significant difference between the theoretical model and the revised model indicated that the additional path represented in the revised model contributed to its explanatory power. Thus, the revised model was a better model than the theoretical model. A second chi-square difference test between the measurement model and the revised model was also conducted. The results revealed a nonsignificant difference value of 3.98 with 4 *df* at $p=.05$ (see Table 4.10). The difference between the chi-square statistics was nonsignificant, therefore the revised structural model was accepted as the final model. The results for the revised path model are presented in Figure 4.3. The measured value of R^2 , the indicator of the amount of variance in the endogenous variable, revealed that leader-member exchange accounted for 78% of the variance in distributive justice, 87% of the variance in procedural justice, 76% of the variance in job satisfaction, 72% of the variance in organizational commitment, and 46% of the variance in turnover intentions, respectively (see Table 4.9).



Notes: *significant at $p < .05$, **significant at $p < .01$

^a The signs of this path were not as hypothesized

^b This path was not hypothesized

Figure 4.3. A Path Diagram for the Revised Model

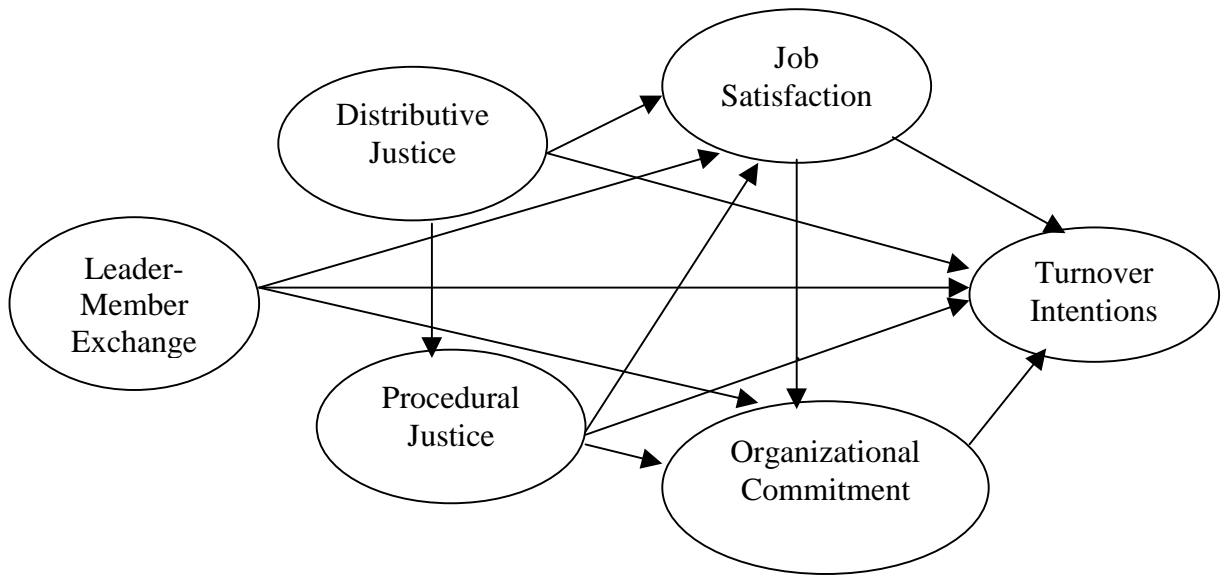


Figure 4.4 A Model that does not include the Mediating Effects

Table 4.9. Goodness-of-Fit for the Models

Model	Chi-square*	<i>df</i>	RMSEA	Standardized RMR	GFI	CFI
Null Model	5685.83	171	-	-	-	-
Measurement Model	261.26	137	.060	.033	.90	.98
Theoretical Model	278.18	142	.062	.033	.89	.98
Revised Model	265.24	141	.059	.033	.90	.98

R² for the Endogenous Latent Variables

Variables	R ²
Distributive justice	.78
Procedural justice	.87
Job satisfaction	.76
Organizational commitment	.72
Turnover intentions	.46

Note: * All chi-square tests were significant at $p < .01$

Table 4.10. Chi-square Tests for Model Comparison

Model Comparison	<i>df</i> Difference	Chi-square Difference
Theoretical Model vs. Measurement Model	5	16.92*
Revised Model vs. Measurement Model	4	3.98
Theoretical Model vs. Revised Model	1	12.94*

Note: * significant at $p < .05$

4-4-3 Hypotheses Testing

The hypotheses were tested by using structural equation modeling (SEM). A path analysis was conducted to test the overall causal model, and to specify the direct and indirect effects of the exogenous variable. Leader-member exchange is the exogenous variable; and distributive justice, procedural justice, job satisfaction, organizational commitment, and turnover intentions are the endogenous variables in this study. The analysis included a test of the overall path model as well as individual tests of the hypothesized relationships among latent variables. The hypothesized model (see Figure 3.1) was tested using model estimation procedures for simultaneous equations. The results of the hypotheses testing are presented in Table 4.11.

Hypothesis 1a: The higher the level of quality perceived in the supervisor-subordinate relationship by the employee, the higher the level of perceived distributive justice.

Hypothesis 1a investigated the relationship between leader-member exchange and the perceptions of distributive justice. Since the standardized path coefficient of .88 and the *t*-value of 17.82 were significant, the hypothesis was strongly supported by the data.

Hypothesis 1b: The higher the level of quality perceived in the supervisor-subordinate relationship by the employee, the higher the level of perceived procedural justice.

Hypothesis 1b tested the relationship between leader-member exchange and the perceptions of procedural justice. As indicated by the standardized path coefficient of .65 and the *t*-value of 7.73, which were significant, the hypothesis was strongly supported by the data.

Hypothesis 2a: Perceptions of distributive justice will be positively related to job satisfaction.

