CHAPTER FIVE

DISCUSSION AND CONCLUSION

This chapter interprets the output of data analyses, discusses the implications for theory and practice, and outlines the limitation of this study, both theoretically and methodologically. The directions for future research are also presented.

5.1   Findings from Measurement Model

Overall, the measurement model found in this study is acceptable with the key indices exceeding the threshold values. All measures in the CFA have high standardized factor loadings exceeding 0.50 and a critical ratio exceeding 1.96 (+/-), providing support for adequate convergent validity.

In the process of refining the measurement model, nine items were deleted based on the poor loadings reported in the exploratory factor analysis and the low values reported for ITC and CITC, respectively. It is worth mentioning that two dimensions were removed from the bundles of high involvement human resource practices. These two constructs are selective staffing and internal mobility.

This implies that the respondents who participated in this study could not relate to any selective staffing practices in the workplace. An easy entry to the hotel industry with no specific skills required on the part of frontline employees somehow explains such poor loading. For example, in the process of recruiting a housekeeping attendant, waiter or receptionist, the hotels do not spend great amount of money in sourcing and selecting these candidates because on-the-job training would be provided. Furthermore, a high turnover rate (Lim, 2001) among this level of employees may have refrained

hotels from adopting any rigorous measures in hiring. Surprisingly, the internal mobility which relates respondents to evaluate whether there is a future or clear career path, being with the hotel, loaded poorly. This may be attributed to the nature of the hotel operation which often rotates employees through all the divisions before promoting him or her to any managerial post. For one to attain the title of "General Manager" in the hotel, he or she needs to be well-versed with the operations in all divisions, ranging from front desk, food and beverage, housekeeping and others.

Therefore, the bundles of high involvement human resource practices which are perceived as important by frontline employees are extensive training, performance evaluation, performance-based pay and participation in decision making.

5.2 Findings from Structural Model

The discussion on the findings is based on the final output of the nested model found in Figure 4.2. Out of the eight hypotheses, the structural model supported six hypotheses (fully and partially).

Although tested in a different context, consistent with Bae & Lawler (2000) findings, the HR philosophy embraced by these five-star hotels is significantly related to the bundles of high involvement HR practices. Interestingly, when this philosophy sets the tone right by conveying to frontline employees that they are appreciated and treated as a long term asset, these employees exhibit more willingness in performing OCBO--discretionary behaviour that is directed at the organization as a whole. No effect is profound on OCBI--helping behaviour dedicated to the individuals in organization. This implies that under a condition where hotels embrace HR philosophy, view people as a source of competitive advantage and include HR department as a

contributory partner in its business strategy formulation and implementation, frontline employees are more likely to exhibit OCB which benefits the organization as a whole, and such behaviour in aggregate increase organizational effectiveness. This result is further supported by findings from Eisenberger et al. (1986) and Witt (1991) which contended that employees form generalized beliefs about the extent to which their organization appreciates their contribution and cares about them, and such beliefs lead to OCB.

Nonetheless, contrary to the findings in Western countries (Podsakoff et al., 2000), the bundles of high involvement HR practices in this study do not significantly lead to employees' OCB. This study produces similar results with Pare & Tremblay (2007) which examined the effects of five high involvement HR practices, ranging from recognition, empowerment, competence development, fair rewards to information sharing on OCB but reported no significant relationship. This may be attributed to the previous evidence claiming the complexity of the nature of HRM and the "black-box" phenomena in which the direct effect of HR practices on organizational performance is often unexplained. Another possible reason might be the frontline employees attributing HR practices to the goals not intended by the management (Nishii et al., 2008). In other words, these frontline employees do not perceive such HR practices as mechanisms that can lead to the creation of a healthy organizational climate. While such practices might be motivated by management's concern for well being, employees may perceive them as motivated by a desire to cut costs or a move simply to comply to external requirements set by the regulatory bodies.

