



An investigation of the role of justice in turnover intentions, job satisfaction, and organizational citizenship behavior in hospitality industry

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ABSTRACT

The relationship of organizational justice perceptions of hotel employees in North Cyprus with various work-related variables was investigated. A total of 208 employees and their managers filled out questionnaires. It was found that distributive justice tended to be a stronger predictor of all of the study variables compared to procedural justice. Findings suggest that the fairness of personal outcomes that employees receive may have more impact on turnover intentions, job satisfaction and organizational citizenship behavior (OCB) than the perceived fairness of a firm's procedures. It was also found that even though improved job satisfaction seems to be related to OCB, organizational justice seems to be the key factor that has a strong effect on both OCB and job satisfaction.

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1. Introduction

With increasing globalization and international competition, the importance of recruiting, retaining and managing resources that can help to increase competitiveness of organizations has become a crucial factor in the success of hospitality industry. Among these resources, human resources demand special attention. Human resources play a central role in the services sector. A primary reason for this is that the services are seen as inseparable from their provider. In this context, increasing employees' job satisfaction, commitment to the organization and motivation will not only increase the extra-role behavior of the employees through organizational citizenship behavior, but it will also contribute to the increased competitiveness of hospitality sector organizations and lead to better future performance. Especially in the service industry, evidence suggests a strong linkage between job satisfaction and performance. Researchers found a significant positive relationship between employees' job satisfaction and customer perceptions of service quality performance (Hartline and Keith, 1996; Yoon et al., 2001). It is expected that satisfied employees will engage in better service delivery (Schmit and Allscheid, 1995) and this will positively influence customer confidence and word-of-mouth and as well as contribute to achieve customer loyalty. So, having a loyal base of satisfied customers within such a competitive environment, increases

revenues, decreases costs and builds market share. Organizational justice has been shown to be related to employee outcomes such as job satisfaction (Fields et al., 2000). Thus, the concept of organizational justice and its consequences need to be understood by managers in the services sector. Managers need to have a better understanding of the role of organizational justice and its consequences in the hospitality industry. This concept is especially important for organizations that hope to develop more institutionalized policies and procedures.

As a Mediterranean island, North Cyprus' economy depends on tourism. In North Cyprus tourism is a significant contributor to the GDP. When we consider the scale disadvantage and the isolation that has been imposed on North Cyprus, the importance of the tourism sector can be seen clearly due to the unspoiled natural beauty and cultural heritage of North Cyprus where tourism remains a competitive sector. North Cyprus is considered to be an emerging new market for European tourists. In the wake of increasing competition and the dramatic changes occurring in the tourism industry in North Cyprus, there is a need for hotel managers and international investors to recognize the importance of service improvements in establishing a competitive advantage.

The aim of the current study is to examine the relationship of justice perceptions of hotel employees in North Cyprus with various work-related variables such as employees' organizational citizenship behaviors, their intentions to leave the hotel and seek other employment, and their overall job satisfaction. Previous researchers have shown that overall perceptions of fairness will influence work-related attitudes of employees (James, 1993; Fulford, 2005). The current study looks at the perceptions of distributive, procedural and interactional justice to see if the impact that they have on work-related attitudes differs. The study analyzes whether procedural

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justice perceptions (about fairness of rules and procedures) can mainly influence organizational citizenship behaviors of the employees while distributive justice perceptions (about the outcomes that employees receive from the organization) may primarily influence turnover intentions. In addition we analyze how justice perceptions influence the relationship between job satisfaction and organizational citizenship behavior.

2. Literature review

2.1. Organizational justice

Justice perceptions have long been considered as explanatory variables in organizational research (Adams, 1965; Deutsch, 1975; Leventhal, 1976). Organizational justice describes the individuals' (or groups') perception of the fairness of treatment received from an organization and their behavioral reaction to such perceptions (James, 1993). In the extant literature, justice has been conceptualized based on three dimensions: distributive justice, procedural justice and interactional justice. Distributive justice refers to the perceived fairness of the outcomes, procedural justice refers to the perceived fairness of the means used to determine those outcomes (Folger and Konovsky, 1989; Cropanzano and Greenberg, 1997), and interactional justice refers to the fairness of interpersonal treatment (Martínez-Tur et al., 2006). Therefore the distributive justice is concerned with "ends", and the procedural justice with "means" (Sweeney and McFarlin, 1997). The expectancy theory of motivation states that motivation is influenced by the belief that effort will lead to higher performance (expectancy) and belief that higher performance will lead to better rewards (instrumentality) that are valued (valence) by the employees (Robbins, 2001, p. 173). Since distributive justice is about the fairness of the outcomes, it has a strong link with instrumentality. Thus, we can see that distributive justice perceptions of employees will have an influence on their motivation. The employees will have certain beliefs and attitudes about the way that the organization will make and implement decisions. In situations where the beliefs of how decisions should be made and how they are actually made are different, the employees may experience cognitive dissonance and as a result the employees will feel uncomfortable that may lead to job dissatisfaction.