Hypothesis 2a concerned the relationship between the perceptions of distributive justice and job satisfaction. The standardized path coefficient of .20 and the t -value of 2.19 were significant, indicating that perceived employees' distributive fairness is positively related to their job satisfaction.

Hypothesis 2b: Perceptions of distributive justice will be negatively related to turnover intentions.

Hypothesis 2b investigated the relationship between the perceptions of distributive justice and turnover intentions. The standardized path coefficient of -.30 and the t -value of -2.26 were significant, indicating that employees' perceptions of distributive fairness is negatively associated with their turnover intentions.

Hypothesis 3a: Perceptions of procedural justice will be positively related to job satisfaction.

Hypothesis 3a tested the relationship between the perceptions of procedural justice and job satisfaction. The standardized path coefficient of .69 and the t -value of 7.56 were significant, indicating that employees' perceptions of procedural fairness is positively related to their job satisfaction.

Hypothesis 3b: Perceptions of procedural justice will be positively related to organizational commitment.

Hypothesis 3b was developed to test the relationship between the perceptions of procedural justice and organizational commitment. The standardized path coefficient of $-.38$ and the t -value of -3.57 were significant. Unexpectedly, however, the result revealed a negative relationship between perceptions of procedural justice and organizational commitment. Therefore, the results did not support the hypothesis.

Hypothesis 3c: Perceptions of procedural justice will be negatively related to turnover intentions.

Hypothesis 3c was related to the relationship between the perceptions of procedural justice and turnover intentions. The standardized path coefficient of $.46$ and the t -value of 2.56 were statistically significant. Unexpectedly, however, the result revealed a positive relationship between perceptions of procedural justice and turnover intentions. Therefore, the results did not support the hypothesis.

Hypothesis 4a: Job satisfaction will be positively related to organizational commitment.

Hypothesis 4a tested the relationship between job satisfaction and organizational commitment. The standardized path coefficient of 1.16 and the t -value of 10.12 were statistically significant. Therefore, job satisfaction has a significantly positive direct effect on organizational commitment.

Hypothesis 4b: Job satisfaction will be negatively related to turnover intentions.

Hypothesis 4b investigated the relationship between job satisfaction and turnover intentions. The standardized path coefficient of $-.42$ and the t -value of -1.96 were statistically significant at $\alpha=.05$ level, indicating that job satisfaction is negatively associated with turnover intentions.

Hypothesis 5: Organizational commitment will be negatively related to turnover intentions.

Hypothesis 5 was developed to test the relationship between organizational commitment and turnover intentions. The standardized path coefficient of $-.40$ and the t -value of -3.22 were significant, indicating that organizational commitment has a significantly negative effect on turnover intentions.

Hypothesis 6: Perceptions of organizational justice will mediate the relationships among LMX, and job satisfaction, organizational commitment and turnover intentions.

Hypothesis 6 tested the mediating effect of organizational justice. To test this hypothesis, the revised model (see Figure 4.3) and the model that does not include the mediating effects (see Figure 4.4) were compared through a chi-square difference test. The chi-square for the revised model was 265.24 with 141 degrees of freedom (RMSEA=.059; Standardized RMR=.033; GFI=.90; CFI=.98), while the chi-square for the model that does not include the mediating effects was 432.12 with 140 degrees of freedom (RMSEA=.092; Standardized RMR=.33; GFI=.854; CFI=.91). The difference in chi-square between the two models was 166.88 with 1 degree of freedom. This change

was significant. A significant difference between the two models indicates that the additional two paths from leader-member exchange to distributive justice and from leader-member exchange to procedural justice represented in the revised model contribute to their explanatory power. In other words, given the significant change in chi-square, the results revealed that the revised model that includes the mediating effects of organizational justice is better than a model that does not include the mediating effects. Therefore, leader-member exchange affects employees' job satisfaction, organizational commitment, and turnover intentions through its effects on organizational justice.

4-4-4 Total and Indirect Effects of the Exogenous Variable on the Endogenous

Variables

The direct effects are the influences of one variable on another that are not mediated by any other variable, while indirect effects are those that are mediated by at least one other variable. The total effects are the sum of the direct and indirect effects. The indirect and total effects can help to answer important questions that are not addressed by examining the direct effects (Bollen, 1989 p.376). Table 4.12 presents the indirect, direct, and total effects of each construct.

First, the results revealed that turnover intentions received a negative indirect effect from procedural justice through job satisfaction and organizational commitment. Since the hypothesis testing revealed that procedural justice had a positive effect on turnover intentions, it is inferred that job satisfaction and organizational commitment strongly mediated the relationship between procedural justice and turnover intentions. Turnover intentions also reflected a negative indirect negative effect from LMX through

both distributive and procedural justice, job satisfaction, and organizational commitment. Therefore, both distributive and procedural justice, job satisfaction, and organizational commitment mediated the relationship between LMX and turnover intentions.

Second, organizational commitment received a positive indirect effect from procedural justice via job satisfaction. In addition, hypothesis testing revealed that procedural justice had a negative effect on organizational commitment. Thus, job satisfaction strongly acted as a mediator of the relationship between procedural justice and organizational commitment. Organizational commitment also reflected a positive indirect effect from LMX through both distributive and procedural justice. Therefore, both distributive and procedural justice mediated the relationship between LMX and organizational commitment.

Third, job satisfaction received a positive indirect effect from LMX via both distributive and procedural justice. Thus, both distributive and procedural justice strongly acted as mediators of the relationship between LMX and job satisfaction. Therefore, collectively, as reviewed by hypothesis testing, both distributive and procedural justice played a vital mediating role in the relationships among LMX, and job satisfaction, organizational commitment, and turnover intentions.