Significantly, procedural justice contributes to OCBI and OCBO and this output confirms the findings of Coyle-Shapiro et al. (2003) and Zellers et al. (2003). Interactional justice leads to OCBI supporting the findings of Moorman (1991),

Moorman & Niehoff (1993), Williams et al. (2002), and Coyle-Shapiro et al. (2003). However, supporting the contention made by Williams et al. (2002) and Zellers et al. (2003), the distributive justice has no effects on either OCBI or OCBO. This implies that frontline employees place much emphasis on the administration of procedural justice which concerns the fairness of procedures used in reaching outcomes (Folger & Greenberg, 1985); as well as interactional justice which relates to the manner in which procedures regarding relevant outcomes are implemented. When fairness is perceived over the procedures adopted in arriving at the final outcome and adequate justifications given over the decision made, OCB can be expected from these employees.

As opposed to arguments put forward by Liden et al. (1997), Settoon et al. (1996) and Wayne et al. (1997), LMX reported no significant relationship with OCB. Since no relationship is recorded between high involvement HR practices with OCB, thus the proposition of LMX as the potential mediator is not supported. Because respondents are made up by frontline employees who are of non-supervisory and non-managerial positions, they might not perceive quality exchanges with the supervisor as particularly relevant or important. Also, the Malaysian culture embraced collectivism and is more hierarchical in nature where power distance tends to be higher, compared to Western countries, thus exchanges between subordinate and supervisor may have been somehow limited (Hofstede, 1997) and insufficient to elicit OCB. GLOBE studies (Gupta et al., 2002) ranked Malaysia at the top among the Southern Asia cluster on humane orientation, implying Malaysians' high tendencies to yielding to superior authority, respecting hierarchical relationships (Abdullah, 1996; Ansari et al., 2004) and expecting leadership style to be paternalistic (Farh & Cheng, 2002). Nevertheless, this study provides a new insight whereby high involvement HR practices are found to be significantly related to LMX. This showed that such HR practices facilitate the

exchanges between subordinate and supervisor in the three stages of role taking, role making and role routinization.

Consistent with the findings by Konovsky & Pugh (1994), Podsakoff et al. (1990) and Wong et al. (2006), trust in supervisor influences OCBO dimension. All three dimensions of organizational justice are related to trust in supervisor. And trust in supervisor mediates the relationship between procedural justice and OCBI as well as OCBO; no mediating effect is found between distributive justice and OCB; partial mediation occurs in the relationship between interactional justice and OCBO. This signifies that while employees are more likely to offer a helping behaviour if the procedural and interactional justice take place, this relationship is contingent upon the trust that they have in their supervisor. It can then be concluded that implanting fairness and justice in the eyes of hotel employees maybe insufficient. Frontline employees in these hotels demand a high level of trust in their supervisor.

Finally, the last hypothesis supported the findings of Chen et al. (1998) and MacKenzie et al. (1998) where OCBO, not OCBI, is negatively related to the employees' intention to quit. Frontline employees in this study who exhibited a helping behaviour directed to benefit the organization as a whole (OCBO) are less likely to quit. This nested model further suggested a significant path linking the procedural justice and LMX. Although there is little empirical research on the relationship between LMX and justice, two studies have clearly indicated that LMX is positively related to the distributive justice (Vecchio et al., 1986) and procedural and interactional justice (Manogran et al., 1994).

Overall, this batch of frontline employees are more inclined to perform OCB which benefits organization as a whole (OCBO), and less dedicated to specific individuals. Except for procedural justice which highly contributes to OCBI, all

constructs (HR philosophy, interactional justice, trust in supervisor and turnover intention) reported a significant relationship only with OCBO but not OCBI. This implied that when treated fairly and in an appreciative manner, these employees perform OCB which benefits the organization more. This, in aggregate, enhances organizational effectiveness because the relationship between employer and employee is built upon a social exchange basis and the norm of reciprocity follows indefinitely.

5.3   Theoretical Implications

There are a few important inferences that can be made from the findings summarized in Table 5.1. Theoretically, the majority of the relationships proposed in this study are found to be significant. In particular, the significant relationship found between HR philosophy and OCB warrants further research. Besides emphasizing on the "hard" and "technical" systems which made up the bundles of high involvement HR practices, the "soft" dimension which drives the formulation of HR practices should always be taken into account. This is consistent with Bae & Lawler (2000) which confirmed that HR management values significantly contributed to the formulation of high involvement HR strategy. Employees' perception over high involvement HR practices could be realigned and reaffirmed through the HR philosophy embraced by the organization because   an organization's HR philosophy dictates the over-arching beliefs and values with regards to how employees should be treated (Schuler, 1992).