Many studies have analyzed the relationship between these two forms of organizational justice and their effects on various work-related variables including turnover intention, organizational commitment, and organizational citizenship behavior and job satisfaction (Alexander and Ruderman, 1987; Folger and Konovsky, 1989; McFarlin and Sweeney, 1992; Sweeney and McFarlin, 1997; Cropanzano and Folger, 1991; Cropanzano and Randall, 1993). For example, Alexander and Ruderman (1987) used six organizational outcome variables including job satisfaction, turnover intentions, tension/stress, trust in management, conflict/harmony, and evaluation of supervisor. Procedural justice had a greater influence on five of the variables compared to distributive justice. Of the six variables, only turnover intentions had a stronger link with distributive justice than with procedural justice.

In the hospitality industry, studies have shown that organizational justice perceptions of hotel employees have an impact on their commitment (Fulford, 2005). Thus, it becomes critical that hotel managers be very sensitive to how their decisions and how the methods they use to reach their decisions will be perceived by their employees.

2.2. Turnover intentions

Turnover continues to be a topic of interest among management researchers. Shaw et al. (1998) report over 1500 studies on the subject. There have been meta-analyses on the determinants of

turnover (Hom and Griffeth, 1995). Several studies have also examined both the magnitude and costs of turnover in the hotel industry (Hom and Griffeth, 1995; Hinkin and Tracey, 2000; Pizam and Thornburg, 2000). High turnover is generally acknowledged as one of the distinguishing features of the hotel and hospitality industry (Carbery et al., 2003). Wood (1997), Woods (1997), and Manley (1996) underline the positive and negative effects of the high turnover rate in the hospitality sector. Some researchers do not see employee turnover to be dysfunctional, however, at the organizational level there is strong evidence that higher turnover has replacement and recruitment costs (Deery and Iverson, 1996; Manley, 1996). One reason that a high rate of voluntary turnover is alarming for many managers is the fear that the employees with better skills and abilities will be those who are able to leave whereas those who remain will be those who cannot find other jobs (Tanova and Holtom, 2008). Additionally, in the hospitality industry one of the most critical intangible costs is the loss of employee morale for the employees who prefer to stay with the organization. As a result, this can affect the level of service provided to the customer.

Mobley (1977) has formulated a withdrawal decision process to explain how people decide to leave their institutions. According to his model, individuals first evaluate their existing jobs and experience satisfaction or dissatisfaction based on their jobs. If dissatisfaction is felt, the thought of quitting arises. Before searching for alternatives, individuals first try to evaluate the cost that will incur from quitting the existing job and the utility that is expected to be received from the search. If the expected utilities are considered to be worthy of quitting, a search for the alternatives begin, followed by an evaluation and comparison of the alternatives with the present situation. Intention to quit is formed if the alternatives are more desired which is followed by actual withdrawal. Cho et al. (2009) argues that in hospitality sector in the US positive employee attitudes such as organizational commitment and perceived organizational support help to reduce the intention to leave.

2.3. Organizational citizenship behavior

Organizational citizenship behaviors are behaviors of a discretionary nature that are not part of employees' formal role requirements, nevertheless these behaviors contribute to the effective functioning of an organization (Organ, 1988; Athanasou and King, 2002; Robbins, 2001, p. 25). OCB are beneficial and desirable from an organizational perspective, but managers have difficulty eliciting their occurrence or punishing their absence through contractual arrangement and formal rewards because the behaviors are voluntary (Moorman and Blakely, 1995). Chiang and Birtch (2008) report that extra-role behaviors in Hong Kong hospitality sector are influenced primarily by non-financial rewards. Organ (1990) described five categories of OCB:

- conscientiousness means that employees carry out in role behaviors well beyond the minimum required levels;
- altruism means that they help others;
- civic virtue suggests that employees responsibly participate in the political life of the organization;
- sportsmanship states that people do not complain but have positive attitudes;
- courtesy indicates that they treat others with respect.

Organization citizenship behaviors will influence customer loyalty. This is due to improved employee–customer interaction and to improve "service climate" (Armario et al., 2004). OCB–customer loyalty relationship may be due to improved service quality in the context of hospitality sector (Suh and Yoon, 2003;

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