Table 4.11. Summary of Hypotheses Testing

	Hypothesis	Results
H1a	The higher the level of quality perceived in the supervisor-subordinate relationship by the employees, the higher the level of perceived distributive justice.	Supported
H1b	The higher the level of quality perceived in the supervisor-subordinate relationship by the employees, the higher the level of perceived distributive justice.	Supported
H2a	Perceptions of distributive justice will be positively related to job satisfaction.	Supported
H2b	Perceptions of distributive justice will be positively related to turnover intentions.	Supported
H3a	Perceptions of procedural justice will be positively related to job satisfaction.	Supported
H3b	Perceptions of procedural justice will be positively related to organizational commitment.	Not supported*
H3c	Perceptions of procedural justice will be negatively related to turnover intentions.	Not supported*
H4a	Job satisfaction will be positively related to organizational commitment.	Supported
H4b	Job satisfaction will be negatively related to turnover intentions.	Supported
H5	Organizational commitment will be negatively related to turnover intentions.	Supported
H6	Perceptions of organizational justice will mediate the relationships among LMX, and job satisfaction, organizational commitment, and turnover intentions.	Supported

Note: * The completely standardized path coefficients were statistically significant, but the signs were contrary to the hypothesized direction.

Table 4.12. Total, Indirect, and Direct Effects among Latent Variables

	DJ			PJ			JS			OC			TI		
	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE	DE	IE	TE
LMX	-	-	.88	.65	.27	.92	-	.82	.82	-	.59	.59	-	-.42	-.42
DJ	-	-	-	-	-	.31	.20	.21	.41	-	.36	.36	-.30	-.17	-.47
PJ	-	-	-	-	-	-	-	-	.69	-.38	.80	.42	.46	-.47	-.01
JS	-	-	-	-	-	-	-	-	-	-	-	1.16	-.42	-.47	-.89
OC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-.40

Note:

LMX = Leader-Member Exchange

DJ = Distributive Justice

PJ = Procedural Justice

JS = Job satisfaction

OC = Organizational Commitment

DE = Direct Effect

IE = Indirect Effect

TE = Total Effect

4-5 SUMMARY

This chapter presented the results of the statistical analyses of the hypotheses. Confirmatory factor analysis was conducted to test the fit of the measurement model. Reliability and validity of each construct were examined. The procedure conducted in developing the revised final structural model was explained. Structural equation modeling was used to test the hypotheses provided in the study, and the final model was presented with an analysis of indirect and total effects. The analysis supported nine out of eleven hypotheses.

CHAPTER V

DISCUSSION

5-1 INTRODUCTION

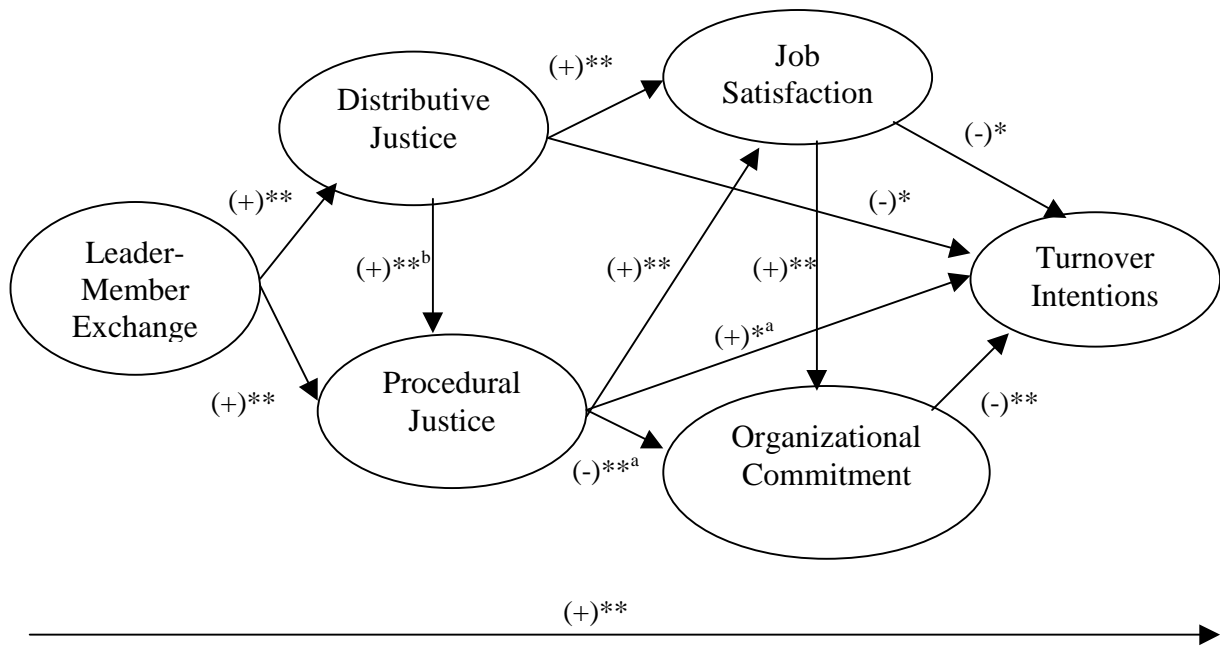
The purpose of this study was to investigate the impact of interpersonal working relationships on employees' justice perceptions and the effects of those perceptions on employees' work-related attitudes and behavior. This study investigated the following questions: (1) How does the quality of the leader-member exchange influence the organizational justice perceptions of employees?; (2) How do organizational justice perceptions relate to the job satisfaction of employees?; (3) How do organizational justice perceptions relate to the organizational commitment of employees?; (4) How do organizational justice perceptions relate to the turnover intentions of employees?; and (5) Do organizational justice perceptions mediate the relationships among leader-member exchange and job satisfaction, organizational commitment, and turnover intentions? This chapter presents a discussion of the findings, the implications derived from the findings and the limitations of the study are presented. Suggestions for future research are also discussed in this chapter.