Although bundles of HR practices proposed in this study do not lead to performance of OCB among frontline employees, future research may focus on examining the effects of other high involvement HR practices. As scholars continue to debate and no consensus is reached on "which HR practices, in specific, are

contributory to organizational performance," this concern should be addressed by inviting more research. While Sun et al. (2007) dropped two measures (job security and incentive reward) in the dimensions of their high involvement HR practices, researcher in this study had to drop two dimensions (selective staffing and internal mobility) as well. This somehow echoes Boselie et al. (2005) concerns that no conclusive picture can be formed out of what actually constitutes HRM or even what it is supposed to do. "linking mechanism" between HRM and performance should continue to invite more research, perhaps studying the variance of each individual HR practices, and variance encountered when these HR practices are bundled.

Table 5.1   Path Estimates

			Estimate	S.E.	C.R.	P	Standardized estimate
HRP	**<---**	**PH**	0.126	0.054	2.307	**0.02**	**0.14**
LMX	**<---**	**HRP**	0.176	0.064	2.766	**0.01**	**0.15**
TR	**<---**	**PJ**	0.594	0.054	11.06	*****	**0.61**
TR	**<---**	**DJ**	0.383	0.076	5.066	*****	**0.29**
TR	**<---**	**IJ**	0.081	0.033	2.432	**0.02**	**0.12**
LMX	**<---**	**PJ**	0.537	0.052	10.244	*****	**0.67**
OCBI	<---	PH	0.03	0.106	0.283	0.78	0.02
OCBO	**<---**	**PH**	0.291	0.062	4.708	*****	**0.25**
OCBI	<---	HRP	0.067	0.075	0.89	0.37	0.05
OCBO	<---	HRP	0.014	0.041	0.332	0.74	0.01
OCBI	<---	LMX	0.171	0.096	1.773	0.08	0.16
OCBO	<---	LMX	0.076	0.052	1.476	0.14	0.07
OCBI	**<---**	**PJ**	0.219	0.104	2.112	**0.04**	**0.25**
OCBO	**<---**	**PJ**	0.113	0.057	1.998	**0.05**	**0.13**
OCBI	<---	DJ	0.079	0.101	0.782	0.43	0.07
OCBO	<---	DJ	0.028	0.055	0.504	0.61	0.02
OCBI	<---	IJ	0.012	0.038	0.329	0.74	0.02
OCBO	**<---**	**IJ**	0.041	0.021	1.959	**0.05**	**0.07**
OCBI	<---	TR	0.053	0.076	0.694	0.49	0.06
OCBO	**<---**	**TR**	0.547	0.053	10.365	*****	**0.63**
TI	<---	OCBI	-0.024	0.097	-0.245	0.81	-0.02
TI	**<---**	**OCBO**	-0.393	0.098	-3.992	*****	**-0.24**

Another useful insight posed by this study is the significant relationship found between HR practices and LMX. None of the previous studies has attempted linking HR practices to quality exchanges between the leader and follower. This linkage implied that the processes and mechanisms which take place in the arm of HR management contribute to leader-member exchanges in the three stages of role theory, namely role-taking, role-making and role routinization. Hence, it stresses on the importance for leader to keep high quality exchanges with his or her follower right from the selection process. The exchanges continued to develop as roles evolved from task allocation to task accomplishment, with resources distributed to members in the second stage. This second stage can be facilitated by the performance evaluation and reward offering process, where upon accomplishing the tasks given, these roles are evaluated and more tasks can be assigned but with more autonomy given to the member. And subsequently, when the roles are stabilized, exchanges take a higher leap by addressing the opportunity of getting promoted within the organization and assisting the member to establish his or her own career path in the organization.

Although one may infer that this proposition of linking high involvement HR practices as relatively weak, recent advances in "social capital theory" have alerted scholars to the importance of an organization's relational infrastructure in its overall functioning (Nahapiet & Ghoshal, 1998; Lin, 2001). Social capital, in essence, reflects the social interface between individuals and specifically, the existence of close interpersonal relations among organizational members (Lin, 2001). Nahapiet and Ghoshal (1998) argued that high quality relationships between employees are highly valuable, not easily forged and difficult to imitate. While HR practices and organizational justice at work may enhance employees' behaviour and desired performance at work, these practices can be easily copied (Wright et al., 1994). And such practices though proven to be highly effective in inducing positive employees'

behaviour, are contingent upon the relational infrastructure formed among employees within the organization. In other words, relationship between a subordinate and a supervisor (LMX), in particular, may still affect employee's contentment with the work environment as a whole in the organization.