5-2 DISCUSSION OF THE RESEARCH FINDINGS

The revised final model derived from deleting nonsignificant paths from the initial theoretical model is presented in Figure 5.1. This model illustrates the key findings of the study with respect to understanding the antecedent and consequences of organizational justice.

5-2-1 The Impact of Leader-Member Exchange on Organizational Justice

The results of the study revealed that leader-member exchange is a positive predictor of procedural justice and distributive justice, as hypothesized. In other words, if an employee perceives a higher level of quality in exchange in the supervisor-subordinate relationship, the employee also perceives a higher level of perceived distributive justice and procedural justice. The results of this study support previous research on the impact of the quality of the supervisor-subordinate relationship on the fairness perceptions of subordinates (Dansereau, Graen, & Haga, 1975; Podsakoff, MacKenzie, Moorman, & Fetter, 1990). Thus, in-group employees would probably receive more justification for procedural justice (i.e., distribution of resource) as well as distributive justice (i.e., larger actual amounts of those resources), due to the relative advantage of higher quality interactions and a closer relationship with the supervisor. Employees' perceptions of fairness are enhanced when employees feel they are valued members of a group.



Notes: * significant at $p < .05$, ** significant at $p < .01$

^a The signs of this path were not as hypothesized

^b This path was not hypothesized

Figure 5.1. Revised Structural Model

5-2-2 The Impact of Organizational Justice on Job Satisfaction, Organizational Commitment, and Turnover Intentions

Distributive justice has a direct positive influence on job satisfaction and is negatively related to turnover intentions, as hypothesized. The results of this study support previous research conducted to explain the importance of the allocation phenomenon in organizations (Alexander & Ruderman, 1987; Cropanzano & Greenberg, 1997; Folger & Konovsky, 1989). For example, people tend to be more satisfied with outcomes they perceive to be fair than with those they perceive to be unfair. In addition, people may compare the adequacy of the rewards they receive to their expectations, or referent standards. Thus, if employees feel discontent in what they receive compared to those of a referent other, they are more likely to quit. In addition, although it was not hypothesized, distributive justice was found to have a strong impact on procedural justice. A significant number of hotel employees carry out basic tasks such as cleaning, carrying, and serving. These jobs are usually low-paying. Hospitality organizations are also characterized as labor-intensive. The combination of low-skilled jobs and relative labor-intensiveness results in large numbers of low-paying jobs in the hospitality industry. Therefore, if employees receive better pay or more rewards when they deserve them, they would evaluate procedures fairly. In other words, the fairness of a procedure can be assessed in terms of the expected value-outcome that employees receive.

Procedural justice has a direct positive influence on job satisfaction, as hypothesized. This positive relationship between procedural justice and job satisfaction is consistent with the findings of Tang & Sarsfield-Baldwin (1996). For example, they found that employees' perceptions of procedural fairness are related to different facets of

job satisfaction. Moreover, people are more accepting of decisions that result from fair procedures than with decisions that result from unfair processes. However, contrary to hypotheses 3b and 3c in this study, procedural justice is negatively related to organizational commitment, and is positively associated with turnover intentions. In other words, even if employees are guaranteed fair procedural treatment, they are less likely to enhance their loyalty toward the organization, and more likely to leave the organization. This result may be partially due to sample-specific attributes and relationships. Procedural justice, distributive justice, and job satisfaction are highly correlated (see Table 4.8.). In this case, the relationships among these variables could reveal unintuitive results due to multicollinearity.

On the other hand, practically, it is likely that most hourly employees in hospitality organizations need better pay or more rewards, whether the procedures the organization uses are fair or not. People are still looking for short-term jobs, or part-time work, or jobs requiring no skills or no previous experience in the hospitality industry. For example, students or moonlighters often work in hospitality organizations as part-time employees. This group, with relatively few job alternatives, may leave the organization after a short time, regardless of fairness in procedures. Employees who do not expect to stay long on a job are not highly motivated. As noted earlier, 66.4 percent of the respondents had 0-5 years experience. They may not be interested in the job, and they may not be interested in promotion. They just want the paycheck. Thus, distributive justice plays a more vital role in employees' work-related outcomes than does procedural justice. As a result, organizational commitment and turnover intentions were developed as results of job satisfaction with the rewards the organization allocates, because, as noted

earlier, organizational commitment received a positive indirect effect from procedural justice, and received a negative indirect effect from procedural justice.

5-2-3 The Mediating Effect of Organizational Justice

The basic value of understanding LMX is the prediction of certain outcomes. As noted earlier, employees' justice perceptions directly or indirectly affect their attitudes and interactions at work. LMX had a positive indirect effect on job satisfaction, organizational commitment, and a negative indirect effect on turnover intentions. As noted previously, the in-group members perceive the quality of their relationship with their supervisor as more positive. Underlying these relationships are the notions of fairness and reciprocity.

On the other hand, Organ (1990) argues that people have a criterion for fairness perceptions within a social exchange relationship. People are likely to presume a social exchange relationship with their supervisor or organization until such a relationship is not viable because of unfairness. If people make unfair judgments in social exchanges, this produces a negative effect in organizations, such as dissatisfaction. People who accept organizational decisions tend to cooperate with the organizations (Lind, 1995; Tyler & Dawes, 1993). Employees also use their experience with fair or unfair allocation procedures as information that reflects on the organization as whole. Thus, LMX affects employees' perceptions of fairness, and this perception of fairness prompts employees to reciprocate with their work-related outcomes.

5-2-4 The Relationships among Job satisfaction, Organizational Commitment, and Turnover Intentions

Job satisfaction has a positive direct influence on organizational commitment, as hypothesized. The results of this study support previous research on the impact of job satisfaction on organizational commitment (DeConinck & Bachmann, 1994). Job satisfaction also has a negative effect on turnover intentions, as hypothesized. The results of this study support the previous empirical evidence (Cotton & Tuttle, 1986; Arnold & Feldman, 1982).

Organizational commitment was revealed to be negatively related to turnover intentions, as hypothesized. This negative relationship between organizational commitment and turnover intentions is consistent with the findings of Williams and Hazer (1986). They found that organizational commitment has a more important effect on intent to quit than does job satisfaction, because one of the components of organizational commitment is the desire to remain with the organization.

5-3 IMPLICATIONS OF THE RESEARCH

The present study examined organizational justice as a mediator in the relationships between leader-member exchange and employees' work-related outcomes.

The results of this study provide both theoretical and practical implications. First, this study represents the theoretical or empirical research regarding the antecedents and consequences of organizational justice in the hospitality industry. Despite the fact that

organizational justice is an important factor as a basic requirement for the effective functioning of organizations (Greengberg, 1990a), there have been few empirical research of organizational justice in the hospitality industry. As expected, this study revealed the importance and impact of interpersonal working relationships in understanding employees' perceptions of fairness, and enhanced our understanding of the organizational justice factors fundamental to work-related outcomes in the hospitality industry. Thus, this study provides a basis for hospitality industry researchers to further test the relationships among these constructs.

Second, unlike much of the research conducted in controlled laboratory experiments, the present study was conducted within the context of the organization. Since the validity of the results of these laboratory experiments has been questioned, the results from this study provided evidence of validity in the work setting.

Third, this study used turnover intentions as an indicator of job withdrawal behavior. Employees in hospitality organizations are significant, because their attitudes and behaviors are essential to the quality of service and the success of hospitality organizations. Especially, employee turnover is particularly important in the hospitality industry due to the high levels of customer-employee contact. In this regard, this study has implications for employee turnover research in the hospitality industry by providing contrary empirical evidence for those relationships that have been reported under other industries. That is, turnover intentions were dysfunctional even when employees received high support, or trust, or interaction from a supervisor and perceived the fairness of organizational systems or the decision-making process. Specifically, even though employees perceived decisions as having fair procedures, employees were less likely to

contribute to the organization. Thus, the relationships between procedural justice and organizational commitment, and procedural justice and turnover intentions may need further investigation.

Fourth, the findings of this study provide managers in the hospitality industry with insights into the formations of employees' fairness perceptions, and with some guidelines for managing employees by documenting organizational justice to draw positive attitudinal and behavioral responses from employees. The results of this study reveal that distributive justice has a strong influence on employees' job satisfaction and turnover intentions, while procedural justice only has a strong effect on job satisfaction. In addition, the results of this study reveal that perceptions of distributive consequences can influence the evaluation of procedures. As noted earlier, hospitality organizations are characterized as having relatively unusual working hours, minimum wages, and a service imperative. Thus, given the nature of the work environment, the key may be an incentive system. This could be in the form of a bonus, a prize, a pay raise, a promotion, a better shift, an extra day off, a better serving area, and so on. Whatever the incentive, it is important that employees understand what the rewards are for and how they are allocated. In addition, leader-member exchange had a strong direct effect on employees' perception of both distributive and procedural justice. Therefore, recognizing employees' potential through the quality of the relationship with employees might be effective in creating their perceptions of fairness in outcomes and in the decision-making process.

On the other hand, many employees in the hospitality industry are underemployed. If employees are encouraged to become more productive, to learn new skills, and to take more responsibility, employee turnover could be reduced. Training

programs could improve employee morale and job satisfaction. That is, when employees know exactly what the supervisor expects from them, they tend to be more satisfied with their jobs. Training programs could also give employees an opportunity to advance. Training programs can reveal employees' capabilities and open doors to career development for promotion and better pay (Miller, Porter, & Drummond, 1992).

5-4 LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

As with all empirical research, this study also has limitations. First, a limitation of the study is based upon methodology, because data were collected from two properties of one organization in one industry. Therefore, this study may not be generalizable to other service settings. The second limitation of this study is that it used a cross-sectional design. The cross sectional study means that the direction of causality cannot be determined, because data were collected at a single point in time. That is, causality among the independent and dependent variables cannot be concluded. For example, it may be found that, over time, procedural justice does have a strong effect on organizational commitment and turnover intentions. Third, since the instrument was also presented to Spanish-speaking respondents, it had to be translated into the Spanish language. Although the back translation method was conducted to identify and modify inconsistencies between the English and Spanish versions, invalid responses may have been collected from Spanish-speaking respondents (23.2%) due to misunderstandings. Finally, since the hypothesized model represented only approximations of reality, it was

not expected to fit real-world phenomena exactly. Although the value of ECVI exhibited the great potential for replication, and the sample size sufficed the minimum recommended level, this study was not able to conduct the post hoc analyses for a cross-validation strategy on a second independent sample from the same population. In addition, since certain items were deleted in the process of the measurement model, cross-validation study is essential.

This study provides a conceptual foundation for organizational justice. An enhanced understanding of the antecedent of organizational justice resulted in increased understanding of the organizational justice factors fundamental to employees' work-related to attitudes and behaviors. Future research should examine other antecedents and consequences found to be important in previous organizational behavior research in order to look at a broader organizational environment in attributing employees' perceptions of fairness, including perceived organizational support, actual turnover, and organizational citizenship behavior. Another characteristic of this study suggests the need for replication in other settings. Since the hospitality industry is staffed mainly with hourly, less-qualified, short-term employees, the relative weights of distributive and procedural fairness could differ as a function of the type of organization, as well as the nature of the reward system (Alexander & Ruderman, 1987). Therefore, future research conducted in other settings could improve the generalizability of the results. The purpose of a longitudinal study is to examine the continuity of the responses and to observe changes that occur over time (Zikmund, 1997). Employees' perceptions of fairness may be variable in terms of their relationships to other organizational behaviors. Thus, longitudinal research might be recommended for future research. Lastly, minorities and

immigrants shape a diverse group of people in hospitality organizations. To manage cultural diversity will be one of the most important factors for success in the hospitality industry. Therefore, future research for cultural differences in terms of employees' attitudes and behaviors might also be recommended.