5.4   Practical Implications

Nevertheless, it can be concluded from the findings that frontline employees working in five star hotels in Malaysia appreciate the bundles of high involvement HR practices which include extensive training, fair performance appraisal which leads to the performance-based pay and opportunity to participate in decision making. Hotels which limit the employees from attending various training and development programmes with the intention of keeping costs low or for fear that these employees would leave the organization upon being trained, should acknowledge the need to provide such opportunity in order to invite helping behaviour and a sense of loyalty from the workforce. More often, top management address the concerns of fair appraisal among collar staff and neglecting the operational staff who are the closest to their stream of customers, determining the immediate profit for the organization.

The output from this research indicated that hotel employees, despite having a very routine job, expect their supervisors to evaluate their performance objectively and reward them accordingly, and not based on seniority. These employees would be pleased to be counted in for profit-reaping in year end such as attaining bonuses and extra allowances. Given the demographic background of the current workforce, made up mostly by Generation Y and Z who value empowerment and desire for constant recognition from organization, the top management should improve their ways in

treating these frontline employees, just like how they address and prioritize the needs of skilled and white collar staff.

Practically, the findings produced in this study are particularly useful for HR practitioners who struggle to build a productive workforce by retaining employees who are willing to walk the extra mile for the organization, while attracting potential candidates to join. The paths highlighted above deserve more attention as organizational resources are always limited. Significantly, HR practitioners should encourage the organization in espousing management values which are portrayed as valuing human capital as long term asset and not additional cost or expense that need to be incurred. Although this bundles of HR practices do not appear to be significantly contributory to the employees' performance of OCB, findings have shown that HR philosophy does support such high formulation of HR practices, and these practices, in a way, influence the quality exchanges that subordinate and supervisor share in the organization. There are many ways in which organizations can convey that they value employees as long term resources. HR practitioners may conduct ongoing education and development programmes, offer promotion opportunities through employees' referral and provide supportive benefits such as childcare support and flexible work hours.

The implementation of HR practices is considered successful and effective if they are executed in a fair and just manner, at least in the eyes of the employees. The frontline employees in this study demanded for procedural justice and interactional justice to take place before exhibiting organizational citizenship behaviour. This implies that they are concerned not only about the procedures adopted in reaching the outcome but also the justification and explanation made for the outcome. The additional path suggested by the nested model further affirms this result by relating

procedural justice to high quality exchanges between the leader and the member. While procedural and interactional justice may have been fulfilled, HR practitioners should be cautioned against solely relying on this in eliciting OCB. The subordinates' trust in his or her supervisor is found to have mediated the relationship between justice and OCB in this study. One may therefore conclude that while justice should be in place, the subordinates' trust in his or her supervisor is equally important. This is somehow explicable because having embraced the culture of collectivism and living high on uncertainty avoidance, Malaysians tend to relate to their immediate supervisors, as opposed to their organization directly. Thus, even though trust in the supervisor does not fully mediate the relationship between perceived fairness and OCB, the element of trust is still a significant factor to be considered by employees before enacting organizational citizenship behaviour.

Since frontline employees deem procedural justice as highly important, the approaches and procedures taken in reaching every single outcome should be justified and answerable. The bias ranging from stereotyping, halo effect to discrimination against an individual should always be avoided. The supervisors should be held accountable and responsible for every action taken. Two-way communication should always be practiced as this encourages subordinates to approach their supervisors freely when in doubt. An open door policy enabling subordinates to discuss their problems with the supervisors, without any hesitation, will definitely enhance the relationship and foster mutual trust. LMX sensitivity and ways to build a trust could be incorporated into leadership training programmes mandated for all supervisors.

As a conclusion, HR practitioners should work hard towards creating a positive organizational climate characterized by espoused HR philosophy, high involvement HR practices, in which fairness for employees is prioritized while maintaining a high

quality exchanges as well as trusting relationship between the subordinate and the supervisor, in order to induce OCB as desired. Such extra-role behaviour does not only lubricate the social machinery by reducing conflict and friction but also contributed to minimizing employees' intention to quit.