5-5 CONCLUSIONS

The primary purpose of this study was to develop and test a model that examines the mediating role of organizational justice in linking interpersonal working relationships and employees' work-related attitudes and behaviors. The results of this study provide considerable insight into the employees' perceptions of fairness that promote employees' affective responses. The test of the model indicates that only perceptions of distributive fairness make a contribution to turnover intentions. The results of this study reveal that distributive justice and procedural justice are interrelated.

This study also indicates empirical evidence of the impact of interpersonal working relationships on employees' justice perceptions. That is, the quality of interpersonal working relationships promotes employees' perceptions of fairness. Therefore, this study provides guidelines to help managers better understand how to reduce employee turnover, increase job satisfaction and organizational commitment, and make better decisions about outcomes and procedures for their employees.

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APPENDIX A

COVER LETTER AND SURVEY INSTRUMENT

February 29, 2000

Dear Participant:

The purpose of the attached survey is to identify the impact of interpersonal working relationships on employees' justice perceptions, and the effects of these perceptions on employees' attitudes and behavior in the hospitality industry. Your cooperation and participation will be of tremendous help to this research of Virginia Tech.

This research involves surveying employees who have a supervisor. **“Supervisor” means the person you report to directly.** If you work for more than one supervisor, pick the one you report to most of the time and respond to the statements as they fit that person.

There are no right or wrong answers in this survey. I want to know your personal opinion. All of your responses will be kept confidential. No names will be used and all of the information will be analyzed and reported as group data.

As an **incentive** to participate in this survey, **all participants who complete and return this questionnaire will be placed in a raffle and drawn for a prize. Four people will have a chance to win \$50. If you want to be a winner, please complete the questionnaire with your name on this cover letter.**

Please read carefully the directions at the beginning of each section, answer all the questions as accurately as possible, put it in the enclosed envelope, and return it to the researcher. If you are not available right now, please complete the questionnaire, put it in the enclosed envelope, and leave it with your manager. I will pick them up later. I greatly appreciate your prompt response.

Thank you for your time and cooperation.

Sincerely,

Hyung-Ryong Lee
Ph.D. Candidate
Virginia Tech

Enclosure

Section I. The following statements relate to your feelings and attitudes about your supervisor or manager. Circle one number per statement using the following scale:

1=Strongly Disagree	4=Neither Disagree nor Agree	5=Slightly Agree
2=Moderately Disagree		6=Moderately Agree
3=Slightly Disagree		7=Strongly Agree

1. I usually know how satisfied my supervisor is with what I do..... 1 2 3 4 5 6 7
2. My supervisor understands my job problems and needs..... 1 2 3 4 5 6 7
3. My supervisor recognizes my potential..... 1 2 3 4 5 6 7
4. Regardless of how much formal authority my supervisor has built into his/her position, he/she would use his/her power to help me solve problems in my work..... 1 2 3 4 5 6 7
5. Regardless of the amount of formal authority my supervisor has, my supervisor would bail me out at his/her expense..... 1 2 3 4 5 6 7
6. I would defend and justify my supervisor's decision if he/she were not present to do so..... 1 2 3 4 5 6 7
7. I have an effective working relationship with my supervisor..... 1 2 3 4 5 6 7

Section II. Following are some items that ask your opinions about fairness in your workplace. Circle one number per statement using the following scale:

1=Strongly Disagree	4=Neither Disagree nor Agree	5=Slightly Agree
2=Moderately Disagree		6=Moderately Agree
3=Slightly Disagree		7=Strongly Agree

1. My supervisor has fairly rewarded me when I consider the responsibilities I have..... 1 2 3 4 5 6 7
2. My supervisor has fairly rewarded me when I take into account the amount of education and training that I have..... 1 2 3 4 5 6 7
3. My supervisor has fairly rewarded me when I consider the amount of effort that I have put forth..... 1 2 3 4 5 6 7
4. My supervisor has fairly rewarded me when I consider the stresses and strains of my job..... 1 2 3 4 5 6 7
5. My supervisor has fairly rewarded me when I consider the work that I have done well..... 1 2 3 4 5 6 7
6. Job decisions are made by my supervisor in an unbiased manner..... 1 2 3 4 5 6 7
7. My supervisor makes sure that all employee concerns are heard before job decisions are made..... 1 2 3 4 5 6 7
8. To make job decisions, my supervisor collects accurate and complete information..... 1 2 3 4 5 6 7

1=Strongly Disagree	4=Neither Disagree nor Agree	5=Slightly Agree
2=Moderately Disagree		6=Moderately Agree
3=Slightly Disagree		7=Strongly Agree

- 9. My supervisor clarifies decisions and provides additional information when requested by employees..... 1 2 3 4 5 6 7
- 10. All job decisions are applied consistently across all affected employees..... 1 2 3 4 5 6 7
- 11. Employees are allowed to challenge or appeal job decisions made by my supervisor..... 1 2 3 4 5 6 7
- 12. When decisions are made about my job, my supervisor treats me with kindness and consideration..... 1 2 3 4 5 6 7
- 13. When decisions are made about my job, my supervisor treats me with respect and dignity..... 1 2 3 4 5 6 7
- 14. When decisions are made about my job, my supervisor is sensitive to my personal needs..... 1 2 3 4 5 6 7
- 15. When decisions are made about my job, my supervisor deals with me in a truthful manner..... 1 2 3 4 5 6 7
- 16. When decisions are made about my job, my supervisor shows concern for my rights as an employee..... 1 2 3 4 5 6 7
- 17. Concerning decisions about my job, my supervisor discusses the implications of the decisions with me..... 1 2 3 4 5 6 7
- 18. My supervisor offers adequate justification for decisions made about my job..... 1 2 3 4 5 6 7
- 19. When making decisions about my job, my supervisor offers explanations that make sense to me..... 1 2 3 4 5 6 7
- 20. My supervisor explains very clearly any decision made about my job..... 1 2 3 4 5 6 7

Section III. Following are some items which assess your satisfaction at work. Circle one number per statement using the following scale:

1=Strongly Disagree	4=Neither Disagree nor Agree	5=Slightly Agree
2=Moderately Disagree		6=Moderately Agree
3=Slightly Disagree		7=Strongly Agree

- 1. The amount of job security I have..... 1 2 3 4 5 6 7
- 2. The amount of pay and fringe benefits I receive..... 1 2 3 4 5 6 7

1=Strongly <u>Disagree</u>	4=Neither Disagree nor Agree	5=Slightly <u>Agree</u>
2=Moderately <u>Disagree</u>		6=Moderately <u>Agree</u>
3=Slightly <u>Disagree</u>		7=Strongly <u>Agree</u>

- 3. The amount of personal growth and development I get in doing my job..... 1 2 3 4 5 6 7
- 4. The people I talk to and work with on my job..... 1 2 3 4 5 6 7
- 5. The degree of respect and fair treatment I receive from my supervisor..... 1 2 3 4 5 6 7
- 6. The feeling of worthwhile accomplishment I get from doing my job..... 1 2 3 4 5 6 7
- 7. The chance to get to know other people while on the job..... 1 2 3 4 5 6 7
- 8. The amount of support and guidance I receive from my supervisor... 1 2 3 4 5 6 7
- 9. The degree to which I am fairly paid for what I contribute to this organization..... 1 2 3 4 5 6 7
- 10. The amount of independent thought and action I can exercise in my job..... 1 2 3 4 5 6 7
- 11. How secure things look for me in the future in this organization..... 1 2 3 4 5 6 7
- 12. The chance to help other people while at work..... 1 2 3 4 5 6 7
- 13. The amount of challenge in my job..... 1 2 3 4 5 6 7
- 14. The overall quality of the supervision I receive in my work..... 1 2 3 4 5 6 7

Section IV. Following are some items which assess your feelings about the organization for which you work. Circle one number per statement using the following scale:

1=Strongly <u>Disagree</u>	4=Neither Disagree nor Agree	5=Slightly <u>Agree</u>
2=Moderately <u>Disagree</u>		6=Moderately <u>Agree</u>
3=Slightly <u>Disagree</u>		7=Strongly <u>Agree</u>

- 1. I am willing to put in a great deal of effort beyond that normally expected in order to help this organization be successful..... 1 2 3 4 5 6 7
- 2. I talk up this organization to my friends as a great organization to work for..... 1 2 3 4 5 6 7
- 3. I would accept almost any type of job assignment in order to keep working for this organization..... 1 2 3 4 5 6 7
- 4. I find that my values and the organization's values are very similar... 1 2 3 4 5 6 7
- 5. I am proud to tell others that I am part of this organization..... 1 2 3 4 5 6 7

1=Strongly Disagree		5=Slightly Agree
2=Moderately Disagree	4=Neither Disagree nor Agree	6=Moderately Agree
3=Slightly Disagree		7=Strongly Agree

- 6. This organization really inspires the very best in me in the way of job performance..... 1 2 3 4 5 6 7
- 7. I am extremely glad that I chose this organization to work for, over others I was considering at the time I joined..... 1 2 3 4 5 6 7
- 8. I really care about the fate of this organization..... 1 2 3 4 5 6 7
- 9. For me this is the best of all possible organizations for which to work..... 1 2 3 4 5 6 7
- 10. I often think about quitting..... 1 2 3 4 5 6 7
- 11. It is very likely that I will actively look for a new job in the next year..... 1 2 3 4 5 6 7
- 12. I will leave this organization in the next year..... 1 2 3 4 5 6 7

Section V. Please complete the following demographic information, giving your best estimate where exact answers are not known. Your answers will be kept **strictly confidential** and will only be used by the researcher for statistical purposes.

- 1. Are you: Male Female
- 2. What is the highest level of education you have complete? (Check one.)
 Less than high school High school Some college
 2 year college degree 4 year college degree Graduate school
- 3. Your employment status is: Full-time employee Part-time employee
- 4. Your present job title is: (Check one.)
 Administrative assistant Bartender Bellman/Valet Cashier
 Cook Dishwasher Front Desk clerk Host/Hostess
 Housekeeper Houseperson Sales/Catering representative
 Waiter/Waitress Other (specify _____)
- 5. How long have you worked for this company? _____years _____months

THANK YOU VERY MUCH!!

I really appreciate your time and effort in filling out this questionnaire. If you would like to make any comments or suggestions, please indicate them below.