5.5   Limitations and Future Research

This study is not without any weaknesses. Firstly, based on the membership directory of Malaysian Association of Hotels (2007/2008), there are in total 85 five-star hotels in Malaysia. However, only 40 hotels agreed to participate. Among the reasons given by the hotels which declined to participate included it is the hotel policy for not participating in any surveys regardless of topic; that the hotel was serving full occupancy rate at its peak season and staff would not be available; that the hotel had its own appraisal form, thus this study may not be useful; and questions probed in the survey were simply too sensitive and confidential to be revealed. Therefore, having only 444 respondents randomly selected from 40 hotels amounted to a sample that can be argued to be rather small.

Secondly, the units of analysis of this study are solely frontline employees. Hence, the findings could not be generalized to all other levels which may vary in terms of the nature of work, academic qualifications, income level, working experiences and the like. Lastly, since the data originates from employees working in the hospitality industry, the researcher could not conclude the same for all other industries. Due to these limitations, the researcher recommended that future research be conducted to increase the sample size for a better validation. Further studies may also include all levels of employees from all other states in Malaysia, not confining it only to non-

supervisory employees. Similar theoretical framework should be tested on other industries such as manufacturing, food and beverage, education, construction and so forth, so as to reaffirm the findings compiled in this study.

From the theoretical aspects, many of the items incorporated in the study suffered from poor loadings, to the extent which two dimensions of high involvement HR practices had to be dropped. Given more time, probably for longitudinal study, one should compare the effects of selecting and bundling which HR practices or what factors may come into play when such selection is subjected to researchers' own interpretation. Also, more careful analysis should be given to the effects of whether OCB can be induced more through individual HR practices or better through bundles of high involvement HR practices. While this study demonstrates relatively little new knowledge, it enforces the different perspectives of how high involvement HR practices may contribute to performance in reality, though the direct effect may not be visibly seen and explained.

The unseen 'blackbox' stages is proven to be much complicated and could not be well explained through a complicated model designed in this study. Future research should focus more on the depth of each construct, starting from what constitutes effective HR system and what dimensions of OCB matter when it comes to bundling these practices. As procedural justice firmly demonstrates its essence in determining the work climate, focus should also be placed on the relational structure, i.e. leader-member exchange which similarly offers various dimensions.

5.6   Summary of Findings

Literally, most of the objectives of this study have been reasonably achieved. The findings of this study demonstrate the importance of bundling high involvement HR practices, driven by HR philosophy. It is interesting to find that out of the six high involvement HR practices, selective staffing and internal mobility were eliminated from further analysis since respondents did not perceive these practices as significant. The bundles of high involvement HR practices consented as important include extensive training, performance evaluation, performance-based pay and participation in decision making.

Just like Pare & Tremblay (2007), high involvement HR practices do not significantly influence employees' willingness in OCBI and OCBO. And due to this insignificant path, LMX fails to be posited as the potential mediator. Nonetheless, although literature suggesting the link between high involvement HR practices and LMX is relatively weaker, researcher's proposition of relating these practices to leader-member quality exchanges is supported in this study. This proves that relational structure between subordinate and supervisor holds considerable weight in determining subordinates' intention to quit. This is even more evident when trust in supervisor is found to have significant relationship with all three dimensions of justice. Also, respondents who took part in this study value procedural and interactional justice but not distributive justice. This implies that while they expect high involvement HR practices to be administered on a fair and just platform, they are only interested in knowing the fairness of procedures used in reaching the outcomes and the manner in which procedures regarding the outcomes are implemented. The key, however, lies with the level of trust these subordinates have in their supervisor.

Overall, respondents of this study appear to have exhibited more of OCBO and not OCBI. Such behavior dedicated to benefit organization is found to have lowered employees' intention to leave and such findings could be attributed to the collective nature of the Malaysian society.

As a conclusion, managers or hotel runners, in specific, must acknowledge the need to pool human capital in the light of strong relational infrastructure so as to increase employee's retention. This study shows the possibility of inducing organizational citizenship behaviour (OCB) through human resource (HR) philosophy embraced by the organizations, high involvement HR practices and organizational justice administered at the workplace. One of the relational infrastructures, namely trust in supervisor is proven to be the potential mediator.