APPENDIX B

CORRELATION MATRIX FOR THE ANALYSIS

	TI-1	TI-2	TI-3	DJ-1	DJ-2	DJ-3	DJ-4	DJ-5	PJ-1	PJ-2	JS-1	JS-2
TI-1	1.00											
TI-2	.727	1.00										
TI-3	.689	.840	1.00									
DJ-1	-.383	-.424	-.423	1.00								
DJ-2	-.373	-.416	-.414	.857	1.00							
DJ-3	-.429	-.431	-.403	.879	.899	1.00						
DJ-4	-.262	-.299	-.304	.776	.769	.791	1.00					
DJ-5	-.367	-.395	-.411	.864	.833	.889	.817	1.00				
PJ-1	-.341	-.361	-.382	.813	.772	.790	.830	.832	1.00			
PJ-2	-.359	-.381	-.385	.769	.724	.755	.746	.794	.919	1.00		
JS-1	-.439	-.450	-.462	.568	.633	.629	.574	.628	.604	.597	1.00	
JS-2	-.442	-.486	-.520	.673	.663	.667	.623	.675	.715	.723	.675	1.00
JS-3	-.382	-.385	-.442	.657	.627	.639	.583	.653	.713	.726	.583	.751
JS-4	-.389	-.401	-.429	.769	.748	.788	.741	.804	.876	.899	.639	.767
JS-5	-.458	-.513	-.536	.690	.709	.714	.676	.707	.773	.782	.731	.805
OC-1	-.375	-.408	-.405	.533	.556	.518	.491	.494	.586	.564	.450	.570
OC-2	-.480	-.466	-.467	.531	.559	.538	.471	.484	.541	.523	.580	.616
OC-3	-.390	-.423	-.344	.321	.372	.360	.256	.318	.366	.367	.437	.388
OC-4	-.506	-.556	-.508	.551	.555	.572	.465	.522	.565	.551	.547	.610
OC-5	-.492	-.532	-.525	.521	.523	.542	.465	.490	.538	.519	.574	.640
OC-6	-.503	-.539	-.524	.519	.536	.541	.449	.491	.564	.556	.563	.643
OC-7	-.517	-.555	-.542	.514	.522	.530	.448	.463	.539	.532	.589	.643
OC-8	-.494	-.516	-.542	.515	.499	.509	.403	.492	.550	.537	.548	.617
OC-9	-.546	-.556	-.533	.431	.460	.463	.452	.439	.482	.453	.580	.569
LMX-1	-.322	-.330	-.344	.738	.698	.698	.662	.750	.742	.748	.511	.593
LMX-2	-.272	-.262	-.321	.693	.647	.660	.712	.759	.763	.739	.543	.560
LMX-3	-.262	-.256	-.304	.717	.703	.678	.668	.722	.765	.779	.542	.643
LMX-4	-.298	-.327	-.362	.709	.708	.697	.701	.677	.796	.752	.517	.625
LMX-5	-.236	-.259	-.242	.603	.600	.622	.701	.636	.696	.655	.515	.494
LMX-6	-.271	-.229	-.259	.635	.561	.612	.649	.619	.732	.705	.422	.564
LMX-7	-.350	-.364	-.368	.714	.638	.671	.608	.667	.738	.762	.453	.640
SD	2.02	2.21	2.13	1.93	1.84	1.89	1.92	1.92	1.62	1.65	1.76	1.58
Mean	2.99	3.14	2.81	5.16	5.24	5.21	5.03	5.22	5.15	5.39	4.78	5.41

	JS-3	JS-4	JS-5	OC-1	OC-2	OC-3	OC-4	OC-5	OC-6	OC-7	OC-8	OC-9
JS-3	1.00											
JS-4	.771	1.00										
JS-5	.792	.844	1.00									
OC-1	.598	.548	.665	1.00								
OC-2	.577	.560	.684	.772	1.00							
OC-3	.388	.363	.511	.581	.681	1.00						
OC-4	.574	.576	.683	.691	.828	.694	1.00					
OC-5	.591	.573	.724	.714	.837	.626	.813	1.00				
OC-6	.618	.585	.757	.693	.755	.649	.820	.811	1.00			
OC-7	.630	.572	.721	.696	.804	.615	.807	.850	.845	1.00		
OC-8	.615	.580	.702	.727	.809	.652	.777	.775	.774	.827	1.00	
OC-9	.543	.532	.692	.617	.740	.626	.740	.745	.749	.793	.782	1.00
LMX-1	.559	.705	.638	.509	.475	.287	.474	.438	.493	.423	.478	.384
LMX-2	.562	.717	.609	.441	.387	.218	.422	.393	.409	.379	.423	.367
LMX-3	.621	.775	.678	.474	.444	.246	.433	.442	.464	.378	.420	.344
LMX-4	.608	.735	.659	.530	.494	.265	.489	.493	.495	.447	.459	.379
LMX-5	.455	.626	.575	.377	.397	.248	.356	.413	.347	.381	.346	.394
LMX-6	.529	.722	.581	.435	.399	.192	.388	.417	.411	.420	.394	.355
LMX-7	.646	.744	.662	.614	.530	.349	.536	.513	.558	.534	.549	.441
SD	1.32	1.69	1.49	1.51	1.61	2.04	1.79	1.73	1.72	1.68	1.66	1.83
Mean	5.74	5.43	5.39	5.96	5.74	4.89	5.30	5.70	5.39	5.60	5.70	5.19

	LMX-1	LMX-2	LMX-3	LMX-4	LMX-5	LMX-6	LMX-7
LMX-1	1.00						
LMX-2	.734	1.00					
LMX-3	.771	.765	1.00				
LMX-4	.635	.626	.721	1.00			
LMX-5	.521	.589	.564	.661	1.00		
LMX-6	.665	.610	.654	.651	.604	1.00	
LMX-7	.674	.650	.707	.728	.504	.696	1.00
SD	1.65	1.75	1.78	1.76	1.97	1.73	1.59
Mean	5.71	5.51	5.56	5.54	4.76	5.48	5.77

Note:

TI: Turnover Intentions

DJ: Distributive Justice

PJ: Procedural Justice

JS: Job Satisfaction

OC: Organizational Commitment

LMX: Leader-Member Exchange

SD: Standard Deviation

VITA